MIDSTREAM AND DOWNSTREAM PETROLEUM OPERATIONS REGULATIONS, 2024

PETROLEUM INDUSTRY ACT, NO. 6, 2021

MIDSTREAM AND DOWNSTREAM PETROLEUM OPERATIONS REGULATIONS, 2024

Arrangement of Regulations

Regulation:

CHAPTER 1 – MIDSTREAM AND DOWNSTREAM PETROLEUM OPERATIONS

1. Objectives
2. Application
3. Application for licence, permit, or authorisation
4. Duties of licensee and permit holder
5. Duties of a manager
6. Duty to provide information.
7. Payment to the Authority Fund the and Midstream and Downstream Gas Infrastructure Fund
8. Licences, permits and authorisations for midstream and downstream gas operations.
9. Import and export of natural gas or its derivatives
10. Licences, permits and authorisations for midstream and downstream petroleum liquids operations
11. Bulk petroleum liquids storage
12. Wholesale petroleum liquids supply
13. Import and export of petroleum liquids
14. Product certification, reconciliation and accounting

CHAPTER 2 – PETROLEUM TRANSPORTATION AND SHIPMENT

15. Entry into prescribed port
16. Compliance with statutory requirements for berthing
17. Declaration of quantity and quality of petroleum liquids or natural gas or its derivatives carried by vessels entering harbour
18. Declaration by vessel leaving harbour
19. Testing of samples of petroleum liquids or natural gas or its derivatives
20. Prohibition of discharge into waters or atmosphere
21. Advance Lifting Schedule
22. Lifting Identification Management
23. Verification and certification by the Authority, etc.
24. Restriction on vessels from carrying part cargo or dead freight
25. Restriction on vessel not to depart without full documentation
26. Prohibition of topping
27. Prohibition of loading, offloading, importation, or trans-shipment in an unauthorised location.
28. Prohibition of loading into ballast tank
29. Ship/shore differences

CHAPTER 3 – PETROLEUM MEASUREMENT

30. Requirement of measurement systems

31. Quality of metering activities
32. Information Reporting
33. Measurement standards
34. Classes of dynamic measurement
35. Calibration and traceability
36. Reference conditions
37. By-pass of measurement system
38. Measurement methods
39. Metering System Design
40. Testing, calibration, and inspection of measurement system
41. Operation and maintenance of measurement system
42. Operations management and supervision of metering systems
43. Measurement loss and shrinkage

CHAPTER 4 – PETROLEUM PIPELINES

44. Prohibitions
45. Permit to survey pipeline route
46. Permit to survey Approval Timelines
47. Permit to survey an offshore Pipeline
48. Permit to survey Revalidation
49. Licence to Establish
50. Licence to Establish Approval Timelines
51. Licence to Establish Revalidation
52. Application for Permit to Construct
53. Permit to Construct Approval Timelines
54. Application for Pipeline Licence.
55. Pipeline Licence Approval Timelines
56. Permit to operate
57. Rights of way
58. Obligations in respect of Accommodation works
59. Environmental Protection Guidelines
60. Design, construction, and operations of pipeline.
61. Design
62. Construction
63. Cathodic protection and corrosion control
64. Inspection and testing
65. Operations and maintenance
66. Pipelines re-rating and change of service
67. Discontinuation, abandonment, and resumption of operation of pipeline System
68. Decommissioning and abandonment of a pipeline
69. Pipeline Audit
70. Reporting
71. Revocation of licence

CHAPTER 5 – TERMINALS AND BULK STORAGE

72. Authority to licence terminals and bulk storage facilities
73. Terminal establishment notice

74. Application for licence to establish
75. Application for licence to construct
76. Application for licence to operate
77. Export operations and open access
78. Determination of quantity and quality of petroleum products
79. Bulk storage

CHAPTER 6 – ASSIGNMENT, TRANSFER OR SURRENDER OF LICENCE OR PERMIT

80. Prohibition of assignment or transfer of licence or permit without the consent of the Authority
81. Nature of assignment or transfer of licence or permit
82. Change of name
83. Notification of intention to assign or transfer a licence or permit
84. Application for assignment or transfer of licence by the transferee
85. Grant of consent to assign or transfer

CHAPTER 7 – SEPARATION OF LICENSED ACTIVITIES AND SURRENDER OF LICENCE OR PERMIT

86. Prohibition of Overlapping Activities
87. Separate Accounting & Annual Audit
88. Power to Order Unbundling of Activities
89. Surrender of Licence or Permit
90. Obligations and Consequences upon Surrender
91. Publication of Surrender

CHAPTER 8 – CODE OF CONDUCT

92. Appointment of a member of the Board
93. Appointment of managing director/chief executive officer
94. Business conduct and ethics
95. Stakeholder communication
96. Submission of annual reports

CHAPTER 9 – REGISTRATION AND PUBLICATION OF LICENCES, PERMITS AND AUTHORISATIONS

97. Authority to establish and maintain registers
98. Duties of the Secretary and Legal Adviser of the Authority
99. Procedure for registration of licences, permits and authorisations
100. Contents of register
101. Error in registers
102. Deletion from registers
103. Public access to the registers
104. Certified true copy
105. Duty to notify the Authority of changes

CHAPTER 10 – DATA REPOSITORY

106. Establishment of the Midstream and Downstream Petroleum Data Repository
107. Functions of the Repository

108. Revenue of the Repository
109. Data Submission
110. Data Confidentiality Period
111. Data Release

CHAPTER 11 – DISPOSAL OF CONFISCATED MATERIALS AND EQUIPMENT
112. Power to confiscate and dispose
113. Interim Forfeiture Order
114. Notice of Interim Forfeiture
115. Final Forfeiture order
116. Register of confiscated materials and equipment
117. Disposal Committee
118. Disposal Procedure
119. Disposal Method
120. Proceeds of disposition

CHAPTER 12 – PENALTIES AND ENFORCEMENT MECHANISMS
121. Penalties in midstream and downstream petroleum operations
122. Notices
123. Potential incidence of non-conformity
124. Incidence of non-conformity
125. Notice of non-compliance
126. Demand notice
127. Issuance of potential incidence of non-conformity
128. Issuance of incidence of non-conformity
129. Issuance of notice of non-compliance
130. Representation on notice of non-compliance
131. Decision on issuance of penalties
132. Component Incidence of non-compliance notice
133. Issuance of demand notice
134. Decision on failure to comply with cease-and-desist order
135. Revocation of a licence or permit

CHAPTER 13 – MISCELLANEOUS PROVISIONS
136. Midstream and downstream oil and gas service companies
137. Conformity Assessment
138. Technology Adaptation
139. Deferment of operations
140. Reconciliation
141. Right to enter and inspect premises in case of offences
142. Prescribed returns
143. General offences
144. Powers to issue guidelines
145. Revocation and Savings
146. Interpretation
147. Citation

SCHEDULE

PETROLEUM INDUSTRY ACT, NO. 6, 2021
MIDSTREAM AND DOWNSTREAM PETROLEUM OPERATIONS REGULATIONS, 2024

CHAPTER 1 **MIDSTREAM AND DOWNSTREAM PETROLEUM OPERATIONS**	
[ ]	Commencement
In the exercise of the powers conferred on it by sections 33 of the Petroleum Industry Act, No. 6, 2021 ("the Act") and all other powers enabling it in that behalf, the Nigerian Midstream and Downstream Petroleum Regulatory Authority (the "Authority"), makes these Regulations —	
1. The objectives of these Regulations are to - (a) regulate the operations of companies in the Nigerian midstream and downstream petroleum sector; (b) provide the procedure for the grant of licences, permits, authorisations and payment of fees for midstream and downstream petroleum operations; (c) regulate activities for the transportation, loading, lifting, shipment and export of natural gas or its derivatives and petroleum liquids in Nigeria; (d) prohibit illegal and unauthorised activities connected with natural gas or its derivatives and petroleum liquids in Nigeria; (e) regulate and ensure accurate measurement and allocation of natural gas or its derivatives and petroleum liquids; (f) determine the basis for calculating revenue accruing to government, licensees, contractors and other parties in midstream and downstream petroleum operations; (g) provide for the licensing of pipelines for natural gas, petroleum liquids and other process fluids within the Nigerian midstream and downstream petroleum industry; (h) regulate the construction and operation of pipelines used for transportation, distribution, storage and sale of natural gas, petroleum liquids and other process fluids in the Nigerian midstream and downstream petroleum industry;	Objectives

(i) regulate the establishment, construction and operations of terminal and bulk storage facilities in the Nigerian midstream and downstream petroleum industry; (j) regulate the operations of hydrocarbons refining facilities; (k) establish a procedure for the assignment, transfer or surrender of a licence or permit by a licensee or permit holder; (l) set out the procedure for the separation of licensed activities in the Nigerian midstream and downstream petroleum industry; (m) outline industry-specific codes of conduct and corporate governance standards for companies in the Nigerian midstream and downstream petroleum industry; (n) establish, maintain and make publicly available, registers of licences, permits, authorisations and exemptions issued, revoked, suspended, surrendered or withdrawn and any modifications, renewals, assignments, amendments or exemption or any other matter affecting the status of or any interest in a licence, permit or authorisation granted in the Nigerian midstream and downstream petroleum industry; (o) provide the procedure for the registration of licences, permits and authorisations or any other matter affecting the status of or any interest in a licence, permit or authorisation granted; (p) establish the midstream and downstream petroleum data repository in the Authority, and provide the procedure for the submission, collection and management of technical data in the Repository; (q) provide procedure for the disposal of confiscated materials and equipment in the Nigerian midstream and downstream petroleum industry; (r) provide a framework for the application, administration, and enforcement of penalties in midstream and downstream petroleum operations; and (s) provide sanctions, penalties, and administrative fines for failure to comply with the provisions of these Regulations.	
2. These Regulations shall apply to persons, operations, and activities in the Nigerian midstream and downstream petroleum industry.	Application

3. (1) An application for a licence, permit, or authorisation to undertake any of the operations under these Regulations shall be made in a form prescribed in guidelines or directions issued by the Authority. (2) A licence issued pursuant to these Regulations shall expire on the 31st of December of the year issued, except otherwise stated in the licence. (3) Without prejudice to sub regulation (2) of this Regulation, where there is a modification of a facility with change in capacity or product slate on or before the 31st of December, the subsisting licence shall become invalid, and a new licence shall be issued upon the payment of prescribed fees. (4) An application for renewal of a licence, permit or authorisation shall be made not less than 30 days, or such a longer period as the Authority may decide, before the expiration of the original licence and in a manner prescribed by the Authority. (5) Where an affiliate of a company which holds any other licence, permit or approval from the Authority, applies for licence or approval under these Regulations, such affiliate shall disclose the relationship to the Authority. (6) A licensee or permit holder shall, prior to the commencement of any petroleum operations, obtain requisite approvals from the Authority. (7) A licence, permit or authorisation or any exemption issued by the Authority shall be signed by the Authority Chief Executive and authenticated under the seal of the Authority and the validity of the licence, permit or authorisation or any exemption shall commence from the date of its issuance. (8) The date of issuance of any licence, permit or authorisation or any exemption shall be inscribed on the licence, permit or authorisation or any exemption. (9) The Authority shall prescribe, by Regulations, appropriate application, processing and service fees or charges for the grant of a licence, permit or authorisation.	Application for licence, permit or authorisation

4. (1) A licensee or permit holder shall - (a) ensure that its operations are undertaken pursuant to a valid licence, permit or authorisation; (b) appoint, in writing, a manager who shall take continual charge of all operations authorised by the Authority; (c) appoint in writing a compliance officer who shall ensure the licensee's compliance with the provisions of Act and Regulations made by the Authority; (d) notify the Authority of every appointment made under these Regulations and any subsequent change not later than 96 hours of such appointment or change; (e) ensure that the provisions of these Regulations, guidelines or any other directive from the Authority are complied with; (f) ensure that a contractor or sub-contractor engaged to provide any service in line with its licensed activities is registered with the Authority, and holds an appropriate permit for the activity; (g) ensure that its contractors, employees, agents, and any person acting for the licensee or permit holder comply with these Regulations, guidelines or any other directives issued by the Authority; (h) provide its personnel with personal protective equipment and ensure that such equipment is maintained in good condition; (i) establish emergency medical procedures including an appropriately manned and well-equipped onsite clinic, standard first aid boxes, automated external defibrillators situated at strategic locations in the facility, and medical evacuation procedures; (j) provide firefighting and first aid equipment at every facility or installation in accordance with best industry standards; (k) ensure that all personnel and contractors undergo occupational fitness tests and minimum industry training as may be specified by the Authority; (l) provide clear, comprehensive, safe and practical operational procedures and guidelines for its personnel;	Duties of a Licensee and permit holder

(m) develop good health protection and promotion programmes for its personnel and mandate all its contractors to take similar actions; (n) ensure that all contract documents entered into with contractors specify the responsibilities of contractors with regards to safety of operations; (o) develop and maintain contingency procedures and measures for the safety of personnel and equipment in an emergency; (p) develop and regularly update an integrated emergency plan for the management of hazardous events and accident situations likely to occur and ensure that drills are carried out periodically; (q) provide office and accommodation facilities for Authority personnel at its operational site as the Authority may direct; (r) ensure that laboratories used for petroleum operations are accredited by, and operated in a manner prescribed by the Authority; and (s) perform such other duties as the Authority may prescribe in its licence.	
5. A manager appointed under these Regulations shall - (a) ensure compliance with the provisions of these Regulations, guidelines or any other directives issued by the Authority; (b) appoint in writing, competent persons for the purpose of general supervision of specific operations in midstream and downstream facilities, including construction, operations, maintenance, processing, storage, distribution, retailing, health, safety, environment, and community matters; (c) report any appointment and subsequent change of a competent person not later than 96 hours of such appointment or change to the Authority; (d) ensure that competent persons are given appropriate training for the efficient and safe performance of their duties; (e) maintain a register setting out the details and responsibilities of the competent persons, mutual relationships and lines of reporting and communication;	Duties of a manager

(f) ensure that every operation or procedure is carried out by qualified and competent personnel, and adequate systems are put in place to determine and approve qualified personnel for each operation and procedure; (g) ensure the availability of critical spare parts for equipment in compliance with the requirements and directives of the Authority; (h) ensure that the facility's landscaping, surroundings, and environment are well maintained at all times and kept in good condition; and (i) ensure that the facility is free of items, which may constitute hindrance to evacuation or escape of personnel in the event of a fire, leak or spill.	
6. The Authority may direct a person to provide information or data on any midstream and downstream operations and the person shall comply with the directive in the prescribed manner within the timeframe stipulated in the direction.	Duty to Provide Information
7. (1) In accordance with the Act there shall be a levy of 0.5% of wholesale price of petroleum products sold in Nigeria paid to the Authority, which shall be collected from wholesale customers at wholesale points for - (a) imported petroleum products sold in Nigeria; and (b) petroleum products processed and sold in Nigeria. (2) In accordance with the Act there shall be a levy of 0.5% of wholesale price of petroleum products and natural gas sold in Nigeria paid to the Midstream and Downstream Gas Infrastructure Fund which shall be collected from wholesale customers at wholesale points for - (a) imported petroleum products and natural gas sold in Nigeria; and (b) petroleum products and natural gas processed and sold in Nigeria. (3) The levy stipulated in sub-regulation (1) of this regulation shall	Payment to the Authority Fund and the Midstream and Downstream Gas Infrastructure Fund

become due immediately upon the sale of the petroleum products. (4) Following the issuance of certificate of quantity or reconciliation of products sold in Nigeria, the Authority shall issue a debit note to the wholesale customer for the payment stipulated in sub regulations (1) and (2) of this regulation. (5) The levy prescribed in sub regulations (1) and (2) of this regulation shall be paid within 21 days of issuance of the debit note by the Authority, and the Authority shall ensure collection at wholesale points. (6) An importer, producer or owner of the petroleum products shall collect the levies from its wholesale customer on behalf of the Authority and remit the levies to the Authority Fund and Midstream and Downstream Gas Infrastructure Fund within 21 days. (7) Where the importer, producer or owner of the petroleum products fails to remit the levies collected on behalf of the Authority within 21 days of the issuance of the debit note, the importer, producer or owner of the petroleum products shall, in addition to the amount not remitted, be liable to an administrative penalty equal to 10% of the amount unpaid for each month or part thereof after the date on which payment became due. (8) The Authority may, in addition to the penalty specified in sub-regulation (7) of this regulation - (a) suspend the licence of the importer, producer or owner of the petroleum products until the payment is made; or (b) suspend the operations of the facility into which the product was processed, discharged, or stored until the payment is made.	
8. (1) A person shall not undertake the following gas operations in the Nigerian midstream and downstream industry without a valid licence, permit, or authorisation granted by the Authority -	Licences, permits and authorisations for midstream and downstream

(a) the establishment, design, construction, or operation of a gas processing facility, including the modification and decommissioning of such facilities; (b) the offtake of natural gas or gas products and derivatives from a gas facility; (c) the establishment, construction, or operation of a natural gas blending facility; (d) blending operations in a gas depot, including modification and decommissioning of such depots; (e) third party blending operations in a gas processing plant; (f) establishment, construction and operation of a gas transportation and distribution pipeline; (g) the establishment, construction and operation of a gas distribution system; (h) the operation of bunkering vessels and barges utilised in the storage or supply of natural gas and natural gas products; (i) the operation of a gas transportation network; (j) the virtual transportation of gas and gas derivatives which shall include the registration of the mode of transportation; (k) liquified petroleum gas (LPG) or compressed natural gas (CNG) bulk cylinder exchange to Micro-Distribution centres or resellers; (l) LPG or CNG truck peddling or retailing activities; (m) the establishment, construction, modification, operation, and decommissioning of a bulk gas storage facility; (n) the establishment, construction, modification, operation, and decommissioning of a gas refilling or refuelling facility; (o) the establishment, construction, modification, operation, and decommissioning of a CNG or LNG processing facility; (p) the establishment, construction, modification, operation, and decommissioning of gas import and export terminals; (q) the designation of gas export points;	gas operations

