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PETROLEUM INDUSTRY ACT, NO. 6, 2021

**MIDSTREAM AND DOWNSTREAM PETROLEUM OPERATIONS
REGULATIONS, 2025**



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S. I. No. 79 of 2025

PETROLEUM INDUSTRY ACT, NO. 6, 2021

**MIDSTREAM AND DOWNSTREAM PETROLEUM OPERATIONS
REGULATIONS, 2025**

[7th Day of July, 2025]

Commence-
ment

In the exercise of the powers conferred on it by section 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 —

PART I — MIDSTREAM AND DOWNSTREAM PETROLEUM OPERATIONS

1. The objectives of these Regulations are to —

Objectives

- (a) regulate the operations of companies and entities 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, storage, lifting, discharge, shipment and export of natural gas or its derivatives and petroleum liquids in Nigeria;
- (d) provide for the regulation and accurate measurement and allocation of natural gas or its derivatives and petroleum liquids;
- (e) determine the basis for calculating revenue accruing to government, licensees, contractors and other parties in midstream and downstream petroleum operations;
- (f) provide for the licensing, construction and operation of pipelines for natural gas, petroleum liquids and other process fluids within the Nigerian midstream and downstream petroleum industry;
- (g) regulate the establishment, construction and operations of hydrocarbon refining and processing facilities, terminals and bulk storage facilities in the Nigerian midstream and downstream petroleum industry;
- (h) establish a procedure for the assignment, transfer or surrender of a licence or permit by a licensee or permit holder;
- (i) set out the procedure for the separation of licensed activities in the Nigerian midstream and downstream petroleum industry;
- (j) outline industry-specific codes of conduct and corporate governance standards for companies in the Nigerian midstream and downstream petroleum industry;
- (k) provide for the registration of licences, permits and authorisations;
- (l) establish the midstream and downstream petroleum data repository in the Authority, and provide the procedure for the submission, collection and management of data in the Repository;

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(m) provide the procedure for the disposal of confiscated materials and equipment in the Nigerian midstream and downstream petroleum industry;

(n) provide a framework for the application, administration, and enforcement of penalties in midstream and downstream petroleum operations; and

(o) provide sanctions, penalties, and administrative fines for failure to comply with the provisions of these Regulations.

Application 2. These Regulations apply to persons, operations, and activities in the Nigerian midstream and downstream petroleum industry.

Application for a licence, permit or authorisation 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 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 subregulation (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 authorisations 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 extension of an existing licence or permit shall be in the manner prescribed by the Authority.

(10) The Authority shall prescribe, by regulations, appropriate application, processing and service fees or charges for the grant of a licence, permit or authorisation.

4. 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 continuous 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 the 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 five working days of such appointment or change;
- (e) ensure that the provisions of these Regulations 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 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;
- (m) develop good health protection and promotion programmes for its personnel and mandate its contractors to take similar actions;
- (n) ensure that 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 incidents 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.

Duties of a licensee or a permit holder

B 2114

Duties of a manager

5. The 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 five working days 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;

(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.

Duty to provide information

6. The Authority may direct a person undertaking midstream or downstream petroleum operations to provide information or data and the person shall comply with the directive in the prescribed manner within the timeframe stipulated in the directive.

Payment to the Authority Fund and the Midstream and Downstream Gas Infrastructure Fund

7.—(1) There shall be paid to the Authority Fund 0.5% of the wholesale price of petroleum products sold in Nigeria, which shall be collected from wholesale customers by a supplier at wholesale points for —

(a) imported petroleum products sold in Nigeria; and

(b) petroleum products produced, processed, refined, and sold in Nigeria.

(2) There shall be paid to the Midstream and Downstream Gas Infrastructure Fund 0.5% of the wholesale price of petroleum products and natural gas sold in Nigeria, which shall be collected from wholesale customers by a supplier at wholesale points for —

(a) imported petroleum products sold in Nigeria;

(b) natural gas sold in Nigeria; and

(c) petroleum products produced, processed, refined and sold in Nigeria.

(3) The levies in subregulations (1) and (2) of this regulation shall, in accordance with the Act, form part of the wholesale price of petroleum products and natural gas sold in Nigeria.

(4) The levy in subregulation (1) of this regulation shall be due immediately upon the sale of petroleum products and shall be remitted by the supplier to the Authority Fund not later than the 21st day following the month of the sale, or as may be directed by the Authority.

(5) The levy in subregulation (2) of this regulation shall be due within 21 days of the sale of petroleum products and natural gas sold in Nigeria and shall be remitted by the supplier to the Midstream and Downstream Gas Infrastructure Fund not later than the 21st day following the month of the sale, or as may be directed by the Authority.

(6) The levies in subregulations (1) and (2) of this regulation shall be included in purchase agreements, invoices, receipts and any other document between a supplier and wholesale customer evidencing the sale of petroleum products or natural gas.

(7) The supplier shall not later than the 30th day of each month, submit to the Authority a report which shall comprise —

- (a) the volumes, price and names of the wholesale customer; and
- (b) a copy of the purchase agreements, invoices, receipts and any other document between a supplier and wholesale customer evidencing the sale of petroleum products or natural gas.

(8) The Authority shall upon confirmation of payment of the levies, issue a receipt to the supplier who shall in turn provide the wholesale customer with a copy of the receipt.

(9) The Authority shall monitor wholesale points for the issuance of certificate of quantity and quality, and the reconciliation of petroleum products or natural gas sold.

(10) Where the supplier of petroleum products or natural gas fails to remit the levies to the Authority Fund or Midstream and Downstream Gas Infrastructure Fund as prescribed in these Regulations, the supplier 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 of it, after the date on which payment became due.

(11) The Authority may, in addition to the penalty specified in subregulation (10) of this regulation —

- (a) suspend the licence of the supplier of petroleum products or natural gas until the levies and penalty are paid; or
- (b) suspend the operations of the facility into which the petroleum product or natural gas was processed, discharged, or stored until the levies and penalty are paid.

B 2116

Licences,
permits and
authorisations
for
midstream
and
downstream
gas
operations

8.—(1) A person shall not undertake the following activities with respect to midstream and downstream gas operations without a valid licence, permit, or authorisation granted by the Authority —

(a) the establishment, —

(i) design, construction, or operation of a gas processing facility, including the modification and decommissioning of such facilities,

(ii) construction, or operation of a natural gas blending facility,

(iii) construction and operation of a gas transportation and distribution pipeline,

(iv) construction and operation of a gas distribution system,

(v) construction or operation of petrochemical or fertiliser plants,

(vi) construction, modification, operation, and decommissioning of a bulk gas storage facility,

(vii) construction, modification, operation, and decommissioning of a gas refilling or refuelling facility,

(viii) construction, modification, operation, and decommissioning of a CNG or LNG processing facility, and

(ix) construction, modification, operation, and decommissioning of gas import and export terminals;

(b) the offtake of natural gas or gas products and derivatives from a gas facility;

(c) blending operations in a bulk gas storage facility, including modification and decommissioning of such facilities;

(d) third-party blending operations in a gas processing plant;

(e) the operation of bunkering vessels and barges utilised in the storage or supply of natural gas and natural gas products;

(f) the operation of a gas transportation network;

(g) the virtual transportation of gas and gas derivatives which shall include the registration of the mode of transportation;

(h) LPG or CNG bulk cylinder exchange to micro-distribution centres or resellers;

(i) LPG or CNG retailing;

(j) the designation of gas import and export points;

(k) the selection, design, construction, installation, and operation of metering facilities;

(l) wholesale gas supply operations;

(m) retail gas supply operations;

(n) 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;

(o) 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;

- (p) domestic gas aggregation;
- (q) wholesale gas trading and settlement operations;
- (r) coastal vessel gas operations;
- (s) the introduction of hydrocarbons into midstream gas facilities;
- (t) technology adaptation for gas facilities;
- (u) importation and exportation of natural gas, natural gas liquids or gas derivatives;
- (v) open access and third-party access operations;
- (w) carbon capture, storage and utilisation; and
- (x) any other activity as may be prescribed in regulations made by the Authority.

(2) An application for a licence, permit or authorisation to conduct gas operations shall be in accordance with the Act and as prescribed by the Authority.

9.—(1) A person shall not undertake the following activities with respect to midstream and downstream petroleum liquids operations without a valid licence, permit, or authorisation granted by the Authority —

- (a) the establishment, —
 - (i) design, construction, or operation of hydrocarbon processing or refining facilities and installations including the modification and decommissioning of such facilities,
 - (ii) construction or operation of a hydrocarbon liquid blending plant, waste recycling facility, waste treatment facility and bitumen processing plant,
 - (iii) construction or operation of a depot for the storage of petroleum products,
 - (iv) construction or operation of a lubricant blending or refilling facility,
 - (v) construction or operation of petrochemical or fertiliser plants,
 - (vi) construction and operation of petroleum liquids transportation and distribution pipelines,
 - (vii) construction and operation of petroleum products distribution systems,
 - (viii) construction, modification, operation, and decommissioning of bulk petroleum liquids storage facilities,
 - (ix) construction, modification, operation, and decommissioning of petroleum products jetties, and
 - (x) construction and operation of petroleum liquids retailing infrastructure.
- (b) the distribution, marketing or retail trading of petroleum products;
- (c) blending operations in a bulk petroleum liquids storage facility including the modification and decommissioning of such facility;

Licences,
permits and
authorisations
for
midstream
and
downstream
petroleum
liquids
operations

B 2118

- (d) third-party blending operations;
- (e) the production, distribution, storage and utilisation of biofuels and other clean fuels;
- (f) the operation of petroleum liquids transportation networks;
- (g) the virtual transportation of petroleum liquids which shall include the registration of the mode of transportation;
- (h) the bulk storage, sale and distribution of petroleum products;
- (i) petroleum liquids backloading operations;
- (j) wholesale petroleum liquids supply operations;
- (k) the construction or installation of small-scale industrial petroleum products storage and utilisation facilities;
- (l) 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;
- (m) the establishment, construction, installation, and operation of AGO or DPK storage and sales facilities;
- (n) peddling, storage and sales of AGO and DPK by trucks;
- (o) 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;
- (p) introduction of hydrocarbons into midstream petroleum facilities;
- (q) wholesale petroleum liquids trading and settlement operations;
- (r) importation and exportation of petroleum liquids;
- (s) the designation of petroleum liquids import and export points;
- (t) technology adaptation for petroleum liquids facilities;
- (u) open access and third-party access operations;
- (v) coastal vessel petroleum liquids operations; and
- (w) any other activity 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 as prescribed by the Authority.

Midstream and downstream oil and gas industry service permit

10.—(1) A company shall not render or be engaged to render any service in 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 accompanied with evidence of payment of requisite fees, and in compliance with any other requirement prescribed by the Authority.

(3) The Authority may on receipt of an application under subregulation (2) of this regulation, 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 ensure that the service provider complies with the requirements stipulated by the Authority.

11. The grant, reissue or renewal of a licence, permit, authorisation or approval in the Nigerian midstream and downstream petroleum activities and operations shall be subject to the payment of prescribed fees in regulations made by the Authority.

Fees

12.—(1) Natural gas or its derivatives shall not be sold or delivered to wholesale customers and gas distributors in Nigeria without a valid wholesale gas supply licence granted by the Authority.

Wholesale supply licences

(2) The wholesale supply or export of petroleum liquids shall not be undertaken without a valid wholesale petroleum liquids supply licence granted by the Authority.

(3) Wholesale petroleum liquids supply shall be conducted at licensed wholesale points.

(4) A producer of petroleum liquids shall not export or deliver petroleum liquids to bulk customers in Nigeria without a valid wholesale petroleum liquids supply licence.

(5) A holder of crude oil refining or bulk petroleum liquids storage licence shall not export petroleum products from a refinery or bulk petroleum liquids storage without a valid wholesale petroleum liquids supply licence.

(6) 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.

(7) A petroleum product distribution licence shall qualify the holder to purchase petroleum products only from a wholesale supplier.

13.—(1) An application by a licensee or permit holder for product certification may be granted by the Authority upon payment of the prescribed fees and compliance with the procedures specified by the Authority.

Product certification, reconciliation and accounting

(2) 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.

B 2120

PART II — PETROLEUM TRANSPORTATION AND SHIPMENT

Entry into prescribed port

14.—(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 and the details of the port to be used for import or export.

Compliance with statutory requirements for berthing

15. 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.

Declaration of quantity and quality of petroleum liquids or natural gas or its derivatives carried by vessels entering harbour

16.—(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 subregulation (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 by vessel leaving harbour

17. A person exporting petroleum liquids or natural gas or its derivatives from a port shall, in addition to complying with all statutory requirements, deliver to the Authority, before and after loading any vessel, 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.

Testing of samples of petroleum liquids or natural gas or its derivatives

18. Petroleum liquids or natural gas or its derivatives imported into Nigeria or to be exported shall not be discharged or loaded without —

(a) sampling;

(b) testing from a laboratory accredited; and

(c) the issuance of a certificate of quality,

by the Authority.

B 2121

19. 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

20.—(1) A person who intends to carry out the discharge or lifting 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 Shipment Schedule in the form prescribed by the Authority.

Advance
Shipment
Schedule

(2) The Advance Shipment Schedule shall be endorsed by a designated representative of the person carrying out the discharge or lifting and shall contain the —

- (a) type, source, and producer of the petroleum liquids or natural gas or its derivatives, to be discharged or lifted;
- (b) statement on volume;
- (c) valid import licence or export permit;
- (d) details of the importer, exporter or offtaker;
- (e) destination;
- (f) evidence of measurement, method of measurement and laycan of discharge or lifting of the petroleum liquids or natural gas or its derivatives to be discharged or lifted;
- (g) estimated time of arrival of the vessel;
- (h) valid wholesale supply licence;
- (i) details of the buyer; and
- (j) details of the agent of the vessel or cargo owner.

(3) The Authority may, upon review of Advance Shipment Schedule, notify the person who submitted the Advance Shipment Schedule, of any default in the information submitted and give the person 24 hours within which to rectify and re-submit the Advance Shipment Schedule.

Shipment
identification
management

21.—(1) Petroleum liquids or natural gas or its derivatives shall not be discharged or lifted from Nigeria without a shipment identification number issued by the Authority.

