

PETROLEUM ACT

ARRANGEMENT OF SECTIONS

SECTION

1. Vesting of petroleum in the State, etc.
2. Oil exploration licences, oil prospecting licences and oil mining leases.
3. Refineries.
4. Control of petroleum products.
5. Offences in connection with the distribution of petroleum products.
6. Price control.
7. Rights of pre-emption.
8. Power and duties of public officers.
9. Regulations.
10. Discharge of obligation to make payments.
11. Settlement of disputes by arbitration.
12. Delegation of powers.
13. Offences.
14. Repeals, amendments, transitional and savings provisions.
15. Interpretation.
16. Short title and commencement.

SCHEDULES

FIRST SCHEDULE

Oil exploration licences, oil prospecting licences and oil mining leases

SECOND SCHEDULE

Rights of pre-emption

THIRD SCHEDULE

Repeals

FOURTH SCHEDULE

Transitional and savings provisions

An Act to provide for the exploration of petroleum from the territorial waters and the continental shelf of Nigeria and to vest the ownership of, and all on-shore and off-shore revenue from petroleum resources derivable therefrom in the Federal Government and for all other matters incidental thereto.

[27th November, 1969]

[Commencement.]

1. Vesting of petroleum in the State

(1) The entire ownership and control of all petroleum in, under or upon any lands to which this section applies shall be vested in the State.

(2) This section applies to all land (including land covered by water) which-

(a) is in Nigeria; or

(b) is under the territorial waters of Nigeria; or

- (c) forms part of the continental shelves; or
[1998 No. 22.]
- (d) forms part of the Exclusive Economic Zone of Nigeria.

(3) In this section references to "territorial waters" are references to the expression as defined in the Territorial Waters Act.

[Cap. T5.]

2. Oil exploration licences, oil prospecting licences and oil mining leases

(1) Subject to this Act, the Minister may grant-

- (a) a licence, to be known as an oil exploration licence, to explore for petroleum;
- (b) a licence, to be known as an oil prospecting licence, to prospect for petroleum; and
- (c) a lease, to be known as an oil mining lease, to search for, win, work, carry away and dispose of petroleum.

(2) A licence or lease under this section may be granted only to a company incorporated in Nigeria under the Companies and Allied Matters Act or any corresponding law.

[Cap. C20.]

(3) The provisions of the First Schedule to this Act shall, in so far as they are applicable, have effect in relation to licences and leases granted under this section.

[First Schedule.]

3. Refineries

(1) No refinery shall be constructed or operated in Nigeria without a licence granted by the Minister.

(2) Licences granted under this section shall be in the prescribed form and shall be subject to the prescribed terms and conditions or, where no form is prescribed or no terms or conditions are prescribed, in such form or subject to such terms and conditions as may be decided or imposed by the Minister.

(3) There shall be charged in respect of every licence granted under this section such application fees and such other fees as may be prescribed.

(4) The provisions of this section are additional to the provisions of the Hydrocarbon Oil Refineries Act.

[Cap. H5.]

4. Control of petroleum products

(1) Subject to this section, no person shall import, store, sell or distribute any petroleum products in Nigeria without a licence granted by the Minister.

(2) Subsection (1) of this section shall not apply in respect to-

- (a) the storage, sale or distribution of not more than 500 litres of kerosene, and such other categories of petroleum products as may be exempted from the application of subsection (1) of this section by the Minister by order published in the *Federal Gazette*;
- (b) storage of petroleum products undertaken otherwise than in connection with the importation, sale or distribution of petroleum products.

(3) Licences granted by the Minister under this section shall be subject to the prescribed terms and conditions where no form is prescribed or no terms or conditions are prescribed, in such form and on such terms and conditions as may be decided or imposed by the Minister.

(4) There shall be charged in respect of every licence granted under this section application fees and such other fees as may be prescribed.

(5) The Minister may by order published in the *Federal Gazette* delegate the power to grant licences under this section to such persons or authorities in a State as he may deem fit.

(6) Any person who does, without the appropriate licence, any act for which a licence is required under this section shall be guilty of an offence and shall be liable on conviction to imprisonment for two years or a fine of ₦2,000 or both, and, in addition, the

petroleum products in respect of which the offence was committed shall be forfeited.

5. Offences in connection with the distribution of petroleum products

(1) If any oil marketing company in pursuance of any agreement or arrangement between it and any other oil marketing company borrows any petroleum products from any other oil marketing company and fails to return to that company an equivalent quantity of the petroleum products borrowed within two weeks of the date on which the petroleum products were borrowed, the first-named oil marketing company shall be guilty of an offence and on conviction shall be liable to a fine of ₦100 per metric ton of the petroleum products concerned.

(2) If any oil marketing company at any time registers only unpumpable stock in respect of petroleum products stored in its depot at Apapa, Lagos, that company shall be guilty of an offence and shall on conviction be liable to a fine of ₦5,000 for each day during which only unpumpable stock is registered.

(3) In this section, "oil marketing company" means any company in respect of which a marketer's licence has been granted by the Minister under section 4 of this Act.

6. Price control

(1) The Minister may by order published in the Federal *Gazette* fix the prices at which petroleum products or any particular class or classes thereof may be sold in Nigeria or in any particular part or parts thereof.

(2) The Minister may by notice in writing require any person appearing to him to have or to be likely to have access to information which is relevant to the fixing of any prices of the kind mentioned in subsection (1) of this section to supply that information to the Minister, and any person so required shall be legally bound to use his best endeavours to supply the information accordingly.

7. Rights of pre-emption

(1) In the event of a state of national emergency or war the Minister shall have the right of pre-emption of all petroleum and petroleum products obtained, marketed or otherwise dealt with under any licence or lease granted under this Act.

[1998 No. 22.]

(2) The provisions of the Second Schedule to this Act shall have effect in relation to the right mentioned in subsection (1) of this section.

[Second Schedule.]

(3) Any person who, without reasonable excuse (the burden of proof of which shall lie on him), fails to comply with a requisition made by or on behalf of the Minister under paragraph 1, 2 or 7 of the Second Schedule to this Act, or fails to conform to or obey a direction issued by the Minister under paragraph 8 of the Second Schedule to this Act, shall be guilty of an offence and on conviction shall be liable to a fine not exceeding ₦2,000

[Second Schedule.]

(4) Any person who obstructs or interferes with the Minister or his servants or agents in the exercise of the powers conferred on the Minister by paragraph 8 of the Second Schedule to this Act shall be guilty of an offence and on conviction shall be liable to a fine not exceeding ₦200 or to imprisonment for a period not exceeding six months, or to both.

(5) The Minister may, for the purpose of subsection (1) of this section, advise the President to declare a state of national emergency if the Minister is satisfied that, as a result of the low level of availability of petroleum and petroleum products -

(a) there is an actual breakdown of public order and public safety in the Federation or any part thereof; or

(b) there is a clear and present danger of actual breakdown of public order or public safety in the Federation or any part thereof.

[1998 No. 22.]

(6) The President may, on receiving the advice of the Minister under subsection (5) of this section, declare a state of national emergency under the provisions of the Constitution of the Federal Republic of Nigeria 1999 for the purpose of subsection (1) of this section, if he is satisfied that it is necessary to do so.

[Cap. C23. 1998 No. 22.]

8. Powers and duties of public officers

(1) The Minister-

- (a) shall exercise general supervision over all operations carried on under licences and leases granted under this Act;
- (b) shall report annually to the Federal Government on the progress of the oil industry in Nigeria;
- (c) shall have access at all times to the areas covered by oil exploration licences, oil prospecting licences and oil mining leases, and to all refineries and installations which are subject to this Act, for the purpose of inspecting the operations conducted therein and enforcing the provisions of this Act and any regulations made thereunder and the conditions of any licences or leases granted under this Act or under any corresponding law for the time being in force in Nigeria;
- (d) may arrest without warrant any person whom he finds committing, or whom he reasonably suspects of having committed, any offence under this Act or any regulations made thereunder, and shall hand over any person so arrested to a police officer with as little delay as possible;
- (e) may by notice in writing require the holder of a licence or lease granted under this Act or any contractor working for the holder (or any servant or agent of the holder or the contractor) to appear before him at a reasonable time and place to give such information as he may require about the operations being conducted under the licence or lease, and every person so required to appear shall be legally bound to comply with the notice and give the information;
- (f) may direct in writing that operations under a licence or lease granted under this Act shall be suspended in any area until arrangements have been made which in his opinion are necessary to prevent danger to life or property;
- (g) may direct in writing the suspension of any operations which in his opinion are not being conducted in accordance with good oil field practice; and
- (h) may direct in writing the suspension of any operations where in his opinion a contravention of this Act or any regulations made thereunder has been or may have been or is likely to be committed.

(2) The Director of Geological Survey shall have access at all times to the areas covered by oil exploration licences, oil prospecting licences and oil mining leases for the purpose of inspecting geophysical and geological operation therein.

9. Regulations

(1) The Minister may make regulations-

- (a) prescribing anything requiring to be prescribed for the purposes of this Act;
- (b) providing generally for matters relating to licences and leases granted under this Act and operations carried on thereunder, including-
 - (i) safe working;
 - (ii) the conservation of petroleum resources;
 - (iii) the prevention of pollution of water courses and the atmosphere;
 - (iv) the making of reports and returns (including the reporting of accidents);
 - (v) inquiries into accidents;
 - (vi) the keeping and inspection of records, books, statistics, accounts and plans;
 - (vii) the measurement of production; and
 - (viii) the measurement of crude oil delivered to refineries;
- (c) regulating the construction, maintenance and operation of installations used in pursuance of this Act;
- (d) regulating refineries and refining operations, and, where two or more refineries are in operation, specifying-
 - (i) the proportion or quantity of crude oil to be supplied to each refinery;
 - (ii) the share of each refinery in the total market; and

- (iii) the prices of refinery products;
 - (e) regulating the importation, handling, storage and distribution of petroleum, petroleum products and other flammable oils and liquids, and in particular (without prejudice to the generality of the foregoing)-
 - (i) prohibiting the importation or exportation of petroleum or petroleum products except at specified ports or places;
 - (ii) prescribing the notice to be given (and the person by whom the same shall be given) on the arrival at a port of a ship carrying petroleum or petroleum products as cargo;
 - (iii) defining dangerous petroleum and dangerous petroleum products, prescribing anchorages for ships carrying dangerous petroleum or dangerous petroleum products as cargo and requiring those ships to proceed to and remain at those anchorages;
 - (iv) regulating the loading, unloading, transport within a port, landing, trans-shipment and shipment of petroleum and petroleum products;
 - (v) providing for the licensing of lighters and other craft to carry petroleum and petroleum products within a port;
 - (vi) prescribing conditions and restrictions to be imposed upon vessels arriving at a port after having carried petroleum, petroleum products, dangerous petroleum or dangerous petroleum products;
 - (vii) providing for the examination and testing of petroleum and petroleum products, and prescribing the tests to be applied to ascertain its flash-point and the method of applying those tests; and
 - (viii) subject to subsection (2) of this section, regulating the transport of petroleum and petroleum products, prescribing the quantity of petroleum and petroleum products which may be carried in any vessel, cart, truck, railway wagon or other vehicle, the manner in which they shall be stored when being so carried, the receptacles in which they shall be contained when being so carried and the quantities to be contained in those receptacles, and providing for the search and inspection of any such vessel, cart, truck, railway wagon or other vehicle;
 - (f) conferring or imposing on public officers for the purposes of this Act powers and duties additional to those conferred or imposed by section 8 of this Act;
 - (g) where paragraph (a) of this subsection does not apply; prescribing-
 - (i) forms to be used for the purposes of this Act; and
 - (ii) fees to be charged in connection with the operation of this Act (including, without prejudice to the generality of the foregoing, fees for the giving of any permission by the Minister and for the supplying of any document or other material, the carrying out of any examination and the doing of any other thing by him); and
 - (h) providing for such other matters as in his opinion may be necessary or desirable in order to give proper effect to this Act.
- (2) Regulations made under subsection (1) (e) (viii) of this section shall apply only where petroleum or petroleum products are being transported-
- (a) on the waters mentioned in item 36 (a) and (b) of Part 1 of the Second Schedule to the Constitution of the Federal Republic of Nigeria 1999; or
[Second Schedule. Cap. C23.]
 - (b) by railway or transport ancillary thereto; or
 - (c) on trunk roads within the meaning of item 62 of that Part of that Schedule.

10. Discharge of obligation to make payments

An obligation to pay any fees, rent, royalty, premium or other sum imposed by or under this Act shall be discharged if, and only if, the payment is made within the time provided by or under this Act (or, where no time is so provided, within a reasonable time) to the Minister or his duly authorised representative.

11. Settlement of disputes by arbitration

(1) Where by any provision of this Act or any regulations made thereunder a question or dispute is to be settled by arbitration, the question or dispute shall be settled in accordance with the law relating to arbitration in the appropriate State and the provision shall be treated as a submission to arbitration for the purposes of that law.

(2) In this section "**the appropriate State**" means the State agreed by all parties to a question or dispute to be appropriate in the circumstances or, if there is no such agreement, the Federal Capital Territory, Abuja.

12. Delegation of powers

(1) The Minister may by writing under his hand delegate to another person any power conferred on him by or under this Act except the power to make orders and regulations.

(2) The Minister or the Director of Geological Survey may by writing under his hand delegate any power conferred on him by or under this Act to another public officer.

13. Offences

(1) Any person who interferes with or obstructs the holder of a licence or lease granted under section 2 of this Act (or his servants or agents) in the exercise of any rights, power or liberty conferred by the licence or lease shall be guilty of an offence and on conviction shall be liable to a fine not exceeding ₦200 or to imprisonment for a period not exceeding six months, or to both.

(2) Any person who-

- (a) constructs or operates a refinery in Nigeria without a licence granted under section 3 of this Act; or
- (b) in any land to which section 1 of this Act applies-
 - (i) explores for petroleum without an oil exploration licence; or
 - (ii) prospects for petroleum without an oil prospecting licence; or
 - (iii) wins or works petroleum otherwise than in pursuance of a licence or lease granted under this Act; or
 - (iv) does, without the appropriate licence, any act for which a licence is required under any regulations made under this Act,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding ₦2,000.

(3) Any person who contravenes any provision of an order made under section 6 of this Act shall be guilty of an offence and on conviction shall be liable to a fine not exceeding ₦2,000.

(4) Where a person is convicted of an offence under subsection (2) or (3) of this section in respect of any petroleum or petroleum products, then, in addition to any penalty imposed under the subsection in question, the convicting court may-

- (a) order the petroleum or petroleum products to be forfeited; or
- (b) order that person to pay to the Minister the value of the petroleum or petroleum products.

14. Repeals, amendments, transitional and savings provisions

(1) The enactments specified in the Third Schedule to this Act are hereby repealed to the extent therein specified.

[Third Schedule.]

(2) The reference to petroleum licence in section 140 (1) and (2) of the Minerals and Mining Act shall be construed as including a reference to this Act.

[Cap. MI2.]

(3) The transitional and savings provisions in the Fourth Schedule to this Act shall have effect notwithstanding any other provision of this Act.

[Fourth Schedule.]

15. Interpretation

(1) In this Act, unless the context otherwise requires-

"barrel" means a barrel of 42 United States gallons;

"continental shelf" means the sea bed and subsoil of those submarine areas adjacent to the coast of Nigeria the surface of which lies at a depth no greater than 200 metres (or, where its natural resources are capable of exploitation, at any depth) below the surface of the sea, excluding so much of those areas as lies below the territorial waters of Nigeria;

"crude oil" means oil in its natural state before it has been refined or treated (excluding water and other foreign substances);

"explore" in relation to petroleum, means to make a preliminary search by surface geological and geophysical methods, including aerial surveys but excluding drilling below 91.44 metres;

"Minister" means the Minister of Petroleum Resources;

"natural gas" means gas obtained from boreholes and wells and consisting primarily of hydrocarbons;

"petroleum" means mineral oil (or any related hydrocarbon) or natural gas as it exists in its natural state in strata, and does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation;

"petroleum products" includes motor spirit, gas oil, diesel oil, automotive gas oil, fuel oil, aviation fuel, kerosene, liquefied petroleum gases and any lubrication oil or grease or other lubricant;

"prospect" in relation to petroleum, means search for by all geological and geophysical methods, including drilling and seismic operations;

"refinery" means petroleum refinery;

"rent" includes any annual or other periodic charge made in respect of a licence granted under section 2 of this Act;

"State" except in section 1 of this Act, means a State of the Federation.

(2) References in this Act to the Director of Geological Survey are references to the persons for the time being holding, acting in or performing the functions of the offices so designated in the public service of the Federation as defined in the Constitution of the Federal Republic Nigeria 1999.

[Cap. C23.]

16. Short title and commencement

(1) This Act may be cited as the Petroleum Act.

(2) This Act, except section 6 and the Second Schedule thereof, shall come into force on 27 November 1969.

FIRST SCHEDULE

[Section 2 (3).]

OIL EXPLORATION LICENCES, OIL PROSPECTING LICENCES AND OIL MINING LEASES

Oil exploration licences

1. An oil exploration licence shall apply to the area specified therein which may be any area on which a premium has not been placed by the Minister, and shall authorise the licensee to undertake exploration for petroleum in the area of the licence, excluding land in respect of

which the grant of an oil prospecting licence or oil mining lease has been approved by the Minister and land in respect of which an oil prospecting licence or oil mining lease is in force.

2. An oil exploration licence shall not confer any exclusive rights over the area of the licence, and the grant of an oil exploration licence in respect of any area shall not preclude the grant of another oil exploration licence or of an oil prospecting licence or oil mining lease over the same area or any part thereof.

3. An oil exploration licence shall terminate on 31 December next following the date on which it was granted, but the licensee shall have an option to renew the licence for one further year if-

- (a) he has fulfilled in respect of the licence, all obligations imposed upon him by this Act or otherwise;
- (b) the Minister is satisfied with work done and the reports submitted by the licensee in pursuance of the licence; and
- (c) an application for renewal has been made at least three months before the date of expiry of the licence.

4. An oil exploration licence shall not confer any right to the grant of an oil prospecting licence or an oil mining lease.

Oil prospecting licences

5. The holder of an oil prospecting licence shall have the exclusive right to explore and prospect for petroleum within the area of his licence.

6. The duration of an oil prospecting licence shall be determined by the Minister, but shall not exceed five years (including any periods of renewal).

7. The holder of an oil prospecting licence may carry away and dispose of petroleum won during prospecting operations, subject to the fulfilment of obligations imposed upon him by or under this Act (including any special terms or conditions imposed under paragraph 34 of this Schedule) or by the Petroleum Profits Tax Act or any other law imposing taxation in respect of petroleum.

Oil mining leases

8. An oil mining lease may be granted only to the holder of an oil prospecting licence who has-

- (a) satisfied all the conditions imposed on the licence or otherwise imposed on him by this Act; and
- (b) discovered oil in commercial quantities.

9. For the purposes of paragraph 8 of this Schedule, oil shall be deemed to have been discovered in commercial quantities by the holder of an oil prospecting licence if the Minister, upon evidence adduced by the licensee, is satisfied that the licensee is capable of producing at least 10,000 barrels per day of crude oil from the licensed area.

10. The term of an oil mining lease shall not exceed twenty years, but may be renewed in accordance with this Act.

11. Subject to this Act and any special terms or conditions imposed under paragraph 34 of this Schedule, the lessee of an oil mining lease shall have the exclusive right within the leased area to conduct exploration and prospecting operations and to win, get, work, store, carry away, transport, export or otherwise treat petroleum discovered in or under the leased area.

12. (1) Ten years after the grant of an oil mining lease, one half of the area of the lease shall be relinquished.

(2) Paragraph 18 of this Schedule shall apply to the relinquished area.

13. (1) The lessee of an oil mining lease shall be entitled to apply in writing to the Minister, not less than twelve months before the expiration of the lease, for a renewal of the lease either in respect of the whole of the leased area or any particular part thereof; and the renewal shall be granted if the lessee has paid all rent and royalties due and has otherwise performed all his obligations under the lease.

(2) Paragraph 12 of this Schedule shall not apply in relation to a lease which has been renewed under this paragraph.

Assignments

14. Without the prior consent of the Minister, the holder of an oil prospecting licence or an oil mining lease shall not assign his licence or lease, or any right, power or interest therein or thereunder.

15. The prescribed fee shall be paid on an application for an assignment under paragraph 14 of this Schedule and the Minister's consent for the assignment may be given on payment of such other fee or such premium, or both, and upon such terms, as he may decide:

Provided that the Minister may waive payment of that other fee or that premium, or

both,
if he is satisfied that the assignment is to be made to a company in a group of which the assignor is a member, and is to be made for the purpose of re-organisation in order to achieve greater efficiency and to acquire resources for more effective petroleum operations.

16. The Minister shall not give his consent to an assignment unless he is satisfied that-

- (a) the proposed assignee is of good reputation, or is a member of a group of companies of good reputation, or is owned by a company or companies of good reputation;
- (b) there is likely to be available to the proposed assignee (from his own resources or through other companies in the group of which he is a member, or otherwise) sufficient technical knowledge and experience and sufficient financial resources to enable him to effectually carry out a programme satisfactory to the

Minister in respect of operations under the licence or lease which is to be assigned; and

- (c) the proposed assignee is in all other respects acceptable to the Federal Government.

Farm-out

17. (1) The holder of an oil mining lease may, with the consent of and on such terms and conditions as may be approved by the President, farm out any marginal field which lies within the leased area.

[1996 No. 23.]

(2) The President may cause the farm-out of a marginal field if the marginal field has been left unattended for a period of not less than ten years from the date of the first discovery of the marginal field.

[1996 No. 23.]

(3) The President shall not give his consent to a farm-out or cause the farm-out of a marginal field unless he is satisfied-

- (a) that it is in the public interest so to do, and, in addition, in the case of a non-producing marginal field, that the marginal field has been left unattended for an unreasonable time, not being less than ten years; and
- (b) that the parties to the farm-out are in all respects acceptable to the Federal Government.

[1996 No. 23.]

(4) For the purposes of this paragraph-

"farm-out" means an agreement between the holder of an oil mining lease and a third party which permits the third party to explore, prospect, win, work and carry away any petroleum encountered in a specified area during the validity of the lease;

"marginal field" means such field as the President may, from time to time, identify as a marginal field.

[1996 No. 23.]

Terminations

18. (1) The holder of an oil prospecting licence or oil mining lease may, at any time, terminate his licence or lease by giving to the Minister not less than three months' notice in writing to that effect.

(2) Where notice is given under this paragraph, no rent paid shall be refundable, and the termination shall otherwise be without prejudice to any obligation or liability imposed by or incurred under the licence or lease before the effective date of termination.

19. (1) Without prejudice to paragraph 12 of this Schedule, the holder of an oil prospecting licence or oil mining lease shall be entitled at any time on giving three months' notice in writing to the Minister to surrender the licence or lease in respect of any particular part of the licensed or leased area.

(2) Paragraphs 19 to 22 of this Schedule shall apply where a surrender is made under this paragraph.

20. The shape and size of the area to be retained and of the area to be relinquished shall be approved by the Minister.

21. Subject to the provisions of all the relevant laws and on such terms and conditions as may be approved by the Minister, the licensee or lessee shall be entitled to such way-leaves for the laying, operation and maintenance of pipelines, telephones and the like through or across the surrendered area or areas as he may reasonably require-

- (a) for the carrying on of operations under the licence or lease; or
- (b) for inter-communication and passage between retained areas (and, in the case of licences or leases in the continental shelf, between retained areas and on-shore lands),

and any such way-leaves shall form part or be included in the calculation of the amount of the retained areas.

22. There shall be reserved to the Minister over the retained part such way-leaves, easements or other rights as in his opinion are necessary or desirable for the laying, operation and maintenance of pipelines, telephone lines and power-lines; and any way-leaves or other rights so reserved shall enure for the benefit of any person or body to whom the Minister may subsequently grant the same to the extent that he may so grant them.

23. No rent paid shall be refundable, but the surrender shall otherwise be without prejudice to any obligation or liability imposed by or incurred under the licence or lease before the

(a) the licensee or lessee makes no or no sufficient explanation; or

(b) does not rectify the matter complained of within the specified period, the Minister may revoke the licence or lease.

fective date of surrender.

Revocations

24. (1) The Minister may revoke any oil prospecting licence or oil mining lease if the licensee or lessee becomes controlled directly or indirectly by a citizen of, or subject of, or a company incorporated in, any country which is-

(a) a country other than the licensee's or lessee's country of origin; and

(b) a country the laws of which do not permit citizens of Nigeria or Nigerian companies to acquire, hold and operate petroleum concessions on conditions which in the opinion of the Minister are reasonably comparable with the conditions upon which such concessions are granted to subjects of that country.

(2) In this paragraph "**Nigerian company**" means a company incorporated in Nigeria or a company controlled directly or indirectly by citizens of Nigeria.

25. (1) The Minister may revoke any oil prospecting licence or oil mining lease if in his opinion the licensee or lessee-

(a) is not conducting operations-

(i) continuously;

(ii) in a vigorous and businesslike manner in accordance with the basic work programme approved for the licensee or lessee; and

(iii) in accordance with good oil field practice; or

[1998 No. 22.]

(b) has failed to comply with any provision of this Act or any regulation or direction given thereunder or is not fulfilling his obligations under the special conditions of his licence or lease; or

(c) fails to pay his due rent or royalties, whether or not they have been demanded by the Minister, within the period specified by or in pursuance of this Act; or

(d) has failed to furnish such reports on his operations as the Minister may lawfully require.

(2) Paragraphs 26 to 30 of this Schedule shall apply where there is revocation under this paragraph.

26. The Minister shall inform the licensee or lessee of the grounds on which the revocation is contemplated and shall invite the licensee or lessee to make any explanation if he so desires.

27. If the Minister is satisfied with the explanation, he may invite the licensee or lessee to rectify the matter complained of within a specified period.

28. If-

29. A notice sent to the last-known address of the licensee or lessee or his legal representative in Nigeria and published in the *Federal Gazette* shall, for all purposes, be sufficient notice to him of the revocation of the licence or lease.

30. The revocation shall be without prejudice to any liabilities which the licensee or lessee may have incurred, or to any claim against him which may have accrued to the Federal Government.

Fees, rents and royalties

31. There shall be paid in respect of licences and leases to which this Schedule applies such

application fees as may be prescribed.

32. There shall be paid in respect of licences and leases to which this Schedule applies such rents as may be prescribed.

33. Royalties shall be paid at the prescribed rates or, where rates are specified in special terms and conditions attached to the relevant licence or lease, at the rates so specified.

General and supplementary

34. Licences and leases to which this Schedule applies shall be in the prescribed form or, where no form is prescribed, in such form as the Minister considers suitable.

35. If he considers it to be in the public interest, the Minister may impose on a licence or lease to which this Schedule applies special terms and conditions not inconsistent with this Act including (without prejudice to the generality of the foregoing) terms and conditions as to-

- (a) participation by the Federal Government in the venture to which the licence or lease relates, on terms to be negotiated between the Minister and the applicant for the licence or lease; and
- (b) special provisions applying to any natural gas discovered, which provisions shall include-
 - (i) the right of the Federal Government to take natural gas produced with crude oil by the licensee or lessee free of cost at the flare or at an agreed cost and without payment of royalty;
 - (ii) the obligation of the licensee or lessee to obtain the approval of the Federal Government as to the price at which natural gas produced by the licensee or lessee (and not taken by the Federal Government) is sold; and
 - (iii) a requirement for the payment by the licensee or lessee of royalty on natural gas produced and sold.

36. The holder of an oil prospecting licence or oil mining lease shall-

- (a) have a general right to enter and remain on the licensed or leased lands and do such things as are authorised by the licence or lease; and
- (b) shall comply with any enactment relating to town or country planning or regulating the construction, alteration, repair or demolition of buildings, or providing for similar matters, which affects him in carrying out the operations authorised by the licence or lease.

37. The holder of an oil exploration licence, oil prospecting licence or oil mining lease shall, in addition to any liability for compensation to which he may be subject under any other provision of this Act, be liable to pay fair and adequate compensation for the disturbance of surface or other rights to any person who owns or is in lawful occupation of the licensed or leased lands.

38. The holder of an oil mining lease shall ensure that-

- (a) within ten years from the grant of his lease-
 - (i) the number of citizens of Nigeria employed by him in connection with the lease in managerial, professional and supervisory grades (or any corresponding grades designated by him in a manner approved by the Minister) shall reach at least 75% of the total number of persons employed by him in those grades; and
 - (ii) the number of citizens of Nigeria in anyone such grade shall be not less than 60% of the total; and
- (b) all skilled, semi-skilled and unskilled workers are citizens of Nigeria.

39. The holder of any licence or lease to which this Schedule applies shall at all times indemnify and keep harmless the Federal Government, the Minister and every officer in the civil service of the Federation or the States (and their agents) against all actions, costs, charges, claims and demands howsoever which may be made or brought by any third party in relation to any matter or thing done or purported to be done in pursuance of this Act.

40. If any fee, rent or royalty due under this Act is unpaid for a period of one month after the date when it becomes due (whether legally demanded or not), the Minister may, in addition to any other remedies which may be available-

- (a) enter into and upon any land, property or premises possessed or occupied by the licensee or lessee in connection with the licence or lease; and
- (b) seize and distrain and sell as landlords may do for rents in arrear, any petroleum, petroleum products, engines, machinery, tools, implements or other effects belonging to the licensee or lessee which may be found in or upon the land, property or premises; and
- (c) out of moneys arising from the sale of the distress, retain and pay off the arrears of the said fee, rent or royalty and also the costs and expenses incident to

the distress and sale, rendering the surplus (if any) to the licensee or lessee.

41. (1) Failure on the part of the holder of a licence or lease to which this Schedule applies to fulfil any of the terms or conditions of the licence or lease shall not (except as may be otherwise provided for in or in relation to the licence or lease) give the Minister any claim against the licensee or lessee, or be deemed a breach of the licence or lease, if the failure arises from causes beyond the control of the licensee or lessee.

(2) If from any such cause the fulfilment by any such licensee or lessee of any term or condition of his licence or lease or of any provision of this Act is delayed, the period of delay shall be added to the period fixed for the fulfilment of the term or condition.

42. If any question or dispute arises in connection with any licence or lease to which this Schedule applies between the Minister and the licensee or lessee (including a question or dispute as to the payment of any fee, rent or royalty), the question or dispute shall be settled by arbitration unless it relates to a matter expressly excluded from arbitration or expressed to be at the discretion of the Minister.

SECOND SCHEDULE

[Section 7 (2).]

Rights of pre-emption

1. The Minister shall have the right to require the holder of any licence or lease granted under this Act (the holder in question being referred to in this Schedule as "the licensee or lessee")-

- (a) to provide for the Federal Government, to the extent of any refinery capacity he may have in Nigeria, petroleum products complying with specifications given by the Minister;
- (b) to deliver to any person holding a licence to operate a refinery, such quantity and quality of crude oil as may be specified by the Minister to the extent that the licensee or lessee has crude oil of that quantity and quality.

2. The licensee or lessee shall use his best endeavours to increase so far as possible with his existing facilities the supply of petroleum or petroleum products, or both, for the Federal Government to the extent required by the Minister.

3. The licensee or lessee shall, with all reasonable expedition and so as to avoid demurrage on the vessels conveying the same, use his best endeavours to deliver all petroleum or petroleum products purchased by the Minister under his said right of pre-emption in such quantities, and at such places of shipment or storage in Nigeria, as may be determined by the Minister.

4. If a vessel employed to carry petroleum or petroleum products pursuant to paragraph 3 of this Schedule is detained on demurrage at the port of loading, the licensee or lessee shall pay the amount due for demurrage according to the terms of the charter-party or the rates of loading previously agreed by the licensee or lessee, unless the delay is due to causes beyond the control of the licensee or lessee.

5. Any dispute which may arise as to whether a delay is due to causes beyond the control of the licensee or lessee shall be settled by agreement between the Minister and the licensee or lessee or, in default of agreement, by arbitration.

6. The price to be paid for petroleum or petroleum products taken by the Minister in exercise of his said right of pre-emption shall be-

- (a) the reasonable value at the port of delivery, less discounts to be agreed by both parties; or
- (b) if no such agreement has been entered into prior to the exercise of the right of pre-emption, a fair price at the port of delivery to be settled by agreement between the Minister and the licensee or lessee or, in default of agreement, by arbitration.

7. To assist in arriving at a fair price for the purposes of paragraph 6 (b) of this Schedule, the licensee or lessee shall, if the Minister so requires-

- (a) furnish for his confidential information particulars of the quantities, descriptions and prices of petroleum or petroleum products sold to other customers and of charters or contracts entered into for their carriage; and
- (b) exhibit original or authenticated copies of the relevant contracts or charter-parties.

8. The Minister may take control of any works, plants or premises of the licensee or lessee; and if he does so, the licensee or lessee and his servants or agents shall conform to and obey all directions issued by the Minister or on his behalf.

9. Reasonable compensation shall be paid to the licensee or lessee for any loss or damage caused to him by reason of the exercise by the Minister of the powers conferred by paragraph 8 of this Schedule.

10. Any compensation payable under paragraph 9 of this Schedule shall be settled by agreement between the Minister and the licensee or lessee or, in default of agreement, by arbitration.

THIRD SCHEDULE
[Section 14 (1).]

Repeals

<i>Chapter or number</i>	<i>Short title or citation</i>	<i>Extent of repeal</i>
Cap.120} Cap.121}	of 1958 Laws of Nigeria Mineral Oils Act	The whole Act. The words "and mineral oils", in section 3, together with the words "mineral oils" in the marginal note.
Cap. 150} Cap.151}	of 1958 Laws of Nigeria Petroleum Act	The whole Act. The whole Act.
	Petroleum Control Act 1967	Section 7.

FOURTH SCHEDULE
[Section 14 (3).]

<i>Minerals Act</i>	<i>Transitional and savings provisions</i>
1. Any licence or lease granted this Act shall continue in force notwithstanding the repeal, but shall be subject to this Act and to any regulations made thereunder except as regards the lease, the rent and royalties in respect thereof and any term or condition in question shall notwithstanding this Act.	under an enactment repealed by and to any regulations made duration of the licence or payable condition as to which the of the case requires that the continue to be effective not-
Petroleum Fuel Control Act	
[1973 No. 16.]	

