

# **MIDSTREAM AND DOWNSTREAM PETROLEUM OPERATIONS REGULATIONS, 2022**

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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"), hereby makes the following Regulations.

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### PART 1

#### GENERAL

##### 1. Objectives

The objectives of these Regulations are to-

- (1) regulate the operations of companies in the Nigerian midstream and downstream petroleum sector,
- (2) provide for licences, permits, authorisations and fees for such petroleum operations
- (3) provide sanctions and penalties for failure to comply with these Regulations.

##### 2. Authority to Make Guidelines etc

- (1) The Authority may issue guidelines, directives and notices for the effective implementation of these Regulations.
- (2) Where no specific provision is made in these Regulations for any part of the construction, processing, operation, storage, distribution and maintenance of midstream and downstream facilities, subject to the approval of the Authority, practices conforming with international best standards shall be observed.

##### 3. Duties of Licencee and Permit Holder

- (1) A licensee or permit holder to whom these Regulations apply shall:
  - (i) appoint, in writing, a Manager who shall take continual charge of all operations authorised by the Authority.
  - (ii) notify the Authority of every appointment made under sub-regulation (1) of this regulation and any subsequent change not later than 72 hours of such appointment or change.
  - (iii) provide for its personnel sufficient and appropriate safety equipment and personal protective equipment of internationally approved standard and ensure that such equipment is always maintained in good condition.
  - (iv) establish emergency medical procedures including an appropriately manned and well-equipped onsite clinic, standard first aid boxes and automated

external defibrillators situated at strategic locations in the facility, and medical evacuation procedures.

- (v) provide firefighting and first aid equipment at every facility or installation in accordance with best industry standards.
- (vi) ensure that all personnel including contractors undergo occupational fitness tests and minimum industry training in a manner specified by the Authority
- (vii) provide for its personnel clear, comprehensive, safe and practical operational procedures and guidelines.
- (viii) develop good health protection and promotion programmes for its personnel, and mandate all its contractors to take similar actions.
- (ix) ensure that all contract documents entered into with contractors specify in unambiguous words, the responsibilities of contractors with regards to safety of operations.
- (x) develop and maintain contingency procedures and measures for the safety of personnel and equipment in an emergency.
- (xi) develop and regularly update an integrated emergency plan for the management of all credible forms of hazardous events and accident situations that are likely to occur and ensure drills are carried out periodically.
- (xii) Ensure that all laboratories used for petroleum operations are accredited by and operated in a manner prescribed by the Authority
- (xiii) Ensure that its petroleum operations are undertaken with valid and appropriate licences, permits or authorisations as stipulated in the First Schedule to these Regulations.

(2) An application for a licence, permit or authorisation to undertake any of the operations in these Regulations shall be made in a form prescribed in guidelines or directions issued by the Authority.

(3) Except as otherwise provided in the Act, every licence or permit issued by the Authority shall expire on the 31st of December of the year issued and shall be subject to renewal upon expiration.

Provided 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 issued.

(4) Every application for renewal of a licence, permit or authorisation shall be made in a manner prescribed by the Authority and the application shall be made not less than thirty days, or such longer period as the Authority may decide, before the day on which the original licence expires.

(5) A licensee or permit holder shall obtain all requisite approvals from the Authority prior to the commencement of any petroleum operations.

#### **4. Duties of a Manager**

(1) It shall be the duty of every Manager appointed pursuant to these Regulations to:

- (i) ensure that the provisions of these Regulations, any guidelines or any other directives from the Authority are fully complied with.
- (ii) appoint in writing a legal and regulatory compliance officer and report the appointment and any subsequent change to the Authority not later than 72 hours of such appointment and any subsequent change.
- (iii) appoint in writing competent persons for the purpose of general supervision of specific operations in midstream and downstream facilities including but not limited to construction, operations, maintenance, processing, storage, distribution, retailing and health, safety, environment and community matters.
- (iv) report to the Authority every appointment and subsequent change of a competent person not later than 72 hours of such appointment and subsequent change.
- (v) ensure that all competent persons are given appropriate training for the efficient and safe performance of their duties.
- (vi) maintain a register setting out the details and responsibilities of the competent persons, their mutual relationships and lines of reporting and communication.
- (vii) provide such operational office and accommodation for Authority personnel as may be directed by the Authority.