(2) The Authority shall, prior to shipment, inspect and verify the content of any cargo against declaration in the Advance Shipment Schedule and upon satisfactory verification, the Authority shall issue a shipment identification number for the cargo within 48 hours of receipt of all requested information.

(3) Where the Authority, on inspection of a cargo, discovers that information provided in the Advance Shipment Schedule is false, the person responsible for the false declaration shall be liable under these Regulations.

(4) A shipment identification number shall be specific to and valid for the cargo it relates and no other.

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Verification and certification by the Authority, etc.	<p>22.—(1) The Authority shall verify declarations relating to a vessel in which petroleum liquids or natural gas or its derivatives for shipment is to be carried.</p> <p>(2) The Authority shall certify the measurements systems and volumes of petroleum liquids or natural gas or its derivatives discharged or loaded into a vessel designated and approved for that purpose, at the port of loading or discharge.</p>
Restriction on vessel from carrying part cargo or dead freight	<p>23. A vessel carrying petroleum liquids or natural gas or its derivatives, shall not carry part cargo or dead freight, except —</p> <ul style="list-style-type: none">(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.
Restriction on vessel not to depart without full documentation	<p>24. 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 —</p> <ul style="list-style-type: none">(a) complete documentation in the prescribed manner by the appropriate authorities; and(b) specific authorisation by the Authority and any other agency having authority in that regard.
Prohibition of topping and loading into ballast tank	<p>25.—(1) 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.</p> <p>(2) 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 vessel other than those designated, dedicated and designed for its storage and transportation.</p>
Prohibition of loading, discharge, importation, or transshipment in an unauthorised location	<p>26. The loading, discharge 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.</p>
Duty to obtain a coastal vessel licence	<p>27. A vessel utilised for fast support intervention, platform supply or support, offshore supply, anchor handling (tug supply or towing supply), dive support, jackup barge, multipurpose support, or field installation in midstream and downstream petroleum operations shall obtain a coastal vessel licence from the Authority.</p>

28.—(1) The shore figures shall be regarded as the official fiscalised figures for any discharge or lifting of petroleum liquids or natural gas or its derivatives, except where the measurement system is on the vessel and certified by the Authority.

Ship and shore differences

(2) Where the figure recorded on board a vessel (ship figure) exceeds that recorded on shore, 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 by the Authority.

(3) Where the difference between the ship and shore figures recorded exceeds the allowable limits as prescribed by the Authority, the vessel shall not be cleared to sail until a written undertaking is given by the vessel captain or the facility operator for the Authority's verification of 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 stipulated in these Regulations and in addition may not be permitted to discharge or 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 differences between ship and shore figures exceeding the tolerance limit for three consecutive discharges or liftings shall not be permitted to discharge or lift cargo from any facility in Nigeria until satisfactory evidence is provided to the Authority showing that the vessel's measurement device is recalibrated afterwards.

PART III — PETROLEUM MEASUREMENT

29.—(1) A licensee or permit holder subject to the petroleum measurement provisions of these Regulations shall ensure that measurement systems are installed and operated at appropriate measurement points in midstream and downstream petroleum operations.

Requirement of measurement systems

(2) Where a licensee or permit holder fails to install or operate an appropriate measurement system within 30 days after commissioning of a facility, the Authority may direct a third-party to install or operate a measurement system for the facility, 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 directed by the Authority.

(3) The appointment of a third-party by the Authority to install or operate a measurement system shall be through competitive bidding.

(4) A licensee or permit holder under subregulation (2) of this regulation shall be notified by the Authority prior to the appointment of the third-party, who shall install or operate the measurement system.

30. A licensee or permit holder subject to the petroleum measurement provisions of these Regulations shall —

Quality of metering activities

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(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 the directives of the Authority; and

(c) maintain measurement systems, reports, records and data as prescribed by the Authority for audit.

31.—(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 the 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 claims; 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 in the prescribed manner and within the timeframe stipulated.

32. The Authority shall approve standards and recommended practices in the design, construction, modification, upgrade, operation and maintenance of a measurement system.

33.—(1) The classes of dynamic measurement based on their purpose of deployment are—

(a) Class A measurement which is the metering station used for the delivery of fiscal metering of petroleum liquids and natural gas to customers and where sales contracts are applicable;

(b) Class B measurement which is the metering station for the delivery of petroleum liquids and natural gas in commonly used pipeline systems and where allocation procedures or joint operating contracts apply;

(c) Class C measurement which is the metering station for the delivery of fuel gas within the operator's operating facility or to a third-party facility;

(d) Class D measurement which is the metering station for midstream flare gas measurement; and

(e) Class E measurement which is 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 subregulation (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.

34.—(1) The frequency of calibration of measurement systems shall be as prescribed by the Authority.

Calibration and traceability

(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 —

- (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 for custody transfer and allocation purposes is carried out by an accredited measurement laboratory and witnessed by the Authority.

35.—(1) The reference conditions for temperature and pressure to determine standard volume is 60 oF and 14.696 psia (101.325 kPa) for crude oil and condensate.

Reference conditions

(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 15oC and 101.325 kPa may be used for petroleum products and liquefied natural gas.

36. 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

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Measurement methods	<p>37.—(1) The primary measurement method for determining the quantities of petroleum liquids or natural gas or its derivatives shall be by dynamic measurement method.</p> <p>(2) Notwithstanding subregulation (1) of this regulation, where dynamic measurement method is not applicable, static measurement method shall apply subject to conditions prescribed by the Authority.</p>
Metering system design	<p>38.—(1) A metering system for measuring petroleum liquids or natural gas or its derivatives shall not be designed without the approval of the Authority.</p> <p>(2) A meter bank shall be designed to N+1 philosophy and make provisions for the proving system.</p> <p>(3) An application for approval under subregulation (1) of this regulation shall be accompanied with —</p> <ul style="list-style-type: none">(a) the type of meter selected and selection criteria;(b) design philosophy;(c) fluid properties;(d) type of proving method;(e) location; and(f) project cost estimate. <p>(4) The design and location of a metering system shall be easily accessible for condition monitoring, maintenance, replacement, recertification and repair works.</p>
Testing, calibration and inspection of measurement system	<p>39.—(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.</p> <p>(2) The Authority shall witness the activities stated in subregulation (1) of this regulation.</p> <p>(3) The result of a test in subregulation (1) of this regulation at a fabrication shop or site, shall be validated to ensure the system meets the requirements prescribed by the Authority.</p> <p>(4) Measurement systems used for petroleum liquids or natural gas or its derivatives shall not be approved for shipment into Nigeria, unless the following minimum conditions are met —</p> <ul style="list-style-type: none">(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) A storage vessel with installed measurement systems used for petroleum liquids or natural gas or its derivatives installed in a vessel shall not be approved for sailing into Nigeria, unless the following minimum conditions are met —

- (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 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 prescribed 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.

40. A person, in the midstream or downstream petroleum industry, shall —

- (a) not operate a measurement system without licence, permit or authorisation granted or issued 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 the 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
- (j) conduct uncertainty analysis for the metering system in the manner prescribed by the Authority.

Operation
and
maintenance
of
measurement
system

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Operations management and supervision of metering systems

41. 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.

Measurement loss and shrinkage

42.—(1) The Authority shall approve petroleum allocation methodologies prior to implementation.

(2) A licensee or permit holder shall report any 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.

PART IV — PETROLEUM PIPELINES

Prohibitions

43.—(1) A licensee or permit holder shall not establish, construct or operate a pipeline or network for the transportation and distribution of petroleum liquids or natural gas or its derivatives without an appropriate licence granted by the Authority.

(2) A person shall not for its own account, with third-party access provisions or as a common carrier, establish, construct or operate the following facilities without an appropriate licence granted by the Authority —

- (a) gas transportation or distribution pipeline for conveying natural gas or its derivatives;
- (b) petroleum liquids transportation or distribution pipeline for conveying petroleum liquids or its derivatives;
- (c) gas distribution network for distribution of natural gas or its derivatives to customers or end-users;
- (d) petroleum liquids transportation network for conveying petroleum liquids or its derivatives; and
- (e) gas transportation network for conveying natural gas or its derivatives.

(3) A pipeline for effluent discharge, produced water or process water or any other pipeline used to support midstream or downstream petroleum operations shall be registered with the Authority.

(4) The design, construction, testing, environmental standards and operation of a pipeline shall be as prescribed by the Authority.

Licence to
establish a
pipeline

44.—(1) A licence to establish a pipeline shall —

- (a) grant the holder the right to establish and survey the pipeline route; and
- (b) be valid for a term of two years and may be revalidated for a further term of not more than six months.

(2) An application made to the Authority for the grant of a licence to establish a pipeline shall include —

- (a) evidence of payment of the prescribed fees;
- (b) a survey programme;
- (c) topography map showing the approximate route of the pipeline and may include any other two proposed alternative routes being considered;
- (d) conceptual plan prepared in a format prescribed by the Authority, which shall include —
 - (i) the service to be rendered by the pipeline,
 - (ii) the preliminary specifications of the pipeline, and
 - (iii) economic viability case and financial plan for the development of the pipeline; and
- (e) any other requirement as may be prescribed by the Authority.

(3) Where the licence to establish is in respect of an offshore pipeline, the applicant shall, prior to the conduct of the survey, and in addition to the requirements in subregulation (2) of this regulation, submit to the Authority —

- (a) the name and type of vessel to be used in the survey;
- (b) the fishery expert to be used by the applicant during the survey for consideration of fishery activity in the area; and
- (c) a bio-diversity survey report in the case of a swamp location.

(4) 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.

(5) 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.

(6) Where the Authority fails to communicate its decision within 90 days, the application shall be deemed to be approved.

(7) The holder of a licence to establish a pipeline shall, on a monthly basis, submit to the Authority, activity reports and information obtained during the survey.

(8) Upon completion of the survey, the licensee shall submit to the Authority a completion report containing the results of the survey and the pipeline coordinates in approved CRS.

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Revalidation
of a licence
to establish a
pipeline

45.—(1) The Authority may upon application made not later than one month to the expiration of a licence to establish a pipeline and the payment of prescribed fees, revalidate the licence, provided that a re-inspection of the right of way does not indicate a significant change to the conditions under which the licence was earlier granted.

(2) Where a re-inspection of the right of way indicates a significant change to the conditions under which the licence to establish a pipeline was granted, all processes applicable to the grant of the licence shall apply to the application for revalidation.

Application
for a
petroleum
pipeline
licence

46.—(1) A petroleum pipeline licence shall —

(a) grant the holder the right to construct, operate and maintain a pipeline on the pipeline right of way; and

(b) be valid for a term of 20 years and may be renewed for further terms, provided that the duration of a petroleum pipeline licence renewal shall be determined by the integrity of the pipeline, based on the report of the integrity inspection of the pipeline and other industry standards.

(2) An application for a petroleum pipeline licence shall be made during the validity of the licence to establish a pipeline, in a form and upon terms and conditions prescribed by the Authority, and shall be accompanied by —

(a) a pipeline development plan;

(b) a copy of the licence to establish the pipeline;

(c) a survey description of the final route selected for the pipeline, indicating the length and width of the right of way, the pipeline coordinates in approved CRS with the coordinates of the various points of intersection;

(d) a topography map showing the pipeline in red; and

(e) evidence of the payment of the prescribed fee.

(3) The pipeline development plan shall be prepared in the format prescribed by the Authority and shall include —

(a) detailed report of the pipeline route survey showing the coordinates of the turning points;

(b) the services to be rendered by the pipeline;

(c) the preliminary specifications of the pipeline;

(d) the characteristic of the substances to be conveyed through the pipeline;

(e) the detailed financial plan and economic case for the development of the pipeline;

(f) local content proposal for the project;

(g) community development plan;

(h) level two schedule for pipeline design, development, construction and start-up of operations;

(i) a Front-End Engineering Design “FEED” or Detailed Engineering Design “DED” dossier of the pipeline;

- (j) an environmental management plan for a pipeline in excess of 20 kilometres in length;
- (k) a decommissioning and abandonment plan;
- (l) a statement as to whether the pipeline is intended for own use of the licensee or as a common carrier;
- (m) the timing and plan for the request for approval of pipeline tariffs; and
- (n) an explanatory note indicating the applicability to the pipeline of the —
 - (i) Gas Transportation Network Code, where the proposed pipeline is a natural gas transportation pipeline, or
 - (ii) Petroleum Liquids Transportation Network Code, where the proposed pipeline is a petroleum liquids transportation pipeline.

(4) The applicant shall publish a notice of its application on its website, one national and one local newspaper and in the Federal Government official gazette in such manner as the Authority may prescribe and the notice shall include —

- (a) a date not less than six weeks from the date of publication of the notice for the public hearing of objections if any, to the grant of the petroleum pipeline licence;
- (b) the person designated to receive any such objections; and
- (c) the place at which such objections shall be heard.

(5) The Authority shall, upon the—

- (a) successful review of all submissions;
- (b) receipt of no objection from relevant third-parties on the right of way during the public hearing; and
- (c) payment of prescribed petroleum pipeline licence fees,

grant a petroleum pipeline licence to the applicant.

(6) The Authority may grant a petroleum pipeline licence upon inspection of the right of way and the payment of prescribed fees where the pipeline —

- (a) does not have any third-party interference;
- (b) is for the evacuation of petroleum liquids from jetty into a storage facility; or
- (c) is for gas distribution to end-users at low-pressure whose route does not have any third-party interference and is of relatively short length.

(7) The holder of a petroleum pipeline licence shall, during the laying of the pipeline —

- (a) comply with all health, safety and environmental regulations made by the Authority;
- (b) submit to the Authority all Inspection and Test Plans “ITPs” of all line pipes and major pipeline ancillaries;

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(c) comply with other general design requirements as may be prescribed by the Authority during the execution of the project;

(d) provide to the Authority regular activity reports and information obtained during the execution phase of the project; and

(e) ensure that the Authority participates in the execution of the project.

(8) A person shall not be granted a petroleum pipeline licence for the distribution of natural gas or petroleum products unless the applicant has been granted a Gas Distribution Licence or Petroleum Products Distribution Licence in line with the provisions of the Act and regulations made pursuant to the Act.