2. Where a refinery constructed with the approval of the Federal Government, or of any of its predecessors, was in operation immediately before the commencement of this Act-

- (a) it shall be the duty of the persons in control of the refinery to apply in writing within sixty days of the commencement of this Act (or within such further period as the Minister may allow) to the Minister for a licence under section 3 of this Act;
- (b) on receipt of the application the Minister shall grant the licence subject to the payment of such fees (including application fees), such rent and such conditions as he thinks fit, if any; and
- (c) section 12 (2) of this Act shall not have effect in relation to the refinery during the said sixty days or any such further period or, if the application is duly made, until the application is finally disposed of.

3. (1) Any existing operator may, within sixty days of the commencement of this Act or within such further period as the Minister may allow, apply in writing to the Minister for a licence under section 4 (1) of this Act or under any regulations coming into force simultaneously with this Act, and section 16 (2) of this Act, in so far as it relates to the existing operator and to the licence-

- (a) shall not have effect during the said sixty days or any such further period; or
- (b) if such a licence is applied for under this paragraph, have effect in relation to the applicant until his application has been finally disposed of.

(2) In this paragraph "**existing operator**", in relation to a licence, means any person who immediately before the commencement of this Act was carrying on with the knowledge and approval of the Federal Government the activity regulated by the licence.

4. (1) The Mineral Oils (Safety) Regulations 1963 and, to the extent that they were made under section 3 (1) of the Petroleum Act, the Petroleum Regulations 1967, shall be deemed to have been made under section 9 of this Act and may be added to, amended, varied or revoked accordingly.

[L.N. 45 of 1963. Cap. 150 of 1958 Laws of Nigeria. L.N. 71 of 1967.]

(2) The power conferred by sub-paragraph (1) of this paragraph shall be deemed to include power to make any modifications necessary to bring the said regulations into conformity with the powers conferred by the said section 9.

5. A person shall not be convicted of an offence for doing any act authorised by a licence or lease as saved by paragraph 1 of this Schedule.

6. Within the twelve months immediately following the commencement of this Act, the Minister may by order in the Federal *Gazette* make such further transitional or saving provisions (not inconsistent with this Schedule) as he may think necessary or desirable.

SUBSIDIARY LEGISLATION

List a/Subsidiary Legislation

1. Minerals Oils (Safety) Regulations.
2. Petroleum Regulations.
3. Petroleum (Drilling and Production) Regulations.
4. Petroleum Refining Regulations.
5. Crude Oil (Transportation and Shipment) Regulations.
6. Deep Water Block Allocations to Companies (Back-in-Rights) Regulations.
7. Oil Prospecting Licences (Conversion to Oil Mining Leases, etc.) Regulations.

MINERAL OILS (SAFETY) REGULATIONS'

ARRANGEMENT OF REGULATIONS

PART I

Preliminary

REGULATION

1. Short title.
2. Interpretation.

PART II

Duties of Licensees and Lessees

3. Duties of licensees and lessees.
4. Offences.

PART III

Duties of Managers

5. Compliance with regulations.
6. Appointment of competent persons.
7. Drilling and production operations.
8. Approaches.
9. Moving machinery.
10. Hooks.
11. Lifelines.
12. Boilers and oil treaters.
13. Internal combustion engines.
14. Electricity.
15. Pressure vessels.
16. Tanks.

* The Act under which these Regulations were made was repealed by the Petroleum Act Cap. 350 L.F.N. 1990. (now Cap. PIO). Paragraph 4 of the Fourth Schedule to the Act deems those Regulations to have been made under section 8 of the Act. Hence these Regulations which have not been revoked are published here with other Regulations made under Cap. 350 L.F.N. 1990.

REGULATION

17. Fuel storage tanks.
18. Persons entering tanks, etc.
19. Safe access.
20. Restricted areas.
21. Fire precautions.
22. Hydrogen sulphide.
23. Explosives.
24. Reporting of accidents.
25. Inquiries into accidents.
26. Publication of Regulations.
27. Offences.

PART IV

Duties of Employees

28. Competent persons.
29. Safety precautions.
30. Accumulation of rubbish.
31. Safety belts, hats and boots.
32. Storage of loose tools in derricks.
33. Counterbalance.
34. Machinery guards.
35. Electrical apparatus.
36. Signalling equipment.
37. Sleeping, drinking, etc., on duty.
38. Endangering safety by fire.
39. Examination of plant.
40. Other safety measures.
41. Offences.

PART V

Miscellaneous

42. Explosives.
43. Buildings.
44. Reporting unusual circumstances.
45. Reporting of neighbouring workings.
46. Delegation of powers of Director of Petroleum Resources.
47. Offences.

SCHEDULE

Summons to Witness

MINERAL OILS (SAFETY) REGULATIONS

[L.N. 45 of 1963.]

deemed to be made under section 9

[11th April, 1962]

[Commencement.]

PART I

Preliminary

1. Short title

These Regulations may be cited as the Mineral Oils (Safety) Regulations.

2. Interpretation

In these Regulations, unless the context otherwise requires -

"**child**" or "**younger person**" shall have the same meaning as is assigned to it in the Children and Young Persons Act;

"**Class 'A' Petroleum**" comprises all hydrocarbon liquids having a flash-point up to but not including 73 of by Abel closed cup test and all petroleum stocks with a flash-point below 200 of that are being handled at temperatures above their flash point;

"**competent person**" means a person appointed by the manager under regulation 6;

"**crude oil**" means the natural product of wells or seepages of petroleum oil before such oil has been refined or otherwise treated;

"**dangerous area**" means -

- (a) any enclosed premises containing a dangerous location together with a space extending not less than fifty feet measured along the shortest possible path in air of flammable gases or vapour from any point of escape of such gases from such premises; or
- (b) any open premises containing one or more dangerous locations together with a space extending not less than fifty feet in all directions from every such dangerous location;

"**dangerous atmosphere**" means an atmosphere containing any flammable gases or vapour in a concentration capable of ignition by an open flame or electric spark;

"**dangerous location**" means a location where a leakage or emission of a product which can produce a dangerous atmosphere is normally likely to occur;

"**Director of Petroleum Resources**" means an officer of the Ministry of Petroleum Resources appointed as such to exercise and perform those powers and duties, as the case may be, as are assigned to him by these Regulations;

"**gas**" or "**natural gas**" means gas obtained from boreholes or released from crude oil and consisting principally of hydrocarbons;

"**gas-free**" includes an absence of any concentration of combustible or toxic gases in a vessel, container or any area below the prescribed limits;

"**inspector**" means a petroleum engineer or other officer appointed in writing by the Director of Petroleum Resources to perform any of the duties detailed in these Regulations or in any of the licences or leases granted under the repealed Mineral Oils Act;

"**L.P.G.**" means hydrocarbon gas components comprising mainly butane or propane or admixtures thereof capable of being condensed and stored in liquid form in pressure vessels while gaseous at normal temperature and atmospheric pressure;

"**manager**" means the person appointed by the licensee under a licence or by the lessee under a lease to be in charge of all operations authorised by the licence or lease;

"**pressure vessel**" means a closed vessel of any capacity subjected or which may be subjected to an internal pressure above atmospheric;

"**restricted area**" in an installation or oilfield means an area in which certain precautions are necessary to ensure safety by reason of the possible presence of dangerous atmosphere, or because of the operations executed therein;

"**unrestricted area**" in an installation or oilfield means an area which is free from petroleum vapour in dangerous or hazardous quantities, and in which it is safe to accommodate boilers, open fires or flames, workshops, service buildings or any other similar structure;

"**wells**" includes every borehole drilled or sunk or in the course of being drilled or sunk for the purpose of searching for or producing crude oil or natural gas, and, where the context so admits, all works adjacent to or connected with such boreholes except boreholes which shall have been reported to the Director of Petroleum Resources as abandoned.

PART II

Duties of licensees and lessees

3. Duties of licensees and lessees

Every licensee or lessee under a licence or lease issued under the repealed Mineral Oils Act shall-

- (a) appoint in writing a person to be the manager who shall have continual charge of all operations authorised by the licence or lease;
- (b) notify the Director of Petroleum Resources in writing of such appointment and of any subsequent appointment in place of an original or later appointment;

- (c) provide sufficient safety belts for the derrickman and hard hats and safety boots of a pattern to be approved by the Director of Petroleum Resources for persons working in every drilling and workover crew;
- (d) provide adequate fire-fighting and first-aid equipment in accordance with good operating practice and to the satisfaction of the Director of Petroleum Resources at every well being drilled or worked over, block station, pump station or installation handling crude oil, natural gas or petroleum product;
- (e) ensure that no person shall drill any borehole for petroleum oil or gas with its centre within 150 feet of any building in which fire or lights other than a flame-proof or explosion-proof electric lighting installation are used, unless the said building shall have been evacuated and fire and exposed lights extinguished for the period when drilling is in progress.

4. Offences

Any licensee or lessee who fails to comply with the provisions of this Part of these Regulations shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding ₦ 100 or to imprisonment not exceeding six months or to both such fine and imprisonment.

PART III

Duties of managers

5. Compliance with regulations

It shall be the duty of every manager to ensure that the provisions of the Regulations in this Part are fully complied with.

6. Appointment of competent persons

The manager shall appoint in writing competent persons for the purposes of supervising all drilling, production, transmission and loading operations, and shall at once report each appointment and change in appointment to the Director of Petroleum Resources.

7. Drilling and production operations

Where no specific provision is made by these Regulations in respect thereof, all drilling, production, and other operations necessary for the production and subsequent handling of crude oil and natural gas shall conform with good oilfield practice which for the purpose of these Regulations shall be considered to be adequately covered by the appropriate current Institute of Petroleum Safety Codes, the American Petroleum Institute Codes or the American Society of Mechanical Engineers Codes.

8. Approaches

Every derrick floor shall have at least two clearly defined approaches which shall in addition be capable of being used as exits in case of danger and which shall be kept clear of obstruction at all times.

9. Moving machinery

(1) Every dangerous part of any machinery shall be securely fenced or guarded unless it is in such a position or of such construction as to be as safe to every person employed or working in the premises as it would be if securely fenced or guarded.

(2) All guards protecting rotary table chains shall be capable of resisting the shock of a breaking chain.

10. Hooks

The hook used for hoisting drill pipe, casing, tubing or sucker rods shall be provided with a latch or other device sufficient to prevent the elevator links or other equipment becoming detached from the hook.

11. Lifelines

(1) Unless exemption has been obtained in writing from the Director of Petroleum Resources, every derrick shall be provided with a lifeline or lifelines or other suitable device securely fixed at any platform in the derrick where persons are normally working, and firmly anchored to the ground at least fifty feet from the nearest point of the derrick at an angle not exceeding 45 degrees to the horizontal; and such lifeline or lifelines or other suitable device shall be anchored against the prevailing wind and shall not run over oil tanks or sumps.

(2) Where a lifeline is employed, a carriage of a type approved by the Director of Petroleum Resources shall be provided.

(3) The life line shall be tested before the start of drilling at weekly intervals thereafter, and all personnel who work in the derrick shall be instructed in its use.

12. Boilers and oil treaters

(1) No boiler or oil treater fired by a naked or open flame shall be placed within 150 feet of the centre of any borehole being drilled for crude oil or gas or being worked over, or within 100 feet of a dangerous area.

(2) As far as is practicable, any such boiler or treater shall be placed upwind from the nearest borehole or well in the direction of the prevailing wind and in a naturally ventilated area.

13. Internal combustion engines

(1) The use of internal combustion engines, whether stationary or otherwise, within 150 feet of the centre of any borehole being drilled for crude oil or gas or being worked over, or within 100 feet of a dangerous area is not permitted unless-

- (a) such precautions as are approved by the Director of Petroleum Resources are taken to prevent fire or explosion; and
- (b) exposed metal surfaces on exhaust manifolds do not exceed 700 OF in temperature.

(2) Exhaust gases from internal combustion engines shall not be released into the atmosphere within 150 feet of the centre of any borehole being drilled for crude oil or gas or being worked over or within 100 feet of a dangerous area:

Provided that the provisions of this paragraph shall not apply to motor vehicles, power-driven vessels, hovercraft, helicopters, or to internal combustion engines and exhausts of which are fitted with flame-proof attachments of a type approved by the Director of Petroleum Resources.

14. Electricity

(1) Where electricity is used at a borehole being drilled for or producing crude oil or gas, or in any other dangerous area, the installation provided shall comply in every respect with the Institute of Petroleum Electrical Code.

(2) Every derrick at any well being drilled or brought into production shall be fitted with a switch adjacent to the driller's normal working position capable of cutting off the electrical current from the electrical installation in the derrick.

(3) All electrical apparatus for power purposes of whatsoever description shall, when installed in a dangerous area, either-

- (a) be certified flame-proof, group 11, in conformity with British Standard 229; or
- (b) be constructed in compliance with the United States National Electrical Safety Code and the National Board of Fire Underwriters National Electric Code for explosion-proof electrical apparatus and equipment, and all cable glands and bolted cable couplers shall be constructed and installed in conformity with the relevant British Standard for flame-proof fittings of this type, or the relevant American Codes where explosion-proof fittings are used.

(4) All apparatus, cables, fittings and other equipment shall be installed and maintained to ensure that neither the flame-proof nor explosion-proof characteristics, as the case may be, are invalidated.

(5) All apparatus, including all associated wiring, within a dangerous area, for communication purposes, (that is, telephones and bells) shall be certified intrinsically safe in conformity with British Standard 1259 or the corresponding United States Code (explosion-proof).

15. Pressure vessels

All pressure vessels and their fittings in use in oilfield installations shall meet the American Society of Mechanical Engineers Codes and as far as their routine inspection and testing are concerned, these shall comply with the requirements of the Factories Act, and a record of such inspection and testing shall be maintained to the satisfaction of the Director of Petroleum Resources; and in particular, the following matters shall be carried out and recorded-

[Cap. Fl.]

- (a) oil heaters shall be examined at intervals of not more than twelve months and the tire tubes replaced when below the minimum thickness. At the same time other parts and fittings, both internal and external, shall be examined;

- (b) all compressed-air receivers shall be drained of liquid daily. Where the internal surface of the receiver cannot be examined, and in any event not less often than once in every 26 months, the receiver shall be tested hydraulically to the recommended test pressure;
- (c) gas separators shall be tested whenever the opportunity occurs and at intervals not exceeding five years. They shall be tested to the recommended test pressure which shall not be less than one-and-one-half times the design working pressure;
- (d) relief valves and safety valves shall be inspected at least once in every 26 months or at such shorter intervals as shall be necessary to maintain them in a satisfactory condition and to ensure that they operate effectively as soon as the safe working pressure is exceeded. They shall be set to operate at a pressure not exceeding ten per cent above the working pressure and shall pass full design quantity at this setting. All safety valves shall be stamped or tagged at their set popping-pressure, and where appropriate, bursting discs may be used in lieu of safety valves;
- (e) every pressure vessel shall be fitted with a tested pressure gauge, graduated in pounds per square inch or the metric equivalent. Such gauges shall be checked for accuracy at intervals not exceeding six months;
- (f) all new pipework shall be tested in accordance with A.S.M.E. working standards to 1.25 times the maximum intended working pressure before being put into service; and pipework shall also be similarly tested when alterations or repairs have been carried out.

16. Tanks

(1) All permanently placed bulk storage tanks containing Class A petroleum (which for the purposes of this regulation includes crude oil) shall be installed within a bond wall capable of containing the contents of the largest tank plus ten per cent of the remaining tanks; and where there is only one tank, the bond wall shall in the event of an emergency conflagration, be capable of containing the contents of the tank unless the piping facilities are approved as adequate to remove them.

- (2) In addition the tanks referred to in paragraph (1) of this regulation shall-
- (a) be fitted with access doors sufficiently large to enable easy access and vents capable of relieving any excess pressure or vacuum;
 - (b) have access to their roofs by means of a ladder or staircase of a type approved by the Director of Petroleum Resources and all floating roof tanks shall have an adequate wind girder;
 - (c) have provision made for containing any leakage to prevent oil contaminating the water when located above water; and
 - (d) be provided with efficient electrical earth connections independent of pipe connections, having an electrical resistance value not exceeding ten ohms when measured by an earth resistance tester of the "Megger" or similar type.

(3) Before permitting workmen to enter a tank which had previously contained petroleum products it shall be gas-free and the concentration of gas determined; and all feed and vent lines shall be disconnected and blanked off, and tank hatches shall be kept open.

(4) During tank-cleaning operations adequate ventilation shall be provided inside the tank and, as work progresses, frequent tests shall be made to detect increases in gas concentration.

(5) If the gas concentration exceeds 0.05 per cent, gas masks shall be worn, tools shall be incapable of causing sparks, and hand lamps and torches used shall either-

- (a) be certified flame-proof, group 11, in conformity with British Standard 229; or
- (b) be constructed in compliance with the United States National Electric Safety Code and the National Board of Fire Underwriters National Electric Code for explosion-proof electrical apparatus and equipment.

17. Fuel storage tanks

All petrol, diesel oil or L.P.G. tanks shall be sited at least 100 feet from the centre of any well being drilled or worked over or any dangerous area in a direction downwind from the prevailing wind where possible; and all noxious or inflammable gases vented from storage tanks shall be carried a safe distance from regular operating areas and be properly disposed of.

18. Persons entering tanks, etc.

(1) Unless a tank that has contained petroleum has been certified safe by a competent person it shall not be entered by any person without a lifeline and unless accompanied by a second person who shall stand at a safe distance but in a position to observe if the first person is overcome by gas or fumes.

(2) No person shall enter a sump or well cellar which has contained petroleum without a lifeline and unless accompanied by a second person who shall stand at a safe distance but in a position to observe if the first person is overcome by gas or fumes.

(3) The second person mentioned in paragraphs (1) and (2) of this regulation, if an accident occurs, shall call for help and shall render such assistance as is practicable without entering the tank, sump or well cellar until the help arrives.

19. Safe access

Safe access shall be provided on all drilling rigs and other installations, with non-slip walkways and handrails leading over complex pipe systems and other obstructions. Drains in the area of general access shall be covered.

20. Restricted areas

(1) All wells, block stations, pump-stations, tank farms and similar installations shall constitute a restricted area, the boundaries of which shall be clearly defined.

(2) Only persons authorised by a competent person shall be admitted to restricted areas.

(3) A notice shall be prominently displayed at the entrance of a restricted area giving details of the nature of the restrictions.

21. Fire precautions

(1) Convenient to each well being drilled or worked over, block station or other installation where petroleum is handled, there shall be provided and kept in readiness to the reasonable satisfaction of the Director of Petroleum Resources for immediate use, adequate means designed to extinguish fire.

(2) Each item of the fire-fighting equipment shall be inspected and tested by a competent person appointed for the purpose at appropriate intervals; and the date of last inspection shall be painted on the appliance and the result of the inspection entered in a log book kept for that purpose.

(3) Personnel employed on a site shall be instructed in the use of the fire-fighting equipment; and instructions to personnel in case of fire shall be clearly and concisely expressed and prominently displayed.

(4) "No smoking" signs shall be posted as needed in restricted areas.

(5) Whenever a gas or oil fire occurs at a well, block station or other installation handling petroleum, a report of the circumstances and probable cause shall be forwarded to the nearest inspector and to the Director of Petroleum Resources within 48 hours.

(6) When pipelines are run in open trenches, fire stops shall be provided at such intervals as the Director of Petroleum Resources may require, save that the distance between any two firestops shall not exceed 300 feet.

22. Hydrogen sulphide

(1) The occurrence of hydrogen sulphide gas in any gas or oil well shall be reported to the nearest inspector and to the Director of Petroleum Resources within 48 hours.

(2) Tests shall be made immediately to determine the concentration of hydrogen sulphide, and if found hazardous, steps shall be taken immediately to protect all personnel working on the well; and the danger of breathing hydrogen-sulphide bearing gas shall be made known.

(3) The precautions taken shall include the provision of an adequate number of "blower", or self-contained oxygen or compressed air type breathing apparatuses at the well and on any subsequent well in the same field or on any other well likely to penetrate the hydrogen-sulphide bearing formation.

23. Explosives

(1) The requirements of the Explosives Regulations shall be fully observed at all times.

[Cap. EI8.]

(2) A report shall be made to the Director of Petroleum Resources whenever the use of explosives has been authorised by the manager under regulation 42 of these Regulations.

24. Reporting of accidents

(1) Where any accident occurs at any well or in connection with any operations under a licence or lease resulting in the death of or serious injury to any person, a full report thereon shall forthwith be forwarded to the nearest inspector and to the Director of Petroleum Resources who may order an inquiry to be made by an inspector.

(2) For the purposes of this regulation, "**serious injury**" means-

[L.N.1630f1959.]

- (a) a fractured skull, pelvis, arm, thigh or spine, forearm or leg;
- (b) a dislocated shoulder;
- (c) the amputation of an arm or hand, or of one finger or more on the same hand, or of a leg or a foot;
- (d) the loss of the sight of an eye; or
- (e) any other serious bodily injury, including internal haemorrhage, or burns or asphyxia where such injury is likely to endanger life, cause permanent incapacity or impair efficiency substantially.

(3) The provisions of this regulation shall be additional to the requirements as to notice contained in the Workmen's Compensation Act, and the Electrical Supply Regulations in the case of an accident, explosion, or fire involving electrical apparatus or equipment.

[Cap. W6.]

25. Inquiries into accidents

(1) An inspector holding an inquiry under regulation 24 shall, for the purposes of the inquiry, have the powers of a magistrate to summon witnesses, to call for the production of books and documents and examine witnesses and parties concerned on oath; and all summonses may be in the form in the Schedule to these Regulations and shall be served by the police or by such person as the officer issuing the same may direct.

[Schedule.]

(2) Any person summoned to attend or to produce books or documents as aforesaid and refusing or neglecting to do so or refusing to answer any question put to him by or with the concurrence of the officer holding the inquiry shall be liable on summary conviction to a fine of ₦ 100

Provided that no person shall be bound to incriminate himself, and every witness shall, in respect of any evidence given by him at such inquiry, be entitled to the same privileges to which he would have been entitled if giving evidence before a court of law.

(3) Witnesses attending at the request of or upon summons by an officer holding the inquiry shall, subject to any order made by the officer, be entitled to the like expenses as if summoned to attend a magistrate's court and payment shall be made in the same manner as if such person were a witness in a criminal trial.

26. Publication of Regulations

At every well being drilled for oil or gas or being worked over and in every installation handling petroleum, an abstract of these Regulations shall be prominently displayed at all times.

27. Offences

Any manager who fails to comply or ensure compliance with any regulation in this Part shall be liable on summary conviction to a fine not exceeding ~~₹~~ 100 or to imprisonment not exceeding six months or to both such fine and imprisonment.

PART IV

Duties of employees

28. Competent persons

It shall be the duty of every competent person appointed under regulation 6 to ensure that the provisions of the Regulations contained in this Part are fully complied with.

29. Safety precautions

No child or young person shall be on the derrick floor while any well is being drilled or repaired.

30. Accumulation of rubbish

No person shall accumulate or permit the accumulation of flammable rubbish at any well, block station or other installation handling petroleum.

31. Safety belts, hats and boots

(1) Every person working on a drilling rig shall wear a hard hat and safety boots.

(2) Every person working at a fixed workstation above the derrick floor shall wear a safety belt:

Provided that the provisions of this paragraph shall not apply to routine maintenance operations conducted in accordance with normal oilfield practice.

32. Storage of loose tools in derricks

No tools, machine parts or other loose material of any kind shall be kept in the derrick above the derrick floor, unless such articles are required for immediate use, in which case adequate precautions shall be taken to prevent injury to persons below.

33. Counterbalance

No counterbalance shall clear the ground or derrick floor by more than five feet unless adequate precautions are taken to prevent injury to persons below.

34. Machinery guards

(1) No person shall remove or render ineffective any safeguard while the machinery relating thereto is in operation.

(2) Where it is necessary to make any adjustment or repair to any machinery, the machinery shall be shut down and shall not be operated again until the safeguard is replaced.

35. Electrical apparatus

(1) No person other than a duly qualified electrician or electrical engineer shall open or restore any flame-proof or explosion-proof enclosure, and on completion of any necessary adjustment or repairs within the enclosure, he shall ensure that it is so restored that the flame-proof or explosion-proof characteristics have not been impaired by such opening and closing.

(2) Adjustments to or repairs of apparatus within the flame-proof or explosion proof enclosure shall not be carried out until all the live parts within it have been made dead and efficiently earthed.

36. Signalling equipment

No person other than a duly qualified person shall repair, adjust or maintain any signalling equipment, and on completion of any repairs, adjustment or maintenance, he shall ensure that the intrinsic safety of the electrical circuit has not in any way been impaired.

37. Sleeping, drinking, etc., on duty

No person at any well or in any installation where petroleum is being handled shall-

- (a) sleep while in charge of boilers or machinery; or
- (b) consume any alcoholic liquor during the period he is on duty; or
- (c) report for duty while under the influence of alcoholic liquor.

38. Endangering safety by fire

No person at any well or in any other restricted area shall-

- (a) smoke; or
- (b) discharge any firearm or explosives; or
- (c) use any naked light; or
- (d) make any fire,

except in such places as may be set aside and notified by the manager or any person authorised by the manager in that behalf as being safe for such purpose:

Provided that a competent person may at his discretion authorise the welding of casing or machinery, but the authorisation shall be in writing giving details of the precautions that shall be taken for the prevention of fire.

39. Examination of plant

A competent person shall at every well being drilled or worked over or installation where petroleum is handled, daily-

- (a) examine the installation and shall record in a book kept for that purpose the state thereof; and
- (b) inspect the fire-fighting and first-aid equipment to ensure that-
 - (i) it is in its correct position;

- (ii) access to it is unobstructed; and
- (iii) it has been tested within the appropriate period for each appliance.

40. Other safety measures

A competent person shall be responsible for the observance of all safety measures at any drilling site or installation handling petroleum where work is in progress.

41. Offences

Any competent person who fails to comply or ensure compliance with any regulation in this Part shall be liable on summary conviction to a fine not exceeding ₦100 or to imprisonment not exceeding six months or to both such fine and imprisonment.

PART V

Miscellaneous

42. Explosives

No person shall use any explosives at any well or in any installation where petroleum is handled, unless authorised by the manager.

43. Buildings

No person shall place any building in which fire or lights other than a flame-proof or explosion-proof electric lighting installation are used within 150 feet of the centre of any borehole being drilled for or producing oil or gas or being worked over or within 100 feet of a dangerous area.

44. Reporting unusual circumstances

Any person employed under any licence or lease who notices any unusual escape of petroleum oil or gas from any well, pipeline or installation or anything unsafe or likely to produce damage shall forthwith inform the manager or competent person.

45. Reporting of neighbouring workings

The manager may report to the Director of Petroleum Resources if he has reason to believe that the operations of a neighbouring licence or lease are being conducted in such a manner as to endanger the safety of any persons in the vicinity.

46. Delegation of powers of Director of Petroleum Resources

The powers and duties of the Director of Petroleum Resources under these Regulations may be exercised or performed, as the case may be, by any public officer duly authorised in writing in that behalf by the Director of Petroleum Resources.

47. Offences

(1) Any person who acts in contravention of any provision of these Regulations for which no penalty is provided shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding ₦100 or to imprisonment not exceeding six months or to both such fine and imprisonment.

(2) Where under the provisions of these Regulations, a duty is placed upon any person, the onus of proving that all reasonable steps have been taken to fulfil that duty shall lie upon the person charged with the breach thereof.

SCHEDULE
[Regulation 25.]

Minerals Oils (Safety) Regulations

SUMMONS TO WITNESS

To⁽¹⁾⁽²⁾

.....

You are hereby summoned to appear before the undersigned at.....

upon the day of 20and to give evidence
at any inquiry being held into an accident at

on the day of 20and you are required
to bring with you-

(3)

.....

..... Therein fail not at your peril.

.....

Inspector

⁽¹⁾ Insert name of intended witness.

⁽²⁾ Insert address of intended witness.

⁽³⁾ Name any document the intended witness will be required to produce.

PETROLEUM REGULATIONS

ARRANGEMENT OF REGULATIONS

REGULATION

1. Short title and extent.
2. Interpretation.
3. Copy of licence for Director of Petroleum Resources.
4. Prescribed returns.
5. Application.

PART 1

Importation, shipping, unshipping and landing of petroleum

A. General

REGULATION

6. Entry into prescribed port.
7. Display of flag and light.
8. Declaration of quantity and quality of petroleum carried by ships entering harbour.
9. Declaration by ship leaving harbour.
10. Delivery of declarations.
11. Anchorage of ship according to direction.
12. Testing of samples of petroleum.
13. Prohibition of discharge into waters.

B. Petroleum in bulk - loading or discharging of petroleum, etc.

14. Requirements to be complied with while tanker is within harbour.
15. Fires, lights and electrical apparatus not to be used on or near quay.
16. Distance between ships.
17. Tanker to be watched.
18. Fire-fighting alert.
19. Police or fire officer to be on guard.
20. Tanker discharging at below the rate of eighty tons per hour.

C. Petroleum not in bulk - class "A" petroleum

21. Mode of carriage of class "A" petroleum.
22. Precautions before unshipping class "A" petroleum.
23. Approval of vessel to convey class "A" petroleum.
24. Prohibition of naked light on deck.
25. Small craft carrying class "A" petroleum.
26. Precautions to be taken by craft carrying class "A" petroleum.
27. Prohibition of naked light and smoking on small craft.
28. Conditions for loading or discharging class "A" petroleum.
29. Loading or off-loading of class "A" petroleum.
30. Petroleum carried with other cargo.
31. Power-driven vessels carrying class "A" petroleum.
32. Carriage of class "8" petroleum.
33. Power-driven vessels carrying class "B" petroleum.

PART II

Storage of petroleum

A. General

34. Premises to be licensed.
35. Issue of licences.

REGULATION

36. Storage sheds.
37. Underground storage for kerbside and garage pumps, etc.
38. Storage in bins or pits of class "A" petroleum.
39. Storage of petroleum in bulk.
40. Adequate fire-fighting measures.
41. Filling sheds.
42. Soldering tilled tins.
43. Entry for the purpose of inspection.
44. Application for licence.
45. Duration of licence.
46. Renewal of licences.
47. Duration of renewal licence.
48. Fees for licence.

B. Storage in government petroleum stores

49. Government petroleum store.
50. Rents in government petroleum store.
51. Accounts of receipts of petroleum into government petroleum store.
52. Separate storage of each consignment.
53. Delivery of petroleum.
54. Loss in respect of petroleum received into government petroleum stores.

PART III

Transport of petroleum

55. Prohibition of transport without licence.
56. Licence for transport.
57. Issue of licence.
58. Permit to operate kerosine peddling truck.
59. Security measures against breakage.
60. Precaution against damages.
61. Condition for transporting lidless cases by rail.
62. Transport of tins of petroleum by road on motor lorries.

PART IV

Open-air storage of petroleum

63. Meaning of approved.
64. Storage in open-air premises.
65. Drums for storage of petroleum.
66. Fire-fighting equipment.
67. Escape into sewer.
68. Drums stored in open air.
69. Draining of enclosed areas.
70. Other conditions.

REGULATION

71. Application of certain regulations.

PART V

Transport of petroleum in bulk on Federal trunk roads and other roads in the Federal Capital Territory, Abuja

72. Petroleum to be carried in tank vehicles.
73. Maintenance and construction of tank vehicle.
74. Separate compartments in tanks.
75. Engine requirements.
76. Filling pipes.
77. Control of tank vehicles.
78. Precautions against fire.
79. Pipes to be kept closed.
80. Parking of tank vehicles on highway forbidden.
81. Special permits.
82. Garaging of tank vehicles.
83. Protection against theft.
84. Inspection of tank vehicles and garages.
85. Places where tank vehicles may be parked.
86. Safety precautions when loading and unloading.
87. Unloading must be into approved storage tanks.

PART VI

Liquefied petroleum gases

88. Additional precautions.
89. Licences for importation of liquefied petroleum gases.
90. Storage of liquefied petroleum gases.
91. Pipes and fitting.
92. Container filling sheds.
93. Containers.
94. Charging containers.
95. Handling maintenance and test.
96. Pipes and hoses.
97. Static electricity.
98. Fire precautions.

PART VII

Fuelling of aircraft

99. Precaution while fuelling aircraft.
100. Earthing and bonding.
101. Operation of fuelling vehicles.
102. Power to make further rules in respect of aircraft refuelling.

PART VIII

General

REGULATION

- 103. Form of licence.
- 104. Revocation of licences.
- 105. Right to enter and inspect premises in case of offences.
- 106. Offences.
- 107. Savings.

SCHEDULE

Forms of licences

PETROLEUM REGULATIONS

[L.N. 71 of 1967.]

under section 9

[8th March, 1967]

[Commencement.]

1. Short title and extent

(1) These Regulations may be cited as the Petroleum Regulations.

(2) These Regulations shall in so far as they are made under powers conferred by section 9 (1) of the Petroleum Act (hereafter referred to as "the Act") apply to the whole of the Federation, but in so far as they are made under the powers conferred in section 9 (2) thereof apply as set out in that subsection.

[Cap. PIO.]

2. Interpretation

In these Regulations, unless the context otherwise requires -

"**the Act**" means the Petroleum Act;

"**appropriate authority**" means -

- (a) in relation to transport and storage of petroleum within the Federal territory, the chairman to either the Lagos Island or Lagos Mainland local government council;
- (b) in relation to transport of petroleum by rail, the Government Inspector of Railways;
- (c) in relation to transport of petroleum on Federal trunk roads outside the Federal territory, the Director of Federal Public Works;

"approved electrical flame-proof installation" or **"approved electrical flameproof appliances"**, as the case may be, means equipment certified flame-proof for gases Buxton Group II in conformity with British Standard 229 or National Board of Fire Underwriters Regulations of the United States of America, or other approved regulations or code of practice for flame-proof or explosion-proof enclosures;

"approved type", in relation to fire extinguishers, means a fire extinguisher of a type approved by the Chief Fire Officer as suitable for fighting a petroleum fire;

"approved vehicle" means a vehicle constructed in accordance with these regulations;

"articulated vehicle" means a motor vehicle with a trailer drawn thereby which is so constructed that a substantial part of the weight of the trailer is borne by the motor vehicle being free to articulate about the point of attachment when in motion and is readily detachable therefrom;

"boat" means any vessel not propelled by mechanical power and includes any lighter or barge;

"case of petroleum" means a wooden box (the thickness of the wood whereof shall not be less than three-eighths of an inch) containing two tins, each of which holds approximately, but not more than, four and one-sixth gallons of class "A" petroleum;

"category A Licence" means a licence granted for the storage of petroleum products by industrial consumers;

[S.1. 22 of 1988.]