(r) the selection, design, construction, installation, and operation of metering facilities; (s) wholesale gas supply operations which shall be conducted at wholesale points; (t) retail gas supply operations; (u) industrial gas storage and utilisation for own use and not for sale to customers, which shall include gas stored and utilised by ministries, departments, and agencies of the federal, state, and local governments for their own use; (v) industrial natural gas liquids and plant condensate storage and utilisation for own use and not for sale to customers, which shall include natural gas liquids and plant condensate stored and utilised by ministries, departments, and agencies of the federal, state, and local governments for their own use; (w) domestic gas aggregation; (x) wholesale gas trading and settlement operations; (y) coastal vessel gas operations; (z) the introduction of hydrocarbons into midstream gas facilities; (aa) technology adaptation for gas facilities; (bb) importation and exportation of natural gas, natural gas liquids and gas derivatives; (cc) open access and third party access operations; (dd) carbon capture, storage and utilisation; (ee) carbon credits trading and (ff) any other activities as may be prescribed in Regulations made by the Authority. (2) An application for a licence, permit or authorisation to conduct natural gas and gas operations shall be in accordance with the Act, and Regulations or guidelines made by the Authority	
9 (1) From the commencement of these Regulations, a gas import or export terminal shall not be operated without to a licence granted by the Authority;	Import and export of natural gas or its derivatives

(2) Natural gas or its derivatives shall not be evacuated from a terminal for export or supply to bulk customers in Nigeria without a valid wholesale gas supply licence granted by the Authority. (3) The loading or unloading of natural gas or its derivatives shall not be carried out without the authorisation of the Authority. (4) A person wishing to export natural gas or its derivatives from Nigeria shall apply to the Authority in accordance with guidelines made by the Authority.	
10. (1) A person shall not undertake the following petroleum liquids operations in the Nigerian midstream and downstream petroleum industry without a valid licence, permit, or authorisation granted by the Authority - (a) the establishment, design, construction, or operation of hydrocarbon processing facilities and installations including the modification and decommissioning of such facilities; (b) the offtake of petroleum products; (c) the establishment, construction or operation of a hydrocarbon liquid blending plant, waste recycling facility, waste treatment facility and bitumen processing plant; (d) the establishment, construction or operation of a lubricant refilling facility; (e) blending operations in a petroleum products depot including the modification and decommissioning of such depot; (f) third party blending operations; (g) the production, distribution, storage and utilisation of biofuels and other clean fuels; (h) the establishment, construction and operation of petroleum liquids transportation and distribution pipelines; (i) the establishment, construction and operation of petroleum products distribution systems; (j) the operation of petroleum liquids and petroleum products transportation network; (k) the virtual transportation of petroleum liquids which shall include the registration of the mode of transportation;	Licences, permits and authorisations for midstream and downstream petroleum liquids operations

(l) the establishment, construction, modification, operation, and decommissioning of a bulk petroleum liquids storage facility; (m) the bulk storage, sale and distribution of petroleum products; (n) petroleum products backloading operations; (o) the establishment, construction, modification, operation, and decommissioning of petroleum products jetties; (p) wholesale petroleum liquids supply operations; (q) the establishment, construction, and operation of petroleum liquids retailing operations and infrastructure; (r) the establishment, construction, fabrication and operation of petroleum filling or service stations, floating filling stations, mobile containerised filling stations, operated for industrial use or storage and sales, riverine or marine filling station plants and associated infrastructure; (s) the construction or installation of small-scale industrial petroleum products storage and utilisation facilities; (t) the operation of bunkering vessels and barges utilised in the storage or supply of petroleum liquids and petroleum products, natural gas and natural gas products; (u) the establishment, construction, installation, and operation of AGO or DPK storage and sales facilities; (v) peddling, storage and sales of AGO and DPK by trucks; (w) industrial petroleum products storage and utilisation for own use and not for sale to customers, which shall include petroleum products stored and utilised by ministries, departments, and agencies of the federal, state and local governments for their own use; (x) introduction of hydrocarbons into midstream petroleum facilities; (y) importation and exportation of petroleum liquids; (z) the designation of petroleum liquids export points; (aa) technology adaptation for petroleum liquids facilities; (bb) open access and third-party access operations; and	

(cc) any other activities as may be prescribed in Regulations made by the Authority. (2) An application for a licence, permit or authorisation to conduct petroleum liquids operations shall be in accordance with the Act, and Regulations or guidelines made by the Authority.	
11. (1) The holder of a bulk petroleum liquids storage licence shall comply with the provisions of the Act, and Regulations and guidelines made by the Authority. (2) A person shall not load or unload petroleum liquids in a licensed bulk storage facility without the approval of the Authority. (3) A bulk petroleum liquids storage facility shall not be used for products export and import without the approval of the Authority. (4) Petroleum products to be exported from Nigeria from a bulk petroleum liquids storage facility shall only be sourced from a Nigerian refinery or petrochemical plant. (5) Petroleum products shall not be exported from a bulk petroleum liquids storage facility without a valid certificate of quantity and quality and wholesale petroleum liquids supply licence issued by the Authority. (6) Petroleum products owned by a third party shall not be stored in a petroleum products distribution facility or depot without a valid throughput agreement registered with the Authority. (7) A holder of a bulk petroleum liquids storage licence shall comply with section 188 of the Act.	Bulk petroleum liquids storage
12. (1) Wholesale petroleum liquids supply shall only be conducted at licensed wholesale points. (2) A producer of petroleum liquids or natural gas shall not export or deliver petroleum liquids or natural gas to bulk customers in Nigeria without a valid wholesale petroleum liquids supply licence. (3) A holder of crude oil refining or bulk petroleum liquids licence shall not export petroleum products from a refinery or depot without a	Wholesale petroleum liquids supply

valid wholesale petroleum liquids supply licence. (4) A wholesale petroleum liquids supplier shall conduct the activities under its licence in compliance with the following general obligations, to – (a) provide a reliable supply of petroleum liquids to purchasers on request; and (b) desist from activities, which in the opinion of the Authority may prevent, restrict, or distort competition. (5) A petroleum product distribution licence shall qualify the holder to purchase petroleum products only from a wholesale supplier.	
13. (1) From the commencement of these Regulations, a terminal to be used for the import or export of petroleum liquids shall not be operated where the terminal is not established pursuant to a licence granted by the Authority. (2) Petroleum liquids shall not be evacuated from the terminal for export or supply to bulk customers in Nigeria without a valid wholesale petroleum liquids supply licence granted by the Authority. (3) The loading or unloading of petroleum liquids shall not be carried out without the authorisation of the Authority. (4) A person wishing to export petroleum liquids from Nigeria shall apply to the Authority in accordance with guidelines made by the Authority.	Import and export of petroleum liquids
14. (1) An application by a licensee or permit holder for product certification may be granted by the Authority upon payment of prescribed fees and compliance with guidelines issued by the Authority. (2) The Authority and licensee shall undertake regular reconciliation of sold petroleum liquids or natural gas to ensure accounting and traceability.	Product certification, reconciliation and accounting
CHAPTER 2 **PETROLEUM TRANSPORTATION AND SHIPMENT**	

15. (1) A person shall not import or export petroleum liquids or natural gas or its derivatives through a port in Nigeria other than a prescribed port. (2) A person who intends to import or export petroleum liquids or natural gas or its derivatives through a port other than the prescribed port, shall apply to the Authority in writing, stating the quality, quantity and nature of the petroleum liquids or natural gas or its derivatives to be imported or exported.	Entry into prescribed port
16. A vessel entering a Nigerian harbour shall comply with statutory requirements for berthing, loading and discharge of petroleum liquids or natural gas or its derivatives.	Compliance with statutory requirements for berthing
17. (1) The master of a vessel carrying petroleum liquids or natural gas or its derivatives shall upon entry into a prescribed port, deliver a written declaration to the Authority, stating the- (a) quantity and quality of petroleum liquids or natural gas or its derivatives contained in the vessel; and (b) quantity and quality of petroleum liquids or natural gas or its derivatives intended to land at that port or any other port in Nigeria and specifying the port and type of product. (2) Notwithstanding the provisions of sub regulation (1) of this regulation, where the agent of a vessel delivers the written declaration to the harbour master in anticipation of a vessel's arrival, the master of the vessel may not be required to make any declaration. (3) A vessel shall not commence discharge of petroleum liquids or natural gas or its derivatives without the prior clearance of the Authority.	Declaration of quantity and quality of petroleum liquids or natural gas or its derivatives carried by vessels entering harbour
18. (1) Petroleum liquids or natural gas or its derivatives shall not be exported from Nigeria without a valid wholesale supply licence. (2) A person exporting petroleum liquids or natural gas or its derivatives	Declaration by vessel

from a port shall, in addition to complying with all statutory requirements, deliver to the Authority and harbour master, before and after loading any ship, written declarations, stating, in the case of a declaration made - (a) before loading a vessel, the approximate quantity of petroleum liquids or natural gas or its derivatives with which that vessel is to be loaded; and (b) after loading the quantity of petroleum liquids or natural gas or its derivatives with which the vessel has been loaded.	leaving harbour
19. Petroleum liquids or natural gas or its derivatives imported into Nigeria shall not be discharged without – (a) sampling; (b) testing of products from an approved laboratory; and (c) the issuance of a certificate of quality from the Authority.	Testing of samples of petroleum liquids or natural gas or its derivatives
20. A person shall not discharge or allow the escape of petroleum liquids or natural gas or its derivatives into the Nigerian waters or atmosphere.	Prohibition of discharge into waters or atmosphere
21. (1) A person who intends to carry out the shipment or export of petroleum liquids or natural gas or its derivatives, shall not later than five working days before the expected time of arrival of the vessel, submit to the Authority an Advance Lifting Schedule in the form prescribed by the Authority. (2) The Advance Lifting Schedule shall be endorsed by a designated representative of the person carrying out the shipment or export and shall contain the - (a) type, source, and producer, of the petroleum liquids or natural gas or its derivatives, to be lifted or exported; (b) statement on volume, valid export permit, details of the exporter, destination, the terminal or location from which the petroleum liquids or natural gas or its derivatives to be lifted;	Advance Lifting Schedule

(c) evidence of measurement, method of measurement and laycan of lifting of the petroleum liquids or natural gas or its derivatives, to be lifted or exported; (d) estimated time of arrival of the ship or vessel; (e) valid wholesale supply licence; (f) details of the buyer; and (g) details of the agent of the vessel or cargo owner. (3) The Authority may, upon review of Advance Lifting Schedule, notify the person who submitted the Advance Lifting Schedule, of any default, in the information submitted and give the person twenty-four hours within which to rectify and re-submit the Advance Lifting Schedule.	
22. (1) Petroleum liquids or natural gas or its derivatives, shall not be lifted from or within Nigeria without a Lifting Identification Number issued by the Authority. (2) The Authority shall, prior to lifting, inspect and verify the content of any cargo against declaration in the Advance Lifting Schedule and upon satisfactory verification, the Authority shall issue a Lifting Identification Number for the cargo. (3) Where the Authority on inspection of a cargo discovers that information supplied in the Advance Lifting Schedule is false, the person responsible for the false declaration shall be liable under these Regulations. (4) A Lifting Identification Number shall be specific to and valid for the cargo it relates and no other.	Lifting Identification Management
23. (1) A declaration relating to a vessel in which petroleum liquids or natural gas, or its derivatives is to be carried, shall be verified by the Authority. (2) The Authority shall certify at the port of loading measurements systems, and volumes of lifting and shipment of petroleum liquids or natural gas or its derivatives loaded into a vessel designated and approved for that purpose.	Verification and certification by the Authority, etc.
24. A vessel carrying petroleum liquids or natural gas or its derivatives, shall not carry part cargo or dead freight, except -	Restriction on vessels from carrying part

(a) with the prior authorisation of the Authority (b) within the limits of operational practice; or (c) where such vessel is loading full complement from two or more terminals within Nigeria.	cargo or dead freight
25. A vessel in which petroleum liquids or natural gas or its derivatives is carried shall not depart from Nigeria or its territorial waters from where cargo operations are conducted without - (a) complete documentation in the prescribed manner by the appropriate authorities; and (b) specific authorisation by the Authority and any other Government agency having authority in that regard.	Restriction on vessel not to depart without full documentation
26. A vessel in which petroleum liquids or natural gas or its derivatives is carried, shall not make, demand, or receive any topping within or outside any loading port or terminal in Nigeria.	Prohibition of topping
27. The loading, unloading or trans-shipment of petroleum liquids or natural gas or its derivatives, shall not be carried out at any location within Nigeria or its territorial waters, except at the point authorised or designated by the Authority for that purpose.	Prohibition of loading, offloading, importation, or trans-shipment in an unauthorised location.
28. Petroleum liquids or natural gas or its derivatives shall not be loaded into a ballast tank or any other tank, container or receptacle of a ship or tanker other than those designated, dedicated, and designed for its storage and transportation.	Prohibition of loading into ballast tank
29. (1) The shore figures shall continue to be regarded as the official fiscalised figures for any lifting of petroleum liquids or natural gas or its derivatives, except where the measurement system is on the vessel and certified by the Authority. (2) Where the figure recorded on board a vessel exceeds that recorded on shore or at the loading point, the limit of tolerance allowed for these variations shall depend on the cargo quantity expressed in long tons or metric tons and the allowance as prescribed in the guidelines made by the Authority. (3) Where the ship/shore difference recorded exceeds the above	Ship/shore differences

stipulated limits, the vessel shall not be cleared to sail until a written undertaking has been given by the vessel captain or the facility operator to arrange for the Authority to verify the outturn discharge of the vessel at port of discharge or any other means as may be directed by the Authority. (4) A facility or vessel owner who fails to comply with the outturn verification process within 60 days of a demand by the Authority shall be subject to the penalties set out in these Regulations and in addition may not be permitted to lift petroleum liquids or natural gas or its derivatives from any Nigerian facility until the Authority is satisfied that such facility or vessel owner has complied with the process. (5) A vessel which records ship/shore differences over the tolerance limit for three consecutive liftings shall not be allowed to lift cargo from any facility in Nigeria until satisfactory evidence has been provided to the Authority showing that the vessel's measurement device has been recalibrated afterwards.	
CHAPTER 3 **PETROLEUM MEASUREMENT**	
30. (1) It shall be the duty of a licensee or permit holder to whom the petroleum measurement provisions of these Regulations apply to ensure that measurement systems are installed and operated at appropriate measurement points in midstream and downstream operations; (2) Where a licensee or permit holder fails to install or operate an appropriate measurement system, the Authority shall licence a third party to install or operate a measurement system, and the licensee or permit holder who has failed to install or operate the measurement system shall be responsible for the costs incurred by the third party so licensed by the Authority.	Requirement of measurement systems
31. A licensee or permit holder to whom the petroleum measurement provisions of these Regulations apply shall - (a) ensure that a person engaged in metering activities possesses the requisite qualifications and competence to perform the activities; (b) ensure that metering and allocation systems are designed, fabricated, inspected, tested, and installed in accordance with these Regulations and guidelines issued by the Authority; and	Quality of metering activities

(c) ensure that measurement systems reports, records and data are maintained as prescribed by the Authority for audit.	
32. (1) A licensee or permit holder shall provide the Authority with information or data on - a. annual performance of measurement system; b. annual maintenance plan and record for previous year; c. malfunction of measurement system; d. annual recertification notice; e. annual totalizer measurement; f. annual actual measurement; g. report of maintenance work on flow computer and other metering system components; h. petroleum liquids and natural gas handling agreements, including cargo loss claim; and i. the performance of a newly installed metering system not later than three months after installation. (2) The Authority may direct a person to provide information or data on any measurement operation and such person shall provide the information or data in the prescribed manner within the timeframe stipulated in such directive.	Information Reporting
33. The Authority shall approve standards and recommended practices to be used in the design, construction, modification, upgrade, operation, and maintenance of a measurement system.	Measurement standards
34. (1) The classes of dynamic measurement based on their purpose of deployment shall be as follows — **A. . CLASS A MEASUREMENT** The metering stations used for the delivery of fiscal metering of petroleum to customers and where sales contracts are applicable. **B. CLASS B MEASUREMENT** The metering stations for the delivery of petroleum in commonly used pipeline systems and where allocation procedures or joint operating contracts apply.	Classes of dynamic measurement

C. CLASS C MEASUREMENT The metering stations for the delivery of fuel gas within the operator's operating facility or to a third party facility. **D. CLASS D MEASUREMENT** The metering station for midstream flare gas measurement. **E. CLASS E MEASUREMENT** The weighing or metering station for petroleum based solid products measurement. (2) The uncertainty limit data analysis shall be developed for petroleum measurement systems within 95% confidence level in accordance with recognised standards and the uncertainty limits shall be prescribed by the Authority in Guidelines (3) The points of deployment for dynamic measurement shall be for - (a) custody transfer; (b) allocation; (c) fuel gas; or (d) flare gas. (4) Notwithstanding sub-regulation (3) of this regulation, measurement methods in crude handling agreements, crude transportation agreements, gas sales or supply agreements, gas transportation agreements, and other commercial agreements for midstream and downstream petroleum operations shall be as approved by the Authority.	
35. (1) The frequency of calibration of measurement systems shall be as prescribed in guidelines issued by the Authority. (2) A licensee or permit holder shall ensure that measurements and calibrations made under these Regulations have traceability to national or international measurement standards. (3) A licensee or permit holder shall ensure that an instrument used for calibration has traceability to national or international measurement standards. (4) A third-party measurement laboratory used to calibrate equipment covered by these Regulations shall -	Calibration and traceability