- (viii) ensure that all operational rules, procedures, and guidelines made pursuant to these Regulations are fully understood and complied with by the licensee or permit holder's personnel and contractors.
- (ix) ensure that every operation or procedure is carried out by qualified personnel and that adequate systems are put in place to determine and approve qualified personnel for each operation and procedure.
- (x) ensure the availability of critical spare parts for equipment in compliance with the requirements and directives of the Authority.
- (xi) ensure that the facility's landscaping, surroundings, and environment are well maintained at all times and that the facility is kept in sound condition and free of items which may constitute hindrances to evacuation or escape of personnel in event of a fire, leak or spill.

## **5. Duty to Provide Information**

The Authority may direct a person to provide information or data on any midstream and downstream operation and the person shall provide such information or data in the prescribed manner within the timeframe stipulated in such direction.

## **PART 2**

### **IMPORTATION, EXPORTATION, SHIPPING, UNSHIPPING, LANDING OF PETROLEUM OR ITS DERIVATIVES, PETROLEUM LIQUIDS OR PETROLEUM PRODUCTS**

## **6. Entry into Prescribed Port**

(1) No person shall import petroleum or its derivatives, petroleum liquids or petroleum products into any port in Nigeria other than a prescribed port except in the manner specified by the Authority.

(2) Any person importing petroleum or its derivatives, petroleum liquids or petroleum products at a port other than the prescribed port, shall apply to the Authority in writing, stating the quantity and nature of petroleum or its derivatives, petroleum liquids or petroleum products which he desires to import.

## **7. Compliance with Statutory Requirements for Berthing etc**

Every ship, tanker or vessel entering a Nigerian harbour shall comply with statutory requirements for berthing, loading and discharge of petroleum or its derivatives, petroleum liquids or petroleum products

## **8. Declaration of Quantity and Quality of petroleum or its derivatives, petroleum liquids or petroleum products Carried by Vessels Entering Harbour**

1) The master of a vessel carrying petroleum or its derivatives, petroleum liquids or petroleum products shall upon entry into a prescribed port, deliver to the Authority a written declaration under his signature stating-

- (a) what quantity of petroleum or its derivatives, petroleum liquids or petroleum products the vessel is carrying;
- (b) what quantity of the petroleum or its derivatives, petroleum liquids or petroleum products is in bulk;
- (c) what quantity of petroleum or its derivatives, petroleum liquids or petroleum products (specifying what part of it belongs to each type of product) it is intended to land at that port or any other port in Nigeria.

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

(2) No vessel shall commence discharge of petroleum or its derivatives, petroleum liquids or petroleum products without obtaining vessel clearance from the Authority at a prescribed fee.

## **9. Declaration by Ship Leaving Harbour**

(1) No petroleum or its derivatives, petroleum liquids or petroleum products shall be exported from Nigeria without valid approval or export permit.

(2) No crude oil, condensates, liquid petroleum products and natural gas liquids shall be exported from Nigeria without valid wholesale petroleum liquid supply license from the Authority which shall be in addition to valid export permit.

(3) The owner of the petroleum or its derivatives, petroleum liquids or petroleum products to be exported from a port shall, in addition to complying with all statutory requirements of the Nigerian Customs Service deliver to the harbour master, before and after loading any ship, written declarations under his signature stating-

- (a) in the case of a declaration made before loading a ship the approximate --

- i. quantity of petroleum or its derivatives, petroleum liquids or petroleum products with which that ship will be loaded;
  - ii. what quantity, of the petroleum or its derivatives, petroleum liquids or petroleum products is in bulk;
- (b) in the case of a declaration made after loading-
- i. the quantity of petroleum or its derivatives, petroleum liquids or petroleum products with which the ship has been loaded;
  - ii. what quantity, of the petroleum or its derivatives, petroleum liquids or petroleum products is in bulk.