"category B Licence" means a licence granted for the storage of petroleum products for sale at petrol filling stations or for the purpose of bunkering;

"category C Licence" means a licence granted for the storage of kerosine in bulk or in tins for the purpose of sale;

"category D Licence" means a licence granted for the storage of liquefied petroleum gas (LPG) for sale at approved outlets;

"class 'A' petroleum" comprises all hydrocarbon liquids having a flash-point below 73 °F and all petroleum stocks with a flash-point below 200 °F that are being handled at temperatures above their flash-point;

"class, 'B' petroleum" comprises all hydrocarbon products having flash-points from 73° to 150°F inclusive;

"class 'C' petroleum" comprises all hydrocarbon products having flash-points above 150 °F;

"Chief Fire Officer" means the Chief Fire Officer within the meaning of section 3 of the Fire Service Act;

[Cap. F29.]

"flash-point" means the degree of temperature at which petroleum gives off a flammable vapour upon being tested by either the Abel closed cup tester or the Pensky-Martens closed tester;

"filling shed" means a building used for the purpose of filling petroleum containers;

"fine concrete" means concrete made up of one part of cement (which shall be sulphate-resisting where considered necessary by the appropriate authority) two parts of dry, clean, sharp, graded sand to pass three sixteenths of an inch mesh, and four parts of clean gravel or crushed stone to pass three quarters of an inch mesh;

"government inspector of shipping" means any officer so designated for the purposes of section 399 of the Merchant Shipping Act;

(1962 No. 30. Cap. MII.)

"government petroleum store" has the meaning assigned to it by regulation 34 (4) of these Regulations;

"harbour master" means a harbour master duly appointed by the Nigerian Ports Authority for a port under section 31 of the Nigerian Ports Authority Act and shall include any person authorised by that Authority to assist him;

[S.1. 22 of 1988. Cap. NI26.]

"L.P.G." or "liquefied petroleum gas" means any petroleum product which is gas at normal atmospheric temperature and pressure and, being liquefiable under pressure, is normally stored and handled as a liquid;

"motor vehicle" means any vehicle or vessel propelled by a motor in which petroleum is used as fuel and includes steam vehicles or vessels with petroleum-fired boilers;

"naked light" includes any unprotected source of thermal or electrical action which produces sparks or is capable of igniting petroleum or petroleum vapours;

"Director-General" means the Director-General of the Ministry responsible for matters relating to petroleum resources, and includes any other officer of that Ministry duly authorised by him to act on his behalf;

"person" includes company, business enterprise, individual and their agents, employees, contractors and sub-contractors;

"petroleum in bulk" means petroleum in any receptacle having a capacity of 300 gallons or upwards, whether on a ship or on shore;

"prescribed port" means the Port of Lagos and includes any other port which the Director-General of the Ministry responsible for matters relating to ports may by notice in the Federal *Gazette* prescribe as such for the purposes of these Regulations;

"protected works" includes buildings in which persons dwell or assemble, docks, wharves, timber yards, public roads, and any other place not forming part of an installation which the Director-General may by order declare as protected works, but does not include the timekeeper's or administrative office of an installation;

"railway tank wagon" means a wagon specially constructed for the carrying and distribution of petroleum in bulk by rail or a dual purpose tank wagon with separate containers to carry either mineral oil or vegetable oil;

"small craft" includes any vessel not exceeding fifteen tons burden;

"storage shed" means a building used for the storage of class "A" petroleum exceeding forty gallons otherwise than in bulk or class "B" petroleum exceeding two hundred gallons otherwise than in bulk;

"tank vehicle" means a motor vehicle specially constructed in accordance with these Regulations for the carrying and distribution of petroleum in bulk by road, and includes an articulated vehicle;

"tanker" means any ship or vessel, as defined by the Merchant Shipping Act, in which the greater part of the cargo space is constructed or adapted for the transport of liquid petroleum, its derivatives or similar commodities in bulk and which is not for the time being carrying some other cargo in that part of its cargo space and shall include any ship having on board or about to take on board a cargo, the whole or any part of which consists of petroleum or having discharged petroleum if the holds, tanks and pipelines have not been rendered free from flammable vapour to the satisfaction of the harbour master;

[Cap. Mil.]

"testing officer" means a person appointed as testing officer for any port by the Director-General of the Ministry responsible for matters relating to ports;

"tin of petroleum" means a metal receptacle, each of the sides whereof is of a thickness of not less than .0123 of an inch and the top and bottom parts thereof are of a thickness of not less than .0123 of an inch.

3. Copy of licence for Director of Petroleum Resources

An appropriate authority issuing any licence under these Regulations shall send a copy of the licence to the Director of Petroleum Resources.

4. Prescribed returns

(1) The Director of Petroleum Resources may by notice in writing require any company or person who has obtained a licence or licences under any of these Regulations or any refinery in Nigeria to submit to him such returns and other information as he may require from time to time, in such form and at such times as he may specify in the notice.

(2) Without prejudice to the generality of the foregoing paragraph, monthly returns of imports, refinery off-takes, exports, sales and receipts shall be submitted in a form prescribed by the Director of Petroleum Resources to reach his office not later than the 21st day of the month following that to which they relate.

5. Application

Nothing in these Regulations shall apply to class "B" petroleum, unless where otherwise stated or implied.

PART I

Importation, shipping, unshipping and landing of petroleum

A. General

6. Entry into prescribed port

(1) No petroleum shall be imported into Nigeria at any port other than a prescribed port, unless the consent in writing of the Director of Customs and Excise has been first obtained and subject to such conditions as he may specify.

(2) Any person desiring to import petroleum at a port other than a prescribed port, shall apply to the Director of Customs and Excise in writing, stating the quantity and kind of petroleum which he desires to import.

7. Display of flag and light

The master of every tanker shall, on entering the harbour, and during the time that such ship remains in the harbour, display by day a red flag not less than three feet square, with a white circular centre six inches in diameter, and by night a red light, at the mast head or where it can be best seen but not less than twenty feet above the deck and of such a character as to be visible all round the horizon at a distance of at least two miles, in addition to any navigation lights which may be required by any other law:

Provided that in the case of a tanker being a petroleum barge which cannot normally comply with this regulation, the master of such tanker shall display by day in a conspicuous position above the deck a red flag or metal not less than eighteen inches square with a white circular centre six inches in diameter and by night an all-round red light.

8. Declaration of quantity and quality of petroleum carried by ships entering harbour

The master of every ship carrying petroleum shall before entering a prescribed port deliver to the pilot, if one is in charge of the ship, or to the boarding officer in other cases, a written declaration under his signature stating-

- (a) what quantity of petroleum the ship is carrying;
- (b) whether any, and if so, what quantity of the petroleum is class "A" petroleum;
- (c) whether any, and if so, what quantity of the petroleum is class "B" petroleum;
- (d) whether any, and if so, what quantity of the petroleum is in bulk;
- (e) what quantity of petroleum (specifying what part of it belongs to each of the classes "A" and "B") it is intended to land at that port or at any other port in Nigeria,

but, if in anticipation of a ship's arrival, the agent of such ship delivers to the harbour master a written declaration as aforesaid under his signature, no such declaration shall be necessary by the master of the ship.

9. Declaration by ship leaving harbour

The owner of petroleum to be exported from a port shall, in addition to complying with all requirements relating to the customs which are applicable thereto by law, deliver to the harbour master, before and after loading any ship, written declarations under his signature stating-

- (a) in the case of a declaration made before loading a ship--
 - (i) the approximate quantity of petroleum with which that ship will be loaded;
 - (ii) the quantity of class "A" petroleum;
 - (iii) the quantity of class "B" petroleum;
 - (iv) whether any, and if so, what quantity, of the petroleum is in bulk;
- (b) in the case of a declaration made after loading--
 - (i) the quantity of petroleum with which the ship has been loaded;
 - (ii) the quantity of class "A" petroleum;
 - (iii) the quantity of class "B" petroleum;
 - (iv) whether any, and if so, what quantity, of the petroleum is in bulk.

10. Delivery of declarations

A declaration delivered under regulations 8 and 9 of these Regulations-

- (a) to a pilot or boarding officer shall without delay be delivered by him to the harbour master;
- (b) to a harbour master (whether by an agent, pilot or boarding officer) shall without delay be delivered by him to the Collector of Customs and Excise.

11. Anchorage of ship according to direction

The master of a ship carrying petroleum shall anchor or moor his ship at such anchorage or place as the harbour master may direct, and the master shall not move his ship therefrom without the written permission of the harbour master.

12. Testing of samples of petroleum

(1) The master of every ship carrying petroleum shall, if required by the Collector of Customs and Excise, deliver to him without charge, samples of every variety of petroleum which it is intended to land at such port or any other port in Nigeria, for the purpose of having the same tested by the testing officer.

(2) When the samples aforesaid have been delivered to the Collector of Customs and Excise, he shall forward them to the testing officer who shall as soon as practicable test the same, sign and forward to the Collector of Customs and Excise a report certifying that they are or are not class "A" petroleum, as the case may be.

(3) Until the testing officer shall report that any petroleum is not class "A" petroleum, it shall be deemed to be class "A" petroleum and shall be dealt with as such.

13. Prohibition of discharge into waters

No petroleum shall be discharged or allowed to escape into the waters of the port.

B. Petroleum in bulk - loading or discharging of petroleum, etc.

14. Requirements to be complied with while tanker is within harbour

The following requirements shall be duly observed in the case of every tanker within any harbour-

- (a) before any loading or discharging of petroleum or ballast water, or any gas-freeing or tank cleaning is carried out, the owner shall give due notice to the harbour master of the time and place of such loading, discharging, gas-freeing or tank cleaning;
- (b) after all petroleum has been removed from any tanker, the holds and tanks shall be rendered gas-free:

Provided that this regulation shall not require to be gas-free the tanks of a tanker which leaves the harbour without delay after the discharge of petroleum or remains only for the purpose of taking on board bunkers, stores or ballast, or for such other purposes as may be approved by the harbour master and if the tanks are closed down immediately after the discharge of such petroleum, and are not re-opened whilst the tanker is within the harbour, except-

- (i) for filling up or sounding while taking in or discharging ballast water;
or
 - (ii) with the permission of the harbour master;
- (c) the loading or discharging of petroleum spirit or ballast water, and the rigging and disconnecting of hoses shall not be permitted between sunset and sunrise unless-
- (i) adequate safe illumination is provided on board the ship, the equipment used for such illumination is designed, constructed and maintained in accordance with Lloyd's Register of Shipping or other approved classification society's requirements in relation to the position in the ship in which it is installed;
 - (ii) safe lighting in accordance with regulation 15 is provided on shore adequately to illuminate the ship when alongside the quay:

Provided that if anything occurs during the loading or discharging of petroleum or ballast water between sunset and sunrise to necessitate a repair to the plant, pipes or connections, or to interfere in any way with the uninterrupted flow of the petroleum or ballast water, such operations shall be stopped and not resumed until adequate safety measures have been taken;

- (d) from the time when the holds or tanks are first opened for the purpose of loading or discharging petroleum or ballast water, until such time as the holds

or tanks shall have been securely closed down and in the case of complete discharge, rendered gas-free as required by this regulation, there shall be no fire or artificial light on board such ship:

Provided that this regulation shall not prevent the use of lamps, heaters, cookers or other apparatus, electric or otherwise, designed and constructed in accordance with Lloyd's Register of Shipping or other approved classification society's requirements in relation to the position in the ship in which it is installed and maintained in accordance with such requirements:

Provided further that this regulation shall not be deemed to prohibit the loading, discharging, ballasting, gas-freeing or tank cleaning of a tanker under conditions approved by the harbour master by means of steam from her own boilers, power generated on board by electrical plant or internal combustion engines, designed, constructed, installed, positioned and maintained in accordance with Lloyd's Register of Shipping or other approved classification society's requirements or by steam or electric power supplied from the shore and connected by equipment which shall comply with such requirements and with the following requirements related to electrical equipment, where these are additional-

- (i) the connection between the shore cable and the ship shall be made by means of a connection box in accordance with Lloyds Register of Shipping or other approved classification society's requirements;
 - (ii) the cable shall be flexible tough-rubber sheathed type in accordance with B.S. 7 or other cable equally suitable for the purpose;
 - (iii) means, as by a changeover switch or suitable interlocking device, shall be installed at the ship's switchboard or at any terminal board in the ship to which electric cable from a shore supply is connected to prevent the shore supply from being connected to the ship's switchboard while this is connected to the ship's generating plant;
 - (iv) all electrical equipment used in or in connection with the shore supply to the ship shall be maintained in such condition as to prevent danger from electrical shock or fire;
- (e) the owner shall take adequate steps to prevent any person under his control from smoking and from carrying fuses, matches or any appliance whatsoever for producing ignition at or near any place where petroleum or ballast water is being discharged or loaded or where gas-freeing or tank cleaning is being carried out;
- (f) all openings from cargo tanks (except the gas escape line) shall, save with the special permission of the harbour master, be kept closed during the loading or discharging of petroleum or ballast water except that-
- (i) ullage plugs or sighting ports not situated in enclosed or partially enclosed space may be removed for ullaging, sounding or sampling, such ullage plugs or sighting ports to be closed immediately this has been done unless they are adequately protected by strong noncorroding wire gauze which shall be kept clean and free from obstruction, of mesh not less than 28 to the linear inch and of gauge not less than 28 S.W.G. or other flame-proof device which complies with Lloyd's Register of Shipping or other approved classification society's requirements;

- (ii) ullage plugs or sighting ports situated in enclosed or partially enclosed spaces may, with the special permission of the harbour master, be removed for the purpose of ullaging, sounding or sampling but such ullage plugs or sighting ports must be closed immediately this has been done;
- (g) all pipes and other appliances used in the loading or discharging of petroleum spirit in bulk or of ballast water shall be reasonably free from leakage; and all pipelines and hoses shall whilst rigged for loading or discharging petroleum or ballast water, be adequately and continuously earthed and kept constantly under supervision;
- (h) when the discharging or loading of petroleum or ballast water has been commenced, such discharging or loading shall be carried out with due diligence, and if it is discontinued the tanks and holds of the tanker shall immediately be closed;
- (i) no petroleum shall be brought to the place of loading until the tanker into which it is to be loaded is in readiness to receive it;
- (j) instruments made of iron, steel or other material capable of causing a spark shall not be used for the purpose of opening or closing the hatches or tank lids of a tanker, or for any other purpose in connection with the loading or discharging of petroleum or ballast water, or gas-freeing or tank cleaning and no scraping, chipping, or other work which might cause sparks shall be allowed during the period of the above operations;
- (k) save with the approval of the harbour master no anchor shall be down whilst the tanker is alongside for the purpose of discharging or loading;
- (l) there shall be hung over both bow and stern a connecting shackle attached to a wire having an eye in the end and that wire shall be secured onboard so that a tow rope can be easily fastened thereto in case of emergency;
- (m) during a storm accompanied by lightning in the close vicinity all loading or discharging of petroleum shall be suspended and valves and tanks closed;
- (n) no unauthorised craft shall be permitted to lie alongside or approach near to a tanker loading or discharging class "A" petroleum.

15. Fires, lights and electrical apparatus not to be used on or near quay

Fires, lights or electrical apparatus other than electrical filament lamps, or self-contained electric lamps, heaters, cookers, or other types of safe apparatus so designed, constructed and maintained as to be incapable of igniting flammable vapour, shall not be used on or near a quay upon which petroleum is lying, or at which petroleum or ballast water is being discharged from or loaded into a tanker, or at which gas-freeing or tank cleaning is being carried out by a tanker.

16. Distance between ships

Two or more tankers shall not, except for purpose of transshipment, lie within 100 feet of one another unless in the opinion of the harbour master it is impracticable to maintain such distance.

17. Tanker to be watched

Every tanker shall be watched by a competent member of the crew on board such ship until all petroleum or ballast water shall have been discharged or loaded or the operations of gas-freeing or tank cleaning completed and the holds or tanks securely closed and every tanker shall at all times have on board a responsible person to carry out and give effect to the provisions of these Regulations.

18. Fire-fighting alert

All ship and shore fire-fighting appliances shall be kept ready during the operations of loading and discharging petroleum or ballast water or gas-freeing or tank cleaning.

19. Police or fire officer to be on guard

Whilst a tanker is lying alongside for the purpose of loading or unloading petroleum in bulk a member of the police force not below the rank of Inspector or a fire officer or other officer authorised by the harbour master shall, if so instructed, visit the ship for the purpose of seeing that these Regulations are being complied with and for taking appropriate action against any person committing a breach of these Regulations.

20. Tanker discharging at below the rate of eighty tons per hour

A tanker not discharging petroleum at the minimum rate of eighty tons an hour shall be liable to be removed from the wharf at the direction of the harbour master, provided that, in the event of any accident to pumps or other gear which necessitates the stoppage of pumping, an allowance will be made for such time as is occupied in repairs.

C. Petroleum not in bulk - class HA " petroleum

21. Mode of carriage of class "A" petroleum

No class "A" petroleum shall be imported or exported otherwise than in bulk unless contained either in strong receptacles so constructed as not to be likely to be broken in handling or to become defective or insecure whilst being conveyed, or to allow the petroleum to escape or to be accidentally opened, or in tins securely packed in wooded cases; and such receptacles or cases shall be plainly marked in accordance with the recommendation of the Standing Advisory Committee on the Carriage of Dangerous Goods and Explosives in Ships in the United Kingdom.

22. Precautions before unshipping class "A" petroleum

Before any class "A" petroleum is unshipped, the hold containing the petroleum shall be thoroughly ventilated, and when the hold has been emptied it shall be thoroughly cleaned.

23. Approval of vessel to convey class "A" petroleum

(1) Class "A" petroleum which is not off-loaded at an authorised wharf or other place shall not be conveyed to or from any ship except in boats or small craft which have been approved by the Government Inspector of Shipping for the purpose.

(2) Such petroleum shall not be discharged at any wharf until the vessel or carriage by which the same is to be removed therefrom shall be at the place in readiness to receive

the same, and all petroleum discharged in the harbour shall be forthwith removed therefrom or to some duly licensed place or storage or to moorings, the position of which has been approved by the harbour master.

24. Prohibition of naked light on deck

Whilst loading or discharging is proceeding, no naked light or smoking shall be allowed on the deck of the ship.

25. Small craft carrying class "A" petroleum

Small craft carrying class "A" petroleum shall be moored to buoys or anchored where directed by the harbour master, and shall not lie alongside any ship or wharf, except for **the purpose of loading or discharging, or when empty.**

26. Precautions to be taken by craft carrying class "A" petroleum

(1) A red light shall be exhibited not less than six feet above the deck on every craft carrying class "A" petroleum within the limits of any port.

(2) No small craft carrying class "A" petroleum shall be within the limits of any port between the hours of sunset and sunrise unless it is anchored or moored at such place as the harbour master may in writing direct.

(3) A small craft carrying class "A" petroleum within the limits of any port shall exhibit only such lights as the harbour master shall from time to time direct.

(4) Every such small craft shall at all times have on board not less than 100 pounds of dry sand in such a position as to be immediately available for use when required.

(5) The bilges of any such small craft shall not be pumped out while it is alongside any vessel or wharf or in confined waters.

(6) Immediately after the discharge of class "A" petroleum the small craft shall be thoroughly ventilated and cleaned out.

27. Prohibition of naked light and smoking on small craft

No naked light or smoking shall be allowed on any small craft carrying class "A" petroleum within the limits of any port.

28. Conditions for loading or discharging class "A" petroleum

No loading or discharging of class "A" petroleum shall proceed between the hours of sunset and sunrise, and the hatches of any small craft carrying class "A" petroleum shall be closed at sunset and shall not be re-opened until sunrise, and if the craft is alongside a ship or wharf it shall be towed away to a buoy or anchorage appointed by the harbour master.

29. Loading or off-loading of class "A" petroleum

(1) Class "A" petroleum shall not be put on or off shore except at a wharf or other place appointed by the harbour master for the purpose.

(2) No naked light or smoking shall be allowed on or in the vicinity of the wharf or other place whilst class "A" petroleum is being landed or shipped.

30. Petroleum carried with other cargo

(1) No class "A" petroleum shall be put on board any ship which is carrying any other cargo of an explosive or dangerous nature, unless such cargo is stowed in a separate hold, or such precautions are taken to the satisfaction of the harbour master, by ventilation and the provision of bulkheads or otherwise, as shall effectually prevent the accumulation of vapour from the petroleum and such vapour from reaching that part of the ship in which the explosive or other dangerous cargo is stowed.

(2) The shipping of class "A" petroleum in unprotected tins on any ship is prohibited:

Provided that tins, the outer covering of which has become damaged or has been accidentally removed, may be carried on deck, if they are kept in a place by themselves, and away from any fire or lights.

31. Power-driven vessels carrying class "A" petroleum

(1) Power-driven vessels carrying class "A" petroleum between Nigerian ports, or from one place to another in the inland waters, should be fitted with a watertight cofferdam of at least one frame space in length from the bulkhead separating the boiler-room or engine-room the holds next to the boiler-room or engine room.

(2) In the absence of such cofferdam, no class "A" petroleum shall be carried in the hold next to the boiler-room or engine-room unless the vessel is fitted with a cross bunker separating the boiler-room or engine-room from the hold, and the bulkhead nearest to the hold is watertight.

(3) While the petroleum is on board, any sluice or other connections to the engine and boiler-rooms, shall be kept closed.

32. Carriage of class "B" petroleum

(1) Class "B" petroleum shall not be put on or off-shore except at a wharf or place approved by the harbour master.

(2) Such petroleum may be unshipped into any boat which has the free-board prescribed for open boats by regulation 9 of the Merchant Shipping (Licensing and Control of Boats) Regulations.

(3) A boat carrying class "B" petroleum shall not lie alongside any wharf for any period longer than is required for the loading or discharging, and whilst the loading or discharging is taking place no fire or light of any description except as described in regulation 14 (c) shall be allowed on or in the vicinity of the boat.

(4) Loading and discharging of class "B" petroleum shall not proceed between sunset and sunrise.

(5) A boat carrying class "B" petroleum shall exhibit a red flag by day and a red light by night.

33. Power-driven vessels carrying class "B" petroleum

(1) Power-driven vessels carrying class "B" petroleum as cargo between Nigerian ports or from one place to another in the inland waters shall not carry such petroleum within five feet of the bulkhead separating the boiler-room or engine-room from the adjoining hold unless fitted with a cross-bunker or cofferdam.

(2) Such petroleum shall be stowed on a vessel in such manner as to prevent the cases becoming damaged by the shifting of cargo.

(3) While such petroleum is on board a vessel, any sluice or other connection to the engine and boiler-room shall be kept closed.

PART II

Storage of petroleum

A. General

34. Premises to be licensed

(1) Premises whereon petroleum is kept shall be licensed for that purpose under these Regulations whenever-

- (a) class "A" petroleum only is kept and exceeds 128 gallons in quantity;
- (b) class "B" petroleum only is kept and exceeds 200 gallons in quantity;
- (c) class "A" petroleum together with class "B" petroleum is kept and the total quantity exceeds 200 gallons or the quantity of class "A" petroleum exceeds 128 gallons.

(2) A licence shall be required under paragraph (1) of this regulation if the amount of class "A" petroleum-

- (a) in tins exceeds forty gallons; or
- (b) in drums exceeds 92 gallons.

(3) The provisions of this regulation shall not apply-

- (a) to petroleum kept in a government petroleum store;
- (b) to petroleum to be used as fuel for a motor vehicle kept in the tank normally forming part of that vehicle;
- (c) to petroleum in tins or cases in transit by rail when temporarily held at a tranship or delivery station, provided such petroleum is removed to a special open enclosure and distinguished by adequate warning notice.

(4) For the purposes of this regulation, government petroleum store includes any petroleum store under the management and control of a local authority.

35. Issue of licences

Licences under regulation 34 of these Regulations may be issued by an appropriate authority and shall ordinarily be granted only where the premises intended to be used for

the storage of such petroleum comply with the requirements of regulation 36 of these Regulations:

Provided that the appropriate authority may, with the prior approval of the Director-General, grant a licence dispensing with any or all the requirements of regulation 36 of these Regulations and any licence so granted shall be endorsed accordingly,

36. Storage sheds

(1) Subject to paragraphs (2) and (3) of this regulation, the following conditions shall apply to the construction, maintenance and operation of storage sheds and shall be specified in all licences for the storage of petroleum-

- (a) where licences are granted for the storage of any quantity of petroleum in any one building-
 - (i) the sills of the doorways and other openings of the storage shed shall, so as to form a well for the reception of the petroleum, be at a height not less than six inches above the floor level of the building, or
 - (ii) the building itself shall be surrounded with a masonry wall or embankment or both not less than three feet high:

Provided that the enclosures formed whether under sub-paragraph (a) (i) or (ii) of this paragraph shall be capable of retaining the total quantity of petroleum to be stored in the event of its escape from the receptacle or receptacles in which it is contained, but where the storage shed is to be used solely for the storage of petroleum in receptacles which comply with the provisions of regulation 38 (2) (a) and (b) of these Regulations the enclosure or well referred to in sub-paragraphs (a) (i) and (ii) of this paragraph may be constructed in accordance with plans and specifications approved by the engineer to the appropriate authority so as to be capable, in the event of the escape of petroleum from its receptacles, of containing such amount as may be decided on in each case by the engineer to the appropriate authority but that amount shall not be less than one quarter of the total quantity of petroleum to be stored in such building;

- (iii) no water shall be allowed to accumulate within an enclosure or well formed as provided in sub-paragraphs (a) (i) and (ii) of this paragraph and any drainage system, which has an outfall to beyond the enclosure or well, shall be constructed in accordance with plans and specifications approved by the engineer to the appropriate authority or any person authorised to give such approval on his behalf and shall be provided with an outlet controlled by a valve or valves which can be actuated from outside such enclosure or well; and such valve or valves shall be kept closed except when it is necessary to open them for the discharge of water;
- (b) a clear space of at least three feet in width must be left between the various storage sheds and a clear space of at least twenty feet, between such sheds and protected works and the boundaries separating adjoining plots;
- (c) there shall be a space of at least fifty feet between storage sheds containing class "A" petroleum and sidings on which working locomotives pass;

- (d) the storage shed shall be constructed entirely of non-flammable material and may have had a rammed earth floor:

Provided always that elsewhere than in municipalities, wood may, at the discretion of the appropriate authority be employed in construction of such parts of the storage shed as are above ground level;

- (e) the building itself shall be protected by a lightning conductor as approved by the appropriate authority, except in the case of a steel-framed structure which must be adequately earthed;
- (f) adequate ventilation shall be provided;
- (g) every person managing or employed on or in connection with a storage shed shall abstain from any act whatever which tends to cause a fire and which is not reasonably necessary and shall prevent any other person from doing such act;
- (h) no smoking shall be permitted in or adjacent to a storage shed and suitable notice to this effect shall be conspicuously posted on the premises;
- (i) no fire or naked lights shall be permitted in or adjacent to a storage shed;
- (j) where electricity is used for lighting or other purposes in or within fifty feet of a storage shed the apparatus shall consist of an approved electrical name-proof installation or appliances and all cable glands and bolted cable couplers shall be constructed and installed in conformity with the relevant British Standard for flame-proof fittings of this type, or the relevant American Codes where explosion-proof fittings are used;
- (k) all apparatus, cables, fittings and other equipment shall be installed and maintained to ensure that neither the flame-proof nor explosion-proof characteristics, as the case may be, are invalidated;
- (l) adequate supplies of sand or dry earth as well as an adequate number of fire extinguishers of an approved type shall be kept available for use in case of fire;
- (m) the capacity in gallons shall be conspicuously marked on the storage shed;
- (n) no receptacle containing petroleum shall be opened and no petroleum shall be drawn from any receptacle within the building in which the petroleum is stored;
- (o) if the appropriate authority by notice in writing requires the holder of the licence to execute any repairs to any part of the installation which may, in the opinion of such authority, be necessary for the safety of the premises in respect of which the licence is granted and of adjacent premises, the holder of the licence shall execute the repairs within such period, not being less than one week from the date of the receipt of the notice, as may be fixed by the notice;
- (p) such other conditions as may with the approval of the Director-General be required in any particular case.

(2) Any condition specified under paragraph (1) of this regulation may be waived in respect of any storage shed which had been licensed under the regulations in force prior to the commencement of these Regulations and so long as any such storage shed remains, in the opinion of the appropriate authority, serviceable, he may, at his discretion and

subject to such conditions as he may impose, grant a licence for the storage of petroleum in it although it does not comply with the conditions prescribed by this regulation.

(3) Any alterations to installations licensed prior to these Regulations shall comply with the provision of these Regulations.

37. Underground storage for kerbside and garage pumps, etc.

(1) Subject to paragraphs (2) to (5) of this regulation, the appropriate authority may, with the prior approval in writing of the Director-General, grant a licence for the storage of petroleum in underground tanks for the purpose of retailing to the public.

[Form E.]

(2) An applicant for such a licence shall, prior to submitting his application to the appropriate authority-

- (a) give to the Director-General full details of his proposals and such other information as the Director-General may require;
- (b) obtain the Director-General's consent in writing to the proposals.

(3) The application shall be accompanied by-

- (a) evidence that the written consent mentioned in paragraph (2) of this regulation has been obtained;
- (b) a plan showing the buildings existing or proposed on the site and the relation of the site to the road ways and adjoining property;
- (c) a certificate signed by the Chief Fire Officer or by an officer authorised by him in that behalf, that he is satisfied that the arrangements proposed for the prevention of fire are satisfactory, and in accordance with paragraph 5 (*u*) of this regulation;
- (d) a certificate signed by a Divisional Police Officer or the superior police officer in charge of a Police Motor Traffic Division that he is satisfied that the site and layout of the proposed filling station do not constitute an unnecessary traffic hazard.

(4) All underground tanks shall be constructed of not less than a quarter of an inch plate and, if so required by the appropriate authority, be provided with a manhole, and shall satisfy the following provisions-

- (a) all seams shall be welded;
- (b) arrangements to the satisfaction of the appropriate authority shall be made for the prevention of damage to the bottom of the tank by impact from the dipstick by welding a metal strip of not less than six inches square or metal disc of not less than six inches in diameter to the bottom of the tank immediately below the dip-pipe;
- (c) the metal strip or disc referred to in sub-paragraph (b) of this paragraph shall be steel plate not less than a quarter inch in thickness;
- (d) all rust and scale shall be removed from the exterior of the tank and the tank shall then be painted on the outside with one coat of red lead of a standard type and specification and the liberal coat of bitumen, or alternatively, the tank shall

be painted with two coats of bituminous paint, to the satisfaction of the appropriate authority.

(5) The following provisions shall also apply to underground tanks -

- (a) the excavation should permit the tank to be not less than two feet below ground level when the tank is set in its final position;
- (b) where the soil is of good quality, that is to say, non-corrosive, the tank can be set in a simple excavation and subsequently back-filled with soil;
- (c) where the soil may be corrosive, the tank may be similarly installed, but surrounded in inactive puddled clay, clean shingle, or sweet sand, free of extraneous matter;
- (d) where the water table is high or there is risk of flooding, the tank should rest upon and be strapped to a concrete raft, or a combined concrete raft and cradle, which in either case must be of sufficient weight to overcome tank buoyancy, and back-filled as above;
- (e) at locations where any leakage from the tank may find its way into local drains, wells, or other water supplies, waterways, or public service, the tank should be set in a chamber of waterproof concrete walls, nine inches thick, rendered on the inner surface with neat cement; and the space between the tank and the chamber walls should be back-filled as above;
- (f) where underground tanks are placed under a building they must be covered with reinforced concrete of not less than nine inches in thickness and must be filled only from the outside of the building in the open through oil-tight pipes fitted with screwed, flanged or approved type caps or valves;
- (g) the chamber of every tank installation shall be raised above the level of the surrounding ground to prevent the ingress of surface water, and all pipelines, including the ventilating pipe below ground level, shall be protected against damage and corrosion to the satisfaction of the appropriate authority;
- (h) no tank shall be lowered into an excavation unless and until the appropriate authority has been given prior written notice or information of the fact within a reasonable time;
- (i) all underground tanks shall be tested for leakage with five p.s.i. air pressure applied for two hours or such longer period as the appropriate authority may specify and the pressure will be applied after the tank has been placed in position and prior to back-filling, and thereafter a further similar test shall be undertaken and witnessed by a competent person when the several pipelines and fittings have been assembled ready for operation, during which period there shall be no loss of pressure;
- (j) the foregoing test for leakage shall be repeated-
 - (i) five years after the installation;
 - (ii) ten years after the installation; and thereafter
 - (iii) at two yearly intervals until twenty years after installation; and thereafter

(iv) at yearly intervals,

and the results of each test shall be recorded in a book kept for that purpose by the licensee and countersigned by an officer of the appropriate authority or by an officer appointed in writing by the Director of Petroleum Resources:

Provided always that the appropriate authority may direct that installations shall comply with special conditions where special circumstances exist;

- (k) any scales or rust or similar matter removed or scrapped from the interior of underground tanks shall be disposed of in a manner satisfactory to the Director of Petroleum Resources;
- (l) all individual tanks must be provided with efficient electrical earth connections independent of pipe connections, having an electrical resistance value not exceeding ten ohms when measured by an earth resistance tester of the "Megger" or similar type;
- (m) the capacity of any individual tank shall not exceed 5,000 gallons;
- (n) all fixed pipes must be of metal and be in positions where they will not be liable to be damaged;
- (o) pipes for tilling the tanks must extend inside to within six inches of the bottom of the tank and must be fitted with screwed, flanged or approved instantaneous metal couplings for their connection to the source of supply;
- (p) vehicles must stand in the open when their tanks are being tilled;
- (q) the pump or pumps shall be placed in the position shown on a plan submitted; the pipe connection between the tank and the pump or pumps shall be placed underground and all joints, valves and cocks of an approved type shall be installed and maintained in a gas-tight condition;
- (r) when charging the tanks of motor vehicles, the petroleum shall be pumped through approved measuring receptacles fixed in approved positions through sound, metallic, reinforced or other suitable hose of an approved type (electrically earthed or grounded if composed in part of metal) fitted with an approved quick-acting leak-proof valve and an approved nozzle;
- (s) if an officer of the appropriate authority, or an officer appointed by the Director of Petroleum Resources, by a notice in writing directs the holder of a licence to execute any repairs to the installation, which may, in the opinion of such officer be necessary for safety, the holder of the licence shall execute the repairs within such a period as may be fixed by the notice; provided that such period shall be not less than one week from receipt of the notice;
- (t) all due precaution shall be taken to prevent unauthorised persons from having access to any petroleum kept and to the supply tank;
- (s) no artificial light other than electric light may be used near tanks or pumps and every person employed on or in connection with such storage and distribution shall, when near storage or distribution apparatus, abstain from any act whatsoever which tends to cause fire or explosion and which is not reasonably necessary and shall prevent any other person, whilst near such apparatus, from doing any such act;

- (v) buckets filled with dry earth or sand and at least one extinguisher of an approved type shall be provided near the pumps;
- (w) the installation shall be liable to inspection by any officer duly authorised in that behalf by the appropriate authority or by the Director of Petroleum Resources.