(a) be accredited in accordance with nationally and internationally recognised standards; and (b) have a documented uncertainty equal to or better than those set out in these Regulations. (5) A licensee or permit holder shall ensure that a laboratory analysis of the composition or quality of natural gas or its derivatives or petroleum liquids, crude oil or its derivatives, condensate, petroleum liquids, petroleum products or any other form of petroleum liquids for custody transfer and allocation purposes is carried out by an accredited measurement laboratory and witnessed by the Authority.	
36. (1) The reference conditions for temperature and pressure to determine standard volume is 60 °F and 14.696 psia (101.325 kPa) for crude oil and condensate. (2) A reference pressure other than 101.325 kPa may be used for natural gas liquid and liquefied petroleum gas. (3) A reference temperature and pressure of 15°C and 101.325 kPa may be used for petroleum products and liquified natural gas.	Reference conditions
37. The by-pass of a meter bank, dispensing pump, loading gantry, or provision for reverse flow through the meter bank of any measurement system is prohibited.	By-pass of measurement system
38. (1) The primary measurement method for determining the quantities of petroleum liquids or natural gas or its derivatives shall be by dynamic measurement method. (2) Notwithstanding sub-regulation (1) of this regulation, where dynamic measurement method is not applicable, static measurement method shall apply subject to conditions prescribed by the Authority.	Measurement methods
39. (1) A metering system for measuring petroleum liquids or natural gas or its derivatives shall not be designed without the approval of the Authority. (2) A meter bank shall be designed to N+1 philosophy and make provisions for the proving system. (3) An application for approval under sub regulation (1) of this regulation shall be accompanied with – (a) the type of meter selected and selection criteria; (b) design philosophy;	Metering System Design

(c) fluid properties; (d) type of proving method; (e) location; and (f) project cost estimate. (4) The design and location of a metering system shall be such that it is easily accessible for condition monitoring, maintenance, replacement, recertification, and repair works	
40. (1) A licensee or permit holder shall not procure, fabricate, assemble, integrate, ship, install, modify or commission a measurement system, sampling system, proving system or flow computer without conducting appropriate tests, calibration, inspection, and verification exercises. (2) The Authority shall witness the activities stated in sub-regulation (1) of this regulation. (3) The result of a test in sub-regulation (1) of this regulation at a fabrication shop or site, shall be validated to ensure the system meets the requirements prescribed by the Authority. (4) Measurement systems used for petroleum liquids or natural gas or its derivatives shall not be approved for shipment into Nigeria, without meeting the following minimum conditions - (a) meters are tested and calibrated; (b) critical equipment are inspected and tested; (c) sampling devices are tested and calibrated; and (d) proving systems are inspected, tested, and calibrated. (5) Measurement systems used for petroleum liquids or natural gas or its derivatives installed in a vessel shall not be approved for sailing into Nigeria, without meeting the following minimum conditions - (a) meters are tested and calibrated; (b) critical equipment are inspected and tested; (c) sampling devices are tested and calibrated; (d) cargo tanks are inspected and calibrated; and (e) proving systems are inspected, tested, and calibrated. (6) The Authority shall be present when an equipment or appliance for measuring or weighing petroleum liquids or natural gas or its derivatives is	Testing, calibration, and inspection of measurement system

being calibrated, recalibrated, tested, compared, measured or weighed against a standard approved by the Authority. (7) Where a licensee or permit holder fails to test or recertify a measurement system, the Authority may, in addition to any penalty under these regulations, direct a third party to test and recertify a measurement system and the licensee or permit holder who has failed to test or recertify the measurement system shall be responsible for the costs incurred by the third party so directed by the Authority.	
41. A person shall a) not operate a midstream or downstream measurement system without licence, permit or authorisation granted by the Authority; b) not commence the maintenance of a measurement system without the approval of the Authority c) in the course of operating a measurement system, keep performance records of metering system, sampling system, proving system, dispensing system, flow computing system, and static measurement system in accordance with the requirements and conditions prescribed by the Authority. d) not delete the records of any measurement system without the prior approval of the Authority; e) keep and submit periodic measurement system data when requested by the Authority. f) ensure that system diagnosis, modification, upgrade, and maintenance are undertaken with the prior approval of the Authority; g) not make any alterations in the measuring or weighing equipment or appliances, including prover loop detector switch, or in the method of measurement or weighing without participation and approval of the Authority; h) conduct meter linearity annually and the report of such exercise shall be approved by the Authority; i) conduct master meter linearity in the manner prescribed by the Authority; and	Operation and maintenance of measurement system

j) conduct uncertainty analysis for the metering system in the manner prescribed by the Authority.	
42. (1) The Authority shall have power to witness and supervise the development of metering systems through - (a) meter selection; (b) conceptual design; (c) detailed engineering; (d) verification of accuracy of sampling systems, flow computers, gas chromatograph, proving systems and other critical components; (e) fabrication inspection; and (f) factory and site acceptance tests.	Operations management and supervision of metering systems
43. (1) The Authority shall approve petroleum allocation methodologies prior to implementation. (2) A licensee or permit holder shall report all cargo loss or shrinkage complaints to the Authority within 14 days of such complaints being made. (3) A licensee shall not apply a shrinkage, measurement loss or decanting method to petroleum liquids or natural gas or its derivatives without the prior approval of the Authority.	Measurement loss and shrinkage
CHAPTER 4 **PETROLEUM PIPELINES**	
44. (1) Pursuant to Sections 125, 135, 148, 174, and 190 of the Act, a licensee or permit holder shall not construct or operate any pipeline or network for the transportation and distribution of petroleum liquids or natural gas or its derivatives without a licence granted by the Authority, and in accordance with terms and conditions prescribed in guidelines made by the Authority. (2) A person shall not, for its own account with third party access provisions or as common carrier, establish, construct, or operate the following facilities without a valid licence issued by the Authority - (a) Gas transportation or distribution pipeline for conveying natural or gas derivatives; (b) Petroleum liquids transportation or distribution pipeline for conveying of petroleum liquids or derivatives;	Prohibitions

(c) Gas distribution network for distributing natural gas or derivatives to numerous customers or end-users; (d) Petroleum liquids transportation network for conveying petroleum liquids or derivatives; and (e) Gas transportation network for conveying natural gas or derivatives. (3) A pipeline or pipeline network shall not be constructed or modified without appropriate permit or licence issued by the Authority. (4) An effluent discharge, process water pipeline or any other pipeline used to support the operations of licensees undertaking midstream and downstream petroleum operations shall be registered with the Authority after securing relevant approvals in line with appropriate pipeline guidelines.	
45. (1) The Authority shall not grant a licence to establish, construct, operate or renew a pipeline unless the route of the pipeline has been surveyed; or in the case of a renewal, the pipeline route has been re-surveyed. (2) The survey or re-survey of a pipeline route shall not be carried out without a valid permit to survey issued by the Authority in accordance with these Regulations or guidelines made by the Authority. (3) An application to the Authority for the grant of a permit to survey the route of a pipeline or network shall specify the approximate route of the pipeline and any proposed alternative routes. (4) An application for a permit to survey shall be accompanied with a survey programme which shall include the — (a) time, duration and place of the surveys; (b) survey methods; (c) topographical map of the proposed route of the pipeline drawn on scale – (i) 1:50,000, for a pipeline that is not more than 50 kilometres long, (ii) 1:100,000, for a pipeline that is over 50 kilometres but	Permit to survey pipeline Route

not more than 100 kilometres long, or (iii) 1:250,000, for a pipeline that is over 100 kilometres long, or (iv) drawn on a specific scale for the purpose of identifying clearly the proposed pipeline route; (d) evidence of payment of prescribed fees; and (e) any other requirements as may be specified in the relevant pipeline guidelines issued by the Authority. (5) A permit to survey granted pursuant to these Regulations shall be valid for 2 years and shall be subject to the provisions of section 115(1) of the Act and the terms and conditions stipulated by the Authority in the permit.	
46. (1) Where the Authority requires the consent of a third party to make a decision on an application for a permit to survey, the Authority shall by notice to the third party require the third party to convey its consent, or otherwise, within 90 days from the date of notice. (2) The consent of the third party shall be deemed granted upon the expiration of the 90 days' notice period.	Permit to survey Approval Timelines
47. (1) Where the survey is for an offshore pipeline, the applicant shall prior to the conduct of the survey provide to the Authority – i. the name and type of vessel to be used; ii. the fishery expert to be used by the applicant during the survey for consideration of fishery activity in the area; and iii. Bio-diversity survey report for swamp pipeline (2) Upon completion of the survey, the permit holder shall provide to the Authority the completion report containing the results, pipeline coordinates in approved coordinate reference system (CRS) specified by the Authority and assessment of the survey. (3) Activity and completion reports, and any information from the survey shall be submitted during the application for licence to establish and in the format prescribed by the Authority.	Permit to survey an offshore pipeline
48. (1) The Authority may upon application made not later than one month to the expiration of a permit to survey and the payment of prescribed fees, revalidate a permit to survey provided that the re-inspection of the ROW does not indicate a significant change to the conditions under which the permit to survey was earlier issued.	Permit to survey Revalidation

(2) Where a re-inspection of the right of way indicates a significant change to the conditions under which the permit to survey was granted all the processes applicable to the grant of a permit to survey for a new pipeline shall apply to the application for revalidation.	
49. (1) An application for a licence to establish a gas transportation pipeline, petroleum liquids transportation pipeline, petroleum liquids transportation network, gas transportation network or gas distribution network shall be — (a) in a form prescribed and upon terms and conditions set out in guidelines; (b) in accordance with the provisions of Section 111(2) and (4) of the Act; and (c) accompanied with a copy of the issued permit to survey the pipeline route and a pipeline conceptual plan. (2) The pipeline or pipeline network conceptual plan shall be prepared in the format prescribed by the Authority and shall include a statement indicating – (a) the services to be rendered by the pipeline; (b) the preliminary specifications of the pipeline; (c) the characteristic of the substances to be conveyed through the pipeline; (d) financial plan and economic case for the development of the pipeline; and (e) any other requirements as may be specified in the relevant pipeline guidelines issued by the Authority. (3) The licence to establish shall not be granted prior to the issuance of permit to survey by the Authority. (4) The applicant shall publish its application in such manner as the Authority may prescribe and shall notify those who own land in the proposed right of way. (5) Where the process of reviewing and approving of application for licence requires the input of a third party outside the control of the Authority, the Authority shall notify the applicant of any delays occasioned by non-receipt of third-party input and the 90 days provided for approval or refusal to issue licence shall be extended	Licence to Establish

to such reasonable time as may be determined by the Authority. (6) If the Authority is not satisfied with the application, the Authority shall not approve the application and notify the applicant in writing of its decision and the reasons for the refusal. The Authority shall give the applicant an opportunity to modify and resubmit the application. (7) Where the applicant has had an opportunity to modify and resubmit application under sub regulation (6) of this regulation, and the Authority is still not satisfied with the application, the Authority shall notify the applicant of its decision to refuse the application. (8) During the review of the application, the Authority may conduct a public hearing where stakeholders and owners of land in the right of way may present opinions or objections to the Authority. (9) Where the consent of a third party is required prior to the grant of the licence the Authority shall issue a notice to the third party specifying- (a) the details of the application of the licence; (b) the time frame for the third party to respond; and (c) that where there is no response from the third party within the specified timeframe, such consent shall be deemed granted. (10) A licence to establish granted pursuant to these Regulations shall be valid for two (2) years and subject to the terms and conditions stipulated by the Authority and the provisions of Section 115(1) of the Act. (11) The holder of the licence to establish shall provide to the Authority regular activity reports and information obtained during the survey activities.	
50. (1) The Authority shall, within ninety (90) days after the application for licence to establish has been submitted by the applicant, notify the applicant in writing of its decision. (2) Where the Authority declines an application for licence to establish, it shall state the reasons thereof. (3) Where the Authority does not respond within the ninety (90) days, the application shall be deemed approved.	Licence to Establish Approval Timelines
51. (1) The Authority may upon application made not later than one month to the expiration of a licence to establish and the payment of prescribed fees, revalidate a licence to establish provided that the	Licence to Establish Revalidation

application for revalidation does not indicate a significant change to the conditions under which the licence to establish was earlier granted. (2) Where the application for revalidation indicates a significant change to the conditions under which the licence to establish was granted, all the processes applicable to the grant of the licence to establish shall apply to the application for revalidation.	
52. (1) An application for a Permit to Construct a gas transportation pipeline, petroleum liquids transportation pipeline, petroleum liquids transportation network, gas transportation network or gas distribution network shall be- (a) made during the validity of a licence to establish; (b) upon terms and conditions set out by the Authority in guidelines Authority; and (c) accompanied by a pipeline or pipeline network development plan. (2) the proposed pipeline or pipeline network development plan shall show – (a) the selected route of the pipeline marked in red and the sections and quarter sections. The topographical map of the selected route shall be drawn to scale as follows: (i) 1:50,000, for a pipeline that is not more than 50 kilometres long, (ii) 1:100,000, for a pipeline that is over 50 kilometres but not more than 100 kilometres long, (iii) 1:250,000, for a pipeline that is over 100 kilometres long, or (iv) drawn on a specific scale for the purpose of identifying clearly the proposed pipeline route; (b) the direction of flow of fluid or natural gas along the pipeline; (c) the direction of flow of fluid or natural gas along the pipeline; (d) the location, shown by symbols, of any installation along the pipeline; (e) the location of the points at which the new pipeline would cross	Application for Permit to Construct

any other pipeline, stating the owner of the pipeline being crossed; (f) the relative position of any existing pipeline in the same right of way of the new pipeline; (g) any pipeline within 100 metres of the new pipeline, stating the owner of that pipeline; (h) the regional topography of the area along the pipeline route, within a distance of 100 metres on both sides, including any watercourse that the new pipeline would cross; (i) the location of any anchor or expansion loop; (j) local content proposal input for the project; (k) community development programs; (l) estimated duration of pipeline design, development, construction and start-up of operations; and (m) quantitative and qualitative risk assessments in the format prescribed by the Authority. (3) The applicant shall obtain the Authority's approval of engineering design including the location of each point at which there is a change in the outside or the nominal diameter of the pipeline, the wall thickness of the pipeline material, the type and grade of the pipeline and the designed maximum operating pressure and approval of the suitability of proposed pipeline for intended purpose, the Authority shall issue permit to construct a gas transportation pipeline, petroleum liquids transportation pipeline, petroleum liquids transportation network, gas transportation network or gas distribution network. (4) The pipeline or pipeline network development plan shall be prepared in the format prescribed in the Guidelines issued by the Authority. (5) All safety related provisions and all inspection and test plans (ITPs) of all major equipment and all other general design requirements as may be prescribed by relevant guidelines issued by the Authority must be fulfilled prior to the issuance of a PTC. (6) The permit to construct shall not be granted prior to the issuance of licence to establish by the Authority.	

(7) Gas pipeline distributing natural gas to end users and petroleum product pipeline for the evacuation of petroleum products into the storage facilities from a jetty and to end users at low-pressure, whose route does not have any third-party interference and of relatively short length may be considered for issuance of permit to construct only upon right of way inspection and fulfilling other terms and conditions prescribed in the Guidelines issued by the Authority. (8) A pipeline licence for distributing natural gas or petroleum products shall not be issued unless the applicant has obtained relevant Gas Distribution Licence or Petroleum Products Distribution Licence in line with the provisions of the Act and Regulations made thereto. (9) Where the proposed pipeline is in excess of 20 kilometres in length, environmental management plan prepared pursuant to applicable regulations shall be submitted by the applicant.	
53. (1) The Authority shall, within ninety (90) days after the application for permit to construct has been submitted by the applicant, notify the applicant in writing of its decision. (2) Where the Authority declines an application for permit to construct, it shall state the reasons thereof. (3) Where the Authority does not respond within the ninety (90) days, the application shall be deemed approved.	Permit to Construct Approval Timelines
54. (1) An application for a gas transportation pipeline, petroleum liquids transportation pipeline, petroleum liquids transportation network, gas transportation network or gas distribution network licence shall include a statement indicating – (a) the services to be rendered by the pipeline; and (b) the specification of the pipeline; (2) An application for a renewal of the pipeline licence shall be made at least two years prior to the termination of the initial term of the licence or the renewal term and shall be as prescribed in the Guidelines issued by the Authority. (3) The applicant shall publish its application in such manner as the Authority may prescribe and shall notify those who own land in the proposed right of way.	Application for Pipeline Licence.

(4) The applicant shall publish its application for renewal of pipeline licence in such manner as the Authority may prescribe and shall notify those who own land in the proposed right of way for the purpose of carrying out pipeline operations for an additional period of time as may be determined by the Authority. (5) Upon review of the Integrity condition of an existing pipeline based on an available report of an exercise carried out by the applicant in the presence of the Authority as prescribed by the guideline issued by the Authority, a licence renewal shall be considered for an additional period of time issued by the Authority based on industry standards. (6) A survey description, in accordance with the Nigerian National Grid, of the total route of the pipeline, indicating the width of the right of way, with the coordinates of the various points of intersection shall be submitted. (7) The Authority shall not grant Pipeline Licence (PLL) for a new pipeline development unless a PTC has been obtained; or in the case of a PL renewal, the pipeline route has been re-surveyed. (8) One copy each of the permit to survey, licence to establish, permit to construct and expired pipeline licence obtained shall be submitted with the PLL application. (9) A statement as to whether the pipeline is intended for own use of the licensee or as a common carrier shall be submitted. (10) An explanatory note analysing how the proposed pipeline complies with the requirements for design and construction prescribed by these Regulations shall be submitted. (11) Where the proposed pipeline is a natural gas pipeline, an explanatory note indicating whether the existing Nigerian Gas Transportation Network Code is intended to apply to the pipeline or whether a separate network code is required shall be submitted. (12) The timing and plan for the request for approval of pipeline tariffs under the applicable regulations and Guidelines shall be submitted. (13) A decommissioning plan prepared pursuant to decommissioning and abandonment regulations issued by the Authority shall be submitted.	