## 10. Ship/Shore Differences

The shore figures shall continue to be regarded as the official fiscalised figures for any lifting. Where the figure recorded on board a vessel varies remarkably from that recorded on shore or at the loading point, the limit of tolerance allowed for these variations shall depend on the cargo quantity expressed in long tons and the allowance that shall apply are as follows:

- i. For petroleum liquids and petroleum products of up to 100,000 long tons, a limit of 0.50% difference, shall be allowed.
- ii. For petroleum liquids and petroleum products cargo of above 100,000 long tons, the allowable tolerance limit shall be 0.30%.
- iii. However, in cases where the ship/shore difference recorded exceeds the above stipulated limits, the vessel shall not be cleared to sail until a written undertaking has been given by the vessel captain or the facility operator to arrange for Authority officers to verify the outturn discharge of the vessel at port of discharge.
- iv. Upon the conclusion of the outturn verification process, a new Certificate of Quantity shall be issued to the facility and vessel owner.
- v. Any facility or vessel owner who fails to comply with the outturn verification process within sixty days of a demand by the Authority shall be subject to the penalties set out in these Regulations and in addition shall not be allowed to lift petroleum liquids or petroleum products from any Nigerian facility until the Authority is satisfied that such facility or vessel owner has complied.
- vi. Any vessel which records ship/shore differences over the tolerance limit for three consecutive liftings shall not be allowed to lift cargo from any facility in Nigeria until satisfactory evidence has been provided to the Authority showing that the vessel's measurement device has been recalibrated afterwards.



## **11. Trans-shipment of Petroleum or Its Derivatives, Petroleum Liquids or Petroleum Products**

No loading, unloading or trans-shipment of petroleum or its derivatives, petroleum liquids or petroleum products shall be carried out at any location within Nigeria other than those authorised by the Authority for that purpose.

## **12. Testing of Samples of Petroleum or Its Derivatives, Petroleum Liquids or Petroleum Products**

No imported petroleum or its derivatives, petroleum liquids or petroleum products shall be discharged without sampling, testing of products from an approved laboratory and the issuance of a certificate of quality from the Authority.

## **13. Prohibition of Discharge into Waters**

No petroleum or its derivatives, petroleum liquids or petroleum products shall be discharged or allowed to escape into the Nigerian waters.

## **14. Payment to the Authority**

- (1) There shall be a payment of:
  - a. 0.5% of wholesale price of petroleum products sold in Nigeria to the Authority Fund; and
  - b. 0.5% of wholesale price of petroleum product(s) and natural gas sold in Nigeria to the Midstream and Downstream Gas Infrastructure Fund.
- (2) Following its issuance of Certificate of Quantity, the Authority shall issue a debit note to importers, for the payment stipulated in sub-regulation (14)(1), in respect of all imported petroleum products in Nigeria.
- (3) Following its monthly reconciliation, the Authority shall issue a debit note to licencees for payment stipulated in sub-regulation (14)(1), in respect of all petroleum products processed and sold in Nigeria
- (4) Payments stipulated in sub-regulation (14)(1) shall be made not later than seven (7) days after issuance of debit note by the Authority.
- (5) All payments shall be collected at wholesale points by the Authority.
- (6) If any sum is not paid within 7 days of the issuance of debit note, a sum equal to 10% of the amount unpaid shall be added for each or part of the month after the date on which payment should have been made.
- (7) In addition, the Authority may suspend the operations of such facility into which the product was discharged or stored until the payment is made; and
- (8) Notwithstanding the provisions in Regulation 14(6), for subsequent transactions, the Authority may require producer of petroleum products and natural gas or the importer to pay the levy before allowing evacuation or vessel discharge.