(6) The appropriate authority may make special rules for the storage of class "B" petroleum in above-ground tanks for the purpose of retailing to the public.

(7) The Director-General may cause the appropriate authority to revoke any licence granted under this regulation if the licensee fails to comply with any of the conditions of the licence, or if the licence was granted without the prior approval in writing of the Director-General having been obtained.

38. Storage in bins or pits of class "A" petroleum

(1) Subject to the requirements of any other enactment and notwithstanding those of these regulations, on application made to it under regulation 44 of these Regulations, the appropriate authority may license the keeping of class "A" petroleum on premises, or the conveying of such petroleum, and in any such case the following provisions of this regulation, as the case may require, shall have effect.

[Form D.]

(2) Possession of such petroleum may be licensed where the petroleum is contained in gas-tight, tinned or galvanised sheet iron, steel or lead plate receptacles fitted with well-made filling holes and well-fitting screw plugs, or fitted with screw caps or other metal air-tight caps, and the receptacles comply with the following, that is to say-

- (a) an air space of at least 2Y2% of the capacity of the receptacle shall be left in each receptacle at the time of filling;
- (b) all receptacles shall be so substantially constructed and secured as not to be liable to be broken or become defective, leaky or insecure, otherwise than by way of inevitable accident or criminal negligence;
- (c) the nature of the contents and the words "highly flammable" shall be distinctly marked on all receptacles;
- (d) the receptacles shall be kept in iron bins at least one sixteenth of an inch thick, or in concrete bins or in concrete masonry or brick-lined cement-faced pits;
- (e) the bins or pits shall be substantially constructed to the approval of the appropriate authority;
- (f) the bins or pits shall be provided with a ventilation pipe at least one inch in diameter adequately protected by two non-corrodible wire gauze diaphragms, communicating with the open air at least ten feet from the ground and either at least ten feet from any door, window, chimney or exhaust pipe, or above the roof;
- (g) the door opening of such bins or pits shall be at such height that the portion below the opening can contain five per cent in excess without now therefrom of the quantity of petroleum allowed to be stored therein;

- (h) not more than 500 gallons of the petroleum shall be kept in any such bin or pit except when it is desired to keep the petroleum on the premises in metal drums of capacities of not less than forty gallons and of not more than 65 gallons, for the purpose of distribution therefrom by means of approved appliances, and in any such case one such metal drum for each such approved appliance shall be allowed to be kept on the premises outside any such bin or pit;
- (i) a bin or pit shall be at least twenty feet from the nearest part of any other bin or pit on the same or on other premises;
- (j) if the bins or pits containing the receptacles of such petroleum are enclosed in buildings, the buildings themselves shall be protected by an efficient lightning conductor.

(3) In the case of receptacles to which this regulation applies, at no time are they to be filled or replenished with class "A" petroleum on the premises, nor shall the contents of any such receptacles be exposed in the presence of fire or artificial light (except such light and fittings of the construction, position and character described in regulation 36 (1) (j) of these Regulations as are not liable to ignite any flammable vapour arising from such petroleum), and no fire or artificial light capable of igniting flammable vapour shall be brought within dangerous proximity to the place where any receptacle containing this class of petroleum is kept.

(4) Any licensee to whom a licence is granted under paragraph (I) of this regulation shall in respect of any class "A" petroleum conveyed or kept by him or on his behalf in his vehicles or on his premises, direct-

- (a) all persons concerned to take proper precautions for the prevention of accidents by fire or explosion and for the prevention of unauthorised persons from having access to any class "A" petroleum so kept or conveyed, or to receptacles which have contained or were or are intended to contain any such petroleum;
- (b) every person managing or employed on or in connection with any garage, store, bin, pit or other receptacle where or in which any such petroleum is kept-
 - (i) to abstain from smoking and from the doing of every other act, not reasonably necessary which is liable or tends to cause fire or explosion; and
 - (ii) to prevent any other person from doing or committing any such act;
- (c) the display, in a conspicuous position on the premises where such petroleum is kept or stored, in letters of at least six inches in height, of notices forbidding smoking.

(5) The provisions of this regulation shall, with such modifications as the case may require, apply to the conveyance of class "A" petroleum as they apply to its storage thereon.

(6) In the application of this regulation-

- (a) at least one extinguisher of an approved type, and supplies of not less than seven hundredweight of sand or dry earth shall be kept on the premises so as to be readily available for use in case of fire and the extinguisher and the supplies

shall be maintained in the condition necessary or suitable, as the case may be, for the intended purpose;

- (b) petroleum shall not be allowed to escape into any inlet or drain communicating with a sewer; and
- (c) no person shall repair or cause to be repaired any receptacle, bin or pit in which to his knowledge, any class "A" petroleum is or has been kept, until he has taken all reasonable precautions to ensure the receptacle, bin, or pit is free from this class of petroleum, and from any flammable vapour occasioned by that class of petroleum;
- (d) the precautions to be taken for prevention of fire or explosion in the Federal Capital Territory, Abuja shall be such as satisfy the Chief Fire Officer.

39. Storage of petroleum in bulk

(1) Where on application made to the appropriate authority for permission to store petroleum in bulk, plans for such storage are acceptable to the engineer to the appropriate authority and, in respect of the Federal Capital territory Abuja, agreed by the Chief Fire Officer, and the application is approved in writing by the Director-General (after consultation in proper case with any town planning authority), the appropriate authority may thereafter grant a licence for the storage of petroleum in bulk; and without prejudice to conditions that may be imposed in any particular case by the appropriate authority, the licence shall be subject to such of the following provisions of this regulation as are applicable.

[Form F.]

- (2) If the storage relates to class "A" or class "B" petroleum-
 - (a) in normal design fixed-roof tanks, the minimum distance-
 - (i) between the perimeter of the tank and the outer body of the installation shall be the diameter of the tank or fifty feet, whichever is the less, but in no case less than thirty feet;
 - (ii) between tank and tank shall be the diameter of whichever is the smaller, or fifty feet, whichever is the less;
 - (b) in floating-roof tanks, the minimum distance-
 - (i) between the perimeter of the tank and the boundary of the installation;
or
 - (ii) between tank and tank,

shall be not less than twenty feet; and for the purposes of sub-paragraph (a) or (b) of this sub-regulation-

- (c) small tanks shall be considered as one tank if sited together in groups not exceeding a combined capacity of 3,000 water tons, and spaced according to the requirements of the locality and of operational needs.

(3) If the storage relates to liquefied petroleum gas (hereafter referred to as "LPG"), and-

- (a) the LPG vessel does not exceed 500 cubic metres, the minimum distance-
 - (i) from the boundary of the installation; or

- (ii) from open fires; or
 - (iii) from class "A" and class "B" petroleum,
- shall be 50 feet;
- (b) the LPG vessel exceeds 500 cubic metres,

the minimum distance-

- (i) from class "A" and class "B" petroleum shall be fifty feet;
- (ii) from the boundary of the installation, or of open fires, as the case may be,

shall be 75 feet.

(4) Storage tanks shall accord with standards approved by the Director-General of the Federal Ministry of Works and Housing, and be designed and constructed from mild steel or other material approved by him, and storage tanks in any event shall be adequately protected from rust and conspicuously marked with their capacity in gallons or barrels as the case may require, and if they are to be exposed to the elements above ground, be painted white or other light colour; and-

- (a) when sited below the surface of the ground, they shall be covered to a minimum depth of twelve inches with allowance made at surface level for manhole covers, and the tanks shall, (if in the event of serious leakage, contamination of water supplies, water courses or any drainage system is probable or likely), be surrounded with puddled clay not less in thickness than twelve inches, or by fine concrete of a thickness approved by the engineer to the appropriate authority;
- (b) when sited wholly or partly above the surface of the ground, they shall be supported by such means as the engineer to the appropriate authority may in writing approve, and be surrounded by a main retaining bund wall,

and in any event, the tanks-

- (c) shall be fitted with manholes of a size sufficient to enable easy access to the insides and with vents capable of relieving any excess pressure or vacuum;
- (d) shall have access to their roofs by means of a ladder or staircase of a type approved by the Director of Petroleum Resources, anywhere a tank is of the class known as float-roof tanks, it shall have an adequate wind girder;
- (e) shall be provided with efficient electrical earth connections independent of pipe connections, so however that they shall have an electrical resistance value not exceeding ten ohms measured by an earth resistance tester of the type known as "Megger", or any type of tester of a similar nature designed to measure electrical resistance; and
- (f) in the case of fixed-roof tanks, an air space of not less than 2% of their capacity (including the manhole) shall be provided to allow for expansion.

(5) Where tanks are sited below the surface of the ground, the appropriate authority may require the area to be fenced if the position of the tanks is not obvious; and subject thereto--

- (a) if the tanks are protected by adequate concrete covering, the licensee may, with the approval in writing of the appropriate authority, use the open space without roof or other covering for the filling of vehicles; and

- (b) if the tanks are not protected by concrete covering the licensee may use the space only for the temporary storage of metallic packages.

(6) Openings in storage tanks (other than vent pipes) shall be air-tight when closed; and pumping mains and pipes shall have affixed or used therewith efficient means of stopping the flow of petroleum in the event of damage to pipelines connected to or used with any storage tank.

(7) Save as to ventilating opening provided, the roof of a storage tank shall be gas-tight; and where there are open vents or pressure and vacuum valves intended for use with a storage tank, they shall be filled in such manner as to prevent any increase in pressure differentials over the appropriate storage tank design maximum, with the vent now capacity of a size appropriate to cope with variation in volume due to any temperature change likely to be experienced in service, whether occasioned in tilling, or discharging or by reason of ullage.

(8) Where tank pits or wells are necessary for the siting of storage tanks under this regulation, they shall not at any time be connected with any drainage, designed or designated for any purpose other than the storage of petroleum.

(9) Where storage tanks are surrounded by a main retaining bund wall, the following provisions shall apply-

- (a) the total capacity of the storage tanks shall not exceed 60,000 water tons;
- (b) the enclosure shall be capable of containing the contents of the largest storage tank plus ten per cent of the contents of the remaining tanks, and if there is only one tank, the bund wall shall, in the event of any emergency or conflagration, be capable of containing the contents of the tank, unless there are adequate piping facilities approved by the Director-General of the Federal Ministry of Works and Housing, to remove them;
- (c) there shall be installed in the enclosure, an efficient oil interceptor with an isolating valve;
- (d) water shall not be allowed to accumulate within the enclosure or any part thereof where the storage tanks are on concrete foundations and the bed of the enclosure is of concrete, and drainage of the enclosure shall be effected by means of a pipe fitted with a valve, to be kept closed when not in use, which is capable of being actuated outside the enclosure;
- (e) intermediate bund walls up to half the height of the main bunds or of a height of two feet, whichever is the less, shall be provided as fire breaks in cases where storage tanks are of a total capacity of 20,000 water tons or more.

(10) In the application of this regulation-

- (a) save in any building set apart for offices, soldering shed, laboratory, living quarters, engine-room, boiler-house or smithy, tins and naked lights shall not be brought to any installation on the site or used in repairing or maintaining storage tanks or equipment or fixtures used therewith;
- (b) the licensee shall undertake in writing to effect prompt repairs to leaks in storage tanks;

- (c) workmen shall not be permitted to enter any storage tank until the concentration of gas is ascertained to be within the margin of safety or that it is free of gas, as the case may be, and thereafter while work is in progress, all feed and vent lines shall be disconnected and blanked off, and storage tank hatches shall be kept open;
- (d) adequate ventilation shall be provided during any periodic cleaning of a storage tank, with frequent tests to be made in the course of the work to check on any increase in gas concentration, and where the concentration exceeds 0.05 per cent-
 - (i) gas masks shall be worn by persons likely to be affected;
 - (ii) tools used shall be incapable of causing sparks; and
 - (iii) hand lamps and torches used shall be approved electrical flame-proof appliances.

40. Adequate fire-fighting measures

(1) In every installation for the bulk storage or handling of petroleum there shall be provided and kept in readiness to the reasonable satisfaction of the Chief Fire Officer adequate means designed to extinguish fire.

(2) Each item of fire fighting equipment shall be inspected and tested at appropriate intervals by a competent person appointed for the purpose by the licensee; and the date of the last inspection shall be painted on the appliance and the result of the inspection shall be entered in a log book kept for that purpose.

(3) Personnel employed in the installation shall be instructed in the use of each item of the fire-fighting equipment.

(4) Instructions to personnel in case of fire shall be clearly and concisely expressed and prominently displayed.

(5) "No Smoking" signs shall be posted as needed in the installation.

(6) Whenever a fire occurs in an installation, a report of the circumstances and probable cause shall be forwarded by the licensee to the Chief Fire Officer and to the Director of Petroleum Resources within 48 hours of the occurrence.

41. Filling sheds

(1) No filling shed shall be used for any purpose other than the washing, cleaning and filling of petroleum containers.

(2) No filling shed shall be under the same roof as a storage shed unless they are separated by a wall of metal sheering, masonry or concrete:

Provided that the wall may have in it a doorway giving direct communication between the storage shed and the filling shed, if the doorway be such as to enable it at all times to be closed immediately by a fire-proof door.

42. Soldering filled tins

(1) The soldering of filled tins shall not be carried out in the filling shed but shall be done in a separate building not less than fifty feet distant therefrom, or in an area separated by a wall of metal sheeting, masonry or concrete.

(2) The soldering irons, unless electrically heated, shall be heated in a separate compartment from that in which the soldering takes place.

(3) Fires used for heating soldering bolts shall be at least three feet above ground level.

(4) The opening between the two compartments through which the soldering irons are passed shall be at a height of not less than three feet from the ground and shall be provided with an iron shutter which can be lowered at once.

43. Entry for the purpose of inspection

(1) Any officer deputed by the appropriate authority or any officer authorised by the Director of Petroleum Resources or any police officer not below the rank of inspector may, at any time between sunrise and sunset, enter any premises in respect of which a licence to store petroleum has been granted and inspect the same.

(2) Any officer deputed by the appropriate authority or any officer authorised by the Director of Petroleum Resources or any police officer mentioned in paragraph (1) of this regulation may, on such entry, require any licensee to show him any of the receptacles, bins or tanks in which any of the petroleum in his possession is stored or contained, to give him such assistance as he may require for examining the same and to deliver to him a sample or samples from any of the receptacles, bins or tanks.

44. Application for licence

(1) Every application for a licence to store petroleum shall be submitted to the appropriate authority in writing and shall be accompanied by a plan drawn to scale, showing the site of the installation and the design of the storage shed or tanks in all respects in sufficient detail to enable the project to be fully understood.

(2) Application for licences to store petroleum shall specify->

- (a) the description and quantity of petroleum which the applicant desires to store, and the manner in which it is proposed to store it;
- (b) the name and position of the premises in which it is proposed to store the petroleum and whether the said premises fulfil the conditions required by regulations 36 and 39 of these Regulations in so far as they are applicable to the installation;
- (c) the total amount of petroleum proposed to be stored in each building which it is proposed to erect.

45. Duration of licence

Every licence to store petroleum shall expire on the 31st day of December of the year in which it is issued, except in the case of a licence to store petroleum in bulk which may

with the approval of the Director-General be issued for such longer period as he may think fit.

46. Renewal of licences

Every application for the renewal of a licence to store petroleum shall be made in the same manner as an application for an original licence, except that a plan need not be submitted, and the application shall be made not less than thirty days, or such longer period as the appropriate authority may decide, before the day on which the original licence expires.

47. Duration of renewal licence

Every renewal of a licence granted under regulation 45 of these Regulations shall be valid for a period of two years from the date of such renewal subject to the payment of the annual fees prescribed in regulation 48 of these Regulations, unless the licence is earlier revoked under regulation 104 of these Regulations.

[S.I. 22 of 1988.]

48. Fees for licence

(1) Where a licence or permit is required to authorise a person to store petroleum products, there shall be charged for such licence or permit and for each renewal of such licence or permit the fees set out in this regulation.

(2) Category A Licence-

[S.I. 4 of 1996.]

₦

(a) Application fee5,000

(b) Grant fee-

(i) Not exceeding 10,000 litres2,000 per annum

(ii) For every additional 10,000 litres or part thereof.....1,000 per annum

(c) Renewal fee-

(i) Not exceeding 10,000 litres2,500 per annum

(ii) For every additional 10,000 litres or part thereof.....1,000 per annum

(3) Category B Licence-

(a) Application fee3,000

(b) Grant fee-

(i) Not exceeding 20,000 litres2,000 per annum

(ii) For every additional 20,000 litres or part thereof500 per annum

(c) Renewal, variation, validation fee-

(i) Not exceeding 20,000 litres2,500 per annum

(ii) For every additional 20,000 litres or part thereof500 per annum

(4) Category C Licence-	N
(a) Application fee	2,000
(b) Grant fee-	
(i) Not exceeding 20,000 litres	300 per annum
(ii) For every additional 20,000 litres or part thereof...	300 per annum
(c) Renewal fee-	
(i) Not exceeding 20,000 litres	300 per annum
(ii) For every additional 20,000 litres or part thereof.....	300 per annum
(5) Category D Licence-	
(a) Application fee	1,000
(b) Grant fee-	
(i) Not exceeding 500 kilogrammes	500 per annum
(ii) Additional 500 kilogrammes or part thereof	500 per annum
(iii) Exceeding 2,000 kilogrammes	2,000 per annum
(c) Renewal fee-	
(i) Not exceeding 500 kilogrammes	500 per annum
(ii) Additional 500 kilogrammes	500 per annum
(iii) Exceeding 2,000 kilogrammes	2,000 per annum
(6) Petroleum Depot Licence-	
(a) Application fee	100,000
(b) Grant fee	50,000 per annum
(c) Renewal fee	50,000 per annum
(7) Bunkering Licence-	\$ (U.S. Dollars)
(a) Application fee	10,000
Cb) Accreditation fee	50,000 per annum
(c) Annual Vessel/Motorised Barge Licence Fee	10,000 per annum
(d) Renewal-	
(i) Accreditation fee	50,000 per annum
(ii) Vessel/Motorised Barge	10,000 per annum
(8) Permit to Construct Liquefied Petroleum Gas (CLPG) filling plant	
Application fee	10,000
(9) Licence to operate Liquefied Petroleum Gas (LPG) filling plants	

- (a) Grant fee: ₦ 100 per metric ton or part thereof per annum subject to a minimum of 10,000 per annum
- (b) Renewal fee: ₦ 100 per metric ton or part thereof per annum subject to a minimum of 10,000 per annum
- (10) Permit to Construct Lube Oil Blending Plants-
 - Application fee 10,000
- (11) License to operate Lube Oil Blending Plants
 - (a) Grant fee 2,000 per 20,000 litres or part thereof per annum
 - (b) Renewal fee 2,000 per 20,000 litres or part thereof per annum

B. Storage in government petroleum stores

49. Government petroleum store

(1) The provisions of this regulation and regulations 50, 51, 52, 53 and 54 of these Regulations shall apply to storage of petroleum in government petroleum stores.

(2) When government petroleum stores are established at any port, an engineer appointed by the Director of Petroleum Resources shall be responsible for seeing that the general regulations governing the storage of petroleum are complied with in the store.

(3) When import entries have been passed, consignment of petroleum may be received into the store.

(4) The store shall be opened for the receipt and delivery of petroleum on Saturdays from 7 a.m. to 12.30 p.m. and on other days (excepting Sundays and public holidays) from 7 a.m. to 12.30 p.m. and from 2.30 p.m. to 4.30 p.m.:

Provided that on payment of the overtime fees prescribed under the Customs and Excise Management Act, the store may be opened on any day between sunrise and sunset at the request of any person.

[Cap. C45.]

50. Rents in government petroleum store

(1) The following rental shall be paid in respect of petroleum stored in a government petroleum store-

When the petroleum is in cases containing not more than $8\frac{1}{3}$ gallons, or is not packed in cases, for each ten gallons or part thereof.	Up to and including the last day of the calendar month in which the storage commences 0,5k Thereafter for each of the three next succeeding calendar months or part thereof1k Thereafter for each of three succeeding calendar months or part thereof..... 2k Thereafter for each calendar month or part thereof 3k
--	--

(2) Such rental shall be paid to the Collector of Customs and Excise monthly in advance, and if not paid may be sued for by such Collector.

51. Accounts of receipts of petroleum into government petroleum store

An account of the receipts of petroleum into a government petroleum store shall be taken, and after the examination of each consignment is completed the storekeeper of the store shall transmit to the Collector of Customs and Excise a certificate in the following form-

PETROLEUM CERTIFICATE

I, certify that the consignment of
ex ss received on
consigned to has been
examined with the following results.

Class "A" Class "B"
Good
Leaking
Used for filling
Empty
.....

Storekeeper

Owner

52. Separate storage of each consignment

Each consignment of petroleum is to be stored separately in a government petroleum store and a label affixed thereto showing the date of receipt, the names of consignee and importing ship.

53. Delivery of petroleum

Deliveries of petroleum are to be made on delivery orders signed by the owner, and no delivery shall be allowed until rent is paid.

54. Loss in respect of petroleum received into government petroleum stores

No compensation shall be made to any importer, owner or consignee of any petroleum received into a government petroleum store by reason of any damage occasioned thereto by any natural or accidental cause, or for loss by theft or other unauthorised removal, but if such petroleum shall be embezzled or stolen by, or by means of the connivance of, any officer in the service of the Government of the Federation, and such officer is prosecuted to conviction for the offence, whether by the importer, owner or consignee or any other person authorised by law, the value of such petroleum, together with any duties of customs paid thereon, shall, on the approval of the Director-General, be paid or made good to such importer, owner or consignee.

PART III

Transport of petroleum

55. Prohibition of transport without licence

No person shall transport petroleum in bulk otherwise than under and in accordance with a licence issued under this Part.

56. Licence for transport

(1) Licences for the transport of petroleum in bulk by means of pipeline may be granted by the Director-General and shall be in Form G in the Schedule to these Regulations and shall be subject to the conditions specified therein.

[Form G.]

(2) The applicant for a licence shall furnish the Director-General with a copy of the proposed rules for the operation of the pipelines and shall satisfy him that the proposed pipelines can at all times be operated with safety and in accordance with the Act and the regulations made thereunder.

(3) The fee payable for a licence to transport petroleum in bulk by means of a pipeline under these Regulations shall be N 10.

(4) For the purpose of this regulation, the pipelines referred to shall be for the purpose of transporting petroleum from a port where it is unloaded to the nearest bulk installation or from a refinery to a jetty or loading point.

57. Issue of licence

(1) Licences for the transport of petroleum in bulk otherwise than by pipelines, shall be issued by the harbour master, or an officer authorised by him in that behalf if the transport is by water, or by an appropriate authority if the transport is by land; and shall be in Form H or I in the Schedule to these Regulations and shall be subject to the conditions specified therein:

[Form H. Form I.]

Provided that in the case of a licence in Form I, for the transport of petroleum in bulk by road, the licensing officer shall delete such of the conditions specified in Form I as are inconsistent with the provisions of these Regulations.

(2) The fee for a licence to transport petroleum in bulk otherwise than by pipeline shall be ~~N~~ 20.

58. Permit to operate kerosine peddling truck

(1) No person shall operate a kerosine peddling truck unless the truck has been registered and the person has been issued a permit by the Director of Petroleum Resources under these Regulations.

[S.I. 22 of 1988.]

(2) Application for registration shall be made in writing to the Director of Petroleum Resources and accompanied by a fee of ~~N~~ N3,000.

[S.I. 4 of 1996.]

(3) The Director of Petroleum Resources may, on receipt of an application under paragraph (2) of this regulation, if he thinks fit, register the truck and issue the applicant a permit to operate the truck as a kerosine peddling truck.

(4) Any permit issued under paragraph (3) of this regulation shall be valid for one year and may be renewed thereafter yearly on the payment of a renewal fee of ₦ 5, 0000 subject to the applicant meeting any conditions stipulated, from time to time, by the Director of Petroleum Resources.

59. Security measures against breakage

(1) Class "B00" petroleum not in bulk shall be conveyed in air-tight tins or drums of steel or iron or other receptacles not easily broken, or in bottles securely stoppered and carefully packed so as to avoid risk of breakage.

(2) Class "A" petroleum not in bulk shall not be conveyed except if it is contained in receptacles and packed in accordance with the following requirements-

- (a) class "A" petroleum shall be contained in gas-tight tinned or galvanised sheet-iron, steel, or lead-plated receptacles each containing not more than seventy gallons and fitted with well-made filling holes and well-fitted screw plugs, or fitted with screw cap or other cap with metal air-tight undercap; and the receptacles shall be packed in strong wooden cases, the thickness of the wood to be not less than three eighths of an inch;
- (b) such receptacles shall be constructed and secured as not to be liable, except in circumstances of grave negligence or extraordinary accident, to be broken or become defective, leaky or insecure;
- (c) such receptacles or cases shall be marked as directed in regulation 21;
- (d) an air space of at least $2\frac{1}{2}\%$ of its capacity shall be left in each receptacle at the time of filling:

Provided that this regulation shall not apply to the conveyance in a motor vehicle of petroleum to be used as fuel in such vehicle.

60. Precaution against damages

Persons engaged in the conveyance of petroleum not in bulk shall take due precaution for preventing the packages or receptacles from becoming damaged in the course of conveyance and for preventing any damage or danger to any person or property, and shall abstain from any act which tends to cause fire or explosion and which is not reasonably necessary, and shall use every reasonable endeavour to prevent any other person from committing any such act.

61. Condition for transporting lidless cases by rail

Lidless cases of petroleum may be transported by rail, subject to the following conditions-

- (a) railway steel wagons only shall be used;
- (b) layers of matting or other suitable dunnage shall be placed on the floor of the wagon;

- (c) layers of matting or other suitable dunnage shall be placed between each tier or lidless cases;
- (d) layers of matting or other suitable dunnage shall be packed between the outer rows of lidless cases and the sides of the wagon to ensure that the cases are safely and tightly packed and will not be damaged, and that the tins of petroleum therein contained will not be damaged, pierced, dented or punctured during transit;
- (e) each wagon shall be so loaded as to prevent movement of the cases in transit;
- (f) the cases shall be packed in complete tiers on an even plane;
- (g) each tier shall consist of complete rows along the entire length and breadth of the wagon;
- (h) the level of the topmost tier shall not exceed the lowest height of any of the sides of the wagon;
- (i) at least two wagons containing non-flammable goods shall in every railway train transporting cases of petroleum be attached between the railway engine and any wagon loaded with cases of petroleum;
- (j) passenger coaches and wagons loaded with cases of petroleum shall not form part of one railway train except in exceptional circumstances and only if authorised in writing by the general manager of the Nigerian Railway Corporation;
- (k) no case of petroleum containing any punctured, leaky, or badly damaged tin shall be loaded into any railway wagon;
- (l) the general manager of the Nigerian Railway Corporation, or any person authorised by him, may refuse to accept cases of petroleum for transit by rail unless they are packed to his satisfaction and in accordance with these conditions;
- (m) cases of petroleum shall not be loaded or unloaded between sunset and sunrise:

Provided that the general manager of the Nigerian Railway Corporation may permit loading where flood lighting or adequate and safe electric illumination is available;

- (n) notices strictly forbidding smoking, the carrying of matches and unprotected lights within sixty feet of a wagon loaded with cases of petroleum shall be conspicuously painted or displayed on the wagon;
- (o) no unauthorised person shall be permitted to ride on the wagon but smoking and the use of naked lights are strictly forbidden within sixty feet of the wagon; and the wagon shall not be halted within sixty feet of a fire or open flame;
- (p) the guard's van of all trains transporting petroleum shall at all times be supplied with a fire extinguishing appliance of a type suitable for fighting a petroleum fire, ready and available for immediate use in case of fire.

62. Transport of tins of petroleum by road on motor lorries

Tins of petroleum may be transported by road on motor lorries subject to the following conditions-

- (a) the motor lorry shall be fitted with three permanent sides and tailboard. The tailboard shall be attached to the rear of the lorry by strong hinges, and shall be

- so constructed as to be capable of being securely fastened in a vertical position after the lorry is loaded;
- (b) when the floor of the lorry is not of timber it shall be fitted with a wooden tray which shall be so constructed as to protect the tins from any damage, puncture, piercing or denting;
 - (c) layers of matting or other suitable dunnage shall be placed on the bottom of the wooden tray;
 - (d) layers of matting or other suitable dunnage shall be packed between the outer rows of tins and the sides of the lorry to ensure that the tins are safely and securely packed and that they will not be damaged, punctured, pierced or dented either during transit or owing to the construction or condition of the lorry;
 - (e) each lorry shall be loaded with complete tiers packed on an even plane;
 - (f) each tier shall consist of complete rows along the entire length and breadth of the tray;
 - (g) the level of the topmost tier shall not exceed the lowest height of any of the sides or the tailboard of the lorry;
 - (h) no punctured, leaky or damaged tin shall be loaded on any lorry;
 - (i) tins of petroleum shall not be loaded or unloaded between sunset and sunrise;
 - (j) the lorry shall not be driven on any road between sunset and sunrise;
 - (k) the lorry shall be loaded under the surveillance of a competent person and shall not be unloaded except under the supervision of an agent of the consignee and at a depot of the consignee;
 - (l) the lorry shall at all times be in charge of a competent person or persons authorised by the owner; and not more than three persons (including the driver) shall travel in a vehicle transporting tins of petroleum;
 - (m) smoking or the use of naked lights shall not be permitted on or in the vicinity of the lorry; and the lorry shall not be driven or halted within sixty feet of a fire or open flame;
 - (n) the lorry shall have affixed to each side and to the tail end of it a notice board on which shall be conspicuously painted in bright letters the words "Highly Flammable"; and the board shall be so placed as to be easily visible to persons approaching the lorry.

PART IV

Open-air storage of petroleum

63. Meaning of approved

(1) In this Part, unless the context otherwise requires, "**approved**" means approved by an officer appointed by the appropriate authority or the Director of Petroleum Resources or such officer deputed by him for the purpose.

(2) The provisions of this Part shall apply to open air storage of petroleum.

64. Storage in open-air premises

(1) Notwithstanding anything in these Regulations but subject to any other laws, an appropriate authority may grant a licence for keeping any quantity of petroleum on premises in the open air in metal drums of not less than 44 gallons and of not more than 65 gallons for the purpose of storage.

[Form J.]

(2) Every application for a licence to store petroleum in premises in the open air shall be in writing and shall be accompanied by a plan drawn to an approved scale showing the site of such premises and the surrounding enclosure and the relation of the site to the highways and adjoining properties in sufficient detail to enable the project to be understood.

(3) The application shall be submitted to the licensing officer.

(4) Such application shall specify-

(a) the description and quantity of petroleum which the applicant desires to keep, and the manner in which it is proposed to store it;

(b) the name and position of the premises on which it is proposed to keep the petroleum and whether the said premises fulfil the conditions required by these Regulations;

(c) the total amount of petroleum proposed to be kept in each enclosure.

65. Drums for storage of petroleum

(1) Drums may be placed upon the ground or may be supported on some approved floor (which shall not be made of wood in municipalities) and the area in which they are stored must be surrounded by walls of brick, stone, cement or an approved embankment, not less than three feet high or if necessary of such greater height as will at all times ensure that the enclosure so formed is capable of retaining the total quantity of petroleum to be stored in the event of its escape from the entire number of drums in which it is contained.

(2) The drums in the storage enclosure shall be arranged in such a manner that easy access to within twelve yards is available to any part of the storage enclosure to enable efficient use of extinguishers to be made in case of fire.

(3) Where, in the event of a serious leakage, there is a possibility of water supplies, watercourses or drainage systems adjacent to the premises being contaminated, the floor of the enclosed storage area must be formed of concrete or of such other material as is approved by the engineer to the appropriate authority.

(4) A clear space of at least twelve feet in width must be left between such enclosures and protected works and between such enclosures and the boundaries separating adjoining plots.

(5) There shall be a space of at least fifty feet between storage enclosures and sidings on which working locomotives pass.

(6) An air space of at least 2½% of the capacity thereof shall be left in each metal drum.

(7) All leaks in drums shall be promptly repaired.

(8) Drums must be adequately protected from rust and must be painted.

(9) Nothing in this regulation shall apply to the storage of drums in a bulk petroleum installation licensed for the storage of petroleum in bulk under regulation 39.

66. Fire-fighting equipment

(1) There shall be kept in such places and in such manner as shall be approved, ready and available for use in the enclosed area in case of fire-

- (a) a sufficient supply of sand or dry earth;
- (b) an adequate number of fire extinguishers of an approved type;
- (c) buckets or containers and scoop shovels, to the satisfaction of the Chief Fire Officer.

(2) Such sand, earth and other fire fighting appliances shall at all times be maintained in a condition suitable for their intended immediate use.

67. Escape into sewer

Petroleum shall not be allowed to escape into any inlet or drain communicating with a sewer.