55. (1) The Authority shall notify the applicant in writing of its decision to grant or refuse the grant of the licence within ninety (90) days after the application for the licence has been submitted by the applicant. (2) Where the Authority is not satisfied with the application, the Authority shall not approve the application and shall notify the applicant in writing of its decision and the reasons for the refusal provided that the Authority may give the applicant an opportunity to modify and resubmit the application within 45 days from the date of notification of the refusal. (3) Where the applicant has had an opportunity to modify and resubmit application under these Regulations and the Authority is still not satisfied with the application, the Authority may refuse to approve the application and shall notify the applicant of the refusal in writing. (4) Where the Authority determines to grant a licence for a pipeline, the licence shall be granted for a term of no more than twenty (20) years and where the Authority decides to renew a licence it shall be for a term not more than 20 years. (5) Any subsequent modification to the pipeline route or the pipeline characteristics must be pre-approved by the Authority.	Pipeline Licence Approval Timelines
56. (1) A licensee shall not commence operation of a gas transportation pipeline, gas distribution pipeline, petroleum liquids transportation pipeline, petroleum product distribution pipeline, petroleum liquids transportation network, gas transportation network or gas distribution network without a permit issued by the Authority. (2) An application for permit to operate a gas transportation pipeline, gas distribution pipeline, petroleum liquids transportation pipeline, petroleum product distribution pipeline, petroleum liquids transportation network, gas transportation network or gas distribution network shall be in the form prescribed and shall be renewed annually upon terms and conditions set out in the Guidelines issued by the Authority.	Permit to operate
57. (1) Pursuant to the provisions of Sections 127 and 176 of the Act, a licensee is entitled to rights of way for the construction, operation, and	Rights of way

maintenance of a pipeline, which shall include any ancillary facilities. (2) The pipeline licence shall give the licensee access to the rights of way for the construction, operation, and maintenance of the pipeline especially as it relates to structure and integrity of the pipeline, subject to such environmental and other provisions which may apply under the licence, and for duration specified on the licence. (3) The licence shall include provisions related to adjustments of public works and obligations with respect to accommodation works.	
58. (1) The holder of a licence shall make and maintain for the accommodation of the owners or occupiers of any land in respect of which the licence has been granted or of the owners or occupiers of adjoining land or for the accommodation of the users of any customary track or path such crossings, bridges, culverts, drains or passages as may be necessary for the purpose of making good any interruption to the use of such land or the amenities thereof or to the use of such customary track or path caused by the exercise of the powers granted in accordance with these Regulations — i. Provided that it shall not be necessary to make good any interruption in respect of which compensation under these Regulations has been paid; and ii. Provided further that upon accommodation works being provided in accordance with the provisions of this section no further accommodation works shall be necessary in respect of any change of use of any land or omission of any person not being the holder of the licence or his agent, workman or servant. (2) The holder of a licence may for the purpose of exercising the powers conferred by the licence alter the level or position of any pipe, conduit, watercourse, drain, or electric, telephone or telegraph wire or post, provided the licensee shall give reasonable notice of its intention so to do to the person in control thereof and shall execute the work to the reasonable satisfaction of that person. (3) Where there is a danger that a tree standing near an oil pipeline may fall and damage such pipeline or an ancillary installation, the holder of the licence may after giving notice to an administrative officer	Obligations in respect of Accommodation works

having responsibility in the area to fell the tree or otherwise deal with it, and in such event shall upon application by any person interested in the tree pay such compensation as such officer shall consider necessary.	
59. The operator shall present to the Authority and demonstrate that adequate contingency plans have been made for protecting the environment where – (a) the test pressure results in a hoop stress greater than seventy-five per cent (75%) of the specified minimum yield strength of the pipeline based on its nominal wall thickness; or (b) the pipeline crosses or passes within 100 metres of a watercourse,	Environmental Protection Guidelines
60. Pursuant to Section 114 (4) of the Act, additional conditions specific to the pipeline licence are as set out in this part and as may be prescribed in guidelines issued by the Authority, or any other standard prescribed by the Authority.	Design, construction, and operations of pipeline.
61. (1) The design of any pipeline for the purposes of these Regulations shall be – i. suitable for the purposes such as transportation of natural gas, liquid and petroleum liquids, including crude oil, refined products, natural gas liquid condensate and liquified petroleum gas; ii. in accordance with best international petroleum industry practices; and iii. as set out in these Regulations and Guidelines made pursuant to these Regulations. (2) The design for the relocation, replacement and upgrading of an existing pipeline shall also conform with the provisions of these Regulations. (3) The instruments and control system such as pressure relief devices and pipeline protection systems shall be designed to internationally recognized standards and shall meet both functional requirements and the requirements for safety, reliability, and real time response.	Design

(4) All new technology for the use in the design, construction and operation of the pipelines shall be duly approved by the Authority.	
62. (1) A licensee granted a licence to construct a new pipeline or replace an existing pipeline shall not commence any construction work unless such licensee has given the Authority written notice of its intention to do so, in the format prescribed by the Authority. (2) A licensee shall ensure that a pipeline is equipped with automatically actuated emergency shutdown devices or check valves at upstream side of major river crossings, at pump stations, downstream of river crossings, other sensitive locations of the pipeline such as in industrial, commercial, and densely populated areas where construction activities may pose particular risks of damage to the pipeline and as specified in Guidelines. (3). The pipeline right of way in these areas shall be clearly marked with signs for ease of identification. (4). All pressure relief devices and Pipeline Protection systems shall be – i. activated after installation to ensure that they function properly. ii. inspected and re-certified once in 12 months, and the report of the inspection and recertification shall be sent to the Authority. (5). A pipeline that is not put into use after construction shall be mothballed, tTested and certified by the Authority before it is put into use.	Construction
63. (1) The design for the cathodic protection from external corrosion of a ferrous pipeline and its components shall be in accordance with the specifications and procedures prescribed International recognized standards and Guidelines equivalent standards. (2) Such cathodic protection shall be maintained in serviceable conditions in accordance with the guidelines issued by the Authority. (3) Internal corrosion in a pipeline shall be monitored by running an intelligent pig or other internal survey instrument through the pipeline at least once in Five (5) years. (4). A report of a monitoring survey carried out under these Regulations shall be submitted to the Authority. (5) The Authority may accept risk-based inspection for internal corrosion monitoring frequency.	Cathodic protection and corrosion control

64. (1) The licensee shall, on completion of the construction of the pipeline, give the Authority not less than Fourteen (14) working days written notice of its intention to commence inspection and testing of the pipeline, in the format prescribed by the Authority. (2) Pipeline systems shall be equipped with real time monitoring and Inspection systems. (3) The inspection and test plans (ITPs) including factory acceptance tests (FATs) for line pipes and ancillary equipment i.e., long lead items (LLIs) shall be submitted to the Authority and all functionality test of same shall be witnessed by representatives of the Authority in a manner prescribed in the guideline issued by the Authority.	Inspection and testing
65. (1) A licensee shall not commence operation of a pipeline without the prior approval of the Authority; (2) the right of way shall be maintained to provide a clear visibility and give access to the maintenance crew; (3) clear access shall be maintained to valves locations, and ditches shall be protected against washout of the pipeline; (4) the right of way shall be regularly patrolled and inspected for prompt detection of any line break, encroachment or any other situation that may endanger the safety of the pipeline;	Operations and maintenance
66. (1) A licensee who desires to upgrade or downgrade the maximum operating pressure of a pipeline or pipeline network shall make an application to the Authority. (2) A licensee shall make an application to the Authority where it desires to change the nature of the fluid transmitted by the pipeline.	Pipelines re-rating and change of service
67. (1) A licensee who wishes to discontinue the operation of the pipeline system or its ancillary facilities shall apply to the Authority giving at least three (3) months' written notice of his intention to do so, as prescribed by the Authority. (2) A licensee who desires to resume operations in an abandoned or a discontinued pipeline shall, prior to the resumption of operations, apply to the Authority for approval.	Discontinuation, abandonment, and resumption of operation of pipeline System
68. Where a pipeline or pipeline network is to be completely abandoned, such pipeline or pipeline network shall be decommissioned pursuant to the procedures prescribed in Regulations made by the Authority.	Decommissioning and abandonment of a pipeline

69. The licensee shall ensure that a pipeline audit is carried out annually for the purpose of establishing compliance with the terms of the Licence in a manner prescribed in the guideline issued by the Authority.	Pipeline Audit
70. Any line-break, encroachment, accident, spill, or dangerous situation detected on the pipeline or pipeline right of way shall be promptly reported to the Authority.	Reporting
71. In addition to such other conditions as may result in the revocation of a pipeline or pipeline network licence pursuant to Section 120 of the Act, the Authority may revoke a pipeline licence if no construction work has commenced within two (2) years after the granting of the licence.	Revocation of licence
CHAPTER 5 **TERMINALS AND BULK STORAGE**	
72. (1) A person shall not establish, construct, or operate a – (a) terminal; or (b) bulk storage facility, in Nigeria without an appropriate and valid licence granted by the Authority.	Authority to licence terminals and bulk storage facilities
73. (1) A terminal or bulk storage facility for export of petroleum liquids or natural gas or its derivatives shall not be designated as an export point without a terminal establishment notice made by the Authority designating – (a) the name of the terminal or bulk storage facility; (b) the operational coordinates; (c) the type of facility; (d) the mooring and export system; (e) the delineated safety zone; and (f) any other information the Authority may deem relevant. (2) The Authority shall publish a notification of the terminal establishment order in the Federal Government Gazette.	Terminal establishment notice
74. (1) An application to establish a terminal or bulk storage facility shall be made in the manner prescribed in guidelines issued by the Authority. (2) The Authority may grant a licence to establish a terminal or bulk storage facility upon consideration of the - (a) technical viability of the proposed terminal or bulk storage facility; (b) economic case for the facility including the potential demand for its use;	Application for licence to establish

(c) provisions for environmental and social sustainability; and (d) payment of prescribed fees. (3) A licence to establish a terminal or bulk storage facility shall – (a) specify the provisional deemed coordinates of the terminal or bulk storage facility; and (b) be valid for 36 months and may be subject to revalidation for a further term of 12 months on terms and conditions specified by the Authority.	
75. (1) An application to construct a terminal or bulk storage facility shall be made in the manner prescribed in guidelines issued by the Authority. (2) The Authority may grant a licence to construct a terminal or bulk storage facility upon satisfactory evaluation of submissions and payment of prescribed fees. (3) The design, construction, and operation of a terminal or bulk storage facility shall be in accordance with the standards and recommended practices approved by the Authority. (4) The design of a terminal and bulk storage facility shall be subjected to technical and safety reviews with the participation of - (a) the Authority; and (b) third-party moderators for specific safety studies as required. (5) All major equipment and critical systems or units shall be subjected to integrity inspections, functional tests and integrity tests with the participation of the Authority.	Application for licence to construct
76. (1) An application to operate a terminal or bulk storage facility shall be made in the manner prescribed in guidelines issued by the Authority. (2) Prior to issuance of licence to operate, every terminal or bulk storage facility shall be subjected to — (a) pre-commissioning and commissioning verification checks; (b) physical inspection to ascertain conformity to approved design; and (c) ascertainment of operating envelope, throughput, and facility reliability.	Application for licence to operate

(3) The Authority shall, upon satisfactory evaluation of submissions, ascertainment of facility reliability and integrity, and payment of prescribed fees – (a) grant a terminal establishment order stating the final deemed coordinates of the facility; and (b) grant a licence to operate the terminal or bulk storage facility.	
77. (1) A bulk storage facility shall not be used for the export or import of petroleum liquids or natural gas or its derivatives without the approval of the Authority. (2) Petroleum liquids or natural gas or its derivatives shall not be exported from a terminal or bulk storage facility without the following authorisations issued by the Authority — (a) valid certificate of quantity and quality; and (b) wholesale supply licence. (3) The holder of a licence to operate a terminal or bulk storage facility shall — (a) establish and make available to the public on its website or at its offices, the — (i) procedure and terms for obtaining third party access or throughput services on an open access basis, and (ii) method of response to the request for its services; (b) construct, operate and maintain its facilities in a safe, economical, reliable, and environmentally sustainable manner considering any strategic plans formulated by the Authority; (c) shut down its facilities in — (i) emergencies, (ii) order to carry out maintenance, or (iii) accordance with curtailment directives issued by the Authority; (d) where the licensee operates for its own account, grant to third parties the right to use or have access to capacity within its facilities for the purpose of ensuring competitive gas supply; (e) consult with and obtain from the Authority written permission, prior to any modification of technical and operational rule of practice concerning the operation of its facilities; (f) conduct its licenced activities in a non-discriminatory manner where the licence is issued on an open access basis; (g) manage its facilities as a reasonable and prudent operator;	Export operations and open access

(h) abstain from activities, which in the opinion of the Authority may prevent, restrict, or distort competition; (i) conduct its licenced activities safely and reliably in compliance with any health and safety regulations issued by Authority; (j) comply with the requirements for environmental protection, management, and restoration issued by the Authority and any law in effect; and (k) mark, maintain and secure the boundaries of its facilities and associated infrastructure constructed under the terms of its licence and any law in effect. (4) The volumes of petroleum liquids or natural gas or its derivatives to be exported from a bulk storage facility under sub-regulation (2) must be within the approved quantity in the wholesale supply licence issued to a lessee or producer supplying petroleum liquids or natural gas or its derivatives to the bulk storage facility.	
78. (1) A licensee or permit holder shall not operate a terminal or bulk storage facility without — (a) certified measurement system; and (b) accredited laboratory. (2) The Authority shall approve all measurement systems and laboratories prior to use for determination of quantity and quality at terminals and bulk storage facilities.	Determination of quantity and quality of petroleum products
79. (1) The loading or unloading of petroleum liquids or natural gas or its derivatives shall not be carried out within a licenced bulk storage facility without authorisation by the Authority. (2) A bulk storage facility or terminal shall not be used for products export and import without appropriate approval or permit from the Authority. (3) All petroleum liquids or natural gas or its derivatives for export from depot facilities must be sourced only from refineries, gas processing and petrochemical plants licensed by the Authority. (4) Petroleum liquids or natural gas or its derivatives shall not be exported from a bulk storage facility or terminal without valid certificate of quantity and quality and the relevant wholesale supply licence issued by the Authority.	Bulk storage

CHAPTER 6 ASSIGNMENT, TRANSFER OR SURRENDER OF LICENCE OR PERMIT	
80. A holder of a licence or permit shall not assign or transfer its licence or permit or any right or obligation arising from the licence or permit to any person without the prior written consent of the Authority.	Prohibition of assignment or transfer of licence or permit without the consent of the Authority
81. (1) For the purpose of these Regulations, an assignment or transfer of licence or permit shall include - (a) assignment or transfer by merger of two or more companies; (b) assignment or transfer by acquisition of a company or asset; (c) assignment or transfer to a company in a group of which the transferor is a member, and is to be made for the purpose of reorganisation in order to achieve greater efficiency and acquire resources for effective petroleum operations; (d) assignment or transfer to a new company; (e) assignment or transfer by reason of devolution of ownership of shares or interest in ownership of shares by operation of law; (f) assignment or transfer by exchange or transfer of shares, private placement, or public listing; and (g) assignment or transfer by testamentary instruments. (2) The Authority may, by notice, determine any other category of assignment or transfer of licence or permit.	Nature of assignment or transfer of licence or permit
82. (1) A licence or permit holder shall notify the Authority prior to a change of name arising from a corporate restructuring. (2) Where the Authority has no objection to the change of name, the licensee or permit holder shall - (a) apply to the Authority for a new licence or permit in the new name; (b) return the licence or permit in the previous name to the Authority for cancellation; and (c) pay prescribed fees for such change of name on a licence	Change of name

or permit. (3) A change of name shall not constitute an assignment or transfer of licence for the purpose of these Regulations provided that shareholders remain the same as before the change of name and there is no transfer of assets or liabilities to another entity.	
83. (1) A transferor who intends to assign or transfer a licence or permit shall, prior to the assignment or transfer, notify the Authority of its intention to undertake such assignment or transfer. (2) A transferor's notification to the Authority shall - (a) state the name, registered address and contact information of the proposed transferee; (b) state the reason and the method for the conduct of the assignment or transfer, and the possible technical and economic value of such assignment or transfer; (c) provide the original or a certified true copy of its licence or permit; and (d) provide or submit any other information and documents stipulated in guidelines issued by the Authority. (3) The Authority shall not later than 21 working days from the date of receipt of the notification, communicate its decision to the transferor on whether or not to proceed to the next stage of the transaction. (4) Where the Authority fails to communicate its decision within the timeframe stipulated in sub-regulation (3) of this regulation, the transferor may proceed to the next stage of the transaction. (5) Following the decision of the Authority, the transferor shall publish a notice of the application in the format prescribed in guidelines issued by the Authority.	Notification of intention to assign or transfer a licence or permit
84. (1) The transferee shall, following the decision of the Authority that the parties may proceed with the transaction- (a) apply for an assignment or transfer of the licence or permit to its company; (b) submit a copy of the documents evidencing the transfer which shall be certified by a court of competent jurisdiction;	Application for assignment or transfer of licence by the transferee

(c) where required, make presentations to the Authority on its technical and financial capability to operate such facility; (d) provide any other information as may be directed by the Authority; and (e) pay the prescribed fees. (2) Prior to a grant or refusal of an application the Authority shall conduct due diligence on the proposed transferee in accordance with guidelines issued by the Authority.	
85. (1) The Authority shall inform an applicant in writing of its consent to or refusal of the application within 90 days from the date the application was received by the Authority. (2) Where the Authority refuses the grant of an application, it shall inform the applicant in writing the reason for the refusal, and the applicant may make further representations for the application within 21 days of such refusal being communicated. (3) Where the Authority fails to communicate its decision within 90 days, the application shall be deemed to be approved.	Grant of consent to assign or transfer
86. (1) A licensee or permit holder may, at any time, apply to the Authority in writing, for the surrender of its licence or permit. (2) The application for surrender shall be accompanied by a report containing: (a) a detailed reason for the surrender; (b) evidence of settlement of all outstanding liabilities and obligation relating to the licence or permit; and (c) a detailed plan for decommissioning and environmental remediation, where applicable. (3) The Authority may accept the surrender of a licence or permit if: (a) all obligations, financial or otherwise relating to the licence or permit are settled; (b) the environment and public safety are not jeopardised by the surrender; and (c) the entity has made appropriate arrangements for the	Surrender of Licence or Permit

cessation of activities including but not limited to the decommissioning of facilities, rehabilitation of sites and settlement of obligations to employees. (4) Upon receipt of the application for surrender, the Authority may request from the licensee or permit holder, additional information, documents, or actions necessary to ensure a safe discontinuation of the licensed or permitted activity. (5) The Authority may also direct that the licensee or permit holder undertake an engagement with its stakeholders prior to the surrender of its licence or permit. (6) The Authority shall review the application and notify the licensee or permit holder of its approval or refusal within 90 days of receipt of the application. Where the Authority does not communicate its decision to the licensee or permit holder within 90 days, the application of the licensee or permit holder shall be deemed to have been approved.	
87. (1) A licensee or permit holder whose surrender application is approved by the Authority, shall: (a) Immediately cease all operations under the surrendered licence or permit; (b) comply with decommissioning and environmental remediation plan; and (c) within 7 days of the approval of its application, return the original licence or permit to the Authority for cancellation. The surrender of a licence or permit shall not absolve the licensee or permit holder of any existing obligations or liabilities incurred under the licence or permit unless approved by the Authority in writing.	Obligations and Consequences upon Surrender
88. The Authority shall, within 30 days of the effective date of the surrender, publish a notice including particulars of the surrendered licence or permit on its website.	Publication of Surrender
CHAPTER 7 **SEPARATION OF LICENSED ACTIVITIES AND SURRENDER OF LICENCE OR PERMIT**	
89. (1) In accordance with the Act, a person shall not undertake upstream, midstream and downstream petroleum activities with the same company.	Prohibition of Overlapping Activities