## PART 3

### MIDSTREAM AND DOWNSTREAM GAS OPERATIONS

#### 15. Midstream and Downstream Gas Operations to be Conducted with Licences, Permits and Authorisations Issued by the Authority

- (1) No person shall undertake the following gas operations in the Nigerian Midstream and Downstream sector without a valid licence, permit, or authorisation issued by the Authority:
- (i) the establishment, design, construction, or operation of a gas processing facility including the modification and decommissioning of such facilities.
  - (ii) the offtake of natural gas or gas products and derivatives from a gas facility.
  - (iii) the establishment, construction, or operation of a natural gas blending facility
  - (iv) blending operations in a gas depot including the modification and decommissioning of such depots.
  - (v) third party blending operations in a gas processing plant.
  - (vi) Establishment, construction and operation of a gas transportation and distribution pipeline.
  - (vii) the construction and operation of a gas distribution system.
  - (viii) the operation of a gas transportation network
  - (ix) the virtual transportation of gas and its derivatives
  - (x) LPG or CNG bulk cylinder exchange to Micro-Distribution centres/resellers
  - (xi) LPG or CNG truck peddling/retailing activities
  - (xii) the establishment, construction, modification, operation, and decommissioning of a bulk gas storage facility.
  - (xiii) the establishment, construction, modification, operation, and decommissioning of a gas refilling/refueling facility
  - (xiv) the establishment, construction, modification, operation, and decommissioning of a compressed natural gas (CNG) or liquified natural gas (LNG) facility
  - (xv) the establishment, construction, modification, operation, and decommissioning of gas import and export terminals
  - (xvi) the selection, design, construction, installation, and operation of metering facilities
  - (xvii) Wholesale gas supply operations
  - (xviii) Retail gas supply operations

- (xix) Industrial gas storage and utilisation which shall include gas stored and utilised by ministries, departments, and agencies of the federal, state and local governments for their use.
- (xx) Industrial natural gas liquids (including plant condensate) storage and utilisation which shall include gas stored and utilised by ministries, departments, and agencies of the federal, state and local governments for their use.
- (xxi) Domestic gas aggregation
- (xxii) Coastal vessel gas operations
- (xxiii) Technology adaptation for gas facilities

## **16. Gas Transportation and Distribution**

### **(1) Gas Transportation Pipeline**

- i. An application for a Gas Transportation and Distribution Pipeline shall be made in accordance with the Petroleum Pipeline Regulations issued by the Authority.
- ii. Approvals to introduce hydrocarbon shall be obtained from the Authority for all newly constructed or refurbished pipeline systems prior to operation of the pipeline.
- iii. A holder of a gas distribution licence shall-
  - i. distribute and sell its natural gas without discrimination to consumers in a local distribution zone.
  - ii. be entitled to sell natural gas to customers that are not wholesale customers.
- iv. A gas distribution licence may-
  - i. include provisions for providing third-party access to the gas distribution network to a gas retailer or gas distributor on its own initiative; and
  - ii. permit a gas retailer access to the gas distribution network under terms and conditions agreed to by the parties.

### **(2) Gas Transportation Network Operations**

- (a) Where a pipeline is operated on a common carrier basis, development, and operation of terms for access to the gas transportation pipeline shall comply with the relevant network code.
- (b) Where the pipeline is operated for its own account, the facilities shall operate subject to open access conditions under these Regulations.

### **(3) Virtual Transportation for Gas and Gas Derivatives**

- i. A person intending to carry out virtual gas transportation activities shall register the mode of transportation with the Authority.
- ii. Where virtual transportation is operated on a common carrier basis, operation of terms for the natural gas transportation shall comply with the relevant provisions of these Regulations

### **17. LPG/CNG Bulk Cylinder Peddling (Exchange) Operations**

- (1) No LPG or CNG bulk cylinder exchange to Micro-Distribution Centres (MDC)/Resellers shall be operated without approval from the Authority.
- (2) No truck for peddling of LPG or CNG shall operate without permit from the Authority.

### **18. Bulk Gas Storage**

- (1) No bulk gas storage facility shall be used for the export and import of gas without the approval of the Authority.
- (2) No natural gas or gas derivatives products shall be exported from a bulk gas storage facility without valid certificate of quantity and quality and wholesale supply licence issued by the Authority.
- (3) The holder of a bulk gas storage licence shall undertake the activities contemplated by the licence in a manner that complies with the following:
  - a. establish and make available to the public on its website or at its offices, the-
    - i. procedure and terms for obtaining third party access or throughput services on an open access basis, and
    - ii. method of response to the request for its services.
  - b. construct, operate and maintain its facilities in a safe, economical, reliable, and environmentally sustainable manner considering any strategic plans formulated by the Authority.
  - c. Shut down its facilities in emergencies; or in order to carry out maintenance or in response to curtailment directives issued by the Authority.
  - d. where the licensee operates for its own account, grant to third parties the right to use or have access to capacity within its facilities for the purpose of ensuring competitive gas supply.