68. Drums stored in open air

The appropriate authority may require the provision of a fire-proof roof over drums stored in the open air where special conditions exist such as a danger from sparks.

69. Draining of enclosed areas

All enclosed areas, when the entire floor thereof is of concrete or of non-porous material, shall be drained by pipe fitted with a valve actuated from the outside of the enclosure; and such valve shall always be kept closed except when actually in use and no water shall be allowed to accumulate in the enclosure.

70. Other conditions

The appropriate authority may impose such other conditions as may be required in any particular case.

71. Application of certain regulations

(1) The provisions, conditions and stipulations contained in the regulations mentioned in paragraph (2) of this regulation shall apply to the storage of petroleum on premises in the open air as they apply to storage of petroleum in receptacles to which those regulations apply.

(2) The said regulations are regulations 38 (2) (a) to (d), (3) and (4), 43, 44, 45, 46, 103 and 104 of these Regulations.

PART V

Transport of petroleum in bulk on Federal trunk roads and other roads in the Federal Capital Territory, Abuja

72. Petroleum to be carried in tank vehicles

(1) The provisions of this Part shall apply to the transportation of petroleum in bulk-

- (a) on federal trunk roads outside the Federal Capital Territory, Abuja;
- (b) on all roads in the Federal Capital Territory, Abuja.

(2) No person shall carry petroleum in bulk by road except in a tank vehicle which complies with the provisions of this Part.

(3) No person shall tow a trailer behind a tank vehicle licensed for the carriage of petroleum products, unless a permit has first been obtained from the Director-General for the use of such a trailer on routes to be specified but such a permit will not be valid on routes other than those specified; and if the trailer is to carry class "A" petroleum in bulk, the construction of the trailer and of the tank fittings must comply with the regulations covering tank vehicles and their fittings on self-propelled bulk vehicles.

73. Maintenance and construction of tank vehicle

(1) A tank vehicle shall be maintained in good condition and have the words "Highly Flammable" conspicuously placed on the rear end of the tank in letters in contrasting colours not less than four inches high.

(2) An air space of at least 2% of a tank's total capacity shall be left in a tank when filled with petroleum.

(3) The body of a tank vehicle, including its fittings, shall be strongly constructed of fire-resisting materials; and timber shall not be considered as a fire-resisting material except when used for tank mountings.

(4) The tank, if not a component part of the frame of the vehicle, shall be securely attached thereto.

(5) A tank vehicle shall be earthed at all times by means of a dragging chain or other device approved by the Director of Petroleum Resources.

74. Separate compartments in tanks

(1) When the capacity of a tank exceeds 1,200 gallons, the tank shall be divided into self-contained compartments.

(2) No one compartment, shall contain an amount of petroleum exceeding 1,200 gallons.

(3) A compartment the capacity of which exceeds 700 gallons, shall be fitted with baffle plates in such a manner that all possibility of excess surge is eliminated.

75. Engine requirements

(1) The engine, fuel tank and electric batteries of a tank vehicle shall be effectively screened from the tank by a fire-resisting shield carried down to within fourteen inches of the ground and upwards to the level of the top of the tank, or if the roof of the cab is of fire-resisting construction and is without an opening, to the level of the top of the cap.

(2) A space of not less than six inches between the tank and the fire-resisting shield shall be left clear and unobstructed except for any part of the framework or valances used to screen the sides of the tank:

Provided that-

- (a) the end of such valances shall be insulated from the shield by a layer of heat-resisting material; and

(b) the valances shall not be turned inwards so as to obstruct the space between the tank and the shield.

(3) Notwithstanding the provisions of paragraph (1) of this regulation-

(a) the fuel tank of a vehicle may be situated behind the shield if-

(i) a fuel apparatus fixed in front of the shield is used to lift the contents from the fuel tank; and

(ii) the fuel tank is protected by the frame or by stout steel guards and the filling hole cover is provided with a lock;

(b) the fuel tank of a vehicle may be behind the shield if the fuel used in the engine does not give off a flammable vapour at a temperature of less than 150 °F.

(4) Notwithstanding the provisions of paragraph (1) of this regulation, the electric batteries of a vehicle may be situated behind the shield if the batteries are encased in fire-resisting material and are adequately ventilated and the terminals are securely fastened.

(5) The entire exhaust system of a tank vehicle shall be in front of the shield.

(6) A quick action cut-off valve shall be fitted to the engine fuel-feed pipe in an accessible position, which shall be clearly marked:

Provided that this paragraph shall not apply to a vehicle in which a gravity feed tank is not incorporated in the fuel-feed system and the fuel-feed pump is driven directly from the engine of the vehicle or by electricity with a cut-off switch.

76. Filling pipes

(1) When a tank vehicle is equipped with one or more filling pipes each filling pipe shall be carried down as near as may be to the bottom of the tank so that it provides at all times a liquid seal at the bottom of the pipe.

(2) The ventilating openings, if separated from the pipes, shall be covered with fine wire gauze of not less than 28 meshes to the linear inch.

(3) The draw-off pipes shall be fitted with strong and secure valves and screw or equally efficient caps and, save where a syphon system of emptying the tank is used, with internal valves.

(4) Valves at the rear of the vehicle and valves at the side of the vehicle shall be enclosed in a strong locked box of suitable material or be provided with and protected by stout steel guards.

(5) All faucets of tank vehicles shall be made of non-sparking metal and fitted with drip caps.

77. Control of tank vehicles

(1) Tank vehicles shall be in the charge at all times of a competent person employed by the licensee.

(2) No unauthorised person shall be permitted to ride on the vehicle, and no load other than package petroleum products shall be carried on the vehicle or separately in a trailer.

(3) The licensee of a vehicle used for the conveyance of petroleum spirit who employs any person in connection with such conveyance shall furnish a copy of these Regulations to, or affix a copy thereof in some place where it can be conveniently read by any such person and shall take all other measures necessary to ensure that any such person is acquainted with and carries out the provisions of these Regulations.

78. Precautions against fire

(1) Smoking and the use of naked lights shall not be permitted within sixty feet of a tank vehicle.

(2) The tank vehicle shall not be halted within sixty feet of a fire or open flame.

(3) No matches, mechanical cigarette lighter, or other means of making fire shall be carried either on the tank vehicle or by any person on the vehicle.

(4) No can, drum, or other vessel containing petroleum spirit shall be carried separately between the cab and the tank of the vehicle.

(5) An approved type of fire extinguisher shall be carried in an easily accessible position on every vehicle conveying petroleum spirit. All fire extinguishers shall be of approved quality, checked and fitted with a quick-release device.

(6) No repairs involving the use of naked lights shall be carried out unless the tank is emptied and a gas-free certificate obtained from a responsible representative of the owners.

79. Pipes to be kept closed

(1) Except during the tilling or discharging into the tank, the filling pipe or manhole of a tank vehicle shall at all times be kept securely closed.

(2) Except during the tilling or emptying of the tank, the dipping pipe of a tank vehicle shall at all times be kept securely closed.

(3) The fuel tank of a mechanically propelled vehicle shall not be filled or replenished with class "A" petroleum direct from a vehicle carrying class "A" petroleum in bulk.

80. Parking of tank vehicles on highway forbidden

(1) No tank vehicle shall be parked on the highway.

(2) Where a mechanical breakdown, or other cause, prevents a vehicle from leaving a highway, the driver shall remain with the vehicle and take all reasonable precautions to prevent a fire or other accident; and in particular, he shall see to it that-

- (a) two collapsible metal notice boards each bearing the word "DANGER" in red reflector glass are placed in the centre of the road, fifty yards ahead of, and fifty yards behind, the standing vehicle;
- (b) one red lamp is placed beside each of the boards mentioned in sub-paragraph (a) of this paragraph during the hours of darkness;
- (c) the fire extinguishers on the vehicle are removed, if necessary, and placed where they may be readily available if the vehicle catches fire.

(3) The breakdown must be reported to the Police as soon as possible.

81. Special permits

The Director of Petroleum Resources or the appropriate authority may, by the issue of a permit, exempt any vehicle specified in the permit from complying with all or any of the provisions of this Part in respect of one journey specified in the permit.

82. Garaging of tank vehicles

(1) The premises in which a tank vehicle is usually kept shall be maintained in a clean condition, free from grass, weeds and all flammable material of any description.

(2) Approved type fire extinguishers shall be kept on such premises and maintained at all times in readiness for immediate use.

(3) Notices prohibiting smoking, the lighting of matches and the carrying of unprotected lights shall be fixed in a prominent position in and about such premises.

83. Protection against theft

The licensee shall ensure that-

- (a) the premises where the tank vehicle is kept are secured in such a manner as to prevent the unlawful entry of any person; and
- (b) the vehicle, when garaged on the premises, is protected against interference by an unauthorised person.

84. Inspection of tank vehicles and garages

An officer authorised by the appropriate authority, or by the Director of Petroleum Resources, or a police officer not below the rank of Inspector may, upon production of evidence of identity, enter any premises where a tank vehicle is usually kept, for the purpose of inspecting such tank vehicle or the premises, or both such vehicle and premises.

85. Places where tank vehicles may be parked

A tank vehicle may be parked in a suitable open space or in a yard or building.

86. Safety precautions when loading and unloading

(1) When loading or unloading a tank vehicle adequate earthing connection from such vehicle shall be made by bonded hose or other means before commencing the operation.

(2) Such earthing connection shall not be disconnected until the operation ceases.

(3) The engine of such vehicle shall be stopped before making such earth connections and shall not be restarted until such earth connections are disconnected:

Provided that this paragraph shall not apply where such vehicle is provided with self-pumping equipment driven by a power take-off or a separate power unit which has been approved by the Director of Petroleum Resources.

87. Unloading must be into approved storage tanks

(1) No unloading of petroleum from any tank vehicle shall take place otherwise than into a licensed storage tank.

(2) (i) The provisions of this regulation shall have effect in relation to the transfer of petroleum from the tank of a tank vehicle into a storage tank.

(ii) For the purpose of distinguishing any storage tank from any other such tank on the same premises every such tank shall be clearly marked by or on behalf of the person licensed under the Act to keep petroleum in the tank (hereafter in this regulation referred to as "the licensee") with a particular number, and the grade of petroleum contained in the tank shall also be marked thereon, in such manner that the markings cannot be readily altered or obliterated.

(3) Every dipstick, not being one permanently fixed to a storage tank, and any other device used for ascertaining the quantity of the petroleum spirit for the time being contained in a storage tank, shall in a like manner be marked by or on behalf of the licensee with the same number and grade as that with which the storage tank in connection with which it is used is marked.

(4) Where the method of filling a storage tank is by means of a pipe leading from the tank to a filling point not situated on, or immediately adjacent to, the tank itself, the said pipe shall in the like manner be clearly marked by or on behalf of the licensee, on or near the filling point, with the same number and grade as that with which the tank is marked.

(5) Before delivery of petroleum spirit into a storage tank is begun, the licensee shall secure that some competent person who is not the driver of, or any other person employed to be in attendance on, the vehicle from which the delivery is to be made, is in charge of the storage tank for the purpose of the delivery.

(6) The person in charge of a storage tank shall so far as possible ensure that no petroleum overflows from the storage tank or escapes at the filling point and the tank, and in particular, but without prejudice to the generality of the foregoing provisions of this regulation, shall not permit delivery into that tank to begin-

(a) unless the tank has immediately before been tested with a dipstick or other suitable device and the test has shown that the quantity of petroleum proposed to be delivered can safely be received by that tank;

- (b) in any case where the method of filling the tank is that referred to in paragraph (4) of this regulation, until he has taken all reasonable steps to secure that the connecting hose through which the petroleum will be delivered is properly and securely connected to the filling point of that tank, and that so far as can be ascertained, all pipes through which the petroleum will pass between the filling point and the tank are properly connected to each other, or as the case may be, to the tank, and are otherwise in good order, and in any other case until he has taken all reasonable steps to secure that the said connecting hose is properly and securely connected to the filling point of the tank; and
- (c) in any case where there is a dipping opening in the storage tank, until the dipping opening has been securely closed, except in a case where the dip and fill pipe are combined.

(7) Proper records shall be kept of all deliveries into every storage tank.

(8) During the whole time of delivery into any storage tank, the person in charge thereof shall keep a constant watch thereon.

(9) During the whole time of delivery from any vehicle the person attending that vehicle shall keep constant watch on the tank of the tank vehicle from which petroleum is being delivered.

PART VI

Liquefied petroleum gases

88. Additional precautions

In this Part of these Regulations, the precautions to be observed in the handling and storage of liquefied petroleum gases are additional to those in any other regulations relating to class "A" petroleum and such other regulations shall be read accordingly.

89. Licences for importation of liquefied petroleum gases

(1) Subject to the prior approval in writing of the Director-General, the appropriate authority may issue licences for the importation of liquefied petroleum gases and for their storage at bulk installations and depots.

(2) No liquefied petroleum gases may be imported, and no bulk installations or depots for such gases may be operated, without such a licence.

(3) All such licences shall expire on the 31 st December of the year in which they are issued.

90. Storage of liquefied petroleum gases

(1) Tanks for the storage of liquefied petroleum gases shall be designed for a working pressure corresponding to the vapour pressure at the highest temperature that the contents of the tanks are likely to reach.

(2) The storage tanks shall be fitted with one or more spring-loaded pressure relief valves which communicate directly with the vapour spaces of the tanks and the total

discharge capacity of the pressure relief valves on each storage tank shall be such that it limits the pressure inside the tank to 120% of the design pressure under any conditions.

(3) A shut-off valve shall not be installed between a pressure relief valve and storage tank, except in cases where two or more relief valves are fitted to one tank and the shut-off valves are interlocked so that when one is shut the other is fully open and in any such cases the discharge capacity of the relief valve or valves open to the tank shall meet the requirements of paragraph (2) of this regulation; and if it is found impracticable to interlock shut-off valves as in the case where safety-relief valves may be locked in the open position by means of padlocks, the keys of the padlocks shall be retained by a responsible member of the staff who shall ensure that only one shut-off valve is closed at one time.

(4) All safety valves shall be fitted with vent pipes discharging vertically upwards at a minimum height of six feet above the tank top; and the vent pipes shall be fitted with loose-fitting rain caps and be drained at the bottom, the drain holes being located so as not to permit impingement of vapour or liquid on the surface of the storage tank.

(5) Each storage tank shall be fitted with a pressure gauge and devices for measuring the liquid content and its temperature; and the maximum quantity of liquefied petroleum gas filled into any one tank shall be such that at the maximum operating temperature it will not occupy more than 98% of the capacity of the storage tank.

(6) Drain-cocks or other shut-off valves which communicate direct with the outer atmosphere shall be fitted with caps or blank flanges in which a hole having a maximum diameter of one eighth of an inch shall be drilled, thereby restricting the flow from the valve and minimising the danger caused by careless operation.

(7) Storage tanks shall be painted in light colours.

(8) No storage tank shall be filled with liquefied petroleum gas having a vapour pressure greater than that of the petroleum product for which the tank is designed.

91. Pipes and fitting

(1) Pipeline layouts for use with storage tanks shall be suitably constructed according to recognised practice, with pipelines, valves and pipe fittings conforming to sound engineering practices and cast-iron valves and fittings shall on no account be used.

(2) Where it is possible for any liquefied petroleum gas in its liquid phase to be trapped between two valves, a pressure relief valve shall be fitted notwithstanding that the space between the valves may be equipment such as a pump casing of a meter.

(3) Excess flow valves shall be fitted as necessary to prevent the loss of liquefied petroleum gases from storage tanks and transport tanks, and especially to protect points where flexible hoses are used.

(4) Remote controlled hydraulically operated shut-valves shall be fitted to each storage tank.

92. Container filling sheds

(1) Containers shall be filled with liquefied petroleum gases only in buildings reserved exclusively for these products; and the floors of such buildings, which shall have a non-sparking surface, shall be at ground level or raised platform height.

If raised to platform height, the space under the platform may be left open on all sides to allow free ventilation or may be filled in. The space, if left open, shall not be used for any purpose other than ventilation and shall be kept free from rubbish. Pits in the floor shall be filled in solid to obviate the danger of gas accumulation and drains shall be provided with a gas-liquid separator situated outside the building.

(2) Filled containers shall not be stored in the container-filling bay. If it is essential that the same structure be used for storage and filling, fire-proof wells shall be installed to separate the two operations.

(3) Container filling operations shall be carried out at least 75 feet from any open fire and not less than fifty feet from any storage tanks and installation boundary, or in respect of any other petroleum product at the like distance from any filling shed or storage shed.

93. Containers

(1) The quantity of liquefied petroleum gas to be filled in any container shall not occupy more than 95% of the total capacity at a temperature of 65°C or 150 OF.

(2) All containers shall be completely emptied before refilling.

(3) After filling a container, all valves shall be tested to ensure that they are free from leaks.

(4) No containers shall be vented to the atmosphere of the filling shed, and if it is necessary to vent the contents of a full or partially full container, it shall be removed to a safe place for this purpose:

Provided that a suitable vent line may be connected to carry the vented gases away from the filling shed for dispersal in a safe place.

(5) Before filling the containers they shall be visually inspected for damage caused by denting or corrosion and for faulty valves; and they shall also be checked to make sure that they are of a type suitable for the particular product it is proposed to fill into them.

94. Charging containers

(1) Every reasonable precaution shall be taken to ensure that valves and fittings on containers are in sound condition and that the containers are free from water, air or foreign matter; and inspection of empty containers shall include a check on weight and an examination of the name-plate to confirm the rating to be correct to specification for the proposed filling ratio.

(2) When valves are found to be in the open position or in a damaged condition, special ventilation measures shall be taken to remove any gas, air or moisture present in the container.

(3) Full containers shall be inspected by checking the weight and testing the container valves, and on completion of the inspection the valves shall be sealed.

(4) A suitable arrangement shall be provided to enable containers to be safely vented should it be necessary to reduce the contents or to effect repairs.

(5) Relief valves shall be fitted in the filling line at any point where liquid may be trapped between closed valves. Discharge from relief valves shall not vent to atmosphere inside buildings.

95. Handling maintenance and test

(1) Containers shall be handled with great care at all times and if the valve protective cover is detachable, it shall be replaced when the container is not in use.

(2) Lubricants and jointing compounds shall be resistant to liquefied petroleum gas, water and heat.

(3) When containers are not in use, outlet valves shall be kept tightly closed even if the containers are considered to be empty.

(4) At intervals not exceeding five years, containers shall be hydraulically tested to one and a half times the working pressure and the date of the last test, the number of the container and the test pressure shall be painted on the container and recorded in a log book kept for that purpose by the licensee.

96. Pipes and hoses

(1) Valves, unions and hoses used for container filling shall be resistant to the solvent action of liquefied petroleum gases; and they shall be designed for a bursting pressure of five times the maximum pressure they will have to carry in service.

(2) The hoses shall be provided with a union for attachment to the supply pipe and a quick-closing valve at the end to which the container is coupled; and the hoses, complete with unions and valves, shall be examined visually daily and tested hydraulically at monthly intervals, to twice their working pressure.

97. Static electricity

All filling points, lines and connections, shall be electrically bonded and earthed, and the resistance of the earth shall not exceed ten ohms.

98. Fire precautions

(1) Dry-powder fire extinguishers shall be kept readily available for use in connection with any liquefied petroleum gas installation in case of fire.

(2) Installations shall be provided with a water supply for fire-fighting and gas storage tanks shall be fitted with water spray system utilising "fog nozzles" or similar devices.

PART VII

Fuelling of aircraft

99. Precaution while fuelling aircraft

(1) This regulation and the next two succeeding regulations shall have special application to the fuelling of aircraft.

(2) In addition to any other regulation-

- (a) before commencing fuelling, fire extinguishers shall be placed in readiness so as to be accessible for immediate use in an emergency;
- (b) in no circumstances shall aircraft engines be turned over during fuelling and all ignition switches must be in the off-position;
- (c) no smoking or naked lights shall be allowed anywhere on the apron or tarmac and within fifty feet of the aircraft;
- (d) fuelling of aircraft shall not be undertaken when passengers are on board except in accordance with procedures ensuring the safety of person and property agreed between the aircraft owner or operator and the fuelling agency and approved by the Controller of Ground Service, Federal Ministry of Aviation;
- (e) fuelling of aircraft shall not be undertaken whilst maintenance work, likely to cause a spark, is in progress;
- (f) "No Smoking" warning notices shall be provided and fixed in prominent positions in the vicinity of the fuelling operations as to be visible to passengers and other persons in that vicinity;
- (g) fuelling shall cease immediately if any other aircraft runs up its engines within fifty feet of the aircraft.

(3) While fuelling is in progress-

- (a) the fuelling vehicle shall be provided with an adequate number of fire extinguishers;
- (b) no other vehicles shall normally be allowed in the vicinity and if it is necessary for a vehicle to be in the vicinity it shall be so placed as not to obstruct the exit of the fueller, and its engine shall be stopped and not be restarted during the fuelling operation.

(4) The provisions of this regulation shall apply to any de-fuelling operation.

100. Earthing and bonding

During any fuelling or de-fuelling operation, an aircraft shall be earthed with an earthing device of an approved type and earthing and bonding wires shall be regularly tested and examined.

101. Operation of fuelling vehicles

(1) During operations for the purposes of regulation 98 of these Regulations, fuelling vehicles shall be attended by at least one competent person.

(2) Special care shall be taken to avoid spillage of overflow, and if this occurs the following action shall be taken-

- (a) engines of the fuelling vehicles shall be stopped;
- (b) any fuelling vehicle in the area of the operation shall be towed away by means of a long-tow rope attached to a vehicle in a safe area;
- (c) operations shall not recommence until all spilled fuel has been cleared and the area is vapour-free;

- (d) if the fuelling vehicle itself is affected by spillage, it shall be cleaned down and its engine started in a safe area.

102. Power to make further rules in respect of aircraft refuelling

The Controller of Ground Service of the Federal Ministry of Aviation may make such other rules as he may think fit for the storage and handling of petroleum and the refuelling of aircraft on the ground in aerodrome areas.

PART VIII

General

103. Form of licence

Licences granted under these Regulations shall be in the forms set out in the Schedule to these Regulations.

[Schedule. Forms A, B, C, G.]

104. Revocation of licences

A licence granted under these Regulations may be revoked at any time by the Director-General or by the officer who granted it, if he is satisfied that the licensee or any person in his employ has infringed any of the conditions of the licence or any provision of these Regulations.

105. Right to enter and inspect premises in case of offences

Notwithstanding the provisions of regulation 43 of these Regulations, any officer authorised by the appropriate authority or by the Director of Petroleum Resources or a police officer not below the rank of Inspector may, at any time enter and inspect any premises on which he has reason to suspect that a breach of these Regulations is being committed.

106. Offences

(1) Any person who-

- (a) commits a breach of any of the provisions of these Regulations;
- (b) fails to comply with any provisions of these Regulations, any direction given thereunder or any condition of any licence issued thereunder;
- (c) fails to permit any inspection authorised under these Regulations; or
- (d) makes a return required by these Regulations, or wilfully furnishes information so required, which is in any respect false or insufficient,

shall be guilty of an offence and be liable on summary conviction to a fine not exceeding ₦ 50, 000 or to imprisonment for a term not exceeding six months or to both, and when the offender is the holder of a licence granted under these Regulations his licence may be cancelled by the Director-General.

[S.1. 4 of 1996.]

(2) The master of any ship or a person in charge of-

- (a) any boat or other vessel, as defined by the Merchant Shipping Act; or

[Cap. MII.]

(b) any motor vessel,

in relation to which any breach or non-compliance within the meaning of paragraph (1) of this regulation occurs, shall be guilty of an offence and on summary conviction shall be liable to a fine not exceeding N250,000 or to imprisonment for a term not exceeding six months or to both, in addition to the various penalties laid down in section 46 of the Merchant Shipping Act.

[S.I. 4 of 1996. Cap. MII.]

107. Savings

Nothing in these Regulations shall be construed as enabling any person to be held guilty of an offence thereunder of any act or omission that did not, at the time when it took place, constitute such an offence.

SCHEDULE

FORMS OF LICENCES

FORM A
[Regulation \03.]

FEDERATION OF NIGERIA

Licence to store class "A" petroleum only or class "A" and class "B" petroleum together*

No Fee

Licence is hereby granted to

offor the storage in the premises described below-

of gallons class "A" petroleum only,

of gallons in all petroleum both class "A"

and class "B" subject to the conditions prescribed by the Petroleum Regulations.

This licence shall expire on the 31 st day of December next following the date of issue hereof and may be renewed on application being made for this purpose not less than thirty days previous to the date of expiry.

Description of the premises above referred to-

.....
.....
.....

Date of Issue

Signature of Officer of appropriate authority

Rank or office

This licence is issued subject to the provisions of the Petroleum Regulations (Cap. PIO), of which the licensee admits cognisance.

* Delete whichever is not applicable.

FORM B
[Regulation 103.]

FEDERATION OF NIGERIA

Licence to store petroleum other than class "A" petroleum

No Fee

Licence is hereby granted to

for the storage in the premises described below, of gallons of petroleum other than class "A" petroleum, subject to the conditions prescribed by the Petroleum Regulations (Cap. PIO).

This licence shall expire on the 31 st day of December next following the date of issue hereof, and may be renewed on application being made for this purpose not less than thirty days previous to the date of expiry.

Description of the premises above referred to-

.....
.....
.....

Date of Issue

Signature of Officer of appropriate authority

Rank or office

This licence is issued subject to the provisions of the Petroleum Regulations (Cap. PIO), of which the holder admits cognisance.

FORM C
[Regulation 103.]

FEDERATION OF NIGERIA

Licence to store class "A" or class "B" petroleum in underground storage tanks

No Fee

Licence is hereby granted to

of for the storage in an underground tank on the premises described below and shown on the plan annexed hereto of gallons of class "A" or class "B" *petroleum subject to the conditions of the Petroleum Regulations (Cap. PIO).

This licence shall expire on the 31 st day of December next following the date of issue hereof, and may be renewed on application being made for this purpose not less than thirty days previous to the date of expiry.

Description of the premises above referred to-

.....

* Delete whichever is not applicable.

FORM C-(continued)

.....

Date of Issue

Signature of Officer of appropriate authority

Rank or office

This licence is issued subject to the provisions of the Petroleum Regulations (Cap. PIO), of which the holder admits cognisance.

FORM D
[Regulation 38.]

FEDERATION OF NIGERIA

Licence to store class "A" petroleum in bins or pits

No Fee

Licence is hereby granted to

for the storage in*

on premises described below of gallons of class "A" petroleum subject to the conditions of the Petroleum Regulations.

This licence shall expire on the 31 st day of December next following the date of issue hereof, and may be renewed on application being made for this purpose not less than thirty days previous to the date of expiry.

Description of the premises above referred to-

.....
.....
.....

Date of Issue

Signature of Officer of appropriate authority

Rank or office

This licence is issued subject to the provisions of the Petroleum Regulations (Cap. PIO) of which the holder admits cognisance.

* Here state whether bins or pits and state how many of each.

FORM E
[Regulation 37.]

FEDERATION OF NIGERIA

Licence to store petroleum in bulk not being class "A" petroleum

No Fee

FORM E-(continued)

Licence is hereby granted to
for the storage in the premises described below, and shown on the annexed hereto, of ...gallons
of petroleum in bulk, other than class "A" petroleum subject to the conditions prescribed by the
Petroleum Regulations (Cap. PIO).

[L.N. 71 of 1967.]

This licence shall expire onand
may be renewed on application being made for this purpose not less than thirty days previous to
the date of expiry.

Description of the premises above referred to-

.....
.....
.....

Date of Issue

Signature of Officer of appropriate authority

Rank or office

This licence is issued subject to the provisions of the Petroleum Regulations, of which the holder
admits cognisance.

FORM F
[Regulation 39.]

FEDERATION OF NIGERIA

Licence to store class "A" petroleum in bulk

NoFee

Licence is hereby granted to
for the storage in the premises described below and shown on the planannexed
hereto ofgallons of class "A" Petroleum in bulk subject to the
conditions prescribed by the Petroleum Regulations.

This licence shall expire onand may be renewed on application
being made for this purpose not less than two months previous to the date of expiry.

Description of the premises above referred to-

.....
.....
.....

Date of Issue

Signature of Officer of appropriate authority

Rank or office

This licence is issued subject to the provisions of the Petroleum Regulations, of which the holder
admits cognisance.

FORM G
[Regulation 56 (1).]

FEDERATION OF NIGERIA

Licence for the transport of petroleum in bulk by means of a pipeline

No.

Licence is hereby granted to for the transport of petroleum by means of the pipelines described below, subject to the provisions of the Petroleum Act and the regulations made thereunder and to the further conditions on the back of this licence.

.....
Dale of Issue *Signature of Officer of appropriate authority*

Rank or office

DESCRIPTION OF PIPELINES

(Insert description of pipeline)

1. The route of underground pipelines shall be indicated in a manner approved by the Director of Petroleum Resources.
2. Accurate safety drawing shall be kept showing the position of the pipelines and the location of the control valves.
3. Underground pipelines shall be protected against corrosion when in the opinion of the Director of Petroleum Resources, soil conditions render such protection necessary.
4. All pipelines shall be patrolled and inspected once in every 24 hours or at such longer intervals as the Director of Petroleum Resources may approve and in addition at all times when pumping operations are taking place, by competent persons appointed by the licensee of the pipeline and details of the inspection shall be recorded in a log book provided for that purpose. When patrolling by night, flame-proof hand lamps shall be used by such persons.
5. The premises occupied by pipelines when under the control of the licensee shall be kept in a clean condition reasonably free from grass, weeds and all flammable material.
6. Lines shall bear colour markings or other identifications to indicate the product or service for which the line is used.
7. When required by the Director of Petroleum Resources or an officer authorised in writing by him in that behalf, all unburied pipelines outside licensed storage areas shall be run in open trenches or between dwarf walls or embankments not less in height than twice the diameter of the largest pipe; and fire-stops (each consisting of two cross-walls at not less than 36 inches apart with the space between filled with sand) shall be provided at intervals of not more than 300 feet along the full length of each line.
8. Where pipelines run in a sleeve through a tank bund or other structure used to retain oil within the confines of a given area, the annular spaces between the pipes and the sleeves shall be filled in to render them oil-tight.
9. Blanks used to separate two sections of pipelines shall be of adequate thickness and have conspicuous or projecting tabs.
10. Stays, guyropes or tackle of any description shall not be attached to the pipelines.

11. Pipework shall not be carried across footpaths unless adequate crossing facilities with reasonable and safe access is provided.

12. Steam lines shall be protected against accidental contact by operating staff or other persons.

13. Provision shall be made in the laying of pipelines to allow for maximum expansion and contraction of the lines and their contents, and for jarring and vibration of the lines and the ancillaries to which they are attached.

14. Pipelines passing under railways, roads and other points where loads may be applied on the pipe shall be enclosed in suitable load-carrying sleeves or culverts or otherwise protected against injury and the ends of the protective sleeves or culverts shall be left exposed where practicable.

15. (1) Pipelines shall be tested in the presence of an inspecting officer before the lines are commissioned and thereafter at six-monthly intervals or such longer intervals as the Director of Petroleum Resources may in writing permit, or when required by an inspecting officer who shall give reasonable notice.

(2) All tests shall be properly recorded in a log book approved by the Director of Petroleum Resources kept by the licensee for that purpose and the tests shall consist of placing the line under a pressure of twice the working pressure or 120 lbs per square inch (whichever is the higher) for a period of not less than thirty minutes during which period no loss of pressure shall occur.

16. Where pipelines make a connection to the shell or bottom of a tank, or end at a jetty, the connection between a pipeline and a tank shall be sufficiently flexible to allow settling of the tank or temperature expansion of the connection pipeline to the tank.

17. All fittings on underground oil pipelines shall be of steel.

18. Points shall be provided to which an inter-connection of pipelines can be made to enable a tank transfer of products to be effected in the event of an emergency.

19. Due precautions shall at all times be taken against fire, including the maintenance of fire extinguishing appliances of approved type.

Notices strictly prohibiting smoking, lighting of matches, and the carrying of unprotected lights shall be provided and fixed in prominent positions in and about the premises.

20. The premises when under the control of the licensee shall be efficiently protected against unauthorised approach or interference.

21. The premises and pipelines may be inspected at any time by an officer of the authority issuing the licence or by a police officer not below the rank of Assistant Superintendent or by an inspector authorised by the Director of Petroleum Resources on production of evidence of identity.

The licensee shall immediately carry out all reasonable instructions of such inspecting officers.

22. This licence shall be liable to be forfeited for any contravention of the Petroleum Act or of any regulations made thereunder or of any of the conditions contained in this licence.

FORM H
[Regulation 57 (1).]

FEDERATION OF NIGERIA

Licence for transport of petroleum in bulk by barge

No

Licence is hereby granted for the transport of petroleum in bulk by barge as described below, subject to the provisions of the Petroleum Act and the regulations made thereunder, and to the further conditions on the back of this licence.

.....
Date of Issue

.....
Signature of Officer of appropriate authority

Rank or office

DESCRIPTION OF BARGE

(Description of barge above referred to)

1. Transport of petroleum in bulk by barge shall be only by means of special tank barges of a design approved by the Government Inspector of Shipping.
2. No barge will be approved unless built in accordance with recognised rules and under the supervision of a responsible surveyor.
3. The tanks in the barges shall be maintained in good condition and free from leakage. Each tank shall be fitted with a horizontal bar under each sight port to indicate when the tank is 97% full. An air-space of not less than 3% of tank shall be left when filling.
All inlets and outlets shall be properly secured and gas-tight.
4. Tank barges shall be in charge at all times of a competent person or persons authorised by the licensee. No unauthorised person shall be permitted to travel on the barge. Smoking and the use of naked lights shall not be permitted on or in the vicinity of the barge.
5. Tank barges shall be loaded and unloaded in accordance with rules approved by the Government Inspector of Shipping.
6. There shall be exhibited at not less than six feet above the deck on every tank barge containing petroleum a red flag by day and a red lamp of approved safety design by night.
7. No tank barge shall be loaded or unloaded between sunset and sunrise.
8. Save as provided in paragraph 6, no fire or light of any description and no matches or any detonating article or substance shall be, or shall be taken, on board any tank barge when Class "A" petroleum is on board.
9. Due precautions shall at all times be taken against fire, including the maintenance of fire extinguishing appliances of approved design. Notice strictly prohibiting smoking, lighting of matches, and the carrying of unprotected lights shall be provided and fixed in prominent positions in the barge.
10. Every tank barge, other than a motor-propelled barge, having class "A" petroleum on board shall be towed by a tug and, if steam is the motive power of such tug, the funnel top or tops shall be fitted with efficient spark protectors.