(2) In accordance with the Act a company shall not a hold a licence or permit for both midstream and downstream petroleum operations except with the prior authorisation of the Authority. (3) A licensee and permit holder shall carry out only the specific activities for which its licence or permit was issued. (4) Any licensee or permit holder who wishes to engage in additional midstream or downstream petroleum activities shall obtain a separate licence or permit for that specific activity. (5) The Authority may, from time to time, publish on its website, a list of activities considered as overlapping between upstream, midstream and downstream petroleum operations.	
90. From the commencement of these Regulations, each licensee shall — (a) keep separate accounts for each licensed activity it conducts; and (b) submit an annual audit of separated activities to the Authority for review.	Separate Accounting & Annual Audit
91. (1) Where a licensee or permit holder holds licences or permits for overlapping upstream and midstream petroleum activities, the licensee or permit holder shall separate and unbundle its upstream and midstream petroleum operations into separate companies within a period not exceeding 12 months from the commencement of these Regulations. (2) Where a licensee or permit holder holds multiple licences or permits for overlapping midstream and downstream petroleum activities, the licensee or permit holder shall separate and unbundle its midstream and downstream petroleum operations into separate companies within a period not exceeding 12 months from the commencement of these Regulations. (3) The Authority may grant an extension of time not exceeding 6 months for the unbundling upon the licensee or permit holder showing reasonable cause.	Power to Order Unbundling of Activities
CHAPTER 8 **CODE OF CONDUCT**	

92. The board of directors of a company undertaking midstream and downstream petroleum operations shall have a minimum of two-thirds of persons with proven knowledge of the specific petroleum operations which the company is undertaking.	Appointment of a member of the Board
93. (1) A company shall not appoint any person as managing director or chief executive officer of a midstream and downstream petroleum company – (a) who is below the age of twenty-one; (b) who is adjudged as an insolvent; (c) who has at any time been convicted of a criminal offence by a court of competent jurisdiction; (d) who holds the same office in more than one company except in its subsidiary company at the same time; (e) whose appointment would lead to the contravention of extant competition laws and regulations; (f) who holds or has held the position of managing director or chief executive officer in a company whose licence or permit has been was revoked or terminated by the Authority; or (g) whose appointment will be against the public interest. (2) The appointment of a managing director or chief executive officer shall be based on – (a) a minimum of 5 years cognate experience with 3 years in the particular sector of the midstream and downstream petroleum industry; and (b). any other criteria the company may deem relevant and appropriate. (3) The company shall notify the Authority of the managing director or chief executive officer's appointment no later than 96 hours following the appointment. (4) Where the Authority determines that the appointment of a managing director or chief executive officer is not in compliance with these Regulations, the Authority may, not later than 30 days after notification of the appointment – (a) direct that the company withdraw the appointment; or	Appointment of managing director/chief executive officer

(b) specify further terms and conditions in respect of the appointment which may include a probationary period not exceeding one year. (5) The Authority may, by notice, specify the categories of companies to which this regulation shall apply.	
94. (1) A company undertaking midstream and downstream petroleum operations shall – (a) establish a code of business conduct and ethics and disclose in the code, such information and practices necessary to maintain confidence in its operations; (b) disclose the beneficial owner of the company to the Authority in the manner prescribed by the Authority; (c) ensure the prevention of anti-competitive behaviour with respect to its operations; (d) register and use a separate company for each stream of petroleum operation under the Act; (e) maintain separation in management, accounting, and legal entities of its licensed and permitted activities. (f) ensure that licensed activities between it and its affiliate shall be undertaken in a manner that the transfer pricing between both entities is undertaken on a transparent arm's length basis and in a manner that reflects the pricing principles contained in the Act; and (g) not release from its employment a management member of staff except with the prior authorisation of the Authority and in accordance with the guidelines made pursuant to these Regulations. (2) The code of business conduct and ethics in this regulation shall take into account the legal obligations and reasonable expectations of the company's stakeholders, as well as the responsibility and accountability of individuals reporting on issues of unethical practices. (3) The code shall be reviewed at least once every five years provided that the Authority may direct further reviews of the code prior to the expiration of the five-year period	Business conduct and ethics
95. (1) A company shall ensure adequate stakeholder communication and engagement.	Stakeholder communication

(2) A company shall have stakeholder forums, at least once a year, where stakeholders and customers are encouraged to express their concerns on the operations of the company.	
96. A company shall submit to the Authority, an annual report on matters connected with this Chapter of these Regulations	Submission of annual reports
CHAPTER 9 **REGISTRATION AND PUBLICATION OF LICENCES, PERMITS AND AUTHORISATIONS**	
97. (1) In accordance with the Act, the Authority shall establish and maintain – (a) a register for licences, permits and authorisations issued, revoked, suspended, surrendered, or withdrawn and any modification or exemption or any other matter affecting the status of or any interest in a licence, permit or authorisation granted in the Nigerian midstream and downstream petroleum industry. (b) a register of any extension, transfer, surrender, revocation, exemption, relinquishment, change of address, change of name or any other matter affecting the status of or any interest in a licence, permit or authorisation granted; (c) a register in which particulars of any interest or shares transferred or assigned are recorded by the Authority and the register shall be updated in relation to any change in the status of such interest or shares transferred or assigned; and (d) any other register as the Authority may deem necessary for the implementation of the Act. (2) The registers shall be under the supervision of the Legal Adviser of the Authority. (3) The Authority shall, not later than 90 days from the commencement of these Regulations, establish a portal on its website for the publication of the registers.	Authority to establish and maintain registers
98. The Secretary and Legal Adviser of the Authority shall be responsible for – (a) the establishment, maintenance and publication of the registers; (b) modifications, or corrections in any register; and (c) deletion from any register.	Duties of the Secretary and Legal Adviser of the Authority

99. (1) A licence, permit or authorisation and any exemption granted under the Act shall be prepared in duplicate and one original shall be delivered to the holder of the licence, permit or authorisation and the other original shall be retained by the registrar which shall be bound up in a book of the appropriate series within its register and serially numbered. (2) The register referred to in Section 219 of the Act shall also be kept in an electronic format and an electronic copy of a licence, permit, authorisation or exemption shall be forwarded to the holder of a licence, permit or authorisation. (3) The Authority shall require an acknowledgement of the receipt of a copy of the licence, permit or authorisation or exemption from the person accepting such licence, permit, authorisation, or exemption in the form prescribed by the Authority in guidelines	Procedure for registration of licences, permits and authorisations
100. (1) A register shall contain the following details regarding a licence, permit, authorisation, or exemption, where applicable – (a) the serial number of the licence, permit, authorisation, or exemption; (b) the name of the holder; (c) the name of the operator of the facility, if different from the holder of the licence, permit, authorisation or exemption; (d) the date of grant; (e) the date of entry into the register; (f) the duration; (g) information on whether the licence, permit, authorisation, or exemption has been modified, amended, renewed, assigned, expired, surrendered, suspended, revoked, withdrawn terminated or cancelled; (h) the participating interests in the licence, permit, authorisation or exemption; (i) a record of any debenture, mortgage, loan, lien, appointment of a receiver/manager or other obligation in respect of the facility and the holder of the licence, permit, authorisation or exemption; (j) a record of any sanction or penalty imposed on the holder of the licence, permit, authorisation, or exemption; and (k) any other information that the Authority may from time to time determine. (2) The register shall also contain information on the beneficial owner of the licence, permit, authorisation, or exemption.	Contents of register

101. Where the Authority determines that an error or incorrect entry has been made into a register, the Authority shall correct the error or incorrect entry and cause a notice of the incorrect entry or error in the register and the correction to be published on the Authority's website	Error in registers
102. A sanction or penalty imposed by the Authority shall be deleted from a register five years after the sanction or penalty has been fully discharged by the holder of licence, permit, authorisation, or exemption	Deletion from registers
103. (1) A register required under these regulations shall be readily accessible to the public from Tuesdays to Thursdays from 10am to 3pm at the Authority's headquarters. (2) A person seeking to access a physical register shall apply to the Authority through the portal and such approval shall be granted upon the payment of prescribed fees. (3) The Authority shall also maintain an up-to-date electronic form of the registers required under these regulations on its website, which shall be accessible by any member of the public upon the payment of prescribed fees.	Public access to the registers
104. A member of the public shall, upon the payment of prescribed fees, be entitled to obtain a certified true copy of any document or record contained in the registers referred to in these regulations	Certified true copy
105. (1) A holder of a licence, permit, authorisation, or exemption shall notify the Authority of any changes that occur in its structure during the life of the licence, permit, authorisation, or exemption. (2) The notice to the Authority shall contain, where applicable - (a) in connection with a change of operator, extension of the licence and surrender of the licence, the approval issued by the Authority; (b) in connection with a change of company name, a certified true copy of certificate of incorporation from the Corporate Affairs Commission showing the new name of the company; (c) in connection with a mortgage of a facility under Authority's licences, permits, authorisations or exemptions – i. mortgage bond with certified copy, ii. certified true copy of the certification of registration for mortgagor,	Duty to notify the Authority of changes

iii. consent or approval of the Authority, and iv. signed mortgage deed by a person authorised to sign for the company or in accordance with a power of attorney signed by a person authorised to sign for the company. (d) in connection with assignment and transfer of licence or permit, the consent of the Authority (2) The notice by the holder of licence, permit, authorisation, or exemption arising from any change shall be given to the Authority not later than 21 days of such approval by the approving authority (3) The Authority shall update the appropriate register within 30 days of the receipt of such notice	
CHAPTER 10 **DATA REPOSITORY**	
106. (1) There is established in the Authority the Midstream and Downstream Petroleum Data Repository (Repository). (2) The Repository shall be located in Abuja, Nigeria or any other location as the Authority Chief Executive may direct.	Establishment of the Midstream and Downstream Petroleum Data Repository
107. The Repository shall - (a) serve as the technical data centre for the midstream and downstream petroleum industry in Nigeria; (b) provide a platform for the timely and holistic submission of data by holders of midstream and downstream petroleum licences or permits; (c) carry out storage, management, transfer, quality control and validation of all data and materials submitted to it; (d) ensure data preservation, value maximisation and compliance with these Regulations, standards and procedures as may be prescribed from time to time; (e) serve as a digital platform to improve interaction between the Government and the Industry and provide digital data and technical support for midstream and downstream activities; (f) provide a digital platform for the reporting and monitoring of all data transactions including but not limited to data acquisition, marketing evaluation and re-processing by companies licensed by the Authority;	Functions of the Repository

(g) provide adequate monitoring and regulatory tools for the Authority; (h) provide geographic information management system and satellite information processing capabilities for the development and monitoring of midstream and downstream petroleum facilities and operations; (i) support the use of predictive analytics and artificial intelligence and promote experimental research and development projects in the industry to optimise midstream and downstream petroleum activities; and (j) perform such other functions and responsibilities which may promote the development of midstream and downstream petroleum operations in Nigeria.	
108. (1) The sources of revenue of the Repository shall include — (a) transaction and service fees; (b) gifts in kind or cash received by the Repository from the petroleum industry in the support of the Repository; (c) funds and grants accruing from multilateral agencies, bilateral institutions and related sources dedicated partly or wholly for the development of data repositories; and (d) any other sum freely donated or accruing to the Repository for the development of the Repository. (2) Fees, charges, and revenues accruable to the Repository under this regulation shall be used for the operation, maintenance and development of the Repository. (3) The Repository may grant discounts or waivers on transaction or service fees to subscribers based on published and clear criteria.	Revenue of the Repository
109. (1) All records, including but not limited to reports, data, samples, fluid samples, plans, maps, charts, crude oil assay, accounts, materials and information which are required to be provided to the Authority under the Act, Regulations or any other law shall be submitted by the holder of a midstream and downstream licence or permit to the Repository in a standard and format specified by the Authority. (2) All data derived from project performance monitoring and cost benchmarking in the midstream and downstream petroleum industry shall be archived in the Repository. (3) Information required under these Regulations to be submitted to the Repository in relation to work done or progress of petroleum operations in	Data Submission

the relevant area shall not be withheld on the grounds that the information is confidential or interpretational. (4) The submission of records by a licensee or permit holders to the Authority in the specified format shall be a discharge of its obligations to submit data to the Authority under the Act and regulations made thereto. (5) Records which are required to be provided to the Repository under these Regulations or the Act shall be provided by the licensee or permit holder at no cost to the Authority. (6) The Repository shall charge fees for the storage and handling of fluid samples at designated storage facilities.	
110. Information submitted to the Repository by a licensee or permit holder 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, no information shall be regarded as confidential, immediately after the expiration of the period specified in guidelines issued by the Authority.	Data Confidentiality Period
111. Data held by the Repository may be released to the public, after the expiration of the confidentiality period, upon payment of prescribed fees.	Data Release Schedule
CHAPTER 11 **DISPOSAL OF CONFISCATED MATERIALS AND EQUIPMENT**	
112. (1) As provided under the Act, the Authority shall have powers to confiscate and dispose of materials and equipment used by persons engaging in specified activities under the Act without a valid licence or permit. (2) Where a set of materials and equipment have been confiscated under sub regulation (1), the Authority shall dispose of the materials and equipment not later than 12 calendar months from the date of confiscation.	Power to confiscate and dispose
113. (1) Upon confiscation of materials and equipment, the Authority shall cause an ex parte application to be made to the Federal High Court for an interim order forfeiting the property concerned to the Federal Government. (2) Where the Court is satisfied that there is prima facie evidence that the materials and equipment concerned are liable to forfeiture, it shall grant an interim order forfeiting the property to the Federal Government.	Interim Forfeiture Order

(3) A Court making an interim forfeiture order may at the same time, make any other ancillary orders that it considers appropriate for the proper, fair, and effective execution of the interim forfeiture order. (4) An interim forfeiture order shall expire 60 days after the date on which it was made, unless — (a) there is an application for a final forfeiture order pending before the Court in respect of the materials and equipment subject to the interim forfeiture order; (b) there is an unsatisfied forfeiture order in force, in relation to the materials and equipment subject to the interim forfeiture order; or (c) the preservation order is rescinded before the expiration of that period. (5) The Authority may apply to the Court that granted an interim forfeiture order under this Act for a renewal of the order, where — (a) the interim forfeiture order has not been set aside ; and (b) there are reasonable grounds to grant the renewal. provided that the cumulative period of renewals shall not exceed 180 days.	
114. (1) The Authority shall, within 14 days after the grant of an interim forfeiture order, notify any interested party of the order by publishing same on its website. (2) A person, who has an interest in any material or equipment that is subject to an interim forfeiture order may give notice of his intention to— (a) oppose the making of the interim forfeiture order ; or (b) apply for an order excluding his interest in the property concerned from the operation of the interim forfeiture order. (3) A notice under sub regulation (2) shall be served on the Authority within 14 days of the publication of the interim forfeiture order. (4) A notice given under sub regulation (2) shall contain full particulars of the address for the service of documents concerning further proceedings under this Part, and shall be accompanied by an affidavit stating the— (a) full particulars of the identity of the person opposing the interim forfeiture order; (b) nature and extent of his interest in the property concerned; and	Notice of Interim Forfeiture

(c) reasons which the person intends to rely on in opposing the interim forfeiture order or applying for the exclusion of his interest from the operation of the interim forfeiture order.	
115. (1) Where an interim forfeiture order is in force and before the expiration of the stipulated time, the Authority may apply to the Court by way of motion of notice for a final forfeiture order against all or any part of the materials and equipment that is subject to the interim forfeiture order. (2) The Authority shall give 14 days' notice of an application under sub regulation (1) to every person who, pursuant to the notice given under these Regulations, had shown interest in the materials and equipment sought to be forfeited. (3) A person who pursuant to the notice of interim forfeiture given under these Regulations may, subject to compliance with these Regulations, appear at the hearing of the application for a final forfeiture order to — (a) oppose the making of the order; or (b) apply for an order— (i) excluding his interest in the property from the operation of the order, or (ii) varying the operation of the order in respect of the property and may adduce evidence at the hearing of the application. (4) Where the Court grants the final forfeiture order, the materials and equipment referred to in sub regulation (1) shall be forfeited to the Federal Government of Nigeria and shall be disposed in accordance with the provisions of these Regulations.	Final Forfeiture order
116. (1) Within 90 days of the commencement of these Regulations, the Authority shall cause to be opened a Register of Confiscated Materials and Equipment wherein a record of all confiscated materials and equipment existing prior to the commencement of these Regulations shall be kept. (2) Upon opening the Register as in sub-regulation (1), any material or equipment confiscated by the Authority pursuant to its powers under the Act, shall be recorded in Register within 60 days of confiscation. (3) The following information shall be recorded in the Register in	Register of confiscated materials and equipment

respect of each confiscated material or equipment — (a) Date of confiscation. (b) Property description for ease of identification. (c) Category of property (whether fixture or fittings). (d) Reason for confiscation. (e) Location of property. (f) Unique identification code. (4) Once an identification code has been assigned to a property in custody of the Authority, no change shall be made during the life of the property while in custody of the Authority for any purpose whatsoever. The identification code may be removed from the property only after it is sold, scrapped, or otherwise disposed of. (5) The Authority shall take periodic inventory of the Register and the result of the physical count of the properties shall be reconciled with the records in the Register. (6) Where the result of an inventory reveals any form of discrepancy or where a determination has been made that a confiscated property has been lost or stolen, the Authority shall take the following steps — (a) In the case of inaccurate recording of confiscated property in the Register, the Authority shall investigate the matter before amending the Register. (b) In the case of loss or theft of a confiscated property, the Authority shall cause a thorough investigation with a view to determining whether an officer of the Authority has acted negligently and become liable for the loss, theft, or unauthorised use of the property.	
117. (1) The Authority Chief Executive shall constitute a Disposal Committee comprising 7 officers of the Authority. (2) The Disposal Committee shall be responsible for coordinating the disposal of confiscated properties. (3) Subject to the approval of the Authority Chief Executive, the Committee may engage the services of external experts to address any	Disposal Committee

skill-gap in the disposition of confiscated properties. (4) The Committee shall keep records of its activities and provide a report upon completion of any disposal exercise.	
118. All confiscated properties pursuant to the enabling provisions of the Act shall be disposed of on as is basis and in accordance with the disposal procedure provided in these Regulations.	Disposal Procedure
119. (1) Property confiscated by the Authority may be disposed of in any manner including — (a) sale by public tender; (b) sale by public auction; (c) outright sale at a fixed price; (d) donation to a "deserving cause"; and/or (e) destruction; dumping, burying, or burning. (2) Where the disposal is by public tender, the award in the disposal of confiscated properties shall be made to the highest rated bidder whose bid shall be equal to or above the reserve price. The procedure shall be through open bid, restricted bid, or request for quotation. (3) Where the disposal is by public auction, the Authority shall use an auctioneer from a pre-qualified list or appoint one through an appropriate competitive and transparent method. (4) The Authority shall opt for outright sale at a fixed price where some of the items to be disposed may be obtained by displaying goods for sale with a market price. In choosing this method, the Authority shall consider the cost of valuing the asset(s) and the cost of advertising the subject property(ies). (5) The Authority shall opt to use conversion or recycling of properties as a disposal method – (a) where the properties have no identifiable residual usefulness to the procuring entity and may still have some value that may be obtained through conversion into another form or recycling; (b) on grounds of public interest, legal or human rights issues or environmental considerations; or (c) where there is the potential of obtaining monetary return	Disposal Method

from conversion or recycling.