- e. consult with and obtain from the Authority written permission, prior to any modification of technical and operational rule of practice concerning the operation of its facilities.
- f. conduct its licenced activities in a non-discriminatory manner where the licence is issued on an open access basis
- g. manage its facilities as a reasonable and prudent operator; and
- h. abstain from activities, which in the opinion of the Authority may prevent, restrict, or distort competition.
- i. conduct its licenced activities safely and reliably in compliance with any health and safety Regulations issued by Authority.
- j. comply with the requirements for environmental protection, management, and restoration issued by the Authority and any law in force; and
- k. mark, maintain and secure the boundaries of its facilities and associated infrastructure constructed under the terms of its licence and any law in force.

## **19. Wholesale Gas Supply**

- (1) All wholesale natural gas supply shall be conducted at licenced wholesales points.
- (2) A wholesale gas supply licence authorises the holder to:
  - (a) Purchase natural gas or gas products directly from a third party and
  - (b) Sell and deliver wholesale gas to wholesale customers and gas distributors at any location in Nigeria
- (3) A wholesale gas supplier shall undertake the activities contemplated by the wholesale gas supply licence in a manner that complies with the following general obligations, to-
  - (a) provide a reliable supply of wholesale gas to wholesale customers who have entered into a gas purchase and sale agreement with the supplier; and
  - (b) abstain from activities, which in the opinion of the Authority may prevent, restrict, or distort competition.
- (4) A holder of wholesale gas supply licence shall-
  - (a) conduct its activities safely and reliably in compliance with any health and safety Regulations issued by the Authority; and
  - (b) comply with customer protection measures in accordance with sections 164, 165 and 166 of the Act.

- (5) A wholesale gas supplier shall undertake its activities in a manner that complies with the conditions of the licence

## **20. Retail Gas Supply**

- (1) The holder of a retail gas supply licence shall be allowed to:
- (a) purchase marketable natural gas directly from a producer, wholesale gas supplier or third party on a free market basis; and
  - (b) sell or retail compressed or liquefied natural gas to customers at any location in Nigeria on a free market basis.

## **21. Gas Aggregation**

- (1) The duration of the domestic gas aggregation licence shall be for a period of two years effective from the date of the grant of the licence and may be renewed in accordance with the provisions of the Act and guidelines issued by the Authority.
- (2) The Board of the Domestic Gas Aggregator shall determine the fees for the services of the domestic gas aggregator which shall be paid by the producer clients and customer clients to ensure self-financing of the domestic gas aggregator.
- (3) The domestic gas aggregator shall not be a company that is controlled by licensees or lessees of upstream petroleum operations or by wholesale customers or is an affiliate of such entities, provided that ownership of the company may be by a combination of licensees or lessees, wholesale customers and other interested parties, such as licensees of gas transportation pipelines and gas transportation networks.

## **22. Industrial Gas Storage and Utilisation**

- (1) All industrial gas storage tanks shall be separated from buildings or fixed sources of ignition, to reduce the risk of fire spreading to the tank, to enable and or maintain safe dispersal of natural gas or gas products.
- (2) All gas storage tanks should be situated outdoors in a position that will not allow accumulation of vapour at ground level.
- (3) Where gas storage installation consists of a set of cylinders, the construction or installation of cylinders shall be in form of two or more sets of paired cylinders connected to a manifold, with supply provided from one pair of cylinders at any time.

- (4) Industrial Gas Storage and Utilisation licence shall be only for consumption by the licensee and shall be within the licenced premises and not for sales or consumption by another person or industry.