11. The tanks and bilges of every tank barge which has carried Class "A" petroleum shall, immediately after the barge is unloaded, be thoroughly cleansed of all traces of such petroleum and thoroughly ventilated.

12. The tank barge may be inspected at any time by the Government Inspector of Shipping or by an officer authorised by him or a police officer not below the rank of Assistant Superintendent or by an inspector authorised by the Director of Petroleum Resources on production of evidence of identity.

The licensee shall immediately carry out all reasonable instructions of such inspecting officers.

13. This licence shall be liable to be forfeited for any contravention of the Petroleum Act or of any regulations made thereunder or of any of the conditions contained in this licence.

FORM I
[Regulation 56.]

FEDERATION OF NIGERIA

Licence for transport of petroleum in bulk by road or rail

No.....

Licence is hereby granted for the transport of petroleum in bulk as described below, subject to the provisions of the Petroleum Act and the regulations made thereunder, and to the further conditions on the back of this licence.

.....
Date of Issue *Signature of Officer of appropriate authority*
Rank or office

DESCRIPTION OF MEANS OF TRANSPORT

(Description of means of transport above referred to)

Conditions of Licence

1. Transport of petroleum in bulk by road shall be only by means of special tank vehicles of a design approved by an engineer appointed by the appropriate authority.
2. Transport of petroleum in bulk by rail shall be only by means of special railway tank wagons of a design approved by the general manager of the Nigerian Railway Corporation.
3. The vehicle or wagons shall be maintained in good condition and free from leakage. They shall be conspicuously labelled with the words "HIGHLY FLAMMABLE". An air-space of not less than 2¹/₂% of tank shall be left when filling. All inlets and outlets shall be properly secured and gas-tight.
4. Tank vehicles shall be in charge at all times of a competent person or persons authorised by the licensee. No unauthorised person shall be permitted to ride on the vehicle. Smoking and the use of naked lights shall not be permitted in the vicinity of the vehicle. The vehicle shall not be halted within sixty feet of a fire or open flame.

5. Tank vehicles shall be loaded or unloaded in accordance with rules approved by the Director of Petroleum Resources for each design of vehicle.
6. Tank wagons shall be used only under conditions prescribed by the general manager, Nigerian Railway Corporation.
7. No tank vehicle shall be loaded or unloaded between sunset and sunrise except where flood lighting or adequate electric illumination is available.
8. The premises occupied by tank vehicles and tank wagons under the control of the licensee shall be kept in a clean condition reasonably free from grass, weeds and all flammable material.
9. Due precautions shall at all times be taken against fire including the maintenance of fire extinguishing appliances of approved type. Notices strictly prohibiting smoking, lighting of matches and the carrying of unprotected lights shall be provided and fixed in prominent positions in and about the premises.
10. The premises, tank vehicles and tank wagons when under the control of the licensee shall be efficiently protected against unauthorised approach or interference.
11. The premises, tank vehicles and tank wagons may be inspected at any time by any officer authorised by the appropriate authority or a police officer not below the rank of Assistant Superintendent or by an inspector authorised by the Director of Petroleum Resources on production of evidence of identity.
The licensee shall immediately carry out all reasonable instructions of such inspecting officers.
12. This licence shall be liable to be forfeited for any contravention of the Petroleum Act or of any regulations made thereunder or of any of the conditions in this licence.

FEDERATION OF NIGERIA

Licence to store petroleum in the open air

No.....

FORM J

fEE.....

Licence is hereby granted to [Regulation 64 (I).]
 for the storage in the open air on the premises described below and shown on the plan annexed
 hereto, of
 of class "A" petroleum andgallons of class "B"
 petroleum subject to the conditions prescribed by the Petroleum Regulations.

This licence shall expire on the 31 st day of December next following the date of issue thereof and may be renewed on application being made for this purpose not less than two months previous to the date of expiry.

[L.N. 71 of 1967.]

Description of the premises above referred to-

.....

Restrictions

REGULATION

17. Entry on land.
18. Compliance with planning laws.
19. Roads.
20. Cultivation.
21. Protected and productive trees.
22. Venerated objects.
23. Fishing rights.
24. Safety of navigation.
25. Prevention of pollution.

PART IV

Obligations of lessees and licensees

Recruitment and training of Nigerians

26. Training programmes: approval, etc.
27. Scholarship schemes: approval.
28. Variations.
29. Reports.

Exploration and drilling

30. Commencement of exploration.
31. Permit to conduct seismic data survey.
32. Commencement of drilling.
33. Boreholes and wells.
34. Wells and fields.
35. Drilling rigs.

Field development

36. Abandonment, etc.
37. Maintenance of apparatus and conduct of operations.
38. Field development programme.
39. Production of crude oil and natural gas.
40. Confinement of petroleum.
41. Drainage of waste oil, etc.
42. Pressure decline: study and report.
43. Utilisation of natural gas: feasibility study.
44. Power to give certain directions.
45. Compliance with safety regulations and instructions.
46. Termination.
47. Boundary marks.
48. Joint development schemes.

PART V

Reports, accounts and records

REGULATION

49. Records of boreholes and wells.
50. Discovery reports.
51. Samples.
52. Measurement and weighing of crude oil and natural gas.
53. Accounts and particulars.
54. Progress reports.
55. Records, etc.; miscellaneous provisions.
56. Power to enter relevant area for examination and checking.
57. Records, etc., to be supplied at expense of licensee or lessee.

58. Information to be confidential.

PART VI

Fees, rents and royalties

- 59. Fees.
- 60. Rents.
- 61. Royalties.
- 62. Royalties for onshore and shallow offshore production sharing contracts.

PART VII

Supplemental

- 63. Interpretation.
- 64. Short title.

SCHEDULE

A. Form of Application

B. Form of Oil Exploration Licence

C. Form of Oil Prospecting Licence

D. Form of Oil Mining Lease

E. Form of Application for Drilling Rig Licence

F. Form of Drilling Rig Licence

PETROLEUM (DRILLING AND PRODUCTION) REGULATIONS

[L.N. 69 of 1969.]

under section 9

[27th November, 1969]

[Commencement.]

PART I

Preliminary and general

1. Form of applications, etc.

(1) Every application for an oil exploration licence, oil prospecting licence or oil mining lease shall be made to the Minister in writing on the appropriate form as set out in the Schedule to these Regulations.

(2) Every application shall be accompanied by-

- (a) the prescribed fee as set out in Part VI of these Regulations (the fee in question not being refundable in any circumstances);
- (b) ten copies of a map on a scale or scales specified by the Director of Petroleum Resources upon which is delineated in red the boundaries of the area in respect of which the application is made;
- (c) an adequate survey description of the boundaries of that area (at least one boundary corner being tied, in the case of an application for an oil mining lease, to an official survey control beacon, or an existing survey mark itself previously tied to an official survey grid) or, where the area has been blocked out or delineated and described by or on behalf of the Minister, a reference to the particulars of identification used by him or on his behalf;
- (d) evidence of the financial status and technical competence of the applicant;
- (e) details of the work which the applicant is prepared to undertake or a programme for carrying out any minimum working obligations imposed;
- (f) details of the annual expenditure which the applicant is prepared to make on each area applied for;
- (g) the date on which he is prepared to begin operations after the grant of the oil exploration licence, oil prospecting licence or oil mining lease to which the application relates;
- (h) details of a specific scheme for the recruitment and training of Nigerians;
- (i) evidence of the applicant's ability to market any petroleum produced;
- (j) annual reports in respect of the applicant's oil exploration and production activities in the preceding three years; and
- (k) any other information which the Minister may call for by notice in the *Federal Gazette* or otherwise.

(3) The applicant shall furnish such further evidence relating to the matters mentioned in paragraph (2) of this regulation as the Director of Petroleum Resources may require.

2. Areas

(1) The boundaries of the area applied for-

- (a) shall be straight lines in North to South and East to West directions and, where so required by the Director of Petroleum Resources, shall be coincident with all or part of any existing licence or lease boundaries or international or inter-State boundaries or with grid lines designated by him; or
- (b) where the boundaries of the area have been already delineated by or on behalf of the Minister, shall correspond to those boundaries.

(2) The area applied for shall be a compact unit not exceeding in area-

- (a) in the case of an oil exploration licence, 5,000 square miles;
- (b) in the case of an oil prospecting licence, 1,000 square miles;
- (c) in the case of an oil mining lease, 500 square miles.

(3) All oil mining leases deriving from an oil prospecting licence shall be in compact blocks or units; and, where more than one block or unit is so derived, each block or unit shall be the subject of a separate and distinct lease.

(4) Where there is provision for the relinquishment or surrender of part of the relevant area of a licence or lease, the relinquishment or surrender shall be such that the retained part is a compact unit as provided in paragraphs (2) and (3) of this regulation; and the licensee or lessee shall obtain the prior agreement of the Director of Petroleum Resources as to the shape and area of the retained part before an application for the relinquishment or surrender is made to the Minister.

3. Withdrawal of applications

An applicant may withdraw his application by notifying the Minister of his intention in writing, and the Minister shall accept the withdrawal if the prescribed fee is paid:

Provided that the Minister may for good reasons waive the fee.

4. Applications for assignment

(a) An application for the assignment of an oil prospecting licence or oil mining lease (or of an interest in the same) shall be made to the Minister in writing and accompanied by the prescribed fee; and the applicant shall furnish in respect of the assignee all such information as is required to be furnished in the case of an applicant for a new licence or lease.

(b) Application for the assignment or takeover of an oil prospecting licence or oil mining lease (or of an interest in the same) shall be made to the Minister in writing and accompanied by the prescribed fees at the discretion of the Minister; and the applicant shall furnish in respect of the assignment, or takeover, all such information as is required to be furnished in the case of an applicant for a new licence or lease.

[S.I. 3 of 1996.]

5. Publication

All grants and renewals of oil prospecting licences and oil mining leases and all surrenders, determinations or assignments thereof shall be published in the Federal *Gazette* with the name of the licensee or lessee and the situation of the relevant area.

6. Samples and specimens

(1) The holder of an oil exploration licence may remove for examination and analysis samples and specimens of rock and petroleum found by him in the course of his operations.

(2) The Director of Petroleum Resources shall be given particulars of all such samples and specimens and provided, if he so requests, with representative samples and specimens not exceeding one half of the samples and specimens removed.

7. Samples and specimens: control of export

The holder of an oil exploration licence, oil prospecting licence or oil mining lease may not export samples or specimens abroad except with the written permission of the Director of Petroleum Resources and subject to such conditions as he may prescribe.

8. Registration

If the law of the State in which the relevant area is situated provides for an oil exploration licence, oil prospecting licence or oil mining lease to be registrable, the licensee or lessee shall register the licence or lease accordingly at his own expense and supply one copy of the registered licence or lease to the Director of Petroleum Resources.

9. Appointment of manager

The holder of an oil exploration licence, oil prospecting licence or oil mining lease shall-

- (a) appoint a manager resident in Nigeria to supervise the operations under the licence or lease; and
- (b) notify the name and address of the manager (and changes therein) to the Director of Petroleum Resources, and any notices required to be served on the licensee or lessee shall be sufficiently served if delivered or posted to the manager at the address notified.

PART II

Oil exploration licences

10. Form

Oil exploration licences shall be in the appropriate form in the Schedule to these Regulations.

11. Powers

Subject to the rights of the owners and occupiers of the relevant area, the licensee of an oil exploration licence may, with the approval of the Director of Petroleum Resources, bring and erect upon the relevant area temporary structures, machinery and other things necessary for his operations, and may dismantle and remove the same.

12. Commencement of exploration

(1) As soon as possible (but not more than three months) after the grant of an oil exploration licence, the licensee shall commence to examine the relevant area by geological and geophysical methods, and shall continue the examination during the subsistence of the licence.

(2) Work under paragraph (1) of this regulation shall be supervised continuously by a qualified petroleum geologist and shall be carried out to the satisfaction of the Director of Petroleum Resources.

13. Reports

(1) The licensee of an oil exploration licence shall report without delay to the Director of Petroleum the discovery of any hydrocarbons or other economic minerals in the relevant area.

(2) In addition to reports and information required to be submitted under Part V of these Regulations, the licensee of an oil exploration licence shall within two months of the expiration of the licence forward to the Director of Petroleum Resources a report in triplicate on the work done and the conclusions reached on the relevant area, the report in question being accompanied by all necessary data, maps, plans and sections.

PART III

Oil prospecting licences and oil mining leases

Form, rights and powers

14. Form

Licences and leases shall be in the appropriate form in the Schedule to these Regulations.

15. Rights and powers

(1) The rights and powers conferred on licensees and lessees under the Act shall include the right, subject to all the applicable laws and the approval in writing of the Director of Petroleum Resources and of other appropriate government agencies and to such conditions as they may impose-

- (a) to cut down and clear timber and undergrowth;
- (b) to make roads;
- (c) to appropriate and use water found in the relevant area and to collect and impound the same, but so that in the exercise of this right, the licensee or lessee shall not deprive any lands, villages, houses or watering places for cattle of a reasonable supply thereof or interfere with any rights of water enjoyed by any person under the Land Use Act or any other enactment;

[Cap. L5.]

to construct, bring, maintain, alter, operate, dismantle or remove-

- (i) industrial buildings and installations, including drilling platforms, engines, power plants, trowlines, storage tanks, loading terminals, harbours, jetties, piers, moles, landing places and derricks;
- (d)

- (ii) means of communication, including telephone lines and wireless stations;
 - (iii) facilities for shipping and aircraft;
 - (iv) living accommodation and amenities for the employees and workmen of the licensee or lessee; and
 - (v) other buildings, installations, works, chattels and effects;
- (e) to dredge;
- (f) to search for, dig and get free of charge gravel, sand, clay and stone not subject to any licence or lease within unoccupied State land, on condition that-
- (i) any such gravel, sand, clay or stone shall not be sold; and
 - (ii) upon termination or prior cessation or completion of work in the relevant area, all excavations shall be filled in or levelled out and left by the licensee or lessee as far as may be reasonably practicable and to the satisfaction of the Director of Petroleum Resources in their original condition and, if so required by the Director of Petroleum Resources, fenced or otherwise safeguarded.

(2) The licensee or lessee may exercise any of his rights or powers through agents or independent contractors, but shall be responsible for all the actions of the agents and contractors in question.

16. Reservations and exclusions

(1) The Minister or any person authorised by him shall have the right to enter the relevant area to search for, dig, work and get any substance other than petroleum, and generally for any purposes other than those for which a licence or lease has been granted.

(2) The Governor of a State shall retain the power, in respect of such parts of the relevant area as are State land situated within the State, to exercise all rights conferred by law upon him.

(3) The powers conferred by this regulation shall not be exercised in such a way as to hinder or interfere with or to allow any person or body to hinder or interfere with the rights and powers of the licensee or lessee, and no exercise of any right under paragraph (1) of this regulation shall be permitted or effective if and so far as the exercise would affect or abrogate any of the rights of the licensee or lessee conferred by section 112 of the Minerals and Mining Act.

[Cap. MI2.]

Restrictions

17. Entry on land

(1) The licensee or lessee is not authorised to enter upon or occupy, or to exercise any of the rights and powers conferred by his licence or lease in relation to-

- (a) any area held to be sacred (the question whether any area is held to be sacred being decided, if necessary, by the State authority, whose decision shall be final); or

- (b) any of the following parts of the relevant area unless and until permission in writing to do so has been obtained by the licensee or lessee from the Minister (which permission shall be subject to such conditions as the Minister may see fit to impose), that is to say-
- (i) any part set apart for or used or appropriated or dedicated to public purposes;
 - (ii) any part occupied for the purposes of the government of the Federation or a State;
 - (iii) any part situate within a township, town, village, market, burial ground or cemetery;
 - (iv) any part which is the site of or is within fifty yards of any building, installation, reservoir, dam, public road or tramway or which is appropriated for or situate within fifty yards of any railway;
 - (v) any part actually under cultivation; or
- (c) any part consisting of private land (other than private land coming within sub-paragraph (b) of this paragraph) unless and until permission in writing to do so has been obtained by the licensee or lessee from the Minister, who may grant permission if the licensee or lessee has-
- (i) given previous notice in writing to the Minister specifying by name or other sufficient designation and by quantity the land proposed to be occupied and the purpose for which the land is required; and
 - (ii) paid or tendered to the persons in lawful occupation of and to the owner or owners of the land fair and adequate compensation therefor.

(2) In the event of any dispute under sub-paragraph (c) (ii) of paragraph (1) of this regulation as to who is in lawful occupation or the owner of any land, or as to the amount of any compensation payable, the licensee or lessee shall deposit with the State authority such sum as shall appear to that authority to be reasonable satisfaction in full or in part of whatever compensation the licensee or lessee may be found liable to pay, without prejudice to the right of the licensee or lessee to recover any amount paid in excess of the said compensation.

(3) In this regulation "**private land**" means any land in respect of which a person is entitled to exercise a right of occupancy under the Land Use Act.

[Cap. L5.]

18. Compliance with planning laws

The licensee or lessee shall comply with any law relating to town or country planning or regulating the construction, alteration, repair or demolition of buildings.

19. Roads

The licensee or lessee shall not hinder or prevent any person from having access to or using at his own risk any road constructed in accordance with these Regulations:

Provided that-

- (a) where any person uses such a road in such a manner as to do appreciable damage thereto or to increase substantially the cost of upkeep thereof, the licensee

or lessee may call upon that person to contribute to the cost of upkeep of the road, and if that person fails to contribute such an amount as the licensee or lessee may reasonably require towards the cost of upkeep of the road, the licensee or lessee may with the consent of the Minister prevent that person from having access to or using the road;

- (b) where any person uses such a road in such a manner as materially to interfere with the free use and enjoyment of the road by the licensee or lessee, the licensee or lessee may call upon that person to limit his use of the road so as to end the interference, and if that person does not so limit his use of the road, the licensee or lessee may with the consent of the Minister prevent that person from having access to or using the road.

20. Cultivation

The lessee shall not, except with the consent of the Minister, cultivate or use the relevant area in any manner save for the purpose of his licence or lease and the rights thereby granted.

21. Protected and productive trees

(1) The licensee or lessee shall not cut or take any protected tree except with the consent of the State authority and on payment of the appropriate fees and royalties.

(2) If the licensee or lessee cuts down or takes any other productive tree, he shall pay fair and adequate compensation to the owner thereof:

Provided that in the event of any dispute or uncertainty as to the owner of any productive tree, or as to the amount of compensation payable, the licensee or lessee shall deposit with the State authority such sum as shall appear to that authority to be reasonable satisfaction in full or in part of whatever compensation the licensee or lessee may be found liable to pay to the owner, without prejudice to the right of the licensee or lessee to recover any amount paid in excess of the said compensation.

(3) In this regulation-

"**other productive tree**" means a tree having commercial value which is not a protected tree;

"**protected tree**" means a tree protected by law, and includes all trees in a forest reserve.

22. Venerated objects

Except with the permission of the State authority, given on such terms as he may direct, a licensee or lessee shall not injure or destroy any thing which is an object of veneration, and if any question arises as to whether any thing is an object of veneration, that question shall be decided by that authority, whose decision shall be final.

23. Fishing rights

If the licensee or lessee exercises the rights conferred by his licence or lease in such a manner as unreasonably to interfere with the exercise of any fishing rights, he shall pay

adequate compensation there for to any person injured by the exercise of those first-mentioned rights.

24. Safety of navigation

Any works or installations erected by the licensee or lessee for off-shore operations shall be of such a nature and shall be so constructed, placed, marked, buoyed, equipped and maintained as to leave at all times and in any conditions safe and convenient channels for shipping in the relevant area; and, without prejudice to the generality of the foregoing, he shall install such audible or visual navigational aids as may be approved or required by the Federal Government or any other authority having jurisdiction and shall maintain the same in a manner satisfactory to the said Government or authority.

25. Prevention of pollution

The licensee or lessee shall adopt all practicable precautions, including the provision of up-to-date equipment approved by the Director of Petroleum Resources, to prevent the pollution of inland waters, rivers, watercourses, the territorial waters of Nigeria or the high seas by oil, mud or other fluids or substances which might contaminate the water, banks or shoreline or which might cause harm or destruction to fresh water or marine life, and where any such pollution occurs or has occurred, shall take prompt steps to control and, if possible, end it.

PART IV

Obligations of lessees and licensees

Recruitment and training of Nigerians

26. Training programmes: approval, etc.

(1) The licensee of an oil prospecting licence shall within twelve months of the grant of his licence, and the lessee of an oil mining lease shall on the grant of his lease, submit for the Minister's approval, a detailed programme for the recruitment and training of Nigerians.

(2) The programme shall provide for the training of Nigerians in all phases of petroleum operations whether the phases are handled directly by the lessee or through agents and contractors.

27. Scholarship schemes: approval

Any scholarship schemes prepared, and any scholarships proposed to be awarded, by the licensee or lessee (whether or not related to the operations of the licensee or lessee or to the oil industry generally) shall be submitted for the approval of the Minister.

28. Variations

Once a programme under regulation 26 of these Regulations or a scholarship scheme under regulation 27 of these Regulations has been approved by the Minister, it may not be varied without his permission.

29. Reports

A report on the execution of the programme mentioned in regulation 26 of these Regulations and the progress of Nigerianisation shall be submitted by the licensee or lessee at or about the end of June and December in every calendar year.

Exploration and drilling

30. Commencement of exploration

Every licensee or lessee-

- (a) shall explore the relevant area, using geological, geophysical and any other acceptable methods of examination for the purpose of arriving at the petroleum-producing prospects, until the area has been adequately explored for that purpose, giving in this respect due regard to the reasonable wishes of the Minister; and
- (b) shall, within six months of the date of the grant of the licence or lease, commence (in so far as he has not already begun to do so) seismic investigations which shall continue until the relevant area has been fully investigated.

31. Permit to conduct seismic data survey

(1) No person shall carry out seismic data survey in any concession area unless the person has been issued a permit by the Director of Petroleum Resources.

[S.I. 3 of 1996.]

(2) The permit shall be obtained in respect of each concession.

[S.I. 3 of 1996.]

(3) An application for a permit shall be made in writing to the Director of Petroleum Resources at least one month prior to the commencement of the survey and accompanied by a fee of ₦5,000.00.

[S.I. 3 of 1996.]

(4) An application under paragraph (3) of this regulation shall state among other things-

- (a) the objectives of the proposed acquisition and the location of the prospecting licence or oil mining lease;
- (b) the density and quality of previous vintages if any, on the said areas of the concession;
- (c) the justification for the magnitude of subsurface coverage being applied for;
- (d) the terrain and duration of the survey;
- (e) the name of the geophysical party and location;
- (f) the base map of the area;
- (g) the equipment type and specification;
- (h) the copy of a similar letter of intent issued by the hydrographer of the Nigerian Navy, in the case of marine operation;
- (i) the estimated cost per kilometre;

- (j) any other relevant information.
[S.1. 3 of 1996.]

32. Commencement of drilling

Not later than eighteen months from the date of the grant of an oil prospecting licence, the licensee shall begin drilling operations with a modern oil well drilling outfit and shall drill on the average one well each year (commencing from the second year) in the relevant area to penetrate through all the prospective zones:

Provided that an aggregate of three wells drilled through all the prospective zones in the relevant area shall be sufficient to satisfy the minimum drilling obligations for application for conversion of the licence to a lease.

33. Boreholes and wells

(1) No borehole or well shall be commenced, or re-entered after work has been stopped for six months, without the written approval of the Director of Petroleum Resources and the payment of a fee of ₦5,000:

Provided however that any approval granted under this regulation shall be revalidated if work does not commence within six months of the grant of the approval on the payment of a fee of ₦2,500.

[S.1. 3 of 1996.]

(2) As soon as the site of any borehole or well has been decided, the licensee or lessee shall notify the Director of Petroleum Resources and the ports authority (where appropriate) in writing of the proposed site in accordance with the following provisions-

- (a) in the case of an exploration hole or any hole penetrating any previously undrilled structure, strata or pool, the notification to the Director of Petroleum Resources shall contain-
- (i) the name or proposed name of the field followed by the figure I;
 - (ii) the preliminary co-ordinates and elevation of the proposed location;
 - (iii) a seismic map or plan of the structure or structures to be investigated and the estimated date of spudding (which shall not be less than 21 days from the date of the notification); and
 - (iv) all such other information, including information as to the drilling, casing, testing, cementation and completion programmes proposed by the licensee or lessee, as the Director of Petroleum Resources may by notice in writing require from time to time;
- (b) in the case of a development or appraisal hole or a hole penetrating only previously drilled structures, strata or pools, the seismic maps or plans of which have already been submitted to the Director of Petroleum Resources, the notification shall contain the approved name of the field and its number which shall represent the chronological sequence in which the well is to be drilled relative to the exploration well (which shall always bear the figure I) together with-
- (i) its preliminary co-ordinates and elevation;

- (ii) its estimated date of spudding (which shall not be less than 21 days from the date of the notification); and
- (iii) all such other information (including information as to the drilling, casing, cementation, testing and completion programmes) as the Director of Petroleum Resources may by notice in writing require from time to time.

(3) Where the Director of Petroleum Resources is satisfied with the programme, he shall upon a fee of ₦ 50,000 being paid by the licensee or lessee, give his written approval to the drilling of the well together with such observation and comments as he may wish to make.

[S.1. 3 of 1996.]

(4) If he is not satisfied with the programme, the Director of Petroleum Resources may withhold his permission, but he shall convey to the licensee or lessee the reasons for his refusal.

34. Wells and fields

(1) Every well shall be identified by a unique designation for which the licensee or lessee shall obtain the prior approval in writing of the Director of Petroleum Resources.

(2) The designation of a well shall in general consist of the name of the field in which the well is to be drilled, followed by the serial number which indicates the chronological order in the drilling sequence for the field.

(3) All fields shall bear names in a Nigerian vernacular language which shall in general refer to any geographical, topographical or other general features in the vicinity of the field, and may be chosen from the names of the flora and fauna or any parts thereof of the country, or from any local numerals:

Provided that, as an alternative to the foregoing provision of this paragraph, fields may be designated by the short title by which the licensee or lessee is commonly identified followed by an alphabetical representation consisting of not more than two letters.

(4) No field may be named after an individual without the specific permission in writing of the Minister, and in any case no field shall be named after a living person or after a non-Nigerian.

(5) The designation of a well may not be altered simply because a part of the hole was deviated or whipstocked or because the well was re-drilled to a lower target:

Provided that-

- (a) where an original hole was plugged back and abandoned but another hole was drilled directionally to another target area, the new directional hole shall have a unique number if the new bottom is at least 100 yards from the bottom of the original hole;
- (b) other prefixes, suffixes or any other additional letters or characters may with the prior approval of the Director of Petroleum Resources (who shall first be satisfied of the necessity for the addition) be appended to the designation of any well.

(6) The licensee or lessee shall not change the designation, status or classification of a well or field without the approval in writing of the Director of Petroleum Resources.

(7) In this regulation "**field**" includes an existing field and a proposed field.

35. Drilling rigs

(1) No person shall operate a drilling rig without a valid licence granted by the Minister or any other public officer in the Ministry authorised in that behalf, in writing, by the Minister.

[S.1. 2 of 1990.]

(2) The following provisions shall apply in respect of a licence granted under this regulation-

- (a) the licence shall expire on the 31 st December next following the date on which it was granted, but may be renewed upon application in writing made at least two months before the expiry;
- (b) the licence may be withdrawn or suspended for a stated period if the rig is operated in contravention of any enactment, or if the owners or operators thereof do not comply with instructions issued by the Director of Petroleum Resources;
- (c) the licence shall not be transferable;
- (d) a copy of the current licence shall be displayed on the rig and the original shall be available for inspection at all times on the rig.

(3) Applications for a licence to be granted under this regulation, and any licences so granted, shall be in the appropriate form in the Schedule to these Regulations.

Field Development

36. Abandonment, etc.

(1) No borehole or existing well shall be re-drilled, plugged or abandoned, and no cemented casing or other permanent form of casing shall be withdrawn from any borehole or existing well which it is proposed to abandon, without the written permission of the Director of Petroleum Resources.

(2) Every borehole or existing well which the licensee or lessee intends to abandon shall, unless the Director of Petroleum Resources otherwise permits in writing, be securely plugged by the licensee or lessee so as to prevent ingress and egress of water into and from any portion or portions of the strata bored through and shall be dealt with in strict accordance with an abandonment programme approved or agreed to by the Director of Petroleum Resources.

(3) Except in an emergency, the Director of Petroleum Resources may in any case direct that no borehole or well may be plugged, or no works be executed, save in the presence of an officer of the Minister of Mines, Power and Steel designated by him.

37. Maintenance of apparatus and conduct of operations

The licensee or lessee shall maintain all apparatus and appliances in use in his operations, and all boreholes and wells capable of producing petroleum, in good repair and

condition, and shall carry out all his operations in a proper and workmanlike manner in accordance with these and other relevant regulations and methods and practices accepted by the Director of Petroleum Resources as good oilfield practice; and without prejudice to the generality of the foregoing he shall, in accordance with those practices, take all steps practicable-

- (a) to control the flow and to prevent the escape or avoidable waste of petroleum discovered in or obtained from the relevant area;
- (b) to prevent damage to adjoining petroleum-bearing strata;
- (c) except for the purpose of secondary recovery as authorised by the Director of Petroleum Resources, to prevent the entrance of water through boreholes and wells to petroleum-bearing strata;
- (d) to prevent the escape of petroleum into any water, well, spring, stream, river, lake, reservoir, estuary or harbour; and
- (e) to cause as little damage as possible to the surface of the relevant area and to the trees, crops, buildings, structures and other property thereon.

38. Field development programme

All fields, structures, reservoirs and other oil traps shall be developed and produced in strict accordance with a field development programme, which shall be submitted for the prior approval of the Director of Petroleum Resources and shall give details of the estimated size of the pool, the known physical parameters of the pools, reservoirs or structures at the time of drawing up the programme, the intended drilling pattern (if any), the production or drainage pattern, and the anticipated drive mechanism:

Provided that no such field development programmes shall be required to be submitted during the initial phase when the extent of a field structure, reservoir or pool is being appraised and wells are being drilled-

- (a) not closer than 880 yards, where the wells are likely to produce from the same pool; or
- (b) not closer than 440 yards, where the wells will not at anyone time produce from the same pool except in conformity with the subsequently approved field development programme.

39. Production of crude oil and natural gas

The licensee or lessee shall use approved methods and practices acceptable to the Director of Petroleum Resources for the production of crude oil or natural gas from any pool or reservoir, and shall in particular take all necessary steps-

- (a) to obtain the initial physical characteristics of the reservoir fluids and reservoir parameters (such as temperatures, pressures, gas oil ratios, bubble point pressures, porosities, viscosities, relative permeabilities in relation to fluid saturations, fluid gravities and the like), the detailed data and results and analyses of which shall be submitted to the Director of Petroleum Resources prior to, or as soon as possible after, the commencement of production from any such pool or reservoir;

- (b) to obtain periodical information on the data required to be obtained by paragraph (a) of this regulation, at intervals approved by the Director of Petroleum Resources;
- (c) to cause every pool in each well to produce within the limits of its maximum efficient potential or rate as may be determined from time to time by the licensee or lessee, and to submit the results of his determinations to the Director of Petroleum Resources half-yearly.

40. Confinement of petroleum

The licensee or lessee shall use approved methods and practices acceptable to the Director of Petroleum Resources for confining the petroleum obtained from the relevant area in tanks, gasholders, pipes, pipelines or other receptacles constructed for that purpose; and, except as a temporary measure (for which the prior consent of the Director of Petroleum Resources has been obtained)-

- (a) during an emergency; or
- (b) for test purposes in a remote area,

no petroleum shall be placed or kept in an earthen reservoir.

41. Drainage of waste oil, etc.

The licensee or lessee shall drain all waste oil, brine and sludge or refuse from all storage vessels, boreholes and wells into proper receptacles constructed in compliance with safety regulations made under the Act or any other applicable regulations, and shall dispose thereof in a manner approved by the Director of Petroleum Resources or as provided by any other applicable regulations.

42. Pressure decline: study and report

(1) Prior to or upon the attainment of a 10 per cent decline in the initial reservoir pressure of a pool or reservoir (determined by the consideration of the average current reservoir pressure weighted as appropriate), the licensee or lessee shall commence or cause to be commenced a study to determine the economic practicability of instituting a secondary recovery or pressure maintenance project and its recommended timing.

(2) A full report of the result of the study shall be submitted to the Director of Petroleum Resources as soon as possible (and in any case not more than six months) after the attainment of the pressure decline mentioned in paragraph (1) of this regulation.

43. Utilisation of natural gas: feasibility study

Not later than five years after the commencement of production from the relevant area, the licensee or lessee shall submit to the Minister any feasibility study, programme or proposals that he may have for the utilisation of any natural gas, whether associated with oil or not, which has been discovered in the relevant area.

44. Power to give certain directions

The Director of Petroleum Resources may give such directions as may in his opinion be necessary, from time to time, to ensure the proper exploitation of petroleum and to

encourage good conservation practices in any licensed or leased lands; and the licensee or lessee shall comply with any such directions which affect him.

45. Compliance with safety regulations and instructions

The licensee or lessee shall comply with all existing safety regulations and all such instructions as may, from time to time, be given in writing by the Director of Petroleum Resources for securing the health and safety of persons engaged on or in connection with operations under his licence or lease.

46. Termination

(1) The licensee or lessee shall within two months (or such further period as the Minister may approve) after the termination of his licence or lease-

- (a) deliver up to the Minister, in good order, repair and condition and fit for further working, all productive boreholes or wells (unless the Director of Petroleum Resources requires the licensee or lessee in writing to plug them as he may direct or as provided by these Regulations) together with all casings and other appurtenances to the boreholes and wells which are below the Christmas tree and cannot be moved without causing injury to the said boreholes or wells;
- (b) fill up and fence all holes (other than boreholes and wells) and excavations that he has made in the relevant area to such an extent as the Director of Petroleum Resources may reasonably require; and
[L.N. 26 of 1973.]
- (c) to the like extent take reasonable steps to restore as far as possible to their original condition the surface of the relevant area and all buildings and structures thereon which have been damaged in the course of his operations.