(9) An application for the renewal of the petroleum 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 comply with the procedure prescribed in subregulations (2), (3), (4) and (5) of this regulation, provided that the licensee shall —

(a) undertake a re-survey of the pipeline route; and

(b) not be required to submit the licence to establish.

(10) The modification of a pipeline, pipeline route or pipeline characteristics shall only be undertaken with the prior authorisation of the Authority.

Third-party
consent

47.—(1) Where the Authority requires the consent of a third-party to make a decision on an application for a licence to establish a petroleum pipeline or petroleum pipeline licence, the Authority shall, by notice to the third-party and the applicant, require the third-party to convey its consent or otherwise, in writing within 30 days from the date of notice.

(2) Where the third-party fails to convey its consent or otherwise, in writing within 30 days, the Authority shall issue a final reminder giving an additional 14 days for the third-party to respond to the request for consent.

(3) Where the third-party fails to convey its consent or otherwise after the final reminder period has elapsed, the consent shall be deemed granted.

(4) Notwithstanding the provisions of subregulation (2) of this regulation, an applicant shall, within 30 days of receipt of the Authority's notification in subregulation (1) of this regulation, notify the Authority of the status of right of way inspection and other activities with the third-party or status of the proposed public hearing.

(5) The deemed consent under subregulation (3) of this regulation shall not apply where the applicant fails to notify the Authority of the status of the right of way inspection and public hearing as provided in subregulation (4) of this regulation.

Permit to
operate a
petroleum
pipeline

48.—(1) The holder of a petroleum pipeline licence shall not operate the pipeline without a permit to operate.

(2) A permit to operate a pipeline shall be renewed annually for the duration of the petroleum pipeline licence upon the —

- (a) submission of an application in the manner prescribed by the Authority; and
- (b) payment of prescribed fees.

PART V — HYDROCARBON REFINING AND PROCESSING FACILITIES

49. The design and construction of a hydrocarbon refining or processing facility shall be in accordance with the standards and recommended practices approved by the Authority.	Standards for design, construction and inspection of hydrocarbon refining and processing facilities
50. The engineering design of a hydrocarbon refining or processing facility shall be subjected to technical and safety studies or reviews and the Authority, licensee and an independent assessor appointed by the licensee shall jointly participate in the study or review.	Engineering and technical studies or review
51. The optimisation or modification of the design of a hydrocarbon refining or processing shall not be undertaken without the prior authorisation of the Authority.	Design optimisation or modification
52. —(1) The Authority may, prior to the commencement of fabrication of major equipment and critical systems of a hydrocarbon refining or processing facility, conduct an inspection of the fabrication yard.	Fabrication and inspection
(2) Notwithstanding subregulation (1) of this regulation, the Authority shall participate in the conduct of dimensional checks and functionality assessment of major equipment and critical systems of a hydrocarbon refining or processing facility.	
53. —(1) The sparing philosophy of major equipment and critical systems of a hydrocarbon refining or processing facility shall be approved by the Authority.	Sparing philosophy
(2) The sparing philosophy shall provide for redundancies, ease of maintenance and continuous operation.	
54. Prior to pre-commissioning and commissioning of hydrocarbon refining or processing facilities, the Authority shall verify the extent of mechanical completion and subject the facilities to pre-start-up safety audit and pre-commissioning checks.	Pre-commissioning and readiness for start-up
55. An application to introduce hydrocarbon or commission a hydrocarbon refining or processing facility shall be accompanied by —	Requirements for commissioning
(a) payment of the prescribed fees and service charge;	

	<p>(b) appointment of a qualified manager;</p> <p>(c) complete equipment reports on major equipment and critical systems;</p> <p>(d) evidence of availability of adequate commissioning and operating spare parts, catalysts, chemicals, additives and other operating consumables;</p> <p>(e) as-built technical documentation and schematics for the entire hydrocarbon refining or processing facility; and</p> <p>(f) approved operating manuals, maintenance manuals and equipment mechanical catalogues.</p>
Facility commissioning	<p>56. The Authority shall conduct commissioning inspection of the entire hydrocarbon refining or processing facility, prior to commencement of operation.</p>
Application for licence to operate a crude oil refinery, etc.	<p>57.—(1) A crude oil refinery, natural gas conditioning or refining plant or petrochemical plant shall not be operated without a valid licence to operate granted by the Authority.</p> <p>(2) The Authority shall upon evaluation of submissions, ascertainment of plant reliability, operating envelope and payment of the stipulated fees and charges —</p> <p>(a) make recommendations to the Minister for the grant of a licence to operate a crude oil refinery; and</p> <p>(b) grant a licence to operate a natural gas conditioning plant, processing facility or petrochemical plant.</p>
Modification of existing facilities	<p>58.—(1) A licensee shall not modify the installations of a licensed hydrocarbon refining, gas conditioning plant or gas processing facility except with the prior written approval of the Authority and upon payment of the prescribed fee.</p> <p>(2) A modification in subregulation (1) of this regulation shall include change in capacity, product slate or any other major alteration to the facility configuration to improve plant efficiency, safety and environmental sustainability.</p>
Maintenance management	<p>59. A hydrocarbon refining or processing facility shall have a maintenance management system to be made accessible to the Authority on demand.</p>
Sustainable water management	<p>60.—(1) A licensee shall ensure sustainable management of water resources for hydrocarbon refining or processing facility operations by minimising the use of water supply from boreholes, streams or other sources.</p> <p>(2) A water abstraction study shall be conducted for any abstraction of water for hydrocarbon refining or processing facility operations, in a manner prescribed by the Authority.</p>
Crude oil requirements for refineries	<p>61. The Authority shall determine crude oil requirement for refineries in Nigeria and in determining the crude oil requirement, the Authority shall consider —</p> <p>(a) the installed capacity of each refinery;</p> <p>(b) capacity utilisation of each refinery in the past one year;</p>

- (c) estimated loss factors associated with feedstock shrinkage during delivery;
- (d) available infrastructure for crude oil delivery to each refinery; and
- (e) characteristics of crude oil required by each refinery.

62. The decommissioning or abandonment of a hydrocarbon refining or processing facility shall be in accordance with relevant regulations, guidelines, directives or notices issued by the Authority.

Decommissioning and abandonment of hydrocarbon refining or processing facilities

PART VI — MIDSTREAM GAS FLARE

63. The Authority may take gas at the flare in midstream petroleum operations, free of cost or at a cost to be determined by the Authority.

Right of Authority to take gas at the flare

64.—(1) A licensee of a midstream facility shall not —

- (a) vent or flare natural gas except in accordance with a permit granted by the Authority; and
- (b) flare gas beyond the limit set by the Authority.

Prohibition of venting and excessive flaring of gas in midstream facilities

(2) Notwithstanding subregulation (1) of this regulation, the Authority may authorise the venting or flaring of gas from a midstream facility without penalty, during a declared emergency.

65. The Authority may authorise gas flaring in midstream petroleum operations in the following categories —

Midstream gas flaring categories

(a) safety flaring, including —

- (i) initial start-up flaring during commissioning and start-up phases of a plant or process unit;
- (ii) pilot gas, and
- (iii) relief devices;

(b) continuous flaring when the plant or process unit is in operation; and

(c) non-continuous operational flaring on a planned or unplanned basis for scheduled maintenance, equipment shutdowns, and mechanical equipment failures.

66.—(1) The Authority may, upon application, grant a permit to a licensee to flare gas —

Permit to flare gas

- (a) where flaring gas is required for facility start-up; or
- (b) for strategic operational reasons, including testing.

(2) An application under subregulation (1) of this regulation shall be subject to the —

- (a) submission of valid justification for flaring; and
- (b) payment of prescribed fees.

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Permit to access flare gas

(3) A holder of a permit to flare gas shall, prior to the issuance of a licence to operate a midstream facility, consult with the Authority to determine the maximum number of major flaring events and quantity of gas to be flared.

(4) The quantity of gas to be flared and the number of major flaring events shall include planned maintenance, facility start-up, testing and other strategic operational reasons.

(5) The volumes of gas flared pursuant to a permit to flare gas shall not form part of the flaring limit set by the Authority for the facility.

67.—(1) The Authority may, upon application by a —

(a) licensee or permit holder to repurpose flare gas from midstream petroleum operations, grant a permit to access flare gas subject to terms and conditions as the Authority may determine; and

(b) third-party to repurpose flare gas from midstream petroleum operations, grant a permit to access such flare gas subject to terms and conditions and the payment of prescribed fees.

(2) A permit to access flare gas shall be valid for one calendar year and may be renewed for a further period of one year each, as the Authority may determine.

Revocation of permit to access flare gas

68.—(1) The Authority may revoke a permit to access flare gas where the permit holder —

(a) fails to comply with the terms and conditions of the permit;

(b) intentionally provides inaccurate information in connection with the issuance of the permit;

(c) is dissolved or enters into bankruptcy proceedings; or

(d) seeks to employ technology which in the opinion of the Authority may be unsustainable.

(2) The revocation of a permit to access flare gas shall not release the permit holder from any health, safety or environmental obligations arising from the grant of the permit, unless the release is approved by the Authority in writing.

Assignment of a permit to access flare gas

69. The holder of a permit to access flare gas may assign or transfer its interest or rights under the permit provided that the transferee —

(a) satisfies the minimum technical and financial requirements necessary to become a permit holder and assumes all obligations of the permit holder; and

(b) complies with the assignment or transfer of licence or permit provisions of these Regulations and other relevant regulations or directives issued by the Authority.

Gas flaring logs

70.—(1) A licensee or permit holder shall maintain a daily log of each occurrence of the flaring of gas within its facility, which shall be submitted to the Authority not later than 21 days following the end of each month.

(2) A licensee or permit holder shall install metering equipment in its facilities which shall provide the data for flare gas logs, and the data shall include the date, time, duration and quantities of the venting or flaring of gas within the facilities.

(3) Gas flaring logs shall comply with the form and manner stipulated in metering and data collection standards issued by the Authority.

(4) A licensee or permit holder shall maintain the gas flaring logs for a period of not less than 36 months.

71. Metering equipment used for measuring the gas flare shall be manufactured, operated, calibrated, inspected and have accuracy in conformity to metering and data collection standards issued by the Authority.

Metering and safety standards

72.—(1) A licensee shall, not later than the 31st of March, submit an annual report to the Authority in respect of gas flared in the preceding year.

Gas flaring report

(2) The annual report shall include —

- (a) gas flaring data with respect to each facility;
- (b) information regarding the quantity of flare gas utilised or repurposed at each facility; and
- (c) the quantity of gas flared by the licensee.

73. From the commencement of these Regulations, where the provisions of any other regulations with respect to midstream gas flare is inconsistent with the provisions of these Regulations, the provisions of these Regulations shall prevail and the provisions of that other regulations shall, to the extent of the inconsistency, be void.

Conflicts with other regulations

74.—(1) A person who vents gas without a permit issued by the Authority is liable to a penalty of USD1,000,000 or its naira equivalent.

Penalty for venting or flaring of gas

(2) A person who flares gas without a permit from the Authority is liable to pay a penalty of —

(a) USD0.50 per 28.317 standard cubic metres (one thousand standard cubic feet) of flare gas flared beyond the limit set by the Authority by not more than one million standard cubic feet (1MMSCF);

(b) USD1.00 per 28.317 standard cubic metres (one thousand standard cubic feet) of gas flared beyond the limit set by the Authority by more than one million standard cubic feet but less than ten million standard cubic feet (between 1-10MMSCF); or

(c) USD1.50 per 28.317 standard cubic metres (one thousand standard cubic feet) of gas flared beyond the limit set by the Authority from ten million standard cubic feet and above (10MMSCFD>).

(3) A midstream gas flare penalty shall be for the account of the Midstream and Downstream Gas Infrastructure Fund and shall be utilised for midstream

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and downstream gas infrastructure investment within the host community of the designated facility where the flare occurs.

PART VII — TERMINALS AND BULK STORAGE

Authority to
licence
terminals
and bulk
storage
facilities

75. A person shall not establish, construct, or operate a —
(a) terminal; or
(b) gas or petroleum liquids bulk storage facility,

in Nigeria without an appropriate and valid licence granted by the Authority.

Terminal
establishment
notice

76.—(1) A terminal 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;
- (b) the operational coordinates;
- (c) the type of facility;
- (d) the mooring and export systems;
- (e) the delineated safety zone; and
- (f) any other requirement the Authority may deem relevant.

(2) The Authority shall publish the terminal establishment notice in the Federal Government official Gazette following the grant of a licence to operate the terminal.

Application
for licence
to establish
a terminal

77.—(1) An application to establish a terminal shall be made in the manner prescribed by the Authority.

- (2) The Authority may grant a licence to establish a terminal upon —
 - (a) consideration of the —
 - (i) technical viability of the proposed terminal,
 - (ii) economic case for the facility including the potential demand for its use, and
 - (iii) provisions for environmental and social sustainability; and
 - (b) payment of the prescribed fees.

(3) A licence to establish a terminal shall —

- (a) specify the provisional deemed coordinates of the terminal; and
- (b) be valid for 24 months and may be revalidated on terms and conditions prescribed by the Authority.

Application
for licence to
construct a
terminal

78.—(1) An application to construct a terminal shall be made in the manner prescribed by the Authority.

(2) The Authority may grant a licence to construct a terminal upon satisfactory evaluation of submissions and payment of the prescribed fees.

(3) The design, construction and operation of a terminal shall be in accordance with the standards and recommended practices approved by the Authority.

(4) The design of a terminal shall be subjected to technical and safety reviews with the participation of the Authority and 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.

(6) The Authority shall undertake the pre-lease inspection of a facility or vessel to be used as a terminal to ensure its suitability and conformity with approved standards.

79.—(1) An application to operate a terminal shall be made in the manner prescribed by the Authority.

(2) Prior to the grant of a licence to operate, a terminal 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.

(3) The Authority shall, upon satisfactory evaluation of submissions and payment of the prescribed fees —

(a) publish a terminal establishment notice in the Federal Government official Gazette which shall state the final deemed coordinates of the facility; and

- (b) grant a licence to operate the terminal.

(4) Petroleum liquids or natural gas or its derivatives shall not be exported from a terminal without a —

- (a) wholesale supply licence; and
- (b) valid certificate of quantity and quality issued by the Authority.