(6) The Authority, after considering the environmental effects and obtaining the relevant clearance, may destroy, dump, bury or burn confiscated properties only when all other disposal options have been eliminated and no conversion into another form or recycling possibilities can be identified.

(7) Where property is being disposed of by means of public tender, all tenders shall be in writing and submitted to the office of the Authority Chief Executive.

(8) The Authority shall have the power to cancel the sale of any confiscated property offered for sale by auction or tender where no bid or tender meets the minimum bid or tender set before the sale, or the Authority does not consider any of the bids or tenders acceptable.

(9) Where two or more tenders in respect of a property are in the same amount, the first tender received by the Authority shall be given precedence.

(10) The Authority shall give notice in writing to the person whose bid or tender in respect of a property has been accepted and shall by such notice prescribe the period within which the sale must be completed.

(11) Where a person whose bid or tender has been accepted does not complete the sale within the period prescribed by the Authority in its notice referred to in sub-regulation 7(10), the Authority Chief Executive may cancel that sale and accept the next best acceptable bid or tender.

(12) The Authority may require a deposit from the person who submits a bid or tender to guarantee the completion of a sale.

(13) Where a person whose bid or tender has been accepted in accordance with the provisions of these Regulations, fails to complete the sale within the time prescribed by the Authority, the deposit paid by such person shall be forfeited to the Authority in its entirety.

(14) Notwithstanding anything herein contained, where the Authority considers a confiscated property to be unsuitable for sale or insufficient in value to justify a sale, the Authority may dispose of such property in any other manner. (15) When items have been disposed through any of the methods prescribed by these Regulations, a standard disposal certificate shall be prepared accordingly and shall be duly signed by the Authority Chief Executive.	
120. All proceeds from the disposal confiscated property referred to in Section 125(4)(c) of the Act shall be calculated within 30 days after the disposal exercise and the same less expenses, shall be remitted by the Authority into the Consolidated Revenue Funds account of the Federal Republic of Nigeria not later than 90 days from the date the last sale was completed.	Proceeds of disposition
CHAPTER 12 **PENALTIES AND ENFORCEMENT MECHANISMS**	
121. (1) Penalties in midstream and downstream petroleum operations shall be as prescribed in the Act and Regulations made by the Authority based on the nature and impact of regulatory breaches. (2) Penalties in midstream and downstream petroleum operations may arise as a result of — (a) a failure to undertake midstream and downstream petroleum operations in a manner that ensures — (i) the safety of lives and property, (ii) safe and sustainable operations, and (iii) the protection of the environment; (b) a failure to undertake midstream and downstream petroleum operations in accordance with the terms of a licence, permit or authorisation granted by the Authority; (c) financial impropriety; (d) mal-operation of facilities; (e) unfair market practices; (f) unlicensed operations or services; and (g) other unlawful practices or non-compliance prescribed by the Act.	Penalties in midstream and downstream petroleum operations
122. Where the Authority reasonably believes that a person is about to commit an offence or has committed an offence, the person shall be issued the following notices —	Notices

(a) potential incidence of non-conformity; (b) incidence of non-conformity; (c) notice of non-compliance; or (d) demand notice	
123. The potential incidence of non-conformity is the notice issued by the Authority to — (a) prevent an imminent penalty; and (b) provide an opportunity for corrective measures.	Potential incidence of non-conformity
124. The incidence of non-conformity is the notice issued to a person where — (a) one or more offences have occurred or deemed to have occurred; (b) the failure to address such offence has arisen despite earlier notifications specified by the potential incidence of non-conformity; and (c) an opportunity is provided for a person to make representations as regards the incident.	Incidence of non-conformity
125. A notice of non-compliance, subject to Regulations 5 and 6 is issued where — (a) a person fails to prevent the incident stated; or (b) no representation was made to prevent a penalty being issued.	Notice of non-compliance
126. A demand notice is a formal notification conveying the Authority's decision and penalties to be imposed on a person who has failed to resolve the incidents as stated in the notices.	Demand notice
127. Where an activity prohibited under the Act, Regulations, or directives of the Authority, is likely to be undertaken by any person, the Authority may serve a potential incidence of non-conformity notice specifying the activity and directing the person to desist from such activity within the specified timeline as stated in the notice.	Issuance of potential incidence of non-conformity
128. Where the Authority determines that a violation poses no danger to personnel, environment, equipment or petroleum operations the Authority may — (a) serve an incidence of non-conformity notice on the person	Issuance of incidence of non-conformity

specifying the act or activity; (b) direct the person to whom the notice is issued to do or not to do, the specified act or activity; or (c) specify the time frame for compliance with the notice.	
129. (1) A person whom the Authority suspects will either commit an offence or has committed an offence shall be issued a notice of non-compliance which shall — (a) state the facts and circumstances that make the person liable to a penalty; (b) specify the penalty; and (c) inform the person of their right to make representation to the Authority. (2) The person to whom notice in sub-regulation (1) is sent may make representation to the Authority, within 30 days after receipt of the notice.	Issuance of notice of non-compliance
130. The representation of the person to whom the notice of non-compliance is issued shall include — (a) circumstances leading up to the offence, (b) evidence that no offence occurred, or (c) corrective measures provided to minimise impact, where there is no contention from the representation that an offence was committed.	Representation on notice of non-compliance
131. (1) The Authority, upon consideration of representation made in regulation 12 may — (a) assess a penalty and set a date by which the penalty is to be paid in full; or (b) determine that no penalty be assessed. (2) The Authority shall serve a copy of its decision in sub-regulation (1) on the person who made the representation within 30 days after the receipt of the representation.	Decision on issuance of penalties
132. (1) The Authority may issue a "component incident of noncompliance notice" for a specific piece of equipment or location when it is determined to be part of an unsafe situation or it is detrimental to people, property, and environment, and can be shut-in without affecting the overall safety of the facility. (2) Where the specific piece of equipment or location referred to in	Component Incidence of non-compliance notice

sub-regulation (1) cannot be shut-in without affecting the overall safety of the facility, the Authority may issue a "facility shut down notice".	
133. Where a person to whom a notice of non-compliance is issued, fails to make a representation or fails to provide a compelling reason why a penalty should not be issued, the Authority shall issue a demand notice and — (a) apply the administrative penalties in applicable Regulations; or (b) impose the sanctions and fines provided in the Act.	Issuance of demand notice
134. Where a person fails to comply with a cease-and-desist order issued as provided in section 215 of the Act, the Authority may, subject to the provisions of these Regulations levy a fine not exceeding 5% of the annual turnover of the company for the preceding year or revoke the licence of any person who fails to comply with a cease-and-desist order.	Decision on failure to comply with cease-and-desist order
135. (1) Prior to a decision by the Authority to revoke a licence or permit in section 120 of the Act, the Authority shall — (a) serve a notice of default on the licensee or permit holder setting forth in reasonable detail the default of the licensee or permit holder; and (b) give the licensee or permit holder 60 days within which to remedy the default. (2) Where the Authority is satisfied with the remedy of the licensee or permit holder in sub-regulation (1) (b), the revocation process shall be discontinued. (3) Where, at the expiration of 60 days, the licensee or permit holder fails to remedy the default, the licence or permit shall be revoked. (4) A notice of default shall be — (a) sent by the Authority to the last known address of the licensee or permit holder or its legal representative in Nigeria, or (b) published in the Federal Government Gazette or on the website of the Authority, each of which shall constitute sufficient notice to the licensee or permit holder of the notice of default. (5) Revocation shall be without prejudice to any —	Revocation of a licence or permit

(a) liabilities which the licensee or permit holder may have incurred; or (b) claim, which the Authority, the Government or any third party may make against the licensee or permit holder. (6) A revocation decision shall be published in the Federal Government Gazette and the Authority shall amend relevant registers maintained by it to reflect the revocation.	
CHAPTER 13 **MISCELLANEOUS PROVISIONS**	
136. (1) A company shall not render or be engaged to render any service to the midstream and downstream petroleum sector without a permit to carry out such service by the Authority. (2) An application for permit shall be made to the Authority upon payment of requisite fees, and in compliance with any other requirements prescribed by the Authority. (3) The Authority shall on receipt of an application under sub-regulation (2) of this regulation, where it deems fit, issue the applicant with a permit in the relevant category. (4) A licensee or permit holder shall only engage the services of companies with appropriate and valid midstream and downstream petroleum sector service permits. (5) A licensee or permit holder shall be responsible for ensuring that the service provider complies with the requirements stipulated by the Authority.	Midstream and downstream oil and gas service companies
137. Pipelines, midstream and downstream facilities, including storage facilities and installations shall be subjected to an annual conformity assessment in line with the requirements of the Authority.	Conformity Assessment
138. (1) A novel technology shall be subjected to technology qualification process before deployment into the midstream and downstream petroleum sector. (2) A novel technology shall not be deployed into the midstream and downstream petroleum sector without the authorisation of the Authority. (3) The Technology qualification exercise for novel technology shall include technical verification and validation of technology,	Technology Adaptation

laboratory evaluation of technology, and pilot implementation of qualified technology.	
139. (1) A licensee or permit holder who intends to defer the operations of its facility, shall notify the Authority in writing not less than 12 months before such deferment. (2) Where a licensee or permit holder defers the operations of its facility without the authorisation of the Authority, the facility shall be deemed to be operational, and subject to the terms and conditions of the licence or permit.	Deferment of operations
140. Petroleum liquids or natural gas or its derivatives produced within Nigeria or imported into the country shall be subject to reconciliation at such intervals as may be determined by the Authority.	Reconciliation
141. An officer authorised by the Authority may at any time enter and inspect any facility or premises where the officer has reasonable grounds to suspect that the provisions of these Regulations is being contravened.	Right to enter and inspect premises in case of offences
142. The Authority may by notice in writing require any person carrying out midstream and downstream petroleum operations to submit such returns and other information as may be required from time to time, in such form and at such times as may be specified in the notice.	Prescribed returns
143. (1) Any person who - (a) fails to obtain a licence, permit or authorisation required under these Regulations; (b) fails to provide information required under these Regulations, or fails to submit information required within the stipulated time frame; (c) makes a false declaration to the Authority or wilfully furnishes information so required which is in any respect false or insufficient; or (d) fails to comply with any provisions of these regulations or any directives given or condition of any permit or licence issued under these regulations, may notwithstanding the sanctions, fines and penalties contained in the Act, be liable to the relevant administrative penalties contained in the First Schedule to these Regulations.	General offences

(2) Without prejudice to any specific sanctions provided in these Regulations, where there is a breach, or where a person contravenes the provisions of these Regulations, the Authority - (a) may seal or order the closure of the premises where the breach occurred; (b) may dismantle and seize the facilities by which the activities were undertaken; (c) may cause an inquiry to be conducted into the affairs of a person connected with the breach of any of these Regulations; (d) may cause to be arrested, such person involved in the breach; (e) may enter or direct the entry into any premises, where the breach occurred and take possession of any document, instrument or material used in connection with the breach; (f) may confiscate and dispose of equipment or materials, including any petroleum products, employed by the person in the activity; (g) may withdraw the licence, permit or authorisation granted by the Authority to such person or body; (h) shall impose penalties as contained in the First Schedule to these Regulations; and (i) may generally take such other action as the Authority may consider necessary for the purpose of preventing any further breach of these Regulations. (3) Where no specific penalty for an offence under these Regulations is provided in the Schedule to these Regulations, the Authority may impose an administrative penalty not exceeding United States Dollars $1,000,000.	
144. (1) The Authority may issue guidelines, directives, and notices for the effective implementation of these Regulations. (2) Where no specific provision is made in these Regulations for any part of the construction, processing, operation, storage, distribution, and maintenance of midstream and downstream facilities, subject to the	Powers to issue guidelines

approval of the Authority, practices conforming with international best standards shall be observed.	
145. (1) The following Regulations are hereby revoked — (a) Midstream and Downstream Petroleum Operations Regulations 2023 (b) Petroleum Measurement Regulations 2023; (c) Petroleum (Transportation and Shipment) Regulations 2023; (d) Assignment or Transfer of Licence and Permit Regulations 2023; (e) Midstream and Downstream Penalties and Enforcement Mechanisms Regulations 2023; (f) Petroleum Refining Regulations 1974. (2) Any Regulations administered by the defunct Department of Petroleum Resources in respect of midstream and downstream petroleum operations are hereby revoked, provided that where such Regulations also make provisions for upstream petroleum operations, then only the provisions in respect of midstream and downstream petroleum operations are revoked. (3) The revocation of the Regulations specified in sub regulations (1) and (2) of this regulation shall not affect anything done or purported to be done under the revoked Regulations.	Revocation and Savings
146. In these Regulations- "**accuracy**" means the ability of the measurement instrument to indicate value closely approximately the true value; "**accredited laboratory**" means a laboratory recognised and authorised by the Authority to perform calibration of measurement equipment or devices; "**allocation**" means an allotment of petroleum, petroleum liquids and natural gas within production facilities, pipelines, processing facilities, and storage facilities; "**allocation system**" means methods, measurements and estimates used for the allocation of petroleum and appurtenant documentation and procedures; **"acquisition"** means a corporate transaction where one company purchases all or a substantial interest, portion, shares, or facility of another company, such that the acquired company becomes a subsidiary or division of the acquiring company;	Interpretation

"Act" means the Petroleum Industry Act, No. 6, 2021; **"administrative penalties"** means monetary penalties that may be imposed by the Authority on individuals or companies for failing to comply with provisions of the Act, regulations or notices or directives made by the Authority; **"Advance Lifting Schedule"** means a written submission to the Authority (in the prescribed form) made by a person who intend to carry out shipment, lifting or export of natural gas or its derivatives, petroleum, petroleum liquid or its derivatives, petroleum products; "**ANSI**", means American National Standards Institute. "**API**", means American Petroleum Institute. **"Appropriate government authority"** means any other government agency having authority for clearance of vessels before departure from the Nigerian waters; **"Approval to Construct"** means a statutory instrument conferring on the holder the authorization to commence the fabrication and construction of a process plant or facility; "**ASME**", means American Society of Mechanical Engineers; **"asset"** means any facility, installation or system for measuring, processing, transporting, storing, blending, distributing or handling of crude oil or its derivatives, natural gas or its derivatives, petroleum product or any form of petroleum liquids; **"assignment"** means the transfer of a licence or permit or an interest, power or right in it by any company or person with equity, participating, contractual or working interest in the licence or permit through merger, acquisition, takeover, divestment of shares or property, or any such transaction that may alter the ownership, equity, rights or interest of the assigning company in question, not minding the nature of business arrangement that the assigning company may be involved in; "**assignment or transfer by acquisition**" means direct or indirect takeover or acquisition of the entire rights or interest in a licence or permit, and associated assets of the assigning company, including acquisition of interest by an entity in a parent company whose affiliate has interest in a licence or permit, or associated assets in Nigeria;	