(2) Within two months (or such further period as the Director of Petroleum Resources may approve) after the termination of his licence or lease, the licensee or lessee shall, if so required by the Director of Petroleum Resources, plug every borehole which the Director of Petroleum Resources may indicate in the manner specified by the Director of Petroleum Resources.

(3) On the termination of his licence or lease the licensee or lessee shall, subject to the rights of the owners of the surface or other persons having a legal interest in the relevant area or any part of it, remove all buildings, installations, works, chattels and effects erected or brought by the licensee or lessee upon the relevant area for or in connection with his operations:

Provided that, subject as aforesaid, the Minister may specify any such buildings, installations, works, chattels or effects, and shall then be entitled to take the same at a price bearing a reasonable relationship to the written down value thereof.

(4) Where a licence or lease is surrendered as regards a part of the relevant area, it shall be deemed for the purposes of this regulation to have terminated as regards that part of the relevant area.

47. Boundary marks

(1) The licensee or lessee shall, if so required by the Director of Petroleum Resources, at his own expense forthwith erect and at all times maintain and keep in repair substantial boundary marks of brick, stone or concrete not less than one foot high at every angle or corner of the boundary line of the relevant area.

(2) The boundary marks shall be related by survey to at least two readily identifiable points in such a manner that the boundaries of the relevant area can be accurately traced on the ground.

(3) The licensee or lessee shall ensure that the relevant area as demarcated on the ground conforms to the relevant area as delineated on the plan attached to his licence or lease.

48. Joint development schemes

(1) If at any time during the term of a licence or lease-

- (a) the Minister, after consultation with the licensee or lessee (referred to in this regulation as "the grantee"), is satisfied that the relevant area or any part thereof forms part of a single geological petroleum reservoir (referred to in this regulation as "the oilfield") in respect of other parts of which any other licence or lease is in force, and that the field is susceptible of being developed as a unit in accordance with good oilfield practice; and
- (b) the Minister considers that it is in the interests of Nigeria, the grantee and the licensees or lessees of any other part of the oilfield (those licensees or lessees being referred to in this regulation as "the other parties") in order to secure the maximum ultimate recovery of petroleum that the oilfield should be worked and developed as a unit in co-operation by all those who hold a lease or licence over any part thereof,

paragraphs (2), (3) and (4) of this regulation shall apply.

(2) The grantee shall, upon being so required by the Minister by a notice in writing specifying the other parties, co-operate with the other parties in the preparation of a scheme (referred to in this regulation as "the development scheme") for the working and development of the oilfield as a unit by the grantee and the other parties in co-operation, and shall jointly with the other parties submit the development scheme for the approval of the Minister.

(3) The said notice shall contain a description, by reference to a map, of the area in respect of which the Minister requires the development scheme to be submitted for his approval, and shall state the period within which the development scheme is required to be so submitted.

(4) If the development scheme is not submitted to the Minister within the period limited in that behalf by the said notice, or if the development scheme on being submitted in pursuance of paragraph (3) of this regulation is not approved by the Minister, the Minister shall himself prepare the development scheme in a manner which in his opinion is fair and equitable to the grantee and the other parties.

- (5) When the development scheme has been-
- (a) submitted under paragraph (3) or this regulation and duly approved; or
 - (b) prepared by the Minister under paragraph (4) of this regulation,

the grantee and the other parties shall perform and observe all the terms and conditions thereof.

PART V

Reports, accounts and records

49. Records of boreholes and wells

The licensee or lessee shall keep a record of all boreholes and wells in a form from time to time approved by the Director of Petroleum Resources, and the records shall contain particulars in respect of each borehole or well, as the case may be, of--

- (a) the strata and subsoil through which the borehole or well was drilled and the final depth;
- (b) the elevation of the land or depth of the sea where the borehole was drilled;
- (c) the casing inserted in the borehole or well and any alterations thereto;
- (d) any petroleum, water, mineral deposits or mine workings encountered;
- (e) the results of any analyses, by or on behalf of the licensee or lessee, of any such petroleum, water, mineral deposits or mine workings, or of any other data required to be obtained by or under this regulation;
- (f) logs of all types taken in the well (in every case including a minimum of one resistivity log suite and porosity log suite);
- (g) results of all borehole surveys and tests (including production tests and pressure tests taken or required to be taken on the well); and
- (h) such other matters as the Director of Petroleum Resources may from time to time require.

50. Discovery reports

The licensee or lessee shall forthwith report to the Director of Petroleum Resources, the discovery of petroleum or petroleum-bearing strata.

51. Samples

(1) The licensee or lessee shall correctly label and preserve for reference for a period of two years-

- (a) any characteristic samples which he takes, or is required by the Director of Petroleum Resources to take, of the strata or water encountered in any borehole or well; and
- (b) samples of petroleum or other fluids found in the relevant area.

(2) The Director of Petroleum Resources and the Director of Geological Survey and their authorised representatives shall have access to the samples at all times, and shall be

entitled to require that representative specimens not exceeding one half of any sample be delivered to them and to retain any specimen so delivered.

52. Measurement and weighing of crude oil and natural gas

(1) The licensee or lessee shall, with volume and gravity correction to 60⁰F and by a method or methods approved by the Director of Petroleum Resources in writing, measure or weigh-

- (a) all crude oil won and saved and casing-head petroleum spirit recovered from the relevant area; and
- (b) all natural gas sold.

(2) The Director of Petroleum Resources or an officer authorised by him shall have the right to be present whenever any such measurement or weighing takes place.

(3) The Director of Petroleum Resources or any officer authorised by him shall at all times be present when an equipment or appliance for measuring or weighing crude oil or gas is being calibrated, re-calibrated, tested, compared, measured or weighed against a standard approved by the Director of Petroleum Resources; and any such calibration shall be in accordance with accepted methods and procedures previously agreed to by the Director of Petroleum Resources.

(4) If any measuring or weighing appliance is at any time found to be false or unjust or inaccurate to the extent of more than one per cent-

- (a) the appliance shall be deemed to have existed in that condition during the period of three months prior to the discovery unless the licensee or lessee can prove to the reasonable satisfaction of the Director of Petroleum Resources that such an error could not have possibly occurred over that period or the period that has elapsed since the last occasion upon which the appliance was examined or tested, whichever is less; and
- (b) the royalties payable in respect of the period during which the appliance is deemed to have so existed shall be adjusted accordingly.

(5) The licensee or lessee shall not repair, maintain, or make any alterations in the measuring or weighing equipment or appliances or in the method or methods of measurement or weighing approved by the Director of Petroleum Resources without first informing the Director of Petroleum Resources or his representative; and in every case any such repairs, maintenance or alterations shall be carried out in the presence of the Director of Petroleum Resources or his representative.

(6) The Director of Petroleum Resources or his representative shall have the right to specify the frequency at which all measuring and weighing instruments shall be calibrated or tested, and notwithstanding any such specification, may test or demonstrate the accuracy of any appliance or equipment at any time, with or without previous notice to the licensee or lessee.

53. Accounts and particulars

The licensee or lessee shall in respect of the relevant area, in a form from time to time approved by the Director of Petroleum Resources, keep full and accurate accounts of--

- (a) the quantity of crude oil and casing-head spirit won and saved or recovered therefrom;

- (b) the method and result of physical tests made on crude oil;
- (c) the quantity of crude oil and casing-head spirit sold locally or exported and the particulars of the sale and export;
- (d) the quantity of crude oil otherwise disposed of and the manner of its disposal;
- (e) the quantity of natural gas sold and the price at which it has been sold;
- (f) the quantity of crude oil and casing-head spirit used for drilling or pumping to storage or re-injected into a formation;
- (g) the quantity of natural gas used for drilling, for production or as fuel, or re-injected into a formation; and
- (h) such further particulars and statistics relating to the operations as the Director of Petroleum Resources may from time to time require,

and shall within one month after the last day of each quarter deliver to the Director of Petroleum Resources an abstract in a form from time to time approved by the Director of Petroleum Resources of the accounts for the quarter ended on that last day, together with a statement in the like form of all royalties payable in respect of the said quarter.

54. Progress reports

(1) The licensee or lessee shall furnish within 21 days after the end of each month to the Director of Petroleum Resources and Director of Geological Survey, in a form from time to time approved by the Director of Petroleum Resources, a report of the progress of his operations containing particulars of the contents of the record required to be kept under these Regulations, and in addition a statement of the areas in which the licensee or lessee has carried out any geological or geophysical work and an account of the work in question.

(2) The licensee or lessee shall within one month after the end of each quarter furnish to the Director of Petroleum Resources and the Director of Geological Survey a report in a form from time to time approved by the Director of Petroleum Resources of the operations conducted in the relevant area during each quarter, and a forecast of activities in the ensuing quarter, together with a plan upon a scale approved by the Director of Petroleum Resources showing the situation of all boreholes or wells.

(3) The licensee or lessee shall within two months of the end of each calendar year, or any such extended time as the Director of Petroleum Resources may allow, furnish a report containing such information regarding the progress of work in the relevant area in that year as the Director of Petroleum Resources may from time to time specify.

55. Records, etc.; miscellaneous provisions

(1) The licensee or lessee shall keep accurate geological and subsurface plans, maps, charts, sections and other appropriate geological records (including an estimate, revised to include information obtained up to the end of each calendar year, of the probable reserves and the recoverable amount of petroleum reasonably believed to be present as at the date of estimation or revision in the relevant area), and an extract therefrom or copy thereof shall form part of the annual report required to be furnished by regulation 53 (3) of these Regulations in so far as the information to which it relates has not already been furnished.

(2) The information required to be included in the annual report by paragraph (1) of this regulation may be submitted as a separate volume of the annual report.

(3) The licensee or lessee shall furnish to the Director of Petroleum Resources and the Director of Geological Survey such other maps, plans and information as to the progress of operations in the relevant area as they may from time to time require, including reports on geological and geophysical surveys carried out in the relevant area.

(4) The licensee or lessee shall submit to the Director of Petroleum Resources copies of every log or borehole survey carried out in any well or borehole as soon as practicable and in any case not more than one month (or such further period as the Director of Petroleum Resources may allow), after running the log or carrying out the survey.

[L.N. 26 of 1973.]

(5) The licensee or lessee shall submit to the Director of Petroleum Resources all seismograms and copies of all other geophysical records obtained on the relevant area:

Provided that-

- (a) the Director of Petroleum Resources may direct the licensee or lessee to keep the records in his custody; and
- (b) any such records so kept shall be made available to the Director of Petroleum Resources on demand.

(6) The results of all seismic surveys, including the relevant seismic map, shall be submitted to the Director of Petroleum Resources.

(7) The licensee or lessee shall submit to the Director of Federal Surveys the negatives of any aerial photographs taken by the licensee or lessee in the course of his operations; and the said Director shall be entitled to retain the negatives and to make use as he thinks fit of any topographical information obtained from them.

(8) Negatives surrendered to the Director of Federal Surveys under paragraph (7) of this regulation by the licensee or lessee shall, at all reasonable times and on notice duly given to the Director be made available for inspection by the licensee or lessee at the office of the Director.

(9) The licensee or lessee shall within three months of the termination of his licence or lease render a report to the Director of Geological Surveys and Director of Petroleum Resources-

- (a) giving an account of the geology of the relevant area;
- (b) including an account of the stratigraphic and structural conditions, together with geological, structural and other subsurface maps, plans and sections on suitably scaled maps and charts; and
- (c) including a summary of all immovable items, equipment, appliances, structures and the like in the relevant area.

(10) No information required by these Regulations to be furnished in relation to work done or progress of operations in the relevant area shall be withheld on the grounds that the information is confidential or interpretational.

56. Power to enter relevant area for examination and checking

Any person or persons authorised by the Director of Petroleum Resources shall be entitled at all reasonable times to enter into and upon any part of the relevant area (or any other location, premises, structure or business place occupied by the licensee or lessee for the purpose of carrying out or facilitating the carrying out of his operations in the relevant area)—

- (a) to examine or check anything which the licensee or lessee is authorised by the Act and these Regulations to perform, install, construct or take possession of; or
- (b) to inspect and make abstracts or copies of any logs, records, maps, accounts or other documents which the licensee or lessee is required to make or keep in accordance with the Act and these Regulations.

57. Records, etc., to be supplied at expense of licensee or lessee

All records, reports, plans, maps, charts, accounts and information which are required to be furnished under the Act or these Regulations shall be supplied at the expense of the licensee or lessee.

58. Information to be confidential

Any information supplied by the licensee or lessee shall (except as otherwise provided by these Regulations) be treated by all public officers and other authorities entitled to the information as confidential:

Provided that the Minister and the Director of Petroleum Resources shall be entitled at any time to make use of any such information for the purpose of preparing or causing to be prepared aggregated returns and general reports on the extent of oil operations in Nigeria and for the purposes of any arbitration or litigation between the Minister and the licensee or lessee.

PART VI

Fees, rents and royalties

59. Fees

The following fees shall be payable—

(a)	on an application for oil prospecting licence	US\$10,000;
(b)	for a processing fee	US\$10,000;
(c)	on an application for an oil mining lease	US\$500,000;
(d)	on an application for a renewal of an oil mining lease	US\$1,000,00;
(e)	on an application to withdraw any of the applications specified in paragraphs (a), (b), (c) and (d) of this regulation	₦20,000;
(f)	on an application to assign or sublet on contract an oil prospecting licence or an oil mining lease	₦500,000;
(g)	on an application to terminate or effect a partial surrender of an oil prospecting licence or an oil mining lease	₦50,000;

(h)	on an application for a licence to operate a drilling rig	₦20,000;
(i)	for a licence to operate a drilling rig	₦100,000;
(j)	for a permit to export samples for analysis	₦10,000;
(k)	for renewal of a permit to export samples for analysis	₦5,000.

[S.I. 3 of 2001.]

60. Rents

(1) A rent of ₦500 shall be payable for each calendar year for which an oil exploration licence is in force; and, where the licence is in force for only a part of a calendar year, that part shall be regarded as a calendar year for the purposes of this paragraph.

(2) The annual rent payable on an oil prospecting licence or an oil mining lease shall be—

- (a) on an oil prospecting licence, for each square mile or part thereof US\$10;
- (b) on an oil mining lease—
 - (i) for each square kilometer or part thereof of a producing oil mining lease for the first ten years US\$20;
 - (ii) thereafter for each square kilometer or part thereof until expiration of the lease and on renewal US\$15.

[S.I. 3 of 2001.]

61. Royalties

(1) The licensee or lessee shall pay to the Minister not more than one month after the end of every quarter (including the quarter in which his licence or lease becomes effective), or otherwise as the Minister may direct—

- (a) a royalty at a rate *per centum* of the chargeable value (calculated in accordance with paragraph (3) of this regulation) of the crude oil and casing-head petroleum spirit, produced from the relevant area in the relevant period as follows—
 - (i) in onshore areas 20 per cent
 - (ii) in areas up to 100 metres water depth 18.5 per cent
 - (iii) in areas up to 200 metres water depth 16.5 per cent
 - (iv) in areas from 201 to 500 metres water depth 12.5 per cent
 - (v) in areas from 501 to 800 metres water depth 8 per cent
 - (vi) in areas from 802 to 1000 metre water depth 4 per cent
 - (vii) in areas beyond 1000 metres water depth 0 per cent

[S.I. 8 of 1995.]

- (b) royalty at a rate *per centum* of the price received by a licensee or lessee in the relevant area and sold, but does not include any flare or waste gas appropriated by the Government of the Federation for its own use or for any purpose approved by it, as follows—
 - (i) onshore areas 7 per cent

by the Director of Petroleum Resources at which the oil or spirit is delivered to the refinery) for oil and spirit of the gravity and quality in question, being a price which-

- (a) is from time to time established by the Minister as its price for Nigerian crude oil or Nigerian casing-head petroleum spirit, as the case may be, of that gravity and quality; and

[S.1. 8 of 1995.]

- (b) bears a fair and reasonable relationship-
 - (i) to the established posted prices of Nigerian crude oil or Nigerian casing-head petroleum spirit of comparable quality and gravity; or
 - (ii) where there are no such established posted prices, to the posted prices at main international trading export centres for crude oil or casing-head petroleum spirit of comparable quality and gravity,

due regard being had in either case to freight differentials and all other relevant factors.

62. Royalties for onshore and shallow offshore production sharing contracts

The following royalties for onshore and shallow offshore Production Sharing Contracts shall be applicable-

- (a) Onshore-
 - (i) for production below 2 thousand barrels of oil per day..... 5.0%
 - (ii) for production between 2 and 5 thousand barrels of oil per day..... 7.5%
 - (iii) for production between 5 and 10 thousand barrels of oil per day..... 15.0%
 - (iv) for production above 10 thousand barrels of oil per day..... 20%
- (b) Offshore up to water depth of 100 metres-
 - (i) for production below 5 thousand barrels of oil per day..... 2.5%
 - (ii) for production between 5 and 10 thousand barrels of oil per day..... 7.5%
 - (iii) for production between 10 and 15 thousand barrels of oil per day..... 12.5%
 - (iv) for production above 15 thousand barrels of oil per day..... 18.5%
- (c) Offshore between water depth of 100 and 200 meters -
 - (i) for production below 5 thousand barrels of oil per day..... 1.5%
 - (ii) for production between 5 and 10 thousand barrels of oil per day..... 3.0%
 - (iii) for production between 10 and 15 thousand barrels of oil per day..... 5.0%
 - (iv) for production between 15 and 25 thousand barrels of oil per day..... 10.0%
 - (v) for production above 25 thousand barrels of oil per day 16.67%

[S.1. 6 of 2003.]

PART VII

Supplemental

63. Interpretation

(1) In these Regulations, unless the context otherwise requires -

"casing-head petroleum spirit" means any liquid hydrocarbons which-

- (a) have been obtained from natural gas by natural separation or by any chemical or physical process; and
- (b) have not been refined or otherwise treated;

"Minister" means the Minister charged with responsibility for matters relating to petroleum resources and "Ministry" shall be construed accordingly;

[S.I. 2 of 1990]

"Nigerian" means a citizen of Nigeria and "non-Nigerian" and "Nigerianisation" shall be construed accordingly;

"quarter" means quarter of a calendar year;

"relevant area", in relation to an oil exploration licence, oil prospecting licence or oil mining lease, means the area affected by the licence or lease;

"State authority" means the Governor of a State or such other authority in the State as may be designated by the Governor;

"State land" means State land within the meaning of the Land Use Act;

[Cap. L5.]

"termination", in relation to an oil prospecting licence or an oil mining lease, means expiration by effluxion of time or otherwise or any other form of determination (including termination by the licensee or lessee and, in relation to any part of the relevant area in respect of which a lessee surrenders his lease, that surrender).

(2) In Parts III, IV and V of these Regulations and in regulation 60 thereof, **"licence or lease"** and **"the licensee or lessee"** means respectively, unless the context otherwise requires, an oil prospecting licence or an oil mining lease and the holder of such a licence or lease.

(3) Any reference in these Regulations (however expressed) to an oil exploration licence, an oil prospecting licence or an oil mining lease includes, unless the context otherwise requires, a reference to any extension or renewal of the licence or lease.

64. Short title

These Regulations may be cited as the Petroleum (Drilling and Production) Regulations.

SCHEDULE

Form of application

FORM A

[Regulations 1, 10, 14 and 35.]

Application for an oil exploration/prospecting licence/oil mining lease

Description of the premises above referred to—

- 1. Name of applicant
- 2. Address
- 3. Nationality*
- 4. Occupation
- 5. Principal place of business in Nigeria
- 6. Directors:

<i>Names</i>	<i>Addresses</i>	<i>Nationality</i>
.....
.....
.....
.....

- 7. Type of licence applied for
- 8. Period for which licence is required
- 9. Area applied for in sq. miles
- 10. Capital available to the applicant for operations under the licence

I declare that all the foregoing particulars are correct.

Date

Signature of Applicant or his Attorney

* Particulars of documents attached to the application should be listed below or at the back of this page.

FORM B

Oil Exploration Licence No.

This licence is hereby granted from the date hereof to

(Name of Company)

(Registered address)

to explore for petroleum by surface geological and geophysical methods in the areas described in the schedule hereto and delineated in red in the plan attached.

FORM B—(continued)

- 2. The licence is granted subject to the Petroleum Act and the regulations thereunder now in force or which may come into force during the continuance of this licence.
- 3. The licence confers no exclusive rights, nor rights with respect to the grant of oil prospecting licences or oil mining leases.
- 4. Within thirty days after the expiry of this licence a report on the work done shall be submitted in triplicate to the Director of Petroleum Resources, and a copy sent to the Director of Geological Survey. The report shall be accompanied by all necessary maps and data. Rock samples, where applicable, shall be sent to the Director of Geological Survey.
- 5. The discovery of any mineral deposits shall be reported without delay to the Director of Petroleum Resources.
- 6. This licence shall expire on the 31st day of December, 20

DATED this day of 20

.....
Minister of Mines, Power and Steel

Witness to signature

Signed on behalf of the company by

.....
Attorney

Witness to signature

FORM C

Oil Exploration Licence No.

This licence is hereby granted for a term of years commencing on

the day of 20 to

(name of company) of

..... (address of company)

to prospect for petroleum in, upon and under the lands described in the schedule hereto and delineated in red in the plan attached.

2. The licence is granted subject to the Petroleum Act and the regulations thereunder now in force or which may come into force during the continuance of this licence *[and also subject to the special terms and conditions in the Annex attached hereto].

3. In witness hereof the Minister of Mines, Power and Steel has hereunto set his hand and seal this day of 20

.....
Minister of Petroleum Resources

FORM C—(continued)

Witnessed by: (Occupation)
..... (Address)
and the attorney of the company has on their behalf hereunto set his hand and seal this
day of 20

.....
Attorney

Witnessed by: (Name)
..... (Occupation)
..... (Address)

* Delete if inapplicable.

FORM D

Oil Mining Lease No.
This Oil Mining Lease is granted to
..... (name of company)
of (address of company)
for a term of years commencing on the day of
20 to search for, win, work, carry away and dispose of all petroleum in, under or
throughout the lands described in the schedule hereto and delineated in red in the plan attached.

The lease is granted subject to the Petroleum Act and the regulations thereunder now in force or
which may come into force during the continuance of this lease *[and also subject to the special
terms and conditions in the Annex attached hereto].

In witness hereof the Minister of Petroleum Resources has hereunto set his hand and seal this
day of 20

.....
Minister of Mines, Power and Steel

Witnessed by: (Occupation)
..... (Address)
and the Attorney of the company has on their behalf hereunto set his hand and seal this
day of 20

.....
Attorney

Witnessed by: (Name)
..... (Occupation)

FORM D—(continued)

..... (Address)

* Delete if inapplicable.

FORM E

Application for a licence to operate a drilling rig

1. Name of Company
2. Registered Address in Nigeria
3. Subsidiary or Affiliate of
4. Nationality of Parent Company or Affiliate
5. Directors:

<i>Names</i>	<i>Addresses</i>	<i>Nationality</i>
.....
.....
.....
.....
6. Name of Drilling Rig
7. Type of Drilling Rig
8. Year of Manufacture
9. Specifications
-
-
10. Other complementary equipment, tenders, etc.
-
11. Company/Companies to which rig will be contracted
-
12. Present location of Rig
13. Date of arrival in Nigeria
14. Probable duration of operation in Nigeria
15. Date of last overhaul
16. Estimated date of next overhaul
17. Place and date of last safety inspection
-

FORM E—(continued)

18. Name of Inspecting Authority

I declare that all the foregoing particulars are correct.

Date

Signature of applicant or his Attorney

FORM F

Licence to operate a drilling rig

Licence No.

This licence is hereby granted to

..... (name of company)

of (address of company)

to operate the drilling rig of which particulars are given below:

Name of Rig

Type of Rig

2. This licence expires on the 31st day of December 20 Fee paid: ₦500.

DATED this day of 20

PETROLEUM REFINING REGULATIONS

ARRANGEMENT OF REGULATIONS

REGULATION

1. Form of application for licence to construct or operate a refinery, etc.
2. Licence to construct or operate a refinery.
3. Enlargement or modification of existing refinery.
4. Appointment of a manager.
5. Manager to ensure compliance with provisions of regulations.
6. Appointment of competent persons.
7. Observance of good refining practices.
8. Refinery areas to constitute restricted areas.
9. Erection of fences.
10. Observance of fire and safety regulations.
11. Warning notices.
12. Safety clothing and appliances.

REGULATION

13. Medical facilities and first aid services.
14. Protection against dangerous parts of machinery.
15. Training inexperienced workers.
16. Instructions on emergency procedures.
17. Reporting of accidents.
18. Inquiries into accidents.
19. Monthly statements on production, etc.
20. Annual report.
21. Books, records, etc., to be made available to the Director.
22. Special reports.
23. Construction of plants, etc.
24. Storage tanks.
25. Entry into storage tanks, etc.
26. Operational safeguards in relation to storage tanks.
27. Disposal of residues, sludges, rusts, etc.
28. Storage tanks to be calibrated.
29. Storage of liquified petroleum gases.
30. Construction and spacing of tanks.
31. Disruption to continuous operation.
32. Abandonment or replacements of any plant.
33. Pressure vessels.
34. Non-pressure vessels.
35. Handling and blending of dangerous additives and chemicals.
36. Storage capacities.
37. Spare parts.
38. Spillage in the refinery.
39. Analysis of imported stock for use in the refinery.
40. Samples and specimens.
41. Samples and specimens: control of export.
42. Fires and explosions.
43. Refinery effluent and drainage disposal.
44. Office and working accommodation.
45. Offences.
46. Fees.
47. General power to issue directions, etc.
48. Interpretation.
49. Short title.

SCHEDULE

PETROLEUM REFINING REGULATIONS

[LN. 45 of 1974.]

under section 9

[22nd July, 1974)

[Commencement.]

PART I

Procedure relating to establishment, etc., of refinery

1. Form of application for licence to construct or operate a refinery, etc.

(1) Application for a licence to construct or operate a refinery shall be made to the Minister and shall be in Form A in the Schedule to these Regulations.

[Form A. Schedule.]

(2) Every such application shall be accompanied by at least three copies of a detailed study of the project and the prescribed fee which shall not be refundable.

2. Licence to construct or operate a refinery

A licence to construct or operate a refinery shall be in Form B in the Schedule to these Regulations and may be granted subject to such terms and conditions as the Minister may prescribe.

[Form B. Schedule.]

3. Enlargement or modification of existing refinery

(1) No changes shall be made in the installations of a refinery with a view to increasing its capacity except with the prior approval in writing of the Minister and upon payment of the prescribed fee.

(2) Application to enlarge, alter or add to any refinery or any of the plants therein or change the normal use of the component units or plants of any refinery or part thereof when by so doing such change shall create a substantial alteration to the capacity of the said refinery for processing crude oil and related products shall be in Form C in the Schedule to these Regulations and shall be accompanied by the prescribed fee which shall not be refundable.

[Form C. Schedule.]

4. Appointment of a manager

(1) Work in connection with the construction and operation of a refinery shall be conducted under the direction of a manager who shall have continued charge of all operations authorised by the licence under which he is operating.

(2) Every licensee shall notify the Director in writing of the name and address of the manager and of any subsequent changes thereof.

PART II

Duties of a Manager: General

5. Manager to ensure compliance with provisions of regulations

It shall be the duty of the manager to ensure that the provisions of these Regulations are fully complied with in relation to his refinery.

6. Appointment of competent persons

The Manager shall appoint in writing competent persons for the purpose of general supervision of all operations in the refinery including all aspects of construction, maintenance and refining and shall submit for the approval of the Director each appointment and subsequent changes.

7. Observance of good refining practices

Where no specific provision is made by these Regulations for any aspect of the construction, operation and maintenance of a refinery, practices conforming with international standards shall be observed subject to the approval of the Director.

8. Refinery areas to constitute restricted areas

(1) All refinery areas shall constitute restricted areas, the boundaries of which shall be clearly defined as specified in regulation 9 of these Regulations.

(2) Only persons authorised by the manager shall be admitted into such restricted areas.

9. Erection of fences

(1) Adequate and secure boundary fencing shall be provided around all restricted areas, tank farms, products' offtake facilities and the jetty; and access to these areas shall be through recognised entrances so controlled as to prevent the entry of unauthorised persons and vehicles.

(2) All vehicles shall be confined to approved routes within the refinery area except in regard to special cases where specific vehicles are authorised by the manager to deviate from such approved routes.

10. Observance of fire and safety regulations

(1) A competent person shall be responsible for ensuring the observance of all fire and safety precautions within restricted areas.

(2) There shall be provided to the satisfaction of the Director, adequate means designed to extinguish fire and to control effectively the spread of fire and explosions.

(3) A central fire station shall be provided with suitable equipment and manned by personnel who can immediately proceed to the scene of a fire or explosion and effectively make use of the available equipment to put the fire or explosion under control.

(4) Each item of the fire fighting equipment shall be inspected and tested at appropriate intervals by a competent person appointed for the purpose, and the last date of such

inspection shall be painted on the appliance and the result of such inspection shall be entered in a log book specially kept for that purpose, all such entries shall be duly signed by the competent person.

(5) Operational personnel employed in the refinery area shall be instructed in the use of fire fighting equipment. Instructions to personnel in case of fire shall be clearly and concisely expressed in writing and prominently displayed.

(6) Easy access to strategic points for mobile equipment shall be provided and shall at all times be kept free.

(7) The manager shall ensure that no person smokes or ignites any fire or flame in any refinery area except in places set aside for the purpose.

(8) Except with the permission of the manager no person shall have in his possession while he is in any refinery area any matches or mechanical lighters or similar devices or any lamp or light or any ignited or ignitable matter.

(9) Whenever a fire or explosion occurs in a refinery area the competent person in the fire station shall be informed immediately and steps shall be taken to extinguish the fire and control further explosion.

11. Warning notices

(1) "No Smoking" signs shall be conspicuously displayed in restricted areas.

(2) Warning notices regarding the prohibition of entry by unauthorised persons, naked lights and other hazards shall be conspicuously displayed.

Safety and health of persons

12. Safety clothing and appliances

(1) The manager shall provide, for all persons working in the refinery areas in connection with crude oil or any refined product, suitable protective clothing, equipment and appliances of a pattern approved by the Director.

(2) The manager shall instruct all workers on the importance and use of safety clothing and appliances issued to them and shall enforce their use. He shall make arrangements to ensure that equipment is always kept in good condition.

(3) Quick-operating automatic water showers ready for instant use and tested daily shall be provided in the vicinity of caustic vessels and pumps and in such other appropriate accessible places as the Director may, from time to time, direct.

(4) Eye-wash bottles and automatic fountains shall be located in strategic and conspicuous locations in the refinery area.

13. Medical facilities and first aid services

(1) Adequate first aid and emergency medical facilities shall be provided to deal with all cases arising from any accident occurring in a refinery area.

(2) First aid boxes or cupboards shall be placed under the charge of competent persons who shall always be readily available during working hours, and a notice shall be

affixed in every work-room stating the name of the person in charge of the first aid box or cupboard provided in respect of any area and for any shift period.

14. Protection against dangerous parts of machinery

All dangerous or moving parts of any machinery shall be securely fenced or guarded whether situated in an engine house or, not, so however that, in so far as the safety of a dangerous part of any machinery cannot by reason of the nature of the operation be secured by means of fixed guard, the requirements of these Regulations shall be deemed to have been complied with if a device is provided which satisfactorily warns or protects the operator from coming in contact with that part.

15. Training inexperienced workers

No person shall be allowed to work with any machinery or in any process, which is liable to cause or result in bodily injury to him or endanger his health, unless he has been fully instructed as to the danger likely to arise therefrom and the precautions to be observed therewith; and-

- (a) he has received sufficient on-the-job training on the machinery or in the process; or
- (b) he is under the adequate supervision of a person who has a thorough knowledge and experience of the machinery or process and who shall be responsible for the safety of the trainee.

16. Instructions on emergency procedures

(1) The manager shall provide instructions regarding procedures to be followed during an emergency and shall ensure that each worker knows his functions under such instructions.

(2) The manager shall send a copy of such instructions and any subsequent alterations thereto to the Director.

Accidents

17. Reporting of accidents

(1) Where any accident occurs in a refinery which results in loss of life or serious injury written notice of the accident, in Form D in the Schedule to these Regulations shall forthwith be sent by the manager to the Director and copied to the nearest inspector by the manager.

[Form D. Schedule.]

(2) The Director may, if he so desires, order an inquiry to be held by the inspector.

(3) For the purpose of this regulation, serious injury includes any injury involving the loss of or impairment in the use of any limb or other part of the body or one which results in such incapacity (whether temporary or permanent) that the sufferer is incapable of continuing the work on which he was engaged immediately before he suffered the injury.

(4) A record shall be kept of all other injuries in the refinery and any such record shall be made available to an inspector on demand.

(5) The provisions of this regulation shall be additional to the requirements contained in the Factories Act, Workmen's Compensation Act and the Electrical Supply Regulations in the case of an accident or fire involving electrical apparatus or equipment.

[Cap. FI. Cap. W6. Cap. E7.]

18. Inquiries into accidents

(1) Any inspector holding an inquiry under this Part shall, for the purposes of the inquiry, have power to do the following things, that is to say-

- (a) to summon witnesses;
- (b) to call for the production of relevant books and documents which may be necessary to ascertain whether the provisions of these Regulations have been complied with;
- (c) to examine any person or witness, either alone or in the presence of any other person, and to require any such person or witness to sign a declaration of the truth of the matters respecting which he is so examined;
- (d) to exercise such other powers as may be necessary for carrying these Regulations into effect.

(2) A notice requiring a witness to appear at an inquiry to be held pursuant to these Regulations shall be in Form E in the Schedule to these Regulations.

[Form E. Schedule.]

PART III

Reports

19. Monthly statements on production, etc.

(1) The manager shall forward to the Director, not later than 21 days after the end of each month, a refinery statement for the month in a form which the Director may from time to time, direct.