(5) The holder of a licence to operate a terminal 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) operate and maintain its facilities in a safe, economical, reliable and environmentally sustainable manner, taking into consideration any strategic plan formulated by the Authority;

(c) shut down its facilities in —

- (i) emergencies,

Application
for licence to
operate a
terminal

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- (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 the right to use or have access to uncommitted capacity within its facilities to third parties, for the purpose of ensuring competitive 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 licensed 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;
- (h) abstain from activities, which in the opinion of the Authority may prevent, restrict or distort competition;
- (i) conduct its licensed 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 applicable law; and
- (k) mark, maintain and secure the boundaries of its facilities and associated infrastructure constructed under the terms of its licence and any applicable law.

(6) The volumes of petroleum liquids or natural gas or its derivatives to be exported from a terminal shall be within the approved quantity in the wholesale supply licence of the supplier, lessee or producer.

(7) The holder of a licence to operate a terminal shall not operate the terminal without —

- (a) a certified measurement system; and
- (b) an accredited laboratory.

(8) The Authority shall approve all measurement systems and laboratories prior to use, for determination of quantity and quality at terminals.

80.—(1) An application to establish a gas or petroleum liquids bulk storage facility shall be made in the manner prescribed by the Authority.

(2) The Authority may grant a licence to establish a bulk storage facility upon —

- (a) consideration of the —
 - (i) technical viability of the proposed bulk storage facility,
 - (ii) economic case for the facility including the potential demand for its use, and
 - (iii) provisions for environmental and social sustainability; and
- (b) payment of the prescribed fees.

(3) A licence to establish a bulk storage facility shall be valid for 24 months and may be revalidated on terms and conditions prescribed by the Authority.

Application
for licence to
establish a
bulk storage
facility

81.—(1) An application to construct a bulk storage facility shall be made in the manner prescribed by the Authority.

(2) The Authority may grant a licence to construct a bulk storage facility upon satisfactory evaluation of submissions and payment of the prescribed fees.

(3) The design, construction and operation of a bulk storage facility shall be in accordance with the standards and recommended practices approved by the Authority.

(4) The design of a bulk storage facility shall be subjected to technical and safety reviews with the participation of the Authority and third-party moderators for specific safety studies as required.

(5) Major and critical systems or units shall be subjected to integrity inspections, functional tests and integrity tests with the participation of the Authority.

(6) The Authority shall undertake the pre-lease inspection of a facility or vessel to be used as a bulk storage facility to ensure its suitability and conformity with approved standards.

82.—(1) An application to operate a bulk storage facility shall be made in the manner prescribed by the Authority.

(2) The Authority shall, upon satisfactory evaluation of the application made under subregulation (1) of this regulation and payment of the prescribed fees, grant a licence to operate the bulk storage facility.

(3) Prior to the grant of licence to operate, a 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) throughput and facility reliability.

(4) 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.

(5) Petroleum liquids or natural gas or its derivatives shall not be imported or exported from a bulk storage facility without a —

- (a) wholesale supply licence;
- (b) valid certificate of quantity and quality; and
- (c) import or export permit,

issued by the Authority.

(6) The holder of a licence to operate a bulk storage facility shall —

- (a) comply with sections 188 and 189 of the Act and regulations made by the Authority;

Application for licence to construct a bulk storage facility

Application for licence to operate a bulk storage facility

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(b) not load or unload petroleum liquids in the bulk storage facility without the approval of the Authority;

(c) not use the facility for the export and import of petroleum products without the approval of the Authority; and

(d) only source petroleum products to be exported from Nigeria from a refinery or petrochemical plant located within Nigeria's geographical boundaries.

(7) The volumes of petroleum liquids or natural gas or its derivatives to be exported from a bulk storage facility shall be within the approved quantity in the wholesale supply licence of the supplier, lessee or producer.

(8) The holder of a licence to operate a bulk storage facility shall not operate the facility without —

(a) a certified measurement system; and

(b) an accredited laboratory.

(9) The Authority shall approve measurement systems and laboratories prior to use for determination of quantity and quality at bulk storage facilities.

PART VIII — ASSIGNMENT, TRANSFER OR SURRENDER OF LICENCE OR PERMIT

Prohibition of assignment or transfer of licence or permit

83. A licence or permit, or any right, obligation or interest, whether direct or indirect, arising from a licence or permit, shall not be assigned or transferred without the prior written consent of the Authority.

(2) An assignment or transfer of a licence or permit without obtaining the prior written consent of the Authority in accordance with the Act and these Regulations shall —

(a) be void; and

(b) not recognised under the Act.

Nature of assignment or transfer of licence or permit

84.—(1) For the purpose of these Regulations, an assignment or transfer of a licence or permit shall include assignment or transfer —

(a) by merger of two or more companies;

(b) by acquisition of a company or asset in whole or in part;

(c) to a person in a group of which the transferor is a member;

(d) to a new company;

(e) by reason of devolution of ownership of shares or interest in ownership of shares by operation of law, a judgement of a competent court of law, appointment of a receiver, auction, or arbitral award;

(f) by sale, exchange or transfer of shares, private placement or public listing; and

(g) by testamentary instrument or device, which specifies the interest transferred or assigned.

(2) The Authority may, by notice, designate any other category of assignment or transfer of a licence or permit.

85.—(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 an assignment or transfer.

Notification
of intention
to assign or
transfer a
licence or
permit

(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 financial value of such assignment or transfer;
- (c) include a copy of its licence or permit; and
- (d) include any other information and documents prescribed by the Authority.

(3) The Authority shall not later than 30 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 prescribed in subregulation (3) of this regulation, the transferor may proceed to the next stage of the transaction.

86.—(1) The transferor shall, following the decision of the Authority that the parties may proceed with the transaction —

Application
to assign or
transfer a
licence or
permit

- (a) apply for an assignment or transfer of the licence or permit to the transferee;
- (b) submit a copy of the documents evidencing the proposed assignment or transfer; and
- (c) provide any other information as may be directed by the Authority.

(2) The transferor and transferee shall, where required, make presentations to the Authority on the proposed transaction, which shall include the transferee's technical and financial capability to operate such a facility.

(3) In the event of an assignment or transfer by operation of law, the party who becomes the assignee or transferee under such circumstances shall apply to the Authority for the assignment or transfer of the licence or permit within 30 days of the occurrence of the event.

(4) The Authority shall, prior to a grant or refusal of the application, conduct due diligence on the proposed transaction, taking into consideration matters relating to —

- (a) technical capacity;
- (b) financial capacity;
- (c) legal and statutory compliance;
- (d) industrial relations and labour;
- (e) data management;
- (f) decommissioning and abandonment, where applicable;

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Grant of consent to assign or transfer a licence or permit

- (g) host community trust fund arrangements, where applicable;
- (h) environmental remediation fund arrangements, where applicable; and
- (i) any other matter the Authority may deem necessary.

(5) The transferor shall, unless otherwise directed by the Authority, be responsible for the cost of the due diligence exercise.

87.—(1) The Authority shall notify the applicant in writing of its decision to consent or refuse an application for assignment or transfer within 90 days from the date all required documentation as prescribed by the Authority have been submitted by the applicant.

(2) The Authority's consent shall be subject to compliance with all requirements and payment of prescribed fees.

(3) Where the Authority refuses the grant of an application, it shall inform the applicant in writing of the reason for the refusal, and the applicant may make further representation for the application within 21 days of such refusal being communicated.

(4) Where the Authority fails to communicate its decision within 90 days, the application shall be deemed to be approved, provided that the applicant shall still be required to pay the prescribed fees for the assignment or transfer of the licence or permit.

Change of name

88.—(1) A licence or permit holder shall not change its name without the prior approval of the Authority.

(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) pay the prescribed fees for such change of name on a licence or permit; and
- (c) return the previous licence or permit to the Authority for cancellation.

(3) A change of name shall not constitute an assignment or transfer of licence or permit for the purpose of these Regulations, provided that the shareholders remain the same as before the change of name and there is no transfer of assets or liabilities between the shareholders or to another entity.

Surrender of licence or permit

89.—(1) A licensee or permit holder may 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 outstanding liabilities and obligations relating to the licence or permit; and
- (c) a detailed plan for decommissioning, abandonment and environmental remediation, where applicable.

(3) The Authority may accept the surrender of a licence or permit if the—

- (a) obligations, financial or otherwise relating to the licence or permit are settled;
- (b) environment and public safety are not jeopardised by the surrender; and
- (c) licensee or permit holder has made appropriate arrangements for the cessation of activities including 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 direct the licensee or permit holder to engage with its stakeholders prior to the surrender of its licence or permit.

(6) The Authority shall notify the licensee or permit holder of its approval or refusal within 90 days of receipt of the application.

(7) Where the Authority fails to communicate its decision to the licensee or permit holder within 90 days, the application of the licensee or permit holder shall be deemed approved.

90.—(1) A licensee or permit holder whose application for surrender is approved by the Authority shall —

- (a) immediately cease operations under the surrendered licence or permit;
- (b) comply with its decommissioning and abandonment plan, where applicable;
- (c) comply with its environmental remediation plan, where applicable; and
- (d) within seven days of the approval of its application, return the original licence or permit to the Authority for cancellation.

(2) The surrender of a licence or permit shall not release the licensee or permit holder from any existing obligation or liability under the licence or permit unless the release is approved by the Authority in writing.

91. The Authority shall, within 60 days of the effective date of the surrender, publish a notice including particulars of the surrendered licence or permit on its website.

PART IX — SEPARATION OF LICENSED ACTIVITIES

92.—(1) Except in accordance with the Act, a person shall not undertake upstream, midstream and downstream petroleum activities using the same company.

(2) Notwithstanding sub regulation (1) of this regulation, a company may, with the prior approval of the Authority, hold a licence or permit for both midstream and downstream petroleum operations.

(3) A licensee or permit holder shall carry out only the specific activities for which its licence or permit was issued.

Obligations
and
consequences
upon
surrender

Publication
of surrender

Prohibition
of
overlapping
activities

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	<p>(4) A licensee or permit holder who wishes to engage in additional midstream or downstream petroleum activities shall obtain a separate licence or permit for the specific activity.</p> <p>(5) The Authority may publish on its website, a list of activities that constitute an overlap between upstream, midstream and downstream petroleum operations.</p> <p>93. From the commencement of these Regulations, a licensee or permit holder shall —</p> <ul style="list-style-type: none">(a) keep separate accounts for each licensed activity it conducts; and(b) submit to the Authority, not later than the 31st of March of every year, the audited financial report of the separated entities for the preceding year. <p>94.—(1) A person engaged in more than one stream of petroleum operations, shall not later than 12 months from the commencement of these Regulations, register and use a separate company for each stream of petroleum operations.</p> <p>(2) The Authority may grant an extension of time not exceeding six months for compliance with the requirements of this regulation, where the licensee or permit holder shows reasonable cause.</p>
	PART X — CODE OF CONDUCT
	<p>95. The Board of Directors of a company undertaking midstream or downstream petroleum operations shall have at least one member with proven knowledge of the specific petroleum operations which the company is undertaking.</p>
	<p>96.—(1) A midstream or downstream company shall not appoint a person as Chief Executive Officer if the —</p>
	<ul style="list-style-type: none">(a) person is adjudged as an insolvent;(b) person has been convicted of a criminal offence by a court of competent jurisdiction;
	<ul style="list-style-type: none">(c) appointment may lead to the contravention of extant competition laws and regulations;
	<ul style="list-style-type: none">(d) person holds or has held the position of Chief Executive Officer in a company whose licence or permit has been revoked by the Authority; or
	<ul style="list-style-type: none">(e) appointment is not in the public interest.
	<p>(2) The criteria for the appointment of the Chief Executive Officer shall be —</p>
	<ul style="list-style-type: none">(a) a minimum of two years cognate experience in the particular sector of the midstream or downstream petroleum industry; and
	<ul style="list-style-type: none">(b) any other criteria the company may deem relevant and appropriate.
	<p>(3) The company shall notify the Authority in writing of the Chief Executive Officer's appointment not later than 21 working days following the appointment.</p>

(4) Where the Authority determines that the appointment of a Chief Executive Officer is not in compliance with these Regulations, the Authority may—

- (a) direct the company to withdraw the appointment; or
- (b) specify further terms and conditions in respect of the appointment, which may include a probationary period not exceeding one year.
- (c) impose an administrative penalty on the company.

(5) The Authority may, by notice, specify the categories of companies to which this regulation shall apply.

97.—(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 Companies and Allied Matters Act;
- (c) prevent anti-competitive behaviour in its operations;
- (d) register and use a separate company for each stream of petroleum operation under the Act;
- (e) ensure that licensed activities between it and its affiliate are undertaken in a manner that the transfer pricing between both entities is transparent, on an arm's length basis and in accordance with the pricing principles prescribed in the Act; and
- (f) not, except with the prior authorisation of the Authority, release from its employment, senior or management staff of the company

(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.

98. A midstream or downstream petroleum company shall ensure adequate stakeholder communication and engagement by having stakeholder forums, at least once a year, where stakeholders and customers are encouraged to express their concerns on the operations of the company.

Business conduct and ethics

Stakeholder communication

PART XI — REGISTRATION AND PUBLICATION OF LICENCES,
PERMITS AND AUTHORISATIONS

Authority to establish and maintain registers

99.—(1) The Authority shall establish and maintain —

(a) a register for licences, permits and authorisations issued, revoked, suspended, surrendered, or withdrawn and any modification, exemption or any other matter affecting the status of or any interest in a licence, permit or authorisation granted in the 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 Secretary and Legal Adviser of the Authority.

(3) The registers prescribed in these Regulations shall be published —

(a) in physical form accessible at the Authority's Head office; and
(b) on the Authority's website.

Duties of the Secretary and Legal Adviser of the Authority

100. The Secretary and Legal Adviser of the Authority shall be responsible for —

(a) the publication and maintenance of the registers;
(b) modifications or corrections in any register; and
(c) deletion from any register,

Procedure for registration of licences, permits and authorisations

101.—(1) A licence, permit or authorisation, and any exemption granted pursuant to the Act shall be prepared in duplicate and, —

(a) one copy shall be delivered to the holder of the licence, permit or authorisation; and

(b) the other copy shall be retained by the Authority and be bound up in a book of the appropriate series within its register and serially numbered.