### **23. Gas Export and Import Terminals Facilities**

- (1) No gas export and import terminal shall be operated without:
- a. The terminal being established in accordance with the provisions of the Oil Terminal Dues Act;
  - b. Reference to the Petroleum (Transportation and Shipment) Regulations made by the Authority; and
  - c. Appropriate licences, permits and authorisations issued by the Authority
- (2) No natural gas and gas products shall be evacuated from the terminal for export or supply to bulk customers in Nigeria without a valid wholesale gas supply licence issued by the Authority.

### **24. Natural Gas and Gas Products Import and Export Permit**

- (1) No natural gas and gas products shall be imported without an appropriate permit issued by the Authority.
- (2) No gas and gas products shall be exported from Nigeria without Wholesale Gas Supplier Licence.
- (3) All applications for export of natural gas and natural gas products shall be in a form as prescribed in the Guidelines issued by the Authority.

## **PART 4**

### **MIDSTREAM AND DOWNSTREAM PETROLEUM LIQUIDS OPERATIONS**

#### **25. Midstream and Downstream Petroleum Liquids Operations to be Conducted with Licences, Permits and Authorisations Issued by the Authority**

- (1) No person shall undertake the following petroleum liquids operations without a valid licence, permit, or authorisation issued by the Authority:
- i. the establishment, design, construction, or operation of hydrocarbon processing facilities and installations including the modification and decommissioning of such facilities, which shall be in accordance with the Hydrocarbon Refining Facility Regulations issued by the Authority.
  - ii. the offtake of petroleum products.

- iii. the establishment, construction or operation of a hydrocarbon liquid blending or waste recycling facility.
- iv. the establishment, construction or operation of a lubricants refilling facility.
- v. blending operations in a petroleum products depot including the modification and decommissioning of such depots.
- vi. third party blending operations.
- vii. Establishment, construction and operation of petroleum liquids transportation and distribution pipelines
- viii. Establishment, construction and operation of petroleum products distribution systems
- ix. operation of a petroleum liquids and petroleum products transportation network
- x. virtual transportation of petroleum liquids
- xi. establishment, construction, modification, operation, and decommissioning of a bulk petroleum liquids storage facility.
- xii. the bulk storage, sale and distribution of petroleum products
- xiii. petroleum products backloading operations.
- xiv. Establishment, construction, modification, operation, and decommissioning of petroleum products jetties.
- xv. wholesale petroleum liquids supply operations
- xvi. establishment, construction and operation of petroleum liquids retailing operations and infrastructure
- xvii. establishment, construction, fabrication and operation of petroleum filling or service stations, floating filling stations, mobile containerised filling stations (operated for industrial use or storage and sales), riverine or marine filling station plants and associated infrastructure
- xviii. operation of bunkering vessels and barges utilised in the storage or supply of petroleum products, natural gas and natural gas products.
- xix. Establishment, construction, installation, and operation of AGO or DPK storage and sales facilities.
- xx. Peddling, storage and sales of AGO and DPK by trucks
- xxi. Industrial petroleum products storage and utilisation which shall include petroleum products stored and utilised by ministries, departments, and agencies of the federal, state and local governments for their use.
- xxii. Importation and exportation of petroleum, petroleum liquids and petroleum products
- xxiii. Technology adaptation for petroleum liquids facilities

## **26. Petroleum Liquids Transportation Pipeline**



- (1) An application for a petroleum liquids pipeline licence shall be made in accordance with the provisions of the Petroleum Pipeline Regulations.
- (2) A licensee shall obtain the authorisation of the Authority to introduce hydrocarbons into a newly constructed or refurbished pipeline system prior to the commencement of operations on the pipeline.

## **27. Petroleum Liquids and Petroleum Product Transport Network Operator**

- (1) No person within the petroleum liquids transportation network shall operate without an appropriate licence issued by the Authority.
- (2) Where a pipeline is operated on a common carrier basis, the development, and operation of terms for access to the petroleum liquids transportation pipeline shall comply with the relevant network code issued by the Authority.
- (3) Where the pipeline is operated for its own account, the facilities shall operate subject to open access conditions under these Regulations.
- (4) A petroleum liquids transportation network operator licence shall authorise the licensee to conduct activities specified in the licence, which shall include:
  - i. conveyance of petroleum liquids through the transportation network;
  - ii. balancing the inputs and off takes from the transportation network;
  - iii. providing open access to the transportation network; and
  - iv. charging for the use of the transportation network.
- (5) The Authority shall only grant one petroleum liquids transportation network operator licence for specified petroleum liquids within a geographically defined area to a single network operator, and the Authority may at its discretion, issue licences to other parties for the operation of isolated or dedicated pipelines.