(2) The statement shall contain-

- (a) a report of important occurrences, technical or otherwise, in the refinery during the month;
- (b) information on the duration of any shut-down and any major work done during the shut-down including information on any plant taken out of commission during the shut-down and the reasons for the work done;
- (c) information covering inspection report on any installation in the refinery;
- (d) the latest estimates of anticipated monthly production for the next three months explaining the reason or reasons for any increase or decrease in production generally or in a specific product or products;
- (e) a brief summary of the results of test runs, and experiments carried out during the month in the normal course of operations on any section of the refinery installation.

20. Annual report

Not later than two months after 31 December of every year, the manager shall forward to the Director three copies of an annual report reviewing the activities for the previous year and details of proposed activities for the current year; and such report shall be prepared in a form acceptable to the Director.

21. Books, records, etc., to be made available to the Director

The manager shall make available to the Director or to his duly authorised representative such books, files and technical data as are relevant to the technical operation of the refinery.

22. Special reports

The Director may, from time to time, call for special reports on any aspect of the refining operations which may or may not have otherwise been provided for in this Part of these Regulations.

PART IV

Miscellaneous

23. Construction of plants, etc.

Before any plant installation or related facility under the refinery licence is constructed or assembled for any purpose, the manager shall forward to the Director for approval all relevant details regarding the design specifications, purpose and location of the plant, installation or related facility including any programme of activities prior to the commissioning of the plant, installation or related facility.

24. Storage tanks

(1) All permanently placed storage tanks containing crude oil and any class of product shall be installed within a bund-wall capable of retaining the contents of the largest tank plus 10% of the remaining tanks; and where there is only one tank the capacity of such bund-wall shall be sufficient to contain the whole of the tank's contents should the tank be emptied by leakage or otherwise.

(2) In addition, the tanks referred to in paragraph (1) of this regulation shall-

- (a) be fitted with access doors sufficiently large to enable easy access and with vents capable of relieving any excess pressure or vacuum;
- (b) have access to their roofs by means of a ladder or staircase of a type approved by the Director and all floating roof tanks shall have adequate wind girders;
- (c) have provision made for containing any leakage to prevent oil contaminating the water when located above water; and
- (d) be provided with efficient electrical earth connections independent of pipe connections, having an electrical resistance value not exceeding ten ohms when measured by an earth resistance tester of the "Megger" or similar type.

25. Entry into storage tanks, etc.

(1) Before permitting workmen to enter a tank which had previously contained petroleum products it shall be gas freed and the concentration of gas determined, and all feed and vent lines shall be disconnected and blanked off, and tank hatches shall be kept open.

(2) During tank cleaning operations adequate ventilation shall be provided inside the tank and, as work progresses, frequent tests shall be made to detect increases in gas concentration.

(3) If the gas concentration exceeds 0.05%, gas masks shall be worn, tools shall be incapable of causing sparks, and hand lamps and torches used shall either-

- (a) be certified flame proof, group 11, in conformity with British Standard 229; or
- (b) be constructed in compliance with the United States National Electrical Safety Code and the National Board of Fire Under-Writers National Electric Code for explosion proof electrical apparatus and equipment.

26. Operational safeguards in relation to storage tanks

The manager shall ensure, especially where any tank in operation is being tilled, that operational safeguards are used to avoid, so far as possible, exceeding the safe limit of fill applied to the particular tank under consideration.

27. Disposal of residues, sludges, rusts, etc.

Residues, sludges, rusts and similar matter from tanks which may have contained leaded petroleum products shall be disposed of according to good refining practices and only to such places as have been approved by the Director.

28. Storage tanks to be calibrated

(1) Before a tank is used for any storage, it shall be properly calibrated in the presence of an inspector or other representative of, and by a method approved by, the Director, and calibration tables on the tank shall be forwarded in duplicate to the Director by the manager.

(2) If for any reason any tank which has been in use requires to be recalibrated, the calibration shall be done in the presence of an inspector or other representative of, and by a method approved by, the Director, and calibration tables on the tank shall be forwarded to the Director in duplicate by the manager.

29. Storage of liquefied petroleum gases

(1) The design, construction and testing of the liquefied petroleum gas unit and storage shall be in accordance with the current requirement of standard practice of design and construction.

(2) The storage and handling of L.P.G. shall be in accordance with good refinery practices.

(3) The standard practice of design and construction and good refinery practices referred to in this regulation shall be such as are acceptable to, and approved by, the Director.

30. Construction and spacing of tanks

(1) Tanks of capacity less than 500 water tons shall be sited and placed in accordance with safety considerations. Due allowance shall be made for the nature of the product stored and its volume and the characteristics of the surrounding area.

(2) If the storage relates to class "A" or class "B" petroleum-

(a) in normal design fixed roof tanks, the minimum distance-

(i) between the perimeter of the tank and the outer body of the installation shall be the diameter of the tank or 25 metres, whichever is the greater;

(ii) between tank and tank shall be the diameter of the smaller, or fifteen metres, whichever is less;

(b) in floating roof tanks, the minimum distance-

(i) between the perimeter of the tank and boundary of the installation; or

(ii) between tank and tank shall be not less than fifteen metres; and

(c) for the purposes of sub-paragraphs (a) and (b) of this paragraph, small tanks shall be considered as one tank if sited together in groups not exceeding a combined capacity of 3,000 water tons, and spaced according to the requirements of the locality and of operational needs.

(3) If the storage relates to liquefied petroleum gases, the minimum distance-

(a) from the boundary of the installation; or

(b) from open fires; or

(c) from class "A" and class "B" petroleum,

shall not be less than forty-five metres.

(4) A list of tanks, their gross capacities and their use shall be forwarded by the manager to the Director. If for any reason other than that of a production emergency a tank is to be altered in use, for a purpose different from that for which it was designed, the Director shall be informed before such alteration is effected, and if for any reason whatsoever a tank is to be altered in construction, the approval of the Director shall be obtained before such alteration is effected.

31. Disruption to continuous operation

(1) The manager shall notify the Director on Form F in the Schedule to these Regulations not less than thirty days before any planned shut-down.

[Form F. Schedule.]

(2) The manager shall on the occurrence of any operational incident resulting in the shut-down of the refinery or any part thereof or resulting in putting out of use of any plant, machinery or installation or on the occurrence of any other emergency resulting in such shut-down or putting out of use, forthwith notify the nearest inspector in writing of the occurrence stating-

(a) the reasons for the shut-down or putting out of use, its estimated duration and its possible effect on the production commitment of the refinery; and

- (b) the steps, if any, the manager has taken or proposes to take to avoid a recurrence of the incident or circumstances that give rise to the shut-down or putting out of use.

32. Abandonment or replacements of any plant

Before any plant is permanently put out of commission, the Director shall first be informed on Form F in the Schedule to these Regulations, and his written approval obtained.

[Form F. Schedule.]

33. Pressure vessels

(1) All pressure vessels in use in the refinery shall be of good construction, sound materials and adequate strength and shall be properly maintained in accordance with standards acceptable to the Director.

(2) Every pressure vessel shall be periodically inspected in accordance with the applicable provisions of the Factories Act and, in particular, the following matters shall be carried out-

[Cap. Fl.]

- (a) oil heaters shall be inspected not more than eighteen months from their first commissioning and thereafter at intervals of thirty months and the fire tubes replaced when below the minimum thickness, and at the same time, other parts and fittings both internal and external shall be inspected;
- (b) all compressed-air receivers shall be drained of liquid daily-
 - (i) where the internal surface of the receiver cannot be inspected and in any event not less often than once in every thirty months the receiver shall be tested hydraulically to the recommended test pressure;
- (c) gas separators shall be tested whenever the opportunity occurs but at intervals not exceeding 36 months, and they shall be pressure tested to a pressure in excess of its working pressure in accordance with the code of design and construction of the vessels;
- (d) relief valves and safety valves shall-
 - (i) be inspected at least once in every thirty months or at such shorter intervals as shall be necessary to maintain them in satisfactory condition and to ensure that they operate effectively as soon as the safe working pressure is exceeded;
 - (ii) be set to operate at a pressure not exceeding 10% above the working pressure and shall pass full design quality at this setting, and where appropriate, bursting discs may be used in lieu of safety valves;
 - (iii) be stamped or tagged with their set popping pressure.

(3) Every pressure vessel shall be fitted with tested pressure gauge, graduated in the metric system, and such gauge shall be checked for accuracy at regular intervals.

(4) All new pipework shall be tested in accordance with the code of design and construction before being put into service, and shall also be similarly tested whenever any alteration or repair has been carried out.

(5) In this regulation, the expression "pressure vessel" includes steam boilers, steam receivers and steam containers, air receivers and their attachments and lifting appliances.

34. Non-pressure vessels

(1) Heat exchangers, processing vessels and other equipment used in the refinery shall be inspected from time to time in accordance with an inspection code acceptable to the Director.

(2) If any fault is detected during the course of inspection a detailed report of inspection shall be forwarded to the Director.

35. Handling and blending of dangerous additives and chemicals

(1) Tetraethyl lead, tetramethyl lead or any other dangerous additives and chemicals shall be handled strictly and in accordance with the up-to-date instructions as drawn up by the manufacturers, a copy each of which shall be forwarded to the Director and inspector.

(2) The amount of lead which one imperial gallon of any finished product shall contain may not exceed that which is acceptable in current good refinery practice and in any case shall not exceed that amount which the Director may, from time to time, specify.

(3) If the result of any sample which an inspector or an officer delegated by the Director withdraws and analyses in the presence of an officer delegated by the manager shows that the approved maximum has been exceeded at any time, the manager shall be guilty of an offence under these Regulations and shall be liable on conviction to a fine of ₦100 or imprisonment for six months.

36. Storage capacities

(1) The total storage capacities for finished products in any refinery shall not be less than thirty days of the maximum processing capacities of the refinery.

(2) The storage capacity for any feedstock, additive or chemical shall be such as to satisfy at least thirty days' requirement.

37. Spare parts

(1) The manager shall ensure ready availability of spare parts for critical equipment.

(2) "**Critical equipment**", for the purpose of this regulation, means any equipment which if taken out of commission will endanger the life of, or lead to a shut-down of, the refinery or parts thereof.

38. Spillage in the refinery

(1) Any unprogrammed spillage, of crude, products or chemicals inside the refinery shall immediately be notified to the inspector.

(2) Such notice shall be followed within seven days after the spillage shall have occurred by a written report describing the cause and nature of the spillage, the amount of spillage and the method of estimating it, the amount of spillage recovered, precautionary measures taken since the spillage to prevent any hazard that may arise therefrom, and precautionary measures taken to prevent such spillage in the future.

39. Analysis of imported stock for use in the refinery

(1) The exact quantity of each imported feedstock, blendstock and additives and details of all analysis carried out by the refinery shall be duly recorded.

(2) Specimens of imports and results of any detailed analysis of such imports, carried out by the refinery shall be submitted to the Director whenever he so requires.

40. Samples and specimens

(1) The licensee may remove for examination and analysis samples and specimens of crude oils, catalysts, petroleum products or any other materials considered necessary in course of his operations.

(2) The Director shall be given full particulars of all samples and specimens so removed.

41. Samples and specimens: control of export

The licensee may not export samples or specimens abroad except with the written permission of the Director and subject to such conditions as he may specify.

42. Fires and explosions

Where fire or explosion occurs within a refinery area a full report hereof shall be made forthwith to the nearest inspector.

43. Refinery effluent and drainage disposal

(1) The manager shall ensure that drainage and disposal of refinery effluent and drainage water shall conform to good refining practices, the specification of the effluent and the mode of disposal shall be subject to the approval of the Director.

(2) Complete analyses of the effluent and drainage water shall be performed at such regular intervals as the Director may prescribe and results of such analyses shall be clearly entered in a register specially kept for that purpose, every entry of which shall be duly signed by a competent person.

(3) The manager shall adopt all practicable precautions including the provision of up-to-date equipment as may be specified by the Director from time to time, to prevent the pollution of the environment by petroleum or petroleum products; and where such pollution occurs the manager shall take prompt steps to control and, if possible, end it.

(4) An inspector or an officer authorised by the Director may withdraw samples of any effluent and drainage water at any time for analysis and if the result of such analysis reveals that the approved specifications have not been complied with the manager shall be guilty of an offence under these Regulations and shall be liable on conviction to a fine of ₦ 100 or imprisonment for a term of six months.

44. Office and working accommodation

The manager shall provide on the refinery premises such office and other working accommodation for an inspector as may be specified by the Director.

45. Offences

- (1) If any person-
- (a) contravenes any provision of these Regulations; or
 - (b) fails to comply with any direction of the Director given in exercise of any of the powers conferred under these Regulations; or
 - (c) fails to comply with the terms of any warning notice displayed pursuant to these Regulations,

he shall be guilty of an offence and liable on conviction to a fine of N100 or imprisonment for a term of six months.

(2) Any person who fails or refuses-

- (a) to appear as a witness following a summons to do so issued by an inspector under regulation 18 of these Regulations; or
- (b) to produce any book or document required to be produced by an inspector for the purposes of an inquiry under regulation 18 of these Regulations,

shall be guilty of an offence and liable on conviction to a fine of N100 or imprisonment for a term of six months.

(3) Where a statement, information or report made or recorded pursuant to these Regulations includes any untrue statement the manager shall, unless he proves that he had reasonable grounds to believe that the statement was true or proves that he did not authorise the making or recording of the untrue statement, be guilty of an offence and liable on conviction to a fine of N100 or imprisonment for a term of six months.

PART V

Supplemental

46. Fees

The following fees shall be payable-

[S.1. 2 of 1996.]

(a) on application for a refiner's licence	US \$50,000
(b) on the issue of a refiner's licence	US \$100,000
(c) on the 31 st December following the issue of the licence and on every 31 st December thereafter- for every 2,000 tons, or part thereof, of the maximum crude oil capacity or hydro-carbon feed which the refinery is designed to process per calendar year	₦100,000.00
(d) an application to modify a refinery or any of its installations	₦100,000.00

47. General power to issue directions, etc.

(1) The Director may, from time to time, give directions as to the manner of compliance with any matter provided for under these Regulations.

(2) The Minister may, from time to time, issue instructions on any matter concerning the construction, efficient operation and maintenance of a refinery.

48. Interpretation

In these Regulations, unless the context otherwise requires-

"class 'A' petroleum" includes all hydrocarbon liquids having a flash point below 73 of, by Abel closed cup test, and all petroleum stocks with a flash point below 200 of that are being handled at temperatures above their flash point;

"class 'B' petroleum" includes all hydrocarbon products having flash points from 73 OF to 150 OF inclusive;

"class 'C' petroleum" includes all hydrocarbon products having flash points above 150 OF;

"competent person" means a person appointed, with the approval of the Director, by the manager in writing as a reliable person capable of exercising overall general supervisory responsibility in ensuring compliance with the provisions of these Regulations or parts thereof;

"crude oil" means mineral oil in its natural state before it has been refined or treated (excluding water and other foreign substances);

"Director" means the Director of Petroleum Resources, Ministry of Petroleum Resources, and includes any person for the time being holding, acting or performing the functions of that office;

"flash-point" means the degree of temperature at which petroleum gives off a flammable vapour upon being tested by either the Abel closed cup tester or the Pensky-Martens closed tester;

"inspector" means a petroleum engineer, any petroleum engineer above that rank, or any other officer appointed in writing by the Director to perform any or all of the duties prescribed in these Regulations;

"leaded refined product" means any refined product to which a portion of lead has been added in any form, with the aim of improving the qualities of the refined product;

"licensee" means the holder of a refining licence issued pursuant to the Act and these Regulations;

"L.P.G." or "liquefied petroleum gas" means any petroleum product which is gas at normal atmospheric temperature and pressure comprising mainly of butane or propane or admixtures thereof and, being liquefiable under pressure is normally stored and handled as a liquid;

"manager" means the person appointed manager pursuant to regulation 4 of these Regulations;

“**Minister**” means the Minister of Petroleum Resources;

“**mobile plant**” includes both portable and transportable plants or units;

“**natural gas**” means gas obtained from boreholes and wells and consisting primarily of hydrocarbons;

“**refinery**” means petroleum refinery;

“**refinery area**” means any area in which operations connected with oil refining or the extraction of petroleum spirit from natural gas are carried on or in which oil or the products thereof are stored, including any jetty, oil viaduct leading to the sea or landing stage whether enclosed or not) adjacent to such area;

“**refined petroleum products**” or “**petroleum products**” includes motor spirit, gas oil, diesel oil, automotive gas oil, fuel oil, aviation fuel, kerosene, liquefied petroleum gases and any lubricating oil or grease or other lubricant;

“**refining**” includes the liquefying of petroleum gas or gases by whatever method, separating or crude oil by whatever method into any grade of petroleum product, treating and up-grading of any petroleum or petroleum product by whatever method into other product or products;

“**restricted area**” has the same meaning as the “**refinery area**”.

49. Short title

These Regulations may be cited as the Petroleum Refining Regulations.

SCHEDULE

FORM A
[Regulation 1.]

Application for a licence to construct/operate a refinery in Nigeria
[L.N. 45 of 1974.]

1. Name of applicant
2. Registered address in Nigeria
3. Nationality of applicant
- 4a. Names, addresses and nationality of directors (*where applicable*)
-
- 4b. Names, addresses and nationality of every individual or company participating in the project and the extent of each individual's or company's participation—
.....
.....

FORM A—(continued)

5. Capital available to applicant for the construction of the refinery and details of the method of financing proposed:

.....

6. Proposed location of the refinery

.....

7. Type of refinery proposed

8. Refining capacity range

.....

9. Proposed source(s) of crude oil supply

.....

10a. Products to be produced

.....

10b. Detailed specifications of products (*to be attached to this application*)

.....

11. Proposed market for products produced

.....

Estimates, by product, grade, or proposed product exports, if any

.....

.....

12. State the percentage of Government participation proposed

.....

13. State if participants will accept participation of private Nigerian investors

.....

14. Any additional information in support of application (*provide the information on a separate sheet where necessary*):

.....

.....

I declare that the foregoing particulars are true and correct.

.....

Date

Signature of applicant or his attorney

N.B.- (i) The application fee of ₦500 should be forwarded with this application.

(ii) Particulars of documents attached to the application should be listed hereunder.

FORM B
[Regulation 2.]

Refiner's licence
[L.N. 45 of 1974.]

Licence to construct/operate a refinery

1. This licence is granted to
(name of licensee)

.....
(address of licensee)

to construct and operate a refinery at

.....
(place)

more clearly defined on the site plan attached hereto for a term of years
commencing on the day of 20

2. This licence is issued subject to the Petroleum Act and to the regulations made thereunder as are now in force and as they may be amended from time and to the special terms and conditions attached hereto.

3. A fee of ₦2,000 is payable on the issue of this licence after which, on the 31st December following the issue of the licence and on every 31st December thereafter - ₦100 for every 2,000 tons or part thereof, of the maximum crude oil capacity which the refinery is designed to process per calendar year.

4. DATED this day of 20

.....

Federal Minister of Petroleum Resources



FORM C
[Regulation 3.]

Application to enlarge or modify existing refinery
[L.N. 45 of 1974.]

1. Name of licensee

2. Registered address in Nigeria

3. Plant/component requiring modification

4. Particulars of modification desired: enlargement* alteration* addition* change of normal use of component plants.

5. Extent of alteration (*if any*) on refinery through-put capacity

.....

.....

FORM C—(continued)

- 6. Reason(s) for modification
- 7. The justification for applicant's proposal
- 8. Relation (*if any*) to possible future developments
- 9. Particulars of site plan attached
- 10. Other information in support of application
- 11. I,

(name of applicant)

certify that the particulars stated above are correct.

Name in full

Signature of licensee or his attorney

Dated this day of 20

N.B.- (i) Information which cannot be supplied within the available space provided in this form should be supplied in an attachment to this application.

(ii) The application fee of ₦100,000 should be forwarded with this application.

* Delete where inapplicable.

FORM D
[Regulation 17.]

Report of a serious/fatal accident
[L.N. 45 of 1974.]

From:

Date:

To: The Director of Petroleum Resources,
Ministry of Petroleum Resources,
Department of Petroleum Resources.

1. Name and address of licensee

2. Date of accident Time

FORM D—(continued)

- 3. Place of accident—
 - (a) Location
 - (b) Local government area
 - (c) State
- 4. Nature of accident
- 5. How accident occurred
- 6. * Name of injured/deceased person(s)
- 7. Occupation
- 8. Date and time of application of first aid
- 9. Date injured person was sent to hospital
- 10. Place where injured person may be interviewed
- 11. Names of eye-witnesses, if any, and copies of any statement taken at the time of or immediately after the incident under report—
- 12. State whether in your opinion there was any degree of serious or wilful misconduct involved

.....
Signature

.....
Designation

* Delete whichever is inapplicable.

FORM E
[Regulation 18.]

Notice of hearing by the inspector
[L.N. 45 of 1974.]

To:

- 1.
- 2.

You are hereby summoned to appear before me at
on the day of 20 and to give evidence at an
inquiry being held into an accident at

FORM E—(continued)

on the day of 20 and you are required to bring with you—

3.
.....

DATED this day of 20

Inspector

Notes—

1. Insert name of intended witness.
2. Insert address of intended witness.
3. Name any document the intended witness will be required to produce.

FORM F
[Regulation 32.]

Notification of disruption to continuous refinery operation
[L.N. 45 of 1974.]

1. Name of licensee
2. Registered address in Nigeria
3. *Plant/unit to be shut-down/abandoned and/or replaced
4. Effective date of disruption
5. Estimated duration
6. Reasons for disruption stated above (*if necessary give reasons on a separate attachment*)
7. Nature of work to be performed (*where applicable*)
8. *Plant/unit is to be permanently/temporarily put out of commission.
9. *Plant/unit is to be replaced/not replaced by a similar plant.
10. Expected commissioning date of plant/unit (*where applicable*)
11. Brief history of abandoned plant (*provide on a separate sheet if necessary*)
12. I,

(name of manager)

certify that the above particulars are correct.

.....

Date

Signature

* Delete where inapplicable.

CRUDE OIL (TRANSPORTATION AND SHIPMENT) REGULATIONS

ARRANGEMENT OF REGULATIONS

REGULATION

1. Ships, etc., not to carry part cargo or dead freight.
2. No topping to be made.
3. Verification and certification of crude oil, etc.
4. Prohibition of loading crude oil into ballast tank, etc.
5. False declaration.
6. Ship not to depart without full documentation.
7. No loading, etc., of crude oil in unauthorised location.
8. Measures to be taken pending trial.
9. Penalty for non-compliance.
10. Interpretation.
11. Short title.

CRUDE OIL (TRANSPORTATION AND SHIPMENT) REGULATIONS

[S.I. 44 of 1984.]

under section 9

[3rd December, 1984]

[Commencement.]

1. Ship, etc., not to carry part cargo or dead freight

As from the commencement of these Regulations, no ship, tanker or vehicle in which crude oil is carried shall take part cargo or carry dead freight except-

- (a) within the limits of operational practice; or
- (b) when loading the full complement from two or more terminals within Nigeria;
or
- (c) with the prior written approval of the Minister or any person so designated by the Minister in writing to grant such approval.

2. No topping to be made

No topping shall be made, demanded or received for or by any ship, tanker, or vehicle in which crude oil is carried within or outside any loading port or terminal in Nigeria.

3. Verification and certification of crude oil, etc.

All declarations regarding the capacity of any ship, tanker or vehicle in which crude oil is carried shall be verified and certified by the appropriate Government authority or agency at the port of loading and no crude oil shall be loaded into any ship, tanker or vehicle other than that designated solely for that purpose.

4. Prohibition of loading crude oil into ballast tank, etc.

No loading shall be made into a ballast tank or any other tank, container or receptacle of a ship or tanker other than those designated, dedicated and designed for the storage and transportation of crude oil.

5. False declaration

Any false declaration regarding the capacity of any ship, tanker or vehicle in which crude oil is carried or in respect of the quality or quantity of oil loaded or the alteration of any document relating to quality, quantity or capacity of any ship, tanker, vehicle or cargo of crude oil shall be regarded as non compliance with the provisions of these Regulations.

6. Ship not to depart without full documentation

No ship, tanker or vehicle in which crude oil is carried shall depart from Nigeria for any reason whatsoever without full documentation in the prescribed manner having been concluded by the appropriate authorities and without specific authorisation by designated officers of the Nigerian Customs Service and any other Government agency having authority in that regard.

7. No loading, etc., of crude oil in unauthorised location

No loading, unloading or trans-shipment of crude oil shall be carried out within Nigeria at any location other than those approved by the Minister for that purpose.

8. Measures to be taken pending trial

In any case where a breach of these Regulations is committed by any person or body (corporate or unincorporate) the Minister or any person authorised by him or under any law, shall, pending the trial of such person or body, do anyone or more of the following things, that is to say-

- (a) cause the arrest or seizure of any cargo, ship or vehicle in which crude oil is carried;
- (b) arrest or cause to be arrested all persons involved and hand them over to a law enforcement agent to be dealt with in accordance with the law;
- (c) withdraw or cancel any licence granted by him to any such person or body or direct such action to be taken by an appropriate Government agency;

- (d) enter or direct the entry into any premises where any breach of the Regulations has occurred and take possession of any document, instrument or material used in connection therewith;
- (e) cause an inquiry to be conducted into the affairs of any person or body (corporate or unincorporate) connected with the breach of any of these Regulations;
- (f) order the closure of any premises where such breach occurs;
- (g) generally take such other action as the Minister may consider necessary for the purpose of preventing any further breach of these Regulations.

9. Penalty for non-compliance

Any person or body (corporate or unincorporate) who fails to comply with any of the provisions of these Regulations shall be guilty of an offence and on conviction shall be liable to a fine of ₦ 100 or a term of imprisonment of six months.

10. Interpretation

In these Regulations, unless the context otherwise requires -

"appropriate authority" means the Nigerian National Petroleum Corporation, the Nigerian Ports Authority, the Immigration Service, the Nigerian Customs Service, or any other government agency having authority for clearance of ships before departure from the Nigerian waters;

"topping" means any further loading of crude oil in any available space on the ship, tanker or vessel after loading the nominated quantity of crude oil at any designated terminal.

11. Short title

These Regulations may be cited as the Crude Oil (Transportation and Shipment) Regulations.

DEEP WATER BLOCK ALLOCATIONS TO COMPANIES (BACK-IN-RIGHTS) REGULATIONS, 2003

ARRANGEMENTS OF REGULATIONS

REGULATION

1. Application of Regulations, etc.
 2. Participation of the Federal Government in deep water allocations, etc.
 3. Interpretation.
 4. Citation.
-

**DEEP WATER BLOCK ALLOCATIONS TO COMPANIES
(BACK-IN-RIGHTS) REGULATIONS, 2003**

[S.I. 7 of 2003.]

[5th July, 2003]

[Commencement.]

1. Application of Regulations, etc.

(1) The provisions of these Regulations shall apply to all oil prospecting licences and oil mining leases issued for-

- (a) deep water blocks allocated before the commencement of these Regulations; and
- (b) all such other deep water blocks may be allocated from time to time,

with the exception of oil prospecting licences or oil mining leases issued to the Nigerian National Petroleum Corporation (in these Regulations referred to as "the Corporation").

(2) For the avoidance of doubt, the provisions of subparagraph (1) of this paragraph shall not be applicable to oil prospecting licences or oil mining leases for deep water blocks in which the Federal Government already has 100 percent interest through the Corporation.

(3) All oil prospecting licences issued before the commencement of these Regulations and falling within the meaning of subparagraph (I) of this paragraph, shall be deemed modified by the provisions of these Regulations.

2. Participation of the Federal Government in deep water allocations, etc.

(1) Where an allocation of a deep water block referred to in paragraph I of these Regulations includes a reservation by the Federal Government of the right to a participating interest in an oil mining lease derived from an oil prospecting licence, the conditions specified in these Regulations shall apply.

(2) The Federal Government shall exercise its rights to participate in such oil mining lease by acquiring five-sixths of the allottee's interest in the relevant oil prospecting licence and oil mining lease (rounded up to the nearest whole percentage point of total interest in the deep water block) under such terms and conditions as may be determined, from time to time, by the Federal Government:

Provided that the terms and conditions of the agreement(s) that governs the acquired Federal Government participating interest in the oil prospecting licence and oil mining lease shall not be less favourable to the Federal Government than those in effect at the commencement of these Regulations, that is, the prevailing fiscal terms as well as those terms and conditions applicable to the Corporation in the Federal Government's model form production sharing contracts in effect at the commencement of these Regulations or those applicable to the Corporation in the Federal Government's model form production sharing contracts operational at the time of the allocation of the deep water block, whichever is the later.

(3) Where the terms and conditions are less favourable to the Federal Government, such terms shall be modified to such extent as to bring them into conformity with the existing terms and conditions applicable to the Corporation in such model form production sharing contract in effect at the commencement of these Regulations or those applicable to the Corporation in the Federal Government's model form production sharing contracts operational at the time of the allocation of the deep water block, whichever is the later, only in so far as such terms and conditions are applicable to the Federal Government owned interest in the deep water block.

(4) Where the company does not have a production sharing arrangement in place on the deep water block and each party funds its interest share directly, the Federal Government shall acquire five-sixths of the Nigerian ownership interest in the oil mining lease (rounded up to the nearest whole percentage point of total interest in the deep water block), as a funding participant to the extent of its interest in the deep water block.

3. Interpretation

In these Regulations -

"Corporation" means the Nigerian National Petroleum Corporation;

"deep water blocks" means those concessions for the exploration and/or exploitation of petroleum in which all or part are in waters deeper than 200 metres;

"Minister" means the Minister of Petroleum Resources.

4. Citation

These Regulations may be cited as the Deep Water Block Allocations to Companies (Back-in-Rights) Regulations, 2003.

OIL PROSPECTING LICENCES (CONVERSION TO OIL MINING LEASES, ETC.) REGULATIONS, 2004

ARRANGEMENTS OF REGULATIONS

REGULATION

1. Conversion of oil prospecting licence to oil mining lease.
 2. Terms and conditions of additional oil mining lease.
 3. Payment of Signature bonus.
 4. Payment of Production bonus.
 5. Application of existing legislation.
 6. Consequential amendments.
 7. Citation.
-

**OIL PROSPECTING LICENCES (CONVERSION TO OIL MINING
LEASES, ETC.) REGULATIONS, 2004**

[S.1. 5 of 2004.]

[2nd December, 2003]

[Commencement]

I. Conversion of oil prospecting licence to oil mining lease

Notwithstanding the provisions of regulation 2 (3) of the Petroleum Conversion (Drilling and Production) Regulations, 1969 as amended, the holder of an oil prospecting licence issued under the Petroleum Act, shall pursuant to paragraph 8 of Schedule I of the Petroleum Act, be eligible, upon conversion, to no more than one oil mining lease after satisfying the conditions stipulated in the Petroleum (Drilling and Production) Regulations.

[L.N. 69 of 1969. L.F.N. 2004 Cap. PIO.]

2. Terms and conditions of additional oil mining lease

(1) The holder of an oil prospecting licence which is eligible for conversion to an oil mining lease may however apply for the grant of and may be granted an additional oil mining lease from the same contract area upon satisfaction, in the Minister's opinion, of all the following terms and conditions-

- (a) the quantum of the level of prospectivity and operational activity so far undertaken by the licence holder is sufficient justification for the grant of an additional oil mining lease;
- (b) the licence holder and the contractor to the licence holder shall each have demonstrated sufficient financial and technical capability to justify the grant of the second oil mining lease;
- (c) the licence holder and the contractor have accepted the terms and conditions of the grant of the second oil mining lease and such terms and conditions shall include-
 - (i) if the oil prospecting licence has been operated under the terms and conditions of a production sharing contract, the additional oil mining lease shall be developed under the terms and conditions of a new production sharing contract whose terms and conditions shall not be less favourable to the Federal Government than those applicable to the Nigerian National Petroleum Corporation in the Federal Government's model form production sharing contract operational at the time of the grant of the oil mining lease or at the commencement of these Regulations, whichever is the later and the applicable fiscal regime shall be that prevailing at the time of conversion unless otherwise determined by the Minister;
 - (ii) if the oil prospecting licence has been operated under the terms and conditions of a sole risk arrangement, the additional oil mining lease shall be developed under the terms and conditions of a joint venture arrangement that includes the participation of the Nigerian National Petroleum Corporation in accordance with the Deep Water Block

Allocations to Companies (Back-in Rights) Regulations, 2003 and the applicable fiscal regime shall be that relevant to the holder of the additional oil mining lease, the location of the additional oil mining lease and prevailing at the time of conversion unless otherwise determined by the Minister;

[S.I. 7of2003.]

(iii) if the oil prospecting licence has been operated under the terms and conditions of a joint venture arrangement then the additional oil mining lease shall be developed under the terms and conditions of a joint venture arrangement that includes the participation of Nigerian National Petroleum Corporation and on such terms and conditions as may be determined by the Minister and the applicable fiscal regime shall be that relevant to the holder of the additional oil mining lease the location of the additional oil mining lease and prevailing at the time of conversion, unless otherwise determined by the Minister.

3. Payment of Signature bonus

The payment of a signature bonus on conversion shall be as prescribed by the Minister and the quantum of signature bonus payable for the conversion to the additional oil mining lease shall be at the discretion of the Minister who shall take into consideration the following-

- (a) the current market value of the area to be covered by the oil mining lease;
- (b) the level of operational activity and expenditure so far carried out by the licence holder before the application; and
- (c) the competitiveness of signature bonus paid on the oil prospecting licence.

4. Payment of Production bonus

The quantum of production bonus payable for the additional oil mining lease (where applicable) shall be determined by the Nigerian National Petroleum Corporation.

5. Application of existing legislation

With respect to the Government participating interest in any oil prospecting licence, oil mining lease or an additional oil mining lease, such interest shall be governed by the prevailing legislation including those applicable to the Nigerian National Petroleum Corporation as contained in the Nigerian National Petroleum Corporation Act.

[L.F.N. 2004 Cap. NI23.]

6. Consequential amendments

The provisions of regulation 2 (3) of the Petroleum (Drilling and Production) Regulations, 1969, as amended, is hereby consequentially amended to the extent specified in these Regulations.

7. Citation

These Regulations may be cited as the Oil Prospecting Licences (Conversion to Oil Mining Leases, etc.) Regulations, 2004.