(2) The register prescribed in section 219 of the Act shall 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, authorisation or exemption.

(3) The Authority shall require an acknowledgement of the receipt of a copy of the licence, permit, authorisation or exemption from the person accepting such licence, permit, authorisation or exemption in the form prescribed by the Authority.

102. 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) the beneficial owner of the licence, permit, authorisation or exemption;
- (j) a record of any debenture, mortgage, loan, lien, appointment of a receiver or manager or other obligation in respect of the facility and the holder of the licence, permit, authorisation or exemption;
- (k) a record of any sanction or penalty imposed on the holder of the licence, permit, authorisation, or exemption; and
- (l) any other information that the Authority may determine.

103. Where the Authority determines that an error or incorrect entry is made into a register, the Authority shall correct the error or incorrect entry and cause a notice of the error or incorrect entry and the correction to be published on the Authority's website.

Contents of register

Error in registers

104. A sanction or penalty imposed by the Authority shall be deleted from a register five years after the sanction or penalty is fully discharged by the holder of the licence, permit, authorisation or exemption.

Deletion from registers

105.—(1) A register required under these Regulations shall be readily accessible to the public on Wednesdays from 1pm to 3pm at the Authority's Head office.

Public access to the registers

(2) An application to access a physical register shall be accompanied by evidence of payment of prescribed fees. .

(3) The Authority shall 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.

106. 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

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Duty to
notify the
Authority of
change in
structure

107.—(1) A licensee or permit holder shall notify the Authority of any change that occurs in its structure and the notice shall contain, in the case of a —

(a) change of company name, a certified true copy of the certificate of incorporation from the Corporate Affairs Commission showing the new name of the company; and

(b) mortgage of a facility under the Authority's licence or permit, the —

(i) Authority's letter of no objection to the transaction,

(ii) certified true copy of the mortgage bond or mortgage deed, and

(iii) certified true copy of the certificate of registration of the mortgage.

(2) A notice under subregulation (1) of this regulation shall be submitted to the Authority not later than 21 days from the date of the approval of the change by the relevant approving authority.

(3) The Authority shall update the appropriate register within 90 days of the receipt of such notice.

PART XII — DATA REPOSITORY

Establishment
of the
Midstream
and
Downstream
Petroleum
Data
Repository

Functions
of the
Repository

108. There is established in the Authority the Midstream and Downstream Petroleum Data Repository (“Repository”).

109. The Repository shall —

(a) serve as the 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 data and materials submitted to it;

(d) ensure data preservation, value maximisation and compliance with these Regulations, standards and procedures as may be prescribed by the Authority;

(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 petroleum activities;

(f) provide a digital platform for the reporting and monitoring of data transactions, including data acquisition, marketing evaluation and re-processing by companies licensed by the Authority;

(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.

110.—(1) The sources of revenue of the Repository shall include —

- (a) fees charged by the Repository for services rendered;
- (b) gifts in kind or cash received from the petroleum industry in support of the Repository;
- (c) funds and grants accruing from multilateral agencies, bilateral institutions and related sources dedicated to the development of data repositories; and
- (d) any other sum freely donated or accruing to the Repository for the development of the Repository.

Revenue
of the
Repository

(2) The Repository may grant discounts or waivers on fees to subscribers based on published and clear criteria.

111.—(1) Records, including 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 petroleum licence or permit to the Repository in a standard and format specified by the Authority.

Data
submission

(2) 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 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 holder 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 pursuant to the Act.

(5) Records required to be provided to the Repository under the Act or these Regulations 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.

112. Information submitted to the Repository by a licensee or permit holder shall, except as otherwise provided by these Regulations, be treated by 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 determined by the Authority.

Data
confidentiality
period

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Data release schedule

113. The Repository may release data to the public after the expiration of the confidentiality period, upon payment of the prescribed fees.

Power to confiscate and dispose

PART XIII — DISPOSAL OF CONFISCATED MATERIALS AND EQUIPMENT

114.—(1) The Authority shall have power to confiscate and dispose of materials and equipment referred to in sections 125(4)(c) and 174(4)(c) of the Act, used by persons engaging in specified activities without a valid licence or permit.

(2) Where materials and equipment have been confiscated under subregulation (1) of this regulation, the Authority shall dispose of the materials and equipment not later than 24 calendar months from the date of confiscation.

(3) Proceeds from the disposal of confiscated materials or equipment shall be paid into the Authority Fund.

Interim forfeiture order

115.—(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.

(3) An interim forfeiture order made pursuant to this regulation may contain any other ancillary order or orders that the Court 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 these Regulations 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.

Notice of interim forfeiture

116.—(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 to the Authority of his intention to —

- (a) oppose the making of the interim forfeiture order; and
- (b) apply for an order of the court excluding his interest in the material or equipment that is the subject of the operation of the interim forfeiture order.

(3) A notice under subregulation (2) of this regulation shall be served on the Authority not later than 14 days from the date of the publication of the interim forfeiture order.

(4) A notice given under subregulation (2) of this regulation shall contain full particulars of the address for the service of documents, 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 material or equipment concerned; and
- (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 order.

117.—(1) Where an interim forfeiture order is in force, the Authority may before the expiration of the stipulated time, apply to the Court by way of motion on notice for a final forfeiture order against all or any part of the materials and equipment that is subject to the order.

Final
forfeiture
order

(2) The Authority shall give 14 days notice of an application under subregulation (1) of this regulation to any person who had shown interest in the materials and equipment sought to be forfeited.

(3) A person affected by an interim forfeiture order under these Regulations may 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 material or equipment from the operation of the order, or
 - (ii) varying the operation of the order in respect of the material or equipment, and may adduce evidence at the hearing of the application.

(4) Where the Court grants the final forfeiture order, the materials and equipment that were the subject of the interim forfeiture order shall be forfeited to the Federal Government and shall be disposed of in accordance with the provisions of these Regulations.

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Register of confiscated materials and equipment

118.—(1) The Authority shall within 180 days from the commencement of these Regulations, cause to be opened a Register of confiscated materials and equipment where a record of confiscated materials and equipment existing prior to the commencement of these Regulations shall be kept.

(2) Upon opening the Register provided in subregulation (1) of this regulation, any material or equipment confiscated by the Authority pursuant to its powers under the Act, shall be recorded in the Register within 90 days of confiscation.

(3) The following information shall be recorded in the Register in respect of each confiscated material or equipment —

- (a) name of owner, if available;
- (b) date of confiscation;
- (c) description of property, for ease of identification;
- (d) quantity of material or equipment;
- (e) category of material or equipment, whether fixtures, fittings or petroleum liquids;
- (f) reason for confiscation;
- (g) location of material or equipment; and
- (h) unique identification code assigned by the Authority.

(4) A unique identification code assigned to a material or equipment may only be removed after it is sold, scrapped or otherwise disposed of.

(5) The Authority shall take annual inventory of the Register and the result of the physical count of the materials or equipment shall be reconciled with the records in the Register.

Disposal Committee

119.—(1) The Authority shall constitute a Disposal Committee comprising officers of the Authority.

(2) The Disposal Committee shall coordinate the disposal of confiscated materials and equipment.

(3) The Authority may engage the services of external experts to address any skill-gap in the disposition of confiscated materials and equipment.

(4) The Authority shall consult with relevant agencies and stakeholders to determine the value of the confiscated material and equipment before disposal.

(5) The Disposal Committee shall keep records of its activities and submit a report upon completion of any disposal exercise.

Disposal procedure

120. Confiscated materials and equipment pursuant to the enabling provisions of the Act, shall be disposed of on an as-is basis and in accordance with the disposal procedure provided in these Regulations.

121.—(1) Materials and equipment confiscated by the Authority may be disposed of by —

Disposal method

- (a) sale by public tender;
- (b) sale by public auction;
- (c) outright sale at a fixed price;
- (d) donation to a deserving cause;
- (e) destruction, dumping, burying or burning; or
- (f) any other method as may be determined by the Authority.

(2) Where the disposal is by public tender, the award in the disposal of confiscated materials and equipment shall be made to the highest responsive bidder, whose bid meets or exceeds the reserve price and 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 may 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 and in choosing this method, the Authority shall consider the cost of valuing the assets and advertising the subject materials and equipment.

(5) The Authority may opt to use conversion or recycling of materials and equipment as a disposal method —

- (a) where the materials and equipment have no identifiable residual usefulness and may still have some value that may be obtained through recycling or conversion into another form;
- (b) on grounds of public interest, legal issues or environmental considerations; or
- (c) where there is the potential of obtaining monetary return from conversion or recycling.

(6) The Authority may destroy, dump, bury or burn confiscated materials and equipment only when all other disposal options have been eliminated and no conversion into another form or recycling possibilities can be identified.

(7) Where materials and equipment are being disposed of by means of public tender, all tenders shall be in writing and submitted to the Authority.

(8) The Authority may cancel the sale of any confiscated material and equipment 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 materials and equipment are in the same amount, the first tender received by the Authority shall take precedence.

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(10) The Authority shall give notice in writing to the person whose bid or tender in respect of materials and equipment is accepted and shall by such notice prescribe the period within which the sale shall be completed.

(11) Where a person whose bid or tender is accepted does not complete the sale within the period prescribed by the Authority in its notice referred to in subregulation (10) of this regulation, the Authority 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 is 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 Federal Government.

(14) Notwithstanding anything contained in this regulation, where the Authority considers a confiscated material or equipment unsuitable for sale or insufficient in value to justify a sale, the Authority may dispose of such material or equipment in any other manner.

(15) Where materials or equipment are disposed through any of the methods prescribed by these Regulations, a disposal certificate shall be endorsed by an officer of the Authority.

PART XIV — CUSTOMER PROTECTION

Publication of terms of supply or distribution

122.—(1) An existing licensee shall, not later than 180 days from the commencement of these Regulations, publish its terms of supply or distribution including tariffs and prices, other than for negotiated tariffs and prices under section 122 (4) of the Act.

(2) A new licensee shall, upon the commencement of petroleum operations, publish its terms of supply or distribution including tariffs and prices, other than for negotiated tariffs and prices under section 122 (4) of the Act.

Establishment of customer forum

123.—(1) A licensee shall establish or facilitate the establishment of a forum at which customers are able to express their views and raise concerns.

(2) The forum shall be held at least once every calendar year, provided that the Authority may direct that the licensee holds additional forums during the year.

(3) The licensee shall not later than 30 days prior to the commencement of the forum, notify the Authority of the date, time, mode, venue, agenda and expected participants of the forum.

(4) The licensee shall not later than 30 days after the conclusion of the forum, submit a report to the Authority on the outcome of the forum.

<p>124. A licensee shall formulate and adhere to standards of performance necessary to ensure the safety, reliability and quality of supply and distribution services to customers.</p>	Standards of performance
<p>125.—(1) A licensee shall develop customer service codes, setting out the practices and procedures to be followed in the conduct of its activities and ensure strict adherence to them.</p> <p>(2) Customer service codes shall include codes governing —</p> <ul style="list-style-type: none">(a) installation, testing, maintenance and reading of meters;(b) fault repairs and response to customer emergencies;(c) connection and dis-connection of customers;(d) responding to customer complaints and complaint resolution;(e) billing and invoicing;(f) extension of payment and credit facilities;(g) provision of information to customers and the use and protection of customer information;(h) the establishment of special services for economically or socially disadvantaged customers; and(i) any other matter the Authority may require.	Customer service codes
<p>126. Customer service codes shall be approved by the Authority prior to publication and shall be reviewed at intervals as directed by the Authority.</p>	Authority to approve customer service codes
<p>127. A licensee shall —</p> <ul style="list-style-type: none">(a) notify customers of applicable customer service codes that shall be adhered to; and(b) make available to customers, the service codes, upon request.	Duty to notify customers of customer service codes
<p>128. A licensee or permit holder shall prepare and submit reports to the Authority indicating its performance levels and status of its operations in respect of its activities at least once every year, or at such other intervals as the Authority may prescribe.</p>	Submission of reports
<p>129. The licensee shall establish and maintain a customer service desk for the purpose of receiving complaints from its customers in respect of its operations.</p>	Establishment of customer service desk
<p>130. The Authority shall —</p> <ul style="list-style-type: none">(a) receive complaints relating to pricing, product quality, service delivery and billing practices from customers with grievances against licensees and permit holders in midstream and downstream petroleum operations;(b) maintain a directory of complaints brought before it; and(c) investigate complaints received and claims made against licensees and permit holders in midstream and downstream petroleum operations.	Power to receive and investigate complaints

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Customer protection

131. The Authority shall have power to —

- (a) summon a person undertaking midstream and downstream petroleum operations for the purpose of investigating a complaint ;
- (b) compel suppliers, gas distributors and petroleum product distributors to comply with the provisions of these Regulations;
- (c) enter into or cause the ingress into any facility or premises undertaking midstream and downstream operations for the purpose of inspecting or carrying out investigations into a complaint made against such a facility; and
- (d) undertake studies and publish reports or provide information on matters that affect the interest of customers and co-operate with or assist any association or body of persons in developing and promoting the observance of standards of conduct for the purpose of ensuring compliance with the provisions of these Regulations.

PART XV — PETROLEUM LIQUIDS TRADING AND SETTLEMENT

Duty to obtain licence or authorisation

132.—(1) A person shall not establish or operate a commodities exchange for trading in petroleum liquids without a petroleum liquids trading licence granted by the Authority in accordance with these Regulations.

(2) A person shall not act as a clearing house of a commodities exchange for the trading of petroleum liquids without the prior authorisation of the Authority.

(3) A qualified person under these Regulations shall only be entitled to participate in a commodities exchange for the trading of petroleum liquids where the person holds a valid and appropriate licence or permit granted by the Authority.

Application for licence or authorisation

133. An application for a petroleum liquids trading licence or clearing house authorisation shall be submitted to the Authority in the manner prescribed by the Authority.

Conditions for granting a petroleum liquids trading licence

134.—(1) An application for a petroleum liquids trading licence in these Regulations shall comply with the rules of the Securities and Exchange Commission in relation to commodities trading.