"**assignment or transfer by exchange or transfer of shares**" means the acquisition of part or all the shares of a company which holds a licence or permit in Nigeria; "**assignment or transfer by merger**" means where a company which holds a licence or permit combines with one or more companies to form another company by way of payment, exchange of shares or by any other means whatsoever; "**assignment or transfer through private placement or public listing**" means Private Placement or Public listing in Stock Exchange, of a part or of the whole of the shares of a company which holds a licence or permit; "**assignment or transfer by testamentary instrument**" means the assignment or transfer of shares or an asset by means of a Will or Letters of Administration. "**ASTM**", means American Society for Testing and Materials. "**Authority**" means the Nigerian Midstream and Downstream Petroleum Regulatory Authority; **"backloading"** means the act of loading back received petroleum liquids or gas from a bulk storage facility into a ship or other vessels; "**barrel (bbl)"** has the meaning ascribed to it in the Act; **"blending operations"** means activities that involves the mixing or blending of different proportions of gas such as propane-butane, ethane-propane-butane etc., or the mixing or blending of different proportions of petroleum liquid products such as base oil-additives etc; **"Board"** means the Board of Directors of a company undertaking midstream and downstream petroleum operations in Nigeria; **"bulk storage"** means the storage of petroleum liquids or gas in large quantity for wholesale supply; "**calibration**" means the process or procedure of determining the exact volume, capacity, or partial capacity of a standard capacity measure; **"cease and desist order"** means a written notice directed to a person demanding the immediate cessation of a prohibited act or activity which is being, has been or is likely to be undertaken by the person; **"Change"** means –	

(a) change of operator;

(b) change of company name;

(c) debenture, mortgage, loan, lien, appointment of a receiver/manager or other obligation

(d) extension of the licence, permits, authorization or any modification or exemption or any other matter affecting the status of or any interest in any licence, permit or authorisation registered;

(e) surrender of the licence permits, authorisations or any modification or exemption or any other matter affecting the status of or any interest in any licence, permit or authorisation registered,

(f) the mortgage of a facility under Authority's licence, permits or authorisations,

(g) assignment or transfer of a licence or permit as provided in the Assignment of Transfer of Licences and Permits Regulations, 2023, and

(h) revocation of the licence, permits, authorisations or any modification, amendment or exemption or any other matter affecting the status of or any interest in any licence, permit or authorisation registered;

"change in ownership or control" means a change in ownership or control of a permit or licence to operate a midstream or downstream facility or a change in ownership or control of an interest or rights therein either through lease, lien, assignment, mortgage or a change in ownership or control of an interest or rights therein of a corporate body either through merger, acquisition, takeover, shares divestment in part or whole or similar transaction;

"class' A' petroleum" includes all hydrocarbon liquids having a flash point below 73 °F, 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 °F, to 50 °F, inclusive;

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

"CNG Compression Facilities" means facilities used for compression of natural gas to less than the volume it occupies at standard atmospheric pressure; "**company**" means a holder of licence, permit or authorisation to undertake petroleum operations in the Nigerian midstream and downstream petroleum industry; and **"competent person"** means a person appointed, with the approval of the Authority, 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; "**Conditions of Service"** means a document, by whatever name, which governs the relationship between an Employer and Employee and shall include collective bargaining agreements, letters of employment, conditions of service, employee handbooks, corporate policy and procedure guides; **"Conformity assessment"** means is the activity of verifying that a facility, equipment or system is being operated and maintained in line with standard or technical specification. "**corrective measures**" means actions taken to eliminate non-conformities, undesirable acts or causes of non-conformities in midstream and downstream petroleum operations; "**critical component**" means component of the measurement or metering system that has direct impact on the functionality or output of the measurement system; **"Critical equipment"** means any equipment which if taken out of commission, may endanger the life of or lead to a malfunctioning or a shut-down of the facility or part of it; **"Critical systems"** for the purpose of these regulations, means any system which if taken out of commission will endanger the life of, or lead to a malfunctioning or a shut-down of, the hydrocarbon refining facility or parts thereof. **"Crude oil"** has the meaning ascribed to it in the Act; **"Crude oil refining"** means the processing or separation of crude oil into products to meet market quality or specification	

"**custody transfer**" means change in ownership or responsibility irrespective of whether the transfer is within the same parent company or not; "**Data**" includes but not limited to reports, data, samples, fluid samples, plans, maps, charts, crude oil assay, accounts, materials and information which are required to be provided to the Authority under the Act, Regulations or any other law; **"Debit Note"** means a document issued by Authority as a means of formally requesting for payment of established levy; **"declared national emergency"** means a state of emergency resulting from a danger or threat of danger to a midstream facility as confirmed by the Authority; **"Derivatives"** means products obtained from processing of crude oil, natural gas or other hydrocarbon **"Design safety case"** means a written demonstration of evidence and due diligence provided by a corporation to prove that it has the ability to safely operate a facility and effectively control hazards "**detector switch**" means a device that indicates the passage of a displacer in a prover; **"Disposal Committee"** means the Committee set up by the Authority Chief Executive for coordinating disposal of confiscated materials and equipment; **"Distribution pipeline"** means a low-pressure pipeline for the purpose of conveying natural gas or petroleum products to customers; "**dynamic measurement**" means measurement under a flowing condition using meters; **"Employer"** means any organisation, company, partnership, or registered business name which holds a licence or permit issued pursuant to the Petroleum Industry Act 2021 or under Regulations made by the Authority or any person registered to provide any services in relation thereto. **"Employee"** means any Nigerian national who is employed by the holder of licence or a permit issued pursuant to the Petroleum Industry Act or under Regulations made by the Authority "**entity**" means any company, firm, or individual holding or seeking a licence or permit in the midstream and downstream petroleum industry;	

"Environmental management plan" means a plan that specifies the environmental, health and safety terms for the mitigation, monitoring, and institutional measures to be implemented during the development and operation of a facility or operation to eliminate adverse environmental and social impacts to tolerable levels. "**factory acceptance test**" means a test that is carried out at the fabrication shop or test yard on an equipment before shipment into the country or site; **"Feedstock shrinkage"** means the loss of feedstock during delivery or transfer "**fiscal metering**" means metering carried out in connection with purchase, sale and the calculation of taxes and royalties; "**Fishery Expert**" means such an officer responsible for the conservation and protection of marine life. **"flare gas"** means any hydrocarbon or substance that is directed to and combusted in the flare system or incinerator in a midstream petroleum operation resulting from but not limited to pilot gas, relieving devices, blow down, facility start up, testing, mal-operation or deliberate burning; "**flare gas data**" means the dynamic pressure, volume and temperature (PVT) data, and other logs and records generated in the course of production activities, submitted to the Authority in these Regulations, which shall include — (a) gas quantity; (b) flow rates; (c) facility name; (d)facility terrain; (e) coordinates, and reports relating to the data; (f) historical flare gas data per facility; (g) historical flare gas data per flare stack; (h) flared gas composition by stack; and (i) any other data that may be required by the Authority;	

"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; "**flow meter**" means a device for a continuous measurement or registration, and display of the amount of petroleum which flows through a pipeline; **"FPSO"** means Floating, Production, Storage and Offloading; **"FSO"** means Floating, Storage and Offloading; **"Gas Bulk Storage Facilities"** means bulk gas storage facilities, such as gas depot, and gas wholesale storage etc; "**gas chromatograph**" means a device for measuring gas composition; **"Gas Derivatives"** means products derived from the processing or blending of natural gas or gas products including urea fertiliser, methanol, hydrogen, etc; **"Gas Distribution Licence"** has the meaning ascribed to it in the Act; **"Gas Distribution Network"** has the meaning ascribed to it in the Act; **"Gas Distributor"** has the meaning ascribed to it in the Act; **"Gas Export and Import Facilities"** means facilities for importing or exporting gas, gas products or gas derivatives such as gas terminal, jetties etc.; **"gas flaring"** means burning or incineration of gas from a flare stack; **"Gas Processing Facilities"** means facilities for processing natural gas such as GPP, GCP, GTF Plants, LNG Plants, GTL Plants, Methanol Plants, LPG Plants, Gas Derivatives Plants etc.; **"Gas Transportation and Distribution Facilities"** means interconnected gas transportation and distribution facilities for movement of natural gas or gas products such pipeline, barges, truck, rails, and other means etc.; **"Gas Transportation Network"** has the meaning ascribed to it in the Act; **"Gas Transportation Pipeline"** has the meaning ascribed to it in the Act; **"Gas Retailing Operations and Infrastructure"** means facilities or infrastructures for storage and sales of natural gas or gas such as gas retailing outlets, mobile skids, or other infrastructures;	

"GCP" means Gas Conditioning Plants; "**Greenfield Conformity Assessment**" means the activity of verifying that a standard or technical specification was applied in the design, fabrication, construction and installation of a facility, an equipment or system during development. "Modification" **"Greenhouse gases"** means gases that trap heat in the atmosphere and majorly emanate from combustion of fuels or as fugitive releases **"GTF"** means Gas to Fertilizer; **"GTL"** means Gas to Liquid; **"Hydrocarbon Processing Facilities"** means facilities used for processing hydrocarbon liquids and gas (excluding blending plants, emulsion processing facilities, waste recycling plants) such as crude oil refineries, petrochemical facilities, gas processing facilities, fertilisers, gas derivative plant, LNG, GTL and other gas processing facilities, FPSO, Floating Processing Facilities etc.; "**Hydrocarbon refining facility**" means crude oil refining plants, natural gas processing plants, conditioning plants, treatment plants, gas refining plants, petrochemical plants and any other plants for the processing of crude oil, natural gas and other hydrocarbon into products or other derivatives. **"Hydrocarbon Refining Plant"** means process plant or facility by which crude oil, natural gas and other hydrocarbon are processed or transformed into usable petroleum products or derivatives **"Industrial Gas Storage and Utilisation"** means industrial storage facilities for internal consumption or utilisation; **Industrial Petroleum Liquid Storage and Utilisation** means industrial storage facilities for internal consumption or utilisation of petroleum liquids, petroleum liquid products etc.; **"inspector"** means a representative of the Authority, or any other person appointed in writing by the Authority to represent the Nigerian Midstream and Downstream Petroleum Regulatory Authority; "**inspection**" means examination of a product, process or installation to assess or determine its conformity with specific or general requirements; "**instrument**" means a device used for measurement and calibration;	

"**International measurement standard"** means a measurement standard acknowledged and recognised internationally as a point of reference for measurement and testing; **"Licensee"** has the meaning ascribed to it in the Act; "licensee" means a holder of licence issued by the Authority for midstream or downstream petroleum operations in Nigeria; **"licence to construct"** means a licence issued by the Authority in respect of any applicable midstream or downstream petroleum operations to commence construction; **"licence to establish"** means a licence issued by the Authority in respect of any applicable midstream or downstream petroleum operations to vet the value and applicability of the facility or infrastructure development concept; **"licence to operate"** means a licence issued by the Authority in respect of commencement of operations of any applicable midstream or downstream facility and infrastructure; "**linearity**" means the total range of deviation of the accuracy curve from such a straight line between the minimum and maximum recommended flow rate; **"Liquefied Natural Gas" or "LNG"** has the meaning ascribed to it in the Act; **"LPG"** or **"Liquefied Petroleum Gas"** has the meaning ascribed to it in the Act; **"major equipment"** means equipment and components required for a facility or plant to achieve commercial operation **"major flaring event"** means major combustion in the flare system or incinerator in a midstream petroleum operation resulting from but not limited to blow down for maintenance, facility start up and shutdown, testing, or deliberate burning outside the operating or set parameters; **"mal-operation"** means operation of facility or equipment outside its operating parameters resulting in faulty or abnormal operation; **"Manager"** means a person appointed pursuant to Regulation 4 of these Regulations;	

"merger" means the fusion of two or more companies into one new legal entity; **"Metering and Data Collection Standards"** means flare gas Metering and Data Collection Standards and requirements issued by the Authority; "**metering system**" means the meters, prover, instrument part, sampling system, flow computer, and other auxiliary equipment; **"Midstream and Downstream Gas Operations"** has the meaning ascribed to it in the Act; **"Midstream and Downstream Petroleum Liquids Operations"** has the meaning ascribed to it in the Act; "**Minister**" has the meaning ascribed to it in the Act; **"MMSCFD"** means million standard cubic feet per day **"Mobile Plant"** includes both portable and transportable plants or units; **"Modification"** includes expansion, rehabilitation, refurbishment, revamping, upgrading; **"MT"** means metric tonnes and is equivalent of 1000Kg; **"N+1"** means the representation of an additional system to serve as redundancy; "**NACE**", means the National Association of Corrosion Engineers (NACE). **"Natural gas"** has the meaning ascribed to it in the Act; "**Natural gas**" means gas obtained from boreholes and wells and consisting primarily of hydrocarbons; **"Natural gas conditioning or refining plant"** means processing of natural gas to achieve transport and sales specifications **"Natural Gas Liquids" or "NGL"** has the meaning ascribed to it in the Act; "**Network**" means a set of interconnected pipelines; "**Network operations**" means the operation of a set of interconnected transportation infrastructure **"NGN"** means Nigerian Naira; "**offence"** means an illegal act, activity or breach of the Act, regulations, notices or directives made by the Authority;	

"Open Access" has the meaning ascribed to it in the Act; **"operating envelope"** means the limited range of process parameters in which operations will result in safe and acceptable performance of a plant or facility "**operator**" means an entity or company managing the operations of a facility "**operation of law**" refers to a judgement by a competent court of law, an award by an arbitration panel, the appointment of a receiver, receiver/manager or administrator under the Companies and Allied Matters Act No. 3 2020 or any comparable legislation in a foreign jurisdiction; "**optimisation"** means maximising plant yields and efficiency "**Other Related Product**" means all other substances or materials produced in the processing of crude oil, natural gas, and intermediates; **"Own use"** means for the use of a licenced facility in the location of the facility; "**Peddling**" means direct distributions of LPG, DPK, and AGO to end users with not more than 10,000 litres capacity truck or its equivalent; **"permit holder"** means a holder of a permit or authorization issued by the Authority for midstream or downstream petroleum operations in Nigeria. **"permit to access flare gas"** means a permission granted to a permit holder by the Authority to take flare gas at a flare point; **"Petrochemical plant"** means a facility for the processing of chemicals derived from petroleum. **"Petrochemical products"** means chemical products obtained from the processing of petroleum "**Petroleum**" has the meaning ascribed to it in the Act. "**Petroleum-based additive**" means are chemical compounds that improve the quality of petroleum liquids, natural gas or other hydrocarbon materials "**Petroleum liquids derivatives**" means products obtained from processing of petroleum liquids	

"Petroleum Derivatives" means products derived from the processing or blending of petroleum or petroleum products including lubricants; **"Petroleum Liquids"** has the meaning ascribed to it in the Act; **"Petroleum Liquids Export and Import"** means facilities for importing or exporting petroleum liquid or petroleum products or other derivatives such as petroleum liquid or petroleum product terminal, jetties etc.; **"Petroleum Liquids Retailing Operations and Infrastructure"** means facilities or infrastructures for storage and sales of petroleum products such as petroleum products retailing outlets, mobile skids, or infrastructures; **"Petroleum Liquids Transportation and Distribution Facilities"** includes interconnected hydrocarbon oil transportation and distribution facilities for movement of petroleum liquid or petroleum products such pipeline, barges, truck, rails, and other means; "Petroleum Products" has the meaning ascribed to it in the Act; **"Petroleum Products Offtake"** means purchase of bulk petroleum products for the purpose of export, reselling, retailing or distribution; **"Pipeline"** has the meaning ascribed to it in the Act; "**Pipeline Licence**" means any licence for which gives a licensee access to the right of way for construction, operation, and maintenance of a pipeline. **"planned maintenance"** means prescribed maintenance either routine or stipulated; **"Precursors"** means chemical that is transformed into another compound through further processing **"Prescribed Port "** means any port which the officer of the Ministry responsible for matters relating to ports may by notice in the federal gazette designate as such for the purposes of these Regulations; "**Proceeds**" means monies made from the sale of confiscated materials and equipment less expenses; **"Producer"** means a lessee holding an interest in an oil mining lease or petroleum mining lease or a licensee holding an interest in an oil prospecting licence or a petroleum prospecting licence, where such licensee carries out temporary test production;	

“Property/Properties” means materials and equipment seized or confiscated by the Authority in the exercise of its powers under the Act; "**proving system**" means system for validating the performance of a meter; “Regulations” means these Midstream and Downstream Petroleum Operations Regulations; **"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. **"Refining 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 gay, oil via duct leading to the sea or landing stage whether enclosed or not) adjacent to such area. **“Refining facilities”** means any facility where petroleum refining activities take place and may include Floating Production Storage and Offloading (FPSO), Floating Production Unit (FPU), Floating Storage and Offloading Unit (FSO), Mobile Offshore Production Unit (MOPU), Refineries, petrochemical plants, terminals, gas-based fertilizer plants, methanol plants, and gas-derivatives facilities, oil and gas handling facilities and any other similar facilities. "**repeatability**" means the ability of a meter and prover system to repeat its registered volume during a series of consecutive proving runs under constant operating condition; **"Restricted Area"** has the same meaning as the "operational area"; “**Right of Way**” means a legal right conferred on an operator by the Authority to pass along a specific strip of land belonging to another. **“safety flaring”** means flaring undertaken to ensure safe operations at a facility; “**sampling device**” means equipment used for the collection of fluid sample from a system;	

"**sampling system**" means a system for the collection of sample from the fluid flowing in a pipe; **"SCF"** means standard cubic feet **"SCM"** means standard cubic meters; **"Shore Certificate"** means a quantity certification that ascertains the final discharged quantity; "**site acceptance test**" means a test that is done on an equipment at the place of operation during commissioning; **"Sold in Nigeria"** means where a petroleum product or natural gas- a) is sold free on board in Nigeria; or b) is loaded or offloaded for sale within a wholesale point in Nigeria; or c) transaction emanates, occurs or is concluded in Nigeria or within its territorial waters; **"Sparing philosophy"** means the concept for providing additional equipment in parallel on working and standby modes to ensure a facility or plant continues to operate whenever the equipment fails **"start-up"** means the act of starting a process, an equipment, system or a plant or facility; **"strategic operational reason"** means consideration to certain operations but not limited to relieving devices, blow down, facility start up and testing; **"takeover"** means a transfer or purchase of the shares of a publicly listed company by a person which gives the person control over management and affairs of the company; **"Technical and safety reviews"** means studies conducted to address adequacy of plant configuration and design safety **"Technology adaptation"** means process for the adoption of a new, novel or unidentified technology, method or system through technical verification **"terminal"** has the same meaning ascribed to it in the Act; **"testing"** means the act of examining or validating the integrity of an equipment, system or a facility during operation;	