## **28. Virtual Transportation for Petroleum Liquids**

- (1) A person intending to carry out virtual petroleum liquids transportation activities shall register the mode of transportation with the Authority.
- (2) No mode of virtual transportation shall be used for the purpose of transporting petroleum liquids without appropriate licence, permit, or authorisation from the Authority.
- (3) No player within the transportation network shall operate without appropriate licence, permit or authorisation from the Authority.

## **29. Bulk Petroleum Liquids Storage**

- (1) No bulk petroleum liquid storage facility shall be used for products export and import without appropriate approval or permit from the Authority

- (2) All petroleum products for export from depot facilities must be sourced only from refineries and petrochemical plants.
- (3) No petroleum products shall be exported from a bulk petroleum liquids storage facility without valid certificate of quantity and quality and wholesale petroleum liquids supply licence issued by the Authority.
- (4) No third-party petroleum products shall be stored in a depot without valid throughput agreement and all such throughput agreements shall be submitted to the Authority.
- (5) The holder of a bulk petroleum liquid storage licence shall:
  - i. undertake the activities contemplated by the licence in a manner that complies with the following:
    - (a) establish and make available to the public at its offices,
    - (b) procedure and terms for obtaining third party access or throughput services on an open access basis, and
    - (c) method of response to the request for its services;
      - i. Construct, operate and maintain its facilities in a safe, economical, reliable, and environmentally sustainable manner considering any strategic plans formulated by the Authority.
      - ii. Shut down its facilities in emergencies, to carry out maintenance or in response to curtailment directives issued by the Authority.
- (6) Where the licensee operates for its own account, it shall:
  - i. grant to third parties the right to use or have access to capacity within its facilities for the purpose of ensuring competitive gas supply.
  - ii. 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.
  - iii. Conduct its licenced activities in a non-discriminatory manner where the licence is issued on an open access basis
  - iv. Manage its facilities as a reasonable and prudent operator and abstain from activities, which in the opinion of the Authority may prevent, restrict, or distort competition.
  - v. Conduct its licenced activities safely and reliably in compliance with any law in force and prescribed health and safety Regulations issued by Authority or any law in force.
  - vi. Comply with the requirements for environmental protection, management, and restoration issued by Authority and any law in force; and mark, maintain and secure the boundaries of its facilities and

associated infrastructure constructed under the terms of its licence and any law in force.

### **30. Petroleum Products Backloading**

A holder of a bulk storage licence shall conduct petroleum products backloading in accordance with the terms and conditions of the approval.

### **31. Petroleum Products Distribution**

- (1) A holder of petroleum product distributor licence shall-
  - a. develop and maintain a safe, efficient, reliable and economical service for the distribution of petroleum products to individual customers and petroleum product retailers.
  - b. carry on its business in a manner that will promote competition and avoid monopoly in the retail supply of petroleum products in Nigeria;
  - c. conduct its licenced activities safely and reliably in compliance with any law in force and prescribed environmental, health and safety regulations issued under the Act or any other applicable law;
  - d. avoid undue preference or discrimination as between persons or any class of persons in establishing prices; and
  - e. comply with customer protection measures approved by the Authority.
- (2) A petroleum products distribution licence may-
  - (a) include provisions for third party access to the distribution network by petroleum products retailers or distributors; and
  - (b) permit petroleum product retailers or distributors to access the distribution network under terms and conditions agreed to by the parties.

### **32. Wholesale Petroleum Liquids Supply**

- (1) All wholesale petroleum liquids supply shall be conducted at licenced wholesales points.
- (2) No producer of petroleum liquids or natural gas shall export or deliver petroleum liquids or natural gas to bulk customers in Nigeria without valid wholesale petroleum liquids supply licence.
- (3) A holder of crude oil refining or bulk petroleum liquids licence shall not export petroleum products from a refinery or depot without valid wholesale petroleum liquids supply licence.