(2) An applicant for a petroleum liquids trading licence shall —

- (a) be a company limited by shares;
- (b) be demutualised;
- (c) ensure its directors are fit and proper persons as specified in these Regulations;
- (d) satisfy the requirements relating to the ownership and governance structure specified in these Regulations and other appropriate government regulations;
- (e) satisfy financial and technical capabilities;
- (f) have the necessary infrastructure for the orderly execution of trades;
- (g) have an online screen-based trading system;

- (h) have an online surveillance capability which monitors positions, prices and volumes in real time to ensure market integrity;
- (i) make necessary arrangements to establish connectivity with its trading members and clearing house;
- (j) have adequate Settlement Guarantee Fund;
- (k) have adequate mechanism to address grievances of the members, trading licensees and their clients and for dispute arising out of trades and their settlement;
- (l) have the facility to disseminate information about trades, quantities and quote such information on its website daily, and shall provide the same to the Authority on demand;
- (m) prepare a business case;
- (n) have adequate systems' capacity supported by a business continuity plan, including a disaster recovery site;
- (o) have in its employment, sufficient number of persons having adequate professional and other relevant experience to the satisfaction of the Authority;
- (p) employ as key management personnel, at least two proficient professionals having relevant qualifications, experience and expertise in oil and gas commodities trading or exchange;
- (q) submit the draft bye-laws and market rules to the Authority; and
- (r) satisfy other conditions as may be specified by the Authority.

135. An applicant seeking authorisation as a clearing house shall —

- (a) have necessary infrastructure and resources to ensure timely clearing and settlement of trades;
- (b) have adequate risk management mechanism;
- (c) have the capacity to establish and publish a settlement procedure including netting, novation and guarantee for settlement of trades in place, as specified by the Authority;
- (d) demonstrate the establishment of an applicable Settlement Guarantee Fund to guarantee settlement of trades;
- (e) demonstrate a wide network of clearing members and have adequate facility to admit and regulate its members;
- (f) have the facility to disseminate information about trades, quantities and quotes in real time;
- (g) establish connectivity with the clearing banks, petroleum liquids trading exchange and clearing members; and
- (h) satisfy other conditions as may be specified by the Authority.

Conditions
for granting a
clearing
house
authorisation

136. The Authority may, prior to the grant of a petroleum liquids trading licence or clearing house authorisation, make inquiries and require the applicant to furnish such further information or document as it may deem necessary.

Power to
make
inquiries and
call for
information

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Grant of licence or authorisation	<p>137. The Authority, on being satisfied that the applicant has complied with the conditions set out in these Regulations, may grant a licence or authorisation subject to such terms and conditions as may be prescribed in the licence or authorisation.</p>
Duration of licence or authorisation	<p>138. A petroleum liquids trading licence or a clearing house authorisation, as the case may be, shall be for a period not exceeding 10 years from the date of its issuance, unless such licence or authorisation is withdrawn or cancelled.</p>
Renewal of licence or authorisation	<p>139.—(1) The holder of a petroleum liquids trading licence or clearing house authorisation, who is desirous of renewing its licence or authorisation, may make an application to the Authority not later than 12 months before the expiration of the period of such licence or authorisation, in the manner prescribed by the Authority.</p> <p>(2) An application for renewal shall be accompanied by evidence of payment of the fee prescribed by the Authority.</p> <p>(3) The Authority may, upon review of the application and conduct of due diligence, renew the licence or authorisation subject to such terms and conditions as may be prescribed on the licence or authorisation.</p>
Annual operating charge and other charges	<p>140. A petroleum liquids trading exchange and a clearing house shall pay an annual operating charge and other charges as prescribed in Regulations made by the Authority.</p>
Suspension, surrender or revocation of licence or authorisation	<p>141.—(1) A petroleum liquids trading licence or clearing house authorisation may be suspended, surrendered or revoked in accordance with these Regulations.</p> <p>(2) The suspension, surrender or revocation of the licence or authorisation shall not affect the validity of any contract made before the date of suspension, surrender or revocation.</p> <p>(3) The Authority may, after consultation with the commodities exchange or clearing house and the Securities and Exchange Commission, make such provision in the notice of suspension, surrender or revocation or in any subsequent communication for the performance or settlement of any contracts outstanding on that date.</p>
Exit scheme	<p>142.—(1) A commodities exchange for trading in petroleum liquids or clearing house shall have its exit scheme approved by the Authority during the licence or authorisation process, detailing the manner in which the running contracts on the petroleum liquids trading exchange or clearing house shall be closed or the succession plan for all transacted contracts in case of closure of the commodities exchange for trading in petroleum liquids or clearing house, and in case of suspension, surrender or revocation of its licence or authorisation in these Regulations.</p>

(2) Such approved exit scheme shall be prescribed in the byelaws of the commodities exchange for trading in petroleum liquids or clearing house.

PART XVI — PENALTIES ENFORCEMENT MECHANISMS

143.—(1) Penalties in midstream and downstream petroleum operations shall be as prescribed in the Act and regulations made by the Authority and shall be based on the nature and impact of the contravention.

(2) Penalties referred to in subregulation (1) of this regulation may arise as a result of —

(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) 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 activities prohibited by the Act or regulations made by the Authority.

144. Where it appears that a licensee or permit holder is contravening, has contravened or is likely to contravene the Act, regulations made pursuant to the Act or any of the conditions of its licence or permit, the Authority shall, prior to imposing a penalty, issue the following notices —

- (a) potential incidence of non-conformity;
- (b) incidence of non-conformity; or
- (c) enforcement order.

145.—(1) Where a licensee or permit holder is likely to undertake an activity prohibited under the Act, regulations made pursuant to the Act, or any of the conditions of its licence or permit, the Authority may serve a potential incidence of non-conformity notice specifying the activity and directing the licensee or permit holder not to undertake such activity within the timeline specified in the notice.

(2) A potential incidence of non-conformity notice shall be issued by the Authority to —

- (a) prevent an imminent contravention; and
- (b) provide an opportunity for corrective measures.

Penalties for contravention in midstream and downstream petroleum operations

Notices

Potential incidence of non-conformity

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Incidence of non-conformity

146.—(1) Where the Authority determines that a licensee or permit holder's contravention of the Act, regulations made pursuant to the Act or terms and conditions of its licence or permit, causes danger to people, personnel, environment, equipment or petroleum operations, the Authority may serve an incidence of non-conformity on the licensee or permit holder —

- (a) specifying the actual contravention;
- (b) directing the licensee or permit holder to whom the notice is issued to cease and desist, or to do or not to do an act or activity specified in the notice;
- (c) specifying the time frame for compliance with the notice;
- (d) stating that failure to comply shall result in the issuance of an enforcement order; and
- (e) informing the person of their right to make a representation to the Authority.

(2) An incidence of non-conformity notice shall be issued where —

- (a) a contravention has occurred or is deemed to have occurred; or
- (b) the licensee or permit holder has failed to address a contravention despite the previous issuance of a potential incidence of non-conformity.

(3) The Authority may issue an incidence of non-compliance notice for a specific location, component or piece of equipment in a facility where it is determined to be part of an unsafe situation or it is detrimental to people, personnel, environment, equipment or petroleum operations, and can be shut-in without affecting the overall safety of the facility, provided that, where the Authority determines that the specific location, component or piece of equipment cannot be shut-in without affecting the overall safety of the facility, the Authority may direct that the entire facility is shut down.

(4) The representation of the person to whom the incidence of non-conformity is issued shall include —

- (a) evidence that no contravention occurred, if any; or
- (b) where there is no contention that the contravention occurred, —
 - (i) an account of the circumstances leading up to the contravention; and
 - (ii) corrective measures undertaken to minimise impact.

(5) The Authority may, upon consideration of representation made by the licensee or permit holder —

- (a) assess a penalty and set a date for which the penalty is to be paid in full; or
- (b) determine that no penalty shall be assessed.

Enforcement order

147. The Authority may, not later than 30 days from the receipt of representation, make an enforcement order to the licensee or permit holder which shall —

- (a) convey the Authority's decision which may include a cease and desist order;
- (b) prescribe a penalty and date upon which it is to be paid in full; and
- (c) state the consequences for failure to comply with the Authority's decision which may, pursuant to section 215 of the Act, include a fine not exceeding 5% of the annual turnover of the licensee or permit holder for the preceding year or the revocation of the licence or permit.

148.—(1) A 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 submit information required within the stipulated time frame;
- (c) makes a false declaration to the Authority or furnishes information so required which is false or insufficient;
- (d) commits any contravention listed in the Schedule to these Regulations; or
- (e) fails to comply with any provisions of these Regulations, any directives given or condition of any permit or licence issued under these Regulations, may in addition to the sanctions, fines and penalties contained in the Act, be liable to the relevant administrative penalties contained in the Schedule to these Regulations.

General contraventions

(2) Without prejudice to any specific sanction provided in these Regulations, where there is a breach or where a person contravenes any provision of these Regulations, the Authority may —

- (a) seal or order the closure of the premises where the breach occurred;
- (b) dismantle and seize the facilities used for the activities;
- (c) cause an inquiry to be conducted into the affairs of a person connected with the breach of any of these Regulations;
- (d) cause to be arrested, such person involved in the breach;
- (e) 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) confiscate and dispose of materials or equipment, including any petroleum liquids or natural gas and its derivatives, used by the person in the activity;
- (g) revoke the licence, permit or authorisation granted by the Authority to such person; and
- (h) take any other action as the Authority may consider necessary to prevent any further breach of these Regulations.

(3) Where no specific penalty for a contravention under these Regulations is provided in the Schedule to these Regulations, the Authority may impose an administrative penalty not exceeding USD 1,000,000.

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PART XVII — MISCELLANEOUS PROVISIONS

Conformity assessment

149. The Authority shall undertake biennial conformity assessment of a licensee or permit holder's compliance with its operational, legal, economic, environmental and financial obligations under the Act and regulations made pursuant to the Act.

Technology adaptation

150.—(1) A new technology shall not be deployed into the midstream and downstream petroleum sector without the authorisation of the Authority.

(2) A new technology shall, prior to introduction into the midstream and downstream petroleum sector, be subjected to the Authority's technology qualification process.

(3) The new technology qualification process shall include technical verification and validation, laboratory evaluation and pilot implementation of qualified technology.

Deferment of operations

151.—(1) A licensee 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 defers the operations of its facility without notification to the Authority, the facility shall be deemed to be operational and subject to the terms and conditions of the licence.

Registration of throughput agreements

152. A third-party owner of petroleum liquids infrastructure shall not make use of a facility for the storage of petroleum liquids without a valid throughput agreement registered with the Authority.

Right to enter and inspect premises

153. An officer authorised by the Authority may at any time enter and inspect any facility or premises being used for midstream and downstream petroleum operations, where the officer has reasonable grounds to suspect that the provisions of the Act or these Regulations are being contravened.

Submission of returns

154. The Authority may by notice in writing require any person carrying out midstream or downstream petroleum operations to submit such returns and other information required, in such form and at such times specified in the notice.

Power to issue guidelines

155.—(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 relating to the operations of midstream and downstream petroleum activities, practices conforming with international best standards shall be observed, subject to the approval of the Authority.

Revocation and savings

156.—(1) The following Regulations are revoked —

- (a) Midstream and Downstream Petroleum Operations Regulations, No. 8, 2023;
- (b) Petroleum Measurement Regulations, No. 4, 2023;

- (c) Petroleum (Transportation and Shipment) Regulations, No. 3, 2023;
- (d) Assignment or Transfer of Licence and Permit Regulations, No. 6, 2023;
- (e) Midstream and Downstream Penalties and Enforcement Mechanisms Regulations, No. 14, 2023;
- (f) Midstream Gas Flare Regulations, No. 20, 2023;
- (g) Petroleum Refining Regulations, No. 45, 1974; and
- (h) Petroleum Regulations, No. 71, 1967.

(2) The provisions of any regulations administered by the defunct Department of Petroleum Resources in respect of midstream and downstream petroleum operations are revoked.

(3) The revocation of the Regulations specified in subregulations (1) of this regulation and the provisions of the regulation referred to in subregulation (2) of this regulation shall not affect anything done or purported to be done under the revoked Regulations or revoked provisions.

157. In these Regulations —

Interpretation

“*accredited laboratory*” means a laboratory recognised and authorised by the Authority for calibration of measurement equipment or devices;

“*accuracy*” means the ability of the measurement instrument to indicate value within the acceptable range of deviation from the true value;

“*acquisition*” means a corporate transaction where one company purchases all or a substantial interest, portion, shares or facility of another company;

“*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, notices or directives made by the Authority;

“*Advance Shipment Schedule*” means a written submission to the Authority, in the prescribed form made by a person who intends to carry out shipment, lifting, discharge, import or export of natural gas or its derivatives, or petroleum liquids;

“*AGO*” means Automotive Gas Oil;

“*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;

“*asset*” means any facility, installation or system for measuring, processing, transporting, storing, blending, distributing or handling of petroleum liquids, natural gas or its derivatives;

“*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 of such transaction that may alter the ownership, equity, rights or interest of the assigning company in question, irrespective of the nature of business arrangement that the assigning company may be involved in;

“*assignment by operation of law*” means the acquisition of a company or asset or interest in a company or asset through the judgment of a competent court of law, award from an arbitral panel, auction or appointment of a receiver, receiver/manager or administrator under Nigerian law or any comparable legislation in a foreign jurisdiction;

“*Authority*” means the Nigerian Midstream and Downstream Petroleum Regulatory Authority;

“*Authority Fund*” has the meaning ascribed to it in the Act;

“*backloading*” means the act of loading back received petroleum liquids or gas from a storage facility into a ship or other vessels;

“*BBL*” means barrels;

“*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 liquids or its derivatives such as base oil, additives, etc.;

“*Board*” means the Board of Directors of a company engaged in midstream and downstream petroleum operations in Nigeria;

“*bulk storage*” means the storage of petroleum liquids or gas for distribution or 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;

“*Chief Executive Officer*” means the person appointed by a licensee or permit holder with responsibility for making major decisions, overseeing operations and setting strategic directions while representing the licensee or permit holder to the Authority, stakeholders, investors, governments and the public;

“*CNG*” means Compressed Natural Gas;

“*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;

“*competent person*” means a qualified person appointed in writing, by the manager of a licensee or permit holder, with the approval of the Authority, to oversee and ensure compliance with the provisions of these Regulations;