"**title documents**" means deed of assignment, certificate of occupancy, deed of lease, deed of sublease, purchase agreement and any other document evidencing ownership; "**traceability**" means the quality of a measurement result to be linked to a reference standard through an unbroken chain of calibrations **"Topping"** means any further loading of petroleum in any available space on the ship, tanker or vessel after loading the nominated quantity of petroleum at any designated terminal; "**transferee**" means an assignee or the proposed new holder of the licence or permit; "**transferor**" means the assignor or current holder of the licence or permit prior to the Authority's approval of an assignment or transfer of the licence or permit; "**uncertainty**" means an interval of value within which the true value is believed to lie within a stated probability; **"USD"** means United States Dollars; **"Vehicle"** means rail wagons, articulated tankers and trucks used for the conveyance of natural gas and its derivatives, petroleum, petroleum liquids and its derivatives and petroleum products; **"Venting"** means releasing of hydrocarbons or substances into the atmosphere from midstream gas processing facilities; "**verification**" means provision of evidence that a given equipment conforms to a specified requirement. "**Vessel**" means ship, tanker or barge utilised in the transportation of petroleum and petroleum derivatives, petroleum liquids, liquefied natural gas and petroleum products; "**Virtual Transportation**" includes vessels, barges, trucks, rail wagons; **"Waste"** means waste generated from hydrocarbon processing facility, which include residues, slop oil, sludges, rusts etc.; **"Water Abstraction study"** means study conducted to infer the impact to the environment of taking water from sources such as rivers, streams, canals, springs, underground or the sea **"Wholesale Customer**" means a class of customers with respect to –	

(a) natural gas, the right to contract for and purchase a supply of wholesale gas, with capability to connect individually and economically to a transportation pipeline or transportation network and shall include gas distributors; (b) crude oil or petroleum products, a purchaser with annual capacity of 1,000,000 (one million) litres or its equivalent and above; **"Wholesale Gas"** has the meaning ascribed to it in the Act; "**Wholesale Petroleum Liquids**" has the meaning ascribed to it in the Act; and **"Wholesale Points**" means the points, such as coastal depots, hinterland depots, jetties, refineries, petrochemicals and processing plants' including liquified natural gas processing plants, crude oil and natural gas export terminals, free on- board products measurement points and other points of aggregation that may be determined by the Authority, where petroleum liquids or natural gas or its derivatives exist or are sold in bulk.	
147. These Regulations may be cited as the Midstream and Downstream Petroleum Operations Regulations, 2024.	Citation

FIRST SCHEDULE
OFFENCES AND PENALTIES

S/N	OFFENCE	PENALTY
1	Non-renewal of hydrocarbon processing facilities LTO	NGN 2,000,000.00/ year
2	Late renewal of hydrocarbon processing facilities LTO beyond 31st of March	NGN 500,000
3	Product evacuation from hydrocarbon processing facility by truck or rail without Authorisation	NGN 5,000,000.00 per truck or rail wagon
4	Product evacuation from hydrocarbon processing facilities through a vessel without authorisation	USD 10,000.00
5	Vessel arrival at the loading berth without Authority clearance	USD 10,000.00
6	Product diversion by truck or rail	NGN 5,000,000.00 per truck or rail wagon
7	Product diversion from hydrocarbon processing facility through a vessel	USD 20,000.00
8	Using Authority authorised chemical/additive above or below approved quantity	USD 100,000.00
9	Use of chemical unauthorised by the Authority in the hydrocarbon processing facilities	USD 100,000.00
10	Operating a blending plant or waste recycling plant or waste treatment plant or bitumen processing plant or petroleum-based additives facility without licence	NGN 2,000,000
11	Late renewal of blending plant LTO	NGN 300,000
12	Procurement of critical equipment without Test	NGN 5,000,000

13	Diversion of base oil	NGN 3,000,000 per truck
14	Sale of base oil from a blending plant	NGN 3,000,000 per truck
15	Construction of a blending plant/waste recycling plant/waste treatment plant/bitumen processing plant/petroleum-based additives facility without LTE	NGN 1,000,000
16	Construction of a blending plant/waste recycling plant/waste treatment plant/bitumen processing plant/petroleum-based additives facility without LTC	NGN 5,000,000
17	Third party blending by a plant owner without authorization	NGN 3,000,000
18	Third party blending by a product owner without authorization	NGN 2,000,000
19	Operating a lubricant filling plant without LTO	NGN 2,000,000 per year of operation without a licence
20	Late renewal of lubricant filling plant LTO beyond 31st March of every year.	NGN 100,000
21	Procurement of critical equipment without Factory Acceptance Test for lubricant filling plant	NGN 5,000,000
22	Construction of a lubricant filling plant without valid LTE	NGN 3,000,000
23	Construction of lubricant filling plant without valid LTC	NGN 3,000,000
24	Modification of a lubricant filling plant without authorization	NGN 3,000,000
25	Operation of lubricant filling Plant without valid LTO	NGN 3,000,000
26	Distributors operating without lubricant storage and sales licence	NGN 200,000 per year

27	Retailers operating without lubricant storage and sales licence	NGN 100,000 per year
28	Engagement of non- Authority accredited contractors for fabrication, construction, calibration, testing, or any other midstream and downstream activities.	Not more than USD 250,000 and suspension of not more than 1 year
29	Carrying out midstream and downstream activities without Authority oil and gas industry service permit	Not more than USD 250,000 and suspension of not more than 1 year
30	Using storage or changing tank product or pipeline product service without authorisation.	USD 5,000
31	Measuring petroleum at custody transfer or sales points with faulty or uncalibrated measuring equipment, Ullage Transmitting Instrument (UTI) or metering System	USD 10,000 and seizure of faulty measuring instrument
32	Measuring petroleum products with faulty or uncalibrated measuring equipment or Ullage Transmitting Instrument (UTI)	NGN 100,000 and seizure of faulty measuring instrument
33	Conducting a factory acceptance test or site acceptance test of any critical equipment without authorisation and witnessing by officers of the Authority	USD 250,000
34	Modification, repair, or alteration of surface or underground crude oil storage tanks without authorisation.	USD 25,000
35	Introduction of deadwoods, capillary tube or false bottom, etc in crude oil storage tanks	USD 25,000
36	Construction of a depot without LTC	USD 100,000
37	Operation of a depot without LTO	NGN 10,000,000

38	Modification of a depot without authorisation	USD 100,000
39	Failure to calibrate storage Tank	NGN 250,000 per tank
40	Backloading in a depot without authorisation	USD5,000
41	Blending in a depot without authorization	USD 100,000
42	Engaging in third party petroleum products distribution without permit	NGN 3,000,000
43	Denial of Access to Authority Personnel	NGN5,000,000.00
44	Assault or Harassment of Authority personnel	NGN 20,000,000 and suspension or revocation of licence
45	Operating Industrial storage and utilisation without valid licence	NGN 1,000,000
46	Burial of underground storage tank without Authority authorization	NGN 500,000 per tank
47	Construction of retail outlet and CNG compression facilities without LTC	NGN 10,000,000 or seizure of the facility
48	Declaration of false loading manifest	NGN 1,000,000
49	Discharging product while selling in a retail outlet and refilling facilities	NGN 500,000
50	Absence of a well-stocked first aid box or functional truck earthing cable or adequate caution signs at a Retail Outlet	NGN 50,000.00
51	Backloading of Petroleum Products in Retail Outlet	NGN 750.00/liter

52	Concealing accident information for Investigation in Retail Outlet Operations	NGN 2,000,000.00
53	Discharging of Petroleum products without Earthing cable.	NGN 100,000.00
54	Discharging Petroleum products during Lightning, Thunderstorm or Under Direct	NGN 200,000.00
55	Failure to submit monthly sales returns.	NGN 50,000.00
56	Improper or lack of colour codes of underground storage tanks/per tank.	NGN 10,000.00
57	Lack of Filling Station Register.	NGN 20,000.00
58	Product Diversion.	NGN 500.00/liter
59	Selling Regulated Petroleum Products above approved pump price	NGN 200,000.00
60	Non-Compliance with DRMS Directive	NGN 250,000.00
61	Operating Without Adequate Company identification	NGN 100,000.00
62	Product adulteration. N200/Litre	NGN 200.00/liter
63	Take-over/Lease Without Approval	NGN 1,000,000.00
64	Failure to comply with minimum industry safety training for staff in facility operations	NGN 2,000,000
65	Decanting and unauthorised peddling of petroleum products.	NGN 750 per litre or its equivalent in metric tonnes
66	Product adulteration or trans-loading in depots, transit or retail outlets	NGN 10,000,000
67	Importation of off-spec petroleum products	USD 2,000,000

68	Failure to display price billboard at retail outlets	NGN 50,000
69	Poor housekeeping of retail outlet facilities	NGN 50,000
70	Indiscriminate Parking of Vehicles and Trucks Within a Facility	NGN 50,000
71	Pump under dispensing from retail outlets	NGN 100,000.00 per dispensing pump
72	Repair of vehicles within retail outlets and refilling plants	NGN 500,000
73	Failure to produce, upon demand, storage and sales inventories and reports of midstream and downstream facilities	NGN 1,000,000
74	Establishment of retail outlets and CNG compression facility without LTE	NGN 1,000,000
75	Construction of retail outlets and CNG compression facility without LTC	NGN 5,000,000
76	Operation of retail outlets and CNG compression facility without LTO	NGN 2,000,000
77	Failure to conduct Pressure Test before tank burial	NGN 100,000.00
78	Falsification of Authority licence/permit/authorisations	NGN 5,000,000.00
79	Hoarding of Petroleum Product	NGN 1,000,000.00
80	Late renewal of Authority retail outlets and CNG compression facility licence	NGN 100,000.00
81	Late renewal of Authority depots, terminals, and jetties	NGN 500,000
82	Non-display of Authority Licence at a facility	NGN 50,000.00

83	Revalidation/Correction of licence/Inputs	NGN 250,000.00
84	Tank conversion without authorization	NGN 500,000.00
85	Contravention of Authority's sealing Order	NGN 5,000,000.00
86	Under-utilisation of import permit	NGN 550,000
87	Non-utilisation of import permit	NGN 1,000,000
88	Change of discharge port without approval	NGN 1,000,000
89	Late submission of vessel arrival notification	NGN 500,000
90	Failure to comply with any provisions of these Regulations or any directives given or condition of any permit or licence issued under these Regulations	Not exceeding USD250,000
91	Selling to an unlicensed offtaker	NGN5,000,000
92	Selling to unlicensed LPG refilling Plant	NGN2,500,000
93	Operating LPG refilling plant without LTO	NGN5,000,000
94	Construction of LPG refilling Plant without Approval	NGN 2,500,000
95	Under dispensing of LPG refilling plant	NGN 200,000
96	Selling to unlicensed Category D and industrial storage and utilisation facility	NGN2,000,000
97	Modification of LPG refilling plant without approval	NGN1,000,000
98	Operating Autogas Plant without LTO	NGN 500,000
99	Construction of Autogas Plant without authorisation	NGN2,500,000

100	Under dispensing of Autogas plant	NGN200,000
101	Modification and Upgrade without approval	NGN200,000
102	Operating CNG Compression facilities without LTO	NGN1,750,000
103	Construction of CNG facilities without LTC	NGN5,000,000
104	Failure to conduct recertification exercise when due	USD 5,000 per equipment
	PETROLEUM MEASUREMENT	
105	Engagement of non-Authority accredited contractors for fabrication, construction, calibration, testing etc. of any critical equipment or facility.	USD250,000 per facility. In addition, suspension of not more than 1 year
106	Using unapproved tanks for storage of hydrocarbons without approval.	USD5,000 per tank
107	Using unapproved tanks for storage or changing tank petroleum products without approval.	NGN1,000,000 per tank
108	Modification, alteration, upgrade, etc. of LACT or measurement System (Export) without Authority authorisation.	USD250,000 per LACT System
109	Modification, repair, alteration of surface or underground hydrocarbon storage tanks without approval	USD25,000 (for crude oil tanks) per storage greater than or equal to 500 barrels
110	Installation, modification, repair, alteration of surface or underground petroleum products storage tanks without approval	NGN1,000,000 per storage tank
111	Failure to allow Authority representatives witness outturn verification at the port of discharge.	USD250,000 per loaded vessel or shipment
112	Failure to apply the Authority methodology for determination and allocation of crude oil losses	Monetary equivalent of 30% of the total loss volume allocated at the prevailing oil price in USD per facility
113	Failure to apply approved new base prover volume and meter factor from proving	USD250,000 per loading.
114	Non-compliance with installation/tampering with Authority Locking Device (sea line Valves) on export pipeline	USD100,000 per terminal
115	Tampering with metering systems or ancillary equipment without approval	USD2,000,000 per meter

116	Commissioning any critical equipment or facility e.g. valve, compressor, pump, sampler, etc. without approval	USD50,000 per equipment
117	Failure to display on operational tank in service "Tank Service", "Date of Calibration" and "Next Due Date of Calibration" for Crude oil and Natural Gas	USD100,000 per tank in service or operation
118	None display on operational tank in service "Tank Service", "Date of Calibration" and "Next Due Date of Calibration for Petroleum Products	NGN1,000,000 per tank in service or operation
119	Installation of LACT System at Export terminals or Custody transfer point without approval.	USD75,000 per month.
120	Non-Compliance with frequency of calibration of measurement, dipping tape, UTI, Temperature/Pressure Gauges, Transmitters, probes etc.	USD5,000 per equipment
121	Falsification of proving system calibration/meter proving reports.	USD250,000 per prover/meter
122	Failure to calibrate/recertify metering system ancillary equipment (temperature & pressure gauges, transmitters etc.)	USD5,000 per equipment
123	Failure to Recertify Prover Loop when due	USD175,000 per annum
124	Failure to Recertify Auto sampler when due	USD50,000 per annum
125	Failure to carry out statutory meter proving when due	USD20,000 per meter/proving frequency in addition to any other sanctions by the Authority.
126	Procurement of critical equipment without Test	NGN 5,000,000
127	Measuring petroleum at custody transfer or sales points with faulty or uncalibrated measuring equipment, Ullage Transmitting Instrument (UTI) or metering system	USD 10,000 and seizure of faulty measuring instrument
128	Measuring petroleum products with faulty or uncalibrated measuring equipment or Ullage Transmitting Instrument (UTI)	NGN 100,000 and seizure of faulty measuring instrument
129	Conducting a factory acceptance test or site acceptance test of any critical equipment without	USD 250,000

	authorisation and witnessing by officers of the Authority	
130	Installation or tampering with dispensing pump or loading gantry without authorisation.	NGN 500,000 per pump
131	Introduction of dead woods, capillary tube or false bottom in crude oil storage tanks	USD25,000 per storage greater than or equal to 500 barrels
	HYDROCARBON PROCESSING PLANTS	
132	Non-compliance with Hydrocarbons Processing Plants provisions	USD250,000
	ASSIGNMENT AND TRANSFER	
133	Non-compliance with Assignment and Transfer provisions (for midstream processing facilities, installations, terminals and pipelines)	USD100,000 or its equivalent in Naira per licence or permit
134	Non-compliance with Assignment and Transfer provisions (for blending facilities and petroleum product storage facilities)	USD50,000 or its equivalent in Naira per licence or permit
135	Non-compliance with Assignment and Transfer provisions (for oil and gas retail outlets)	NGN2,000,000.00 per licence or permit
	SEPARATION OF LICENCED ACTIVITIES & SURRENDER OF LICENCE OR PERMIT	
136	Non-compliance with Separation of Licenced Activities and Surrender of Licence or Permit provisions	NGN250,000.00 for each day of such default
	CODE OF CONDUCT	
137	Non-compliance with Code of Conduct provisions	NGN250,000.00 for each day of such default
	REGISTRATION AND PUBLICATION OF LICENCES, PERMITS AND AUTHORISATIONS	
138	Non-compliance with Registration and Publication of Licences, Permits and Authorisations provisions	Not exceeding NGN250,000.00
	PETROLEUM TRANSPORTATNTION AND SHIPMENT	
139	Topping without due authorisation from the Authority	forfeit the cargo to the Authority and pay administrative penalty of 10% of the value of the entire cargo to the Authority

140	Loading petroleum liquids or natural gas and its derivatives into a ballast tank or any other tank, container or receptacle of a ship or tanker other than as designated, dedicated and designed for the storage and transportation	A penalty equal to the monetary value of the petroleum liquids or natural gas or its derivatives and the forfeiture of the petroleum liquids or natural gas and its derivatives to the Authority
141	Failure to provide information relating to Advance Lifting Schedule to the Authority in the manner prescribed	the vessel shall be denied access to load
142	Lifts natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids without a Lifting Identification Number	USD$100,000.00
143	false declaration regarding the quantity, quality and capacity of a vessel in which petroleum liquids or natural gas or its derivatives	10% of the undeclared quantity of the cargo to the Authority
144	alters any document or conceals information	USD$1,000,000.00
145	engages in unauthorised loading, unloading and trans-shipment of natural gas and its derivatives, crude oil and its derivatives, condensate, petroleum products or any other forms of petroleum liquids in an unauthorised location shall forfeit the cargo and be liable to pay administrative penalty of 10% of the value of the cargo to the Authority	
	PETROLEUM PIPELINES	
146	A person who commits an offence under Sections 228 or 230 of the Act in relation to a matter under the petroleum pipelines provisions of these regulations	a) a penalty not exceeding than USD $2,500,000 or its Naira equivalent at the prevailing Central Bank of Nigeria exchange rate. b) The pipeline or any ancillary installation shall be removed and the person shall make good any damage done to any land by such removal.

		c) The Authority shall, where a party who is required to remove a pipeline or pipeline network or any ancillary installations under this paragraph fails to comply, have the power to carry out the removal on its own authority directly or through an agent appointed by it. The cost of such removal shall be paid from the proceeds realised from the sale or disposal of the removed pipes or equipment and the balance if any shall be forfeited by the Authority

A penalty stipulated in USD may be paid in the Naira equivalent at the prevailing Central Bank of Nigeria rate on the day the fine is paid.