“*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 service, may endanger life or lead to a malfunctioning or a shut-down of the facility or part of it;

“critical systems” mean any system which if taken out of service may endanger life or lead to a malfunctioning or a shut-down of, the hydrocarbon refining facility or part of it;

“CRS” means Coordinate Reference System;

“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 in the control of petroleum liquids or natural gas or its derivatives within and across upstream, midstream and downstream, irrespective of whether the custody transfer is within the same parent company or not;

“data” includes reports, operations data, samples, fluid samples, plans, maps, charts, crude oil assay, accounts, materials and any other information which are required to be provided to the Authority under the Act, regulations made pursuant to the Act or any other law;

“declared emergency” means a state of emergency resulting from a danger or threat of danger to a midstream or downstream facilities as determined by the Authority;

“derivatives” means products obtained from processing of crude oil, natural gas or other hydrocarbons;

“detector switch” means a device that indicates the passage of a displacer in a prover;

“Disposal Committee” means the Committee established by the Authority Chief Executive for coordinating the disposal of confiscated materials and equipment;

“distribution pipeline” has the same meaning ascribed to it in the Act ;

“DPK” means dual purpose kerosene;

“dynamic measurement” means measurement under a flowing condition using meters;

“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 outlining measures for the monitoring and mitigation of health, environmental and safety matters in the development and operation of a midstream or downstream petroleum facility;

“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 the purchase and sale of petroleum, petroleum liquids, natural gas or its derivatives, for the calculation of revenue, levies, taxes and royalties;

“*fishery expert*” means 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 —

- (i) gas quantity,
- (ii) flow rates,
- (iii) facility name,
- (iv) facility terrain,
- (v) coordinates, and reports relating to the data,
- (vi) historical flare gas data per facility,
- (vii) historical flare gas data per flare stack,
- (viii) flared gas composition by stack, and
- (ix) any other data that may be required by the Authority;

“*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 flaring*” means burning or incineration of gas from a flare stack;

“*gas processing facilities*” means facilities for processing natural gas which include gas processing plant, gas conditioning plant, gas-to-fertiliser plant, LNG plants, GTL plants, methanol plants, LPG plants and other gas derivatives plants;

“*gas transportation network*” has the meaning ascribed to it in the Act;

“*gas transportation pipeline*” has the meaning ascribed to it in the Act;

“*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 which include 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 facilities*” 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;

“*industrial gas storage and utilisation*” means industrial storage facilities for internal consumption or utilisation;

“*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;

“*LACT*” or “*Lease Automatic Custody Transfer*” refers to a type of automatic measuring system of custody transfer of petroleum and petroleum products;

“*licensee*” has the meaning ascribed to it in the Act;

“*licence to construct or LTC*” means a licence granted by the Authority for the commencement of construction of a midstream or downstream petroleum facility and shall not authorise the operation of the facility;

“*licence to establish or LTE*” means a licence granted by the Authority to establish a midstream or downstream petroleum facility and shall not authorise the construction or operation of the facility ;

“*licence to operate or LTO*” means a licence granted by the Authority to operate a midstream or downstream facility;

“*linearity*” means the total range of deviation of the accuracy curve from such a straight line between the minimum and maximum recommended flow rate;

“*LNG*” or “*liquefied natural gas*” 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 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 by a licensee pursuant to 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 Infrastructure Fund*” has the meaning ascribed to it in the Act;

“*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;

“*modification*” means the expansion, rehabilitation, refurbishment, revamping or upgrading of a midstream and downstream petroleum facility;

“*N+1*” means the representation of an additional system to serve as redundancy;

“*natural gas*” has the meaning ascribed to it in the Act;

“*natural gas conditioning or refining plant*” means a facility for processing of natural gas to meet 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;

“*new technology*” means a piece of equipment, device or solution that has never been implemented in Nigeria;

“*NGN*” means Nigerian Naira;

“*offence*” means an illegal act, activity or breach of the Act, regulations, notices or directives made by the Authority pursuant to the Act;

“*one calendar year*” means 12 months from January 1st to December 31st;

“*one year*” refers to a general period of 365 days that can start on any other named day of the calendar and ending on the day before this named day in the following year;

“*open access*” has the meaning ascribed to it in the Act;

“*operating envelope*” means the limited range of process parameters in which operations may result in safe and acceptable performance of a plant or facility;

“*operator*” means an entity or company managing the operations of a facility;

“*optimisation*” means maximising plant yields and efficiency;

“*peddling*” means direct distribution of 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 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;

“*petroleum*” has the meaning ascribed to it in the Act;

“*petroleum-based additive*” means chemical compounds that improve the quality of petroleum liquids, natural gas or other hydrocarbon materials;

“*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 products*” has the meaning ascribed to it in the Act;

“*pipeline*” has the meaning ascribed to it in the Act;

“*pipeline licence*” means any licence 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;

“*prescribed port*” means any port designated by notice in the Federal Government Gazette as such for the purposes of these Regulations;

“*producer*” means a lessee as ascribed in the Act, the holder of a crude oil refining licence or a gas processing licence;

“*proving system*” means system for validating the performance of a meter;

“*refining*” means the liquefying of petroleum gas by any method, separation of crude oil by any method into any grade of petroleum product, treating and up-grading of any petroleum or petroleum product by any method into other product or products;

“*refining facility*” means a facility for the processing of petroleum liquids, natural gas or its derivatives;

“*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;

“*right of way*” means a legal right conferred on a licensee or permit holder by the Authority to pass along a specific strip of land belonging to another person;

“*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;

“*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 —

- (i) is sold free on board in Nigeria,
- (ii) is loaded or offloaded for sale within a wholesale point in Nigeria, or
- (iii) transaction emanates, occurs or is concluded in Nigeria or within its territorial waters;

“*sparing philosophy*” means the concept of 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 including relieving devices, blow down, facility start up and testing;

“*supplier*” has the same meaning ascribed to it in the Act and shall include a lessee, producer, gas aggregator, crude oil refiner or importer of petroleum products;

“*technical and safety studies or review*” means studies conducted to address adequacy of plant configuration and design safety;

“*technology adaptation*” means a process for the adoption of new 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 or functionality of an equipment, system or a facility during operation;

“*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 a licence or permit prior to the Authority’s approval of an assignment or transfer of a licence or permit;

“*uncertainty*” means an interval of value within which the true value is believed to lie within a stated probability;

“*uncommitted capacity*” means the difference between the approved nominal capacity and prevailing operating capacity where such difference is sustained for not less than three consecutive months;

“*USD*” means United States Dollars;

“*vehicle*” means specialised rail wagons, articulated tankers or trucks used for the conveyance of petroleum liquids or natural gas and its derivatives;

“*venting*” means releasing of hydrocarbons or substances into the atmosphere from a midstream gas processing facility;

“*verification*” means the provision of evidence that a given process or equipment conforms to a specified requirement;

“*vessel*” means a ship, tanker, barge, boat utilised for transportation and distribution of petroleum liquids or natural gas and its derivatives, security patrol, fast crew, fast support intervention, platform supply or support, offshore supply, anchor handling (tug supply or towing supply), dive support, jackup barge, multipurpose support, field installation, or any other water vehicle utilised in midstream and downstream petroleum operations;

“*virtual transportation*” means the utilisation of vessels and vehicles for the transportation and delivery of petroleum liquids and natural gas products as an alternative to traditional pipelines;

“waste” means waste generated from a hydrocarbon processing or refining facility, which includes residue, slop oil and sludge;

“wholesale customer” means a class of customers with respect to —

(i) 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,

(ii) crude oil, a purchaser with annual capacity of 65,000 BBL and above, or

(iii) petroleum products, a purchaser with annual capacity of 10,000,000 litres or its equivalent and above;

“wholesale gas” has the meaning ascribed to it in the Act;

“wholesale gas supply operations” means the purchase of natural gas from a producer and delivery of wholesale gas to wholesale customers and gas distributors at agreed delivery points;

“wholesale petroleum liquids” has the meaning ascribed to it in the Act;

“wholesale petroleum liquids supply operations” means the purchase of petroleum liquids from a producer and delivery of petroleum liquids to bulk customers and petroleum products distributors at agreed delivery points in Nigeria or for export; and

“wholesale points” means the points, such as coastal depots, hinterland depots, jetties, refineries, petrochemicals and processing plants, including liquefied natural gas processing plants, petroleum liquids and natural gas export terminals, export points, 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.

158. These Regulations may be cited as the Midstream and Downstream Petroleum Operations Regulations, 2025. Citation

SCHEDULE

[regulation 137 (1)]

GENERAL CONTRAVENTIONS AND PENALTIES

A. The penalties for general contraventions in the midstream and downstream petroleum industry are outlined in the following table —

S/N	CONTRAVENTION	PENALTY
1.	Engaging in any midstream or downstream petroleum operations without a valid licence or permit where such licence or permit is required under the Act or these Regulations.	A penalty not exceeding NGN50,000,000 and the sealing of the premises or facility.
2.	Obstruction or assault of an officer of the Authority or any person authorised by the Authority in the exercise of the powers conferred on the Authority under the Act.	NGN20,000,000 and suspension or revocation of licence.
3.	Refusing an officer of the Authority or any person authorised by the Authority access to any premises, facility or retail outlet.	NGN5,000,000 and the sealing of the premises, facility or retail outlet.
4.	Refusal to submit to a search of any premises, facility or retail outlet by an officer of the Authority or any person authorised by the Authority.	NGN5,000,000 and the sealing of the premises, facility or retail outlet.
5.	Failure to comply with any lawful demand, notice or order of an officer of the Authority or any person authorised by the Authority in the execution of its duties under the Act or these Regulations.	NGN5,000,000 and suspension or revocation of licence.
6.	Using or permitting a facility, infrastructure, material or equipment to be used for or in relation to the commission of any offence.	NGN25,000,000 and confiscation of the facility, infrastructure, material or equipment.
7.	Utilisation of non- Authority accredited service providers or personnel for fabrication, construction, calibration, testing or any other midstream or downstream activity.	NGN 15,000,000 and suspension of licence, permit or authorisation for not more than one year.
8.	Undertaking an activity in the midstream or downstream industry without the midstream and downstream oil and gas industry service permit.	A penalty not exceeding NGN1,000,000 and/or suspension from providing services to the midstream or downstream industry for not more than one year.
9.	Unlawfully removing, destroying or damaging any infrastructure, facility or equipment used for midstream or downstream petroleum operations.	A penalty not exceeding NGN50,000,000 and the person who committed the contravention shall

		discontinue the operations of the affected infrastructure, facility or equipment until any damage, alteration, malfunction or loss has been rectified and all safety issues have been resolved.
10.	Furnishing a statement or incomplete information calculated to mislead or willfully delay or obstruct the Authority and its officers in the exercise of their duties.	NGN10,000,000
11.	Obstructing or failing to cooperate with the Authority in its investigation of any suspected crime or corrupt practice.	NGN10,000,000 and confiscation of the facility, infrastructure or equipment.
12.	Acting in breach of any relevant network code, where applicable to such person or in violation of the Act in relation to the allocation of available capacity, access and payment of tariffs in respect of the use of any facility or infrastructure.	A penalty not exceeding NGN25,000,000 in the first instance and NGN1,000,000 for every day the contravention continues.
13.	Failure to comply with a directive issued by the Authority through its portal.	NGN250,000 for each day the contravention continues.
14.	Falsification of Authority licences, permits or authorisations.	A penalty not exceeding NGN50,000,000 and the confiscation of the facility.
15.	Submission of falsified or forged documentation to the Authority.	NGN 10,000,000
16.	Submission of falsified or forged documentation to obtain the midstream and downstream oil and gas industry service permit.	NGN 250,000 and/or suspension from providing services to the midstream or downstream industry for not more than one year.
17.	Non-compliance with assignment or transfer provisions, for a midstream processing facility, installation, terminal or transportation pipeline.	USD100,000 or its equivalent in Naira per licence or permit and the processing fee.
18.	Non-compliance with assignment or transfer provisions, for a blending facility or bulk storage facility.	USD50,000 or its equivalent in Naira per licence or permit and the processing fee.

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19.	Non-compliance with assignment or transfer provisions, for a downstream facility other than a retail outlet.	NGN10,000,000 per facility and suspension of licence for a period not exceeding one year.
20.	Non-compliance with assignment or transfer provisions for a retail gas supply or a petroleum products retail outlet.	NGN2,000,000 per retail outlet and suspension of licence for a period not exceeding one year.
21.	Non-compliance with separation of licensed activities provisions.	A penalty not exceeding USD10,000 for each day of such non-compliance.
22.	Non-compliance with Code of Conduct provisions.	NGN250,000 for each day of such non-compliance.
23.	Failure to produce, upon demand, storage and sales inventories and reports of a midstream or downstream facility.	NGN1,000,000
24.	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.
25.	Lifting natural gas or its derivatives, petroleum liquids or petroleum products by a vessel without a valid shipment identification number.	USD100,000
26.	False declaration regarding the quantity, quality and capacity of a vessel in which petroleum liquids or natural gas or its derivatives are being transported.	Forfeiture of the cargo and a penalty of 10% of the value of the cargo.
27.	Alteration of any document or concealing information in respect of the lifting of natural gas or its derivatives, petroleum liquids or petroleum products by a vessel.	A penalty not exceeding USD1,000,000
28.	Failure to ensure that the Authority or any person authorised by the Authority witnesses outturn verification at the port of discharge.	A penalty not exceeding USD250,000
29.	Failure to renew hydrocarbon processing or refining facility LTO.	NGN2,000,000 for every year LTO is not renewed.
30.	Late renewal of hydrocarbon processing or refining facility LTO beyond 31st of March of every year.	NGN500,000
31.	Petroleum product evacuation from hydrocarbon processing or refining facility by truck or rail without authorisation.	NGN5,000,000 per truck or rail wagon.

32.	Petroleum product evacuation from hydrocarbon processing or refining facility by vessel without authorisation.	USD10,000
33.	Petroleum liquids diversion from hydrocarbon processing or refining facility by vessel.	USD20,000
34.	Use of unauthorised chemicals in a hydrocarbon processing or refining facility.	USD100,000
35.	Operating a blending plant, waste recycling plant, waste treatment plant, bitumen processing plant or petroleum-based additives facility without LTO.	NGN2,000,000
36.	Construction of a blending plant, waste recycling plant, waste treatment plant, bitumen processing plant or petroleum-based additives facility without LTE.	NGN1,500,000
37.	Construction of a blending plant, waste recycling plant, waste treatment plant, bitumen processing plant or petroleum-based additives facility without LTC.	NGN3,000,000
38.	Late renewal of blending plant LTO beyond 31st March of every year.	NGN300,000.
39.	Procurement of critical equipment without testing.	NGN5,000,000 per equipment
40.	Diversion of base oil	NGN5,000,000 per truck.
41.	Sale of base oil from depot to a non-lube oil blending plant licence holder.	NGN5,000,000 per truck.
42.	Sale of base oil from a blending plant.	NGN5,000,000 per truck.
43.	Unauthorised third-party blending by a plant owner.	NGN3,000,000 per quarter
44.	Unauthorised third-party blending by a petroleum product owner.	NGN2,000,000 per quarter
45.	Use of chemicals or additives above or below the authorised quantity.	USD100,000
46.	Operating a lubricant filling plant without LTO.	NGN2,000,000 per year of operation without a licence.
47.	Late renewal of lubricant filling plant LTO beyond 31st March of every year.	NGN300,000
48.	Procurement of critical equipment for lubricant filling plant without factory acceptance test.	NGN5,000,000.
49.	Construction of a lubricant filling plant without valid LTE.	NGN3,000,000.
50.	Construction of lubricant filling plant without valid LTC.	NGN3,000,000.
51.	Unauthorised modification of a lubricant plant.	NGN3,000,000
52.	Operation of lubricant filling plant without valid LTO.	NGN3,000,000

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53.	Distributing lubricant without a lubricant storage and sales licence.	NGN200,000 per year of default.
54.	Retailing lubricant without a lubricant storage and sales licence.	NGN100,000 per year of default.
55.	Undertaking a shutdown of a facility without notifying the Authority.	USD100,000
56.	Conducting a factory acceptance test or site acceptance test of any critical equipment without authorisation or witnessing by officers of the Authority.	USD100,000
57.	Modification, repair or alteration of midstream surface or underground petroleum liquids storage tanks without authorisation.	USD25,000
58.	Introduction of deadwoods, capillary tube or false bottom, etc. in midstream petroleum liquids storage tanks.	USD25,000 per storage tank
59.	Unauthorised tank conversion in a midstream facility.	NGN5,000,000
60.	A person undertaking the domestic supply or export of petroleum liquids without a wholesale supply licence issued by the Authority.	USD50,000 per domestic supply or export in addition to the cost of the wholesale supply licence.
61.	A producer or importer permitting a person who does not hold an appropriate wholesale supply licence issued by the Authority to lift petroleum products from its facility.	NGN10,000,000 to be paid by the producer or importer.
62.	A person undertaking the supply of natural gas without a wholesale supply licence issued by the Authority.	USD5,000 per day for every day the contravention continues.
63.	A producer permitting a person who does not hold an appropriate wholesale supply licence issued by the Authority to supply natural gas from its facility.	USD5,000 per day for every day the contravention continues.
64.	Modification or upgrade of a facility without approval.	NGN5,000,000
65.	Failure to conduct LACT or meter calibration exercise when due.	USD5,000 per equipment.
66.	Unauthorised modification, alteration, upgrade, etc. of LACT or measurement system.	USD250,000 per LACT system.
67.	Unauthorised modification, repair, alteration of surface petroleum liquids storage tanks.	USD25,000 per tank greater than or equal to 500 barrels.
68.	Late submission of Advance Shipment Schedule.	NGN500,000
69.	Failure to provide information relating to Advance Shipment Schedule to the Authority in the manner prescribed.	The vessel shall be denied permission to load.
70.	Lifting natural gas or its derivatives, petroleum liquids or petroleum products without a lifting identification number.	USD100,000

71.	False declaration regarding the quantity, quality and capacity of a vessel in which petroleum liquids or natural gas or its derivatives are being transported.	Forfeiture of the cargo and an administrative penalty of 10% of the value of the cargo.
72.	Alteration of any document or concealing information in respect of the lifting of natural gas or its derivatives, petroleum liquids or petroleum products by a vessel.	USD1,000,000
73.	Unauthorised loading, unloading and trans-shipment of petroleum liquids or natural gas and its derivatives.	Forfeiture of the cargo and an administrative penalty of 10% of the value of the cargo.
74.	Loading, unloading and trans-shipment of petroleum liquids or natural gas and its derivatives from an unauthorised location.	Forfeiture of the cargo and an administrative penalty of 10% of the value of the cargo.
75.	Backloading of petroleum liquids in a refinery.	125% of the value of the petroleum liquids backloaded.
76.	Measuring petroleum liquids (crude oil, natural gas and condensates) at custody transfer or sales points with faulty or uncalibrated measuring equipment, Ullage Temperature Interface "UTI" or metering system.	USD 10,000 and seizure of faulty measuring instrument.
77.	Measuring petroleum products at retail outlets with faulty or uncalibrated measuring equipment or Ullage Temperature Interface UTI.	NGN 100,000 and seizure of faulty measuring instrument.
78.	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.
79.	Failure to apply approved new base prover volume and meter factor from proving in a petroleum liquids or natural gas facility.	USD50,000
80.	Non-compliance with installation or tampering with Authority locking device or sea line valves on an export line.	USD150,000
81.	Tampering with metering systems or ancillary equipment in a midstream facility.	USD100,000 per meter.
82.	Commissioning any critical equipment or facility such as valve, compressor, pump, or sampler in a midstream facility without approval.	USD50,000 per piece of equipment.
83.	Failure to display on petroleum liquids operational tank in service the words "Tank Service", "Date of Calibration" and "Next Due Date of Calibration".	NGN2,000,000 per tank.

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84.	Failure to display on petroleum products operational tank in service the words “Tank Service”, “Date of Calibration” and “Next Due Date of Calibration” in a downstream facility.	NGN500,000 per tank.
85.	Unauthorised installation of LACT System at export terminals or custody transfer point.	USD75,000 per month.
86.	Non-compliance with frequency of calibration of measurement, dipping tape, UTI, temperature or pressure gauges, transmitters, probes, etc. in midstream petroleum operations.	USD5,000 per equipment.
87.	Falsification of proving system calibration or meter proving reports.	USD250,000 per prover or meter report.
88.	Failure to calibrate or recertify metering system ancillary equipment, temperature and pressure gauges, transmitters, etc.	USD5,000 per equipment.
89.	Failure to recertify prover loop when due in midstream petroleum operations.	USD15,000 per annum.
90.	Failure to recertify auto sampler when due in midstream petroleum operations.	USD50,000 per annum.
91.	Failure to carry out statutory meter proving when due in midstream petroleum operations.	USD20,000 per proving frequency in addition to any other penalty.
92.	Tampering or unauthorised installation of a dispensing pump or loading gantry meter.	NGN500,000 per pump or meter.
93.	Unauthorised changing of petroleum liquids tank product or pipeline product service in midstream operations.	USD5000 per tank
94.	Undertaking the survey route for a pipeline without LTE	USD500,000
95.	Constructing, operating or maintaining a pipeline without a petroleum pipeline licence	USD4,000,000 in addition to any other penalty
96.	Operating a pipeline without an annual permit to operate	USD1,000,000 in addition to the annual permit to operate fee
97.	Failure to remove a pipeline or pipeline network when directed by the Authority.	(a) a penalty not exceeding USD2,500,000; (b) removal of the pipeline and any ancillary installation and the person shall make good any damage done to the land by such removal; and (c) where the person in default fails to remove the pipeline as directed, the Authority shall appoint an

		agent to carry out the removal which shall be paid for from the proceeds realised from the sale of the removed pipes or equipment, provided that where there is — (i) a shortfall in the proceeds from the sale, the shortfall shall be paid by the person in default; or (ii) an excess in the proceeds from the sale, the excess shall be forfeited to the Authority.
98.	Vessel arrival at the loading berth or vessel discharging without clearance by the Authority.	USD100,000 per vessel
99.	Petroleum product diversion by truck or rail wagon.	NGN5,000,000 per truck or rail wagon.
100.	Unauthorised burial of retail outlet underground storage tank	NGN500,000 per tank
101.	Construction of retail outlet add-on facility without LTC.	NGN5,000,000 or confiscation of the facility.
102.	Declaration of false loading manifest.	NGN5,000,000
103.	Sale of petroleum products in a retail outlet or refilling plant during discharge operations.	NGN1,000,000
104.	Failure to maintain a well-stocked first aid box in a retail outlet	NGN100,000
105.	Backloading of petroleum products in a retail outlet.	125% of dispensing cost per litre.
106.	Concealing information required for investigating an accident in a retail outlet.	NGN2,000,000
107.	Failure to install functional truck earthing cable or adequate caution signs at a retail outlet.	NGN1,000,000
108.	Discharge of petroleum products without earthing cable in a retail outlet.	NGN1,000,000
109.	Discharge of petroleum products during lightning or thunderstorm in a retail outlet.	NGN1,000,000
110.	Failure to submit monthly sales returns to the Authority.	NGN200,000 per month
111.	Non or incorrect display of color codes on a tanker truck.	NGN10,000 per truck.
112.	Failure to have or maintain an up-to-date filling station logbook.	NGN20,000

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113.	Petroleum product diversion by jerrycan.	125% of dispensing cost per litre.
114.	Operating a retail outlet without adequate company identification.	NGN100,000
115.	Petroleum product adulteration at a retail outlet.	125% of dispensing cost per litre
116.	Failure to comply with minimum industry safety training requirements for staff in facility operations, truck drivers and motor boys.	NGN2,000,000
117.	Decanting and unauthorised peddling of petroleum products.	NGN500 per litre or its equivalent in metric tonnes or 125% of dispensing cost per litre (whichever is higher)
118	Petroleum product adulteration or trans-loading in depots, retail outlets or while the vehicle is in transit.	NGN10,000,000
119.	Importation or discharge of off-spec petroleum products.	USD2,000,000
120.	Failure to display price billboard.	NGN50,000
121.	Poor housekeeping of retail outlet facilities.	NGN50,000
122.	Indiscriminate parking of vehicles and trucks within a facility.	NGN50,000
123.	Pump under-dispensing from retail outlets and Autogas add-ons.	NGN250,000 per dispensing nozzle and put pump out of use until corrected.
124.	Repair of vehicles within retail outlets and refilling plants.	NGN500,000
125.	Failure to produce, upon demand, storage and sales inventories and reports of a midstream or downstream facility.	NGN1,000,000.
126.	Establishment of retail outlets and CNG facility without LTE.	NGN1,000,000.
127.	Construction of retail outlets and CNG facility without LTC.	NGN10,000,000 or confiscation of the facility.
128.	Operation of retail outlets and CNG facility without LTO.	NGN2,000,000.
129.	Failure to conduct pressure test before tank burial.	NGN100,000.00
130.	Hoarding of petroleum products.	NGN1,000,000.00.
131.	Late renewal of retail outlets and CNG facility licence beyond 31st March of every year.	NGN100,000.00.
132.	Late renewal of depot and terminal licence beyond 31st March of every year.	NGN1,000,000.
133.	Non-display of a licence at a retail outlet.	NGN50,000
134.	Unauthorised tank conversion at a retail outlet.	NGN500,000

135.	Contravention of the Authority's sealing order at a downstream facility.	NGN5,000,000
136.	Failure to obtain an import licence.	USD50,000 per import
137.	Under-utilisation of import licence.	NGN500,000
138.	Non-utilisation of import licence.	NGN1,000,000
139.	Change of petroleum products discharge port without approval.	NGN1,000,000
140.	Engaging in bunkering activities without appropriate licence, permit or approval.	NGN20,000,000
141.	Sale of petroleum products by a distributor to an unlicensed retail facility or receiving facility.	NGN2,500,000 to be paid by the distributor or depot.
142.	Operating LPG refilling plant without LTO.	NGN5,000,000
143.	Construction of LPG refilling plant without LTC.	NGN2,500,000
144.	Under-dispensing by LPG refilling plant.	NGN250,000 per dispensing unit.
145.	Selling to unlicensed industrial storage and utilisation facility.	NGN2,000,000.
146.	Modification of LPG refilling plant without approval.	NGN1,000,000.
147.	Operating autogas plant without LTO.	NGN5,000,000.
148.	Construction of autogas plant without approval.	NGN2,500,000.
149.	Under-dispensing of autogas plant.	NGN250,000 per dispensing unit.
150.	Operating CNG compression facilities without LTO.	NGN5,000,000.
151.	Operating mobile refueling unit or containerised mobile facility without approval.	NGN10,000,000 and seizure of the facility.
152.	Topping without authorisation from the Authority.	Forfeiture of the topped cargo to the Authority and an administrative penalty of 10% of the value of the entire cargo paid to the Authority by the operator.
153.	Installation, modification, repair, alteration of surface or underground petroleum products storage tanks without approval.	NGN1,000,000 per tank.
154.	Installation of a loading gantry meter without authorisation.	NGN500,000 per meter.
155.	Tampering with loading gantry meter	NGN500,000 per meter.
156.	Construction of a depot/bulk storage facility without LTC.	NGN100,000,000
157.	Operation of a depot/bulk storage facility without LTO.	NGN10,000,000

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158.	Modification of a depot/bulk storage facility without authorisation.	NGN50,000,000.
159.	Failure to calibrate storage tank.	NGN500,000 per tank.
160.	Backloading in a depot/ bulk storage facility without authorisation.	USD50,000
161.	Blending in a depot/ bulk storage facility without authorisation.	NGN50,000,000
162.	Undertaking gas trading on a commodity exchange without a licence	USD200,000
163.	Undertaking petroleum liquids trading on a commodity exchange without a licence	USD200,000
164.	Undertaking clearing house operations for a gas or petroleum liquids exchange without a clearing house authorisation	USD200,000

B. A penalty denominated in USD may be paid in the NGN equivalent at the prevailing Central Bank of Nigeria exchange rate.

MADE at Abuja this 7th day of July, 2025.

ENGR. FAROUK AHMED
Authority Chief Executive
Nigerian Midstream and Downstream Petroleum Regulatory Authority