(4) A wholesale petroleum liquids supplier shall undertake the activities contemplated by the licence in a manner that best complies with the following general obligations, to-

- i. provide a reliable supply of petroleum liquids to purchasers on request; and
- ii. abstain from activities, which in the opinion of the Authority may prevent, restrict or distort competition.

(a) A holder of wholesale petroleum liquid supply licence shall-

- (i) conduct its licenced activities safely and reliably in compliance with any law in force and prescribed health and safety Regulations issued by the Authority or any other law; and
- (ii) comply with customer protection measures in accordance with sections 164, 165 and 166 of the Act

(b) A wholesale petroleum liquids supplier shall undertake its licenced activities in a manner that best complies with the covenants and conditions of the licence and with customer protection measures approved by the Authority.

### **33. Bunkering/Barge Vessel Licence**

There shall be no loading or discharging of natural gas and gas products into or from vessels or barges etc. within Nigerian territorial waters, without appropriate approval, permit or clearance from the Authority.

### **34. Industrial Petroleum Liquids Storage and Utilisation**

- (1) An industrial petroleum products storage facility shall not be used as a storage and sales facility and any Industrial petroleum product storage facility found to be selling petroleum products may be sealed and its licence cancelled or terminated.
- (2) Industrial petroleum liquids tanks shall be separated from a building or fixed source of ignition, to reduce the risk of fire spreading to the tank, to enable and/or maintain safe dispersal of petroleum products.
- (3) Petroleum liquids storage tanks should be situated outdoors in a position that will not allow accumulation of vapour at ground level.
- (4) Where petroleum liquids storage installation consists of a set of cylinders, the construction or installation of cylinders should be in form of two or more sets of paired cylinders connected to a manifold, with supply provided from one pair of cylinders at any time.

### **35. Petroleum Liquids Export and Import**

- (1) No petroleum liquids export and import terminals shall be operated without:
  - i. The terminal being established in accordance with the Oil Terminal Dues Act;
  - ii. Reference to the Petroleum (Transportation and Shipment) Regulations made by the Authority; and
  - iii. Appropriate and valid licences, permits and authorisations issued by the Authority.
- (2) No petroleum liquids shall be evacuated from the terminal for export or supply to bulk customers in Nigeria without a valid wholesale petroleum liquid supply licence issued by the Authority.

### **36. Petroleum Liquids and Petroleum Products Import and Export Permit**

- (1) No person shall import, store, sell or distribute any petroleum or petroleum products in Nigeria without valid permit or licence granted by the Authority.
- (2) No person shall import petroleum, or petroleum products additives in Nigeria without permit from the Authority.
- (3) No person shall export petroleum or petroleum products from Nigeria without valid wholesale petroleum liquid supply licence from the Authority and export permit from appropriate authority.
- (4) The Authority shall process all applications for export of petroleum and petroleum products in Nigeria.

### **37. Product Certification and Accounting**

- (1) The Authority may grant the application for product certification to petroleum marketers only if the conditions for issuance of product certification are met.
- (2) There shall be reconciliation and accounting of all imported petroleum products by the Authority to ensure traceable record and data of import.

## **PART 5**

### **MISCELLANEOUS**

### **38. Midstream and Downstream Oil and Gas Service Companies**

- (1) No company shall render or be engaged to render any service to the midstream and downstream oil and gas industry without being registered and issued a permit to carry out such services by the Authority.

- (2) Application for registration shall be made to the Authority specifying the category of permit required and accompanied by the fees relating thereof as prescribed in these regulations.
- (3) The Authority shall on receipt of an application under sub regulation (2) of this regulation, if it deems fit, register the applicant and issue him with a permit in the relevant category under this regulation.
- (4) The permits issued by the Authority shall be categorised into General, Major and Specialised.
- (5) A licensee or permit holder shall only engage the services of companies with appropriate and valid midstream and downstream oil and gas industry service permit.
- (6) The licensee or permit holder shall be responsible for ensuring that the service provider complies with all the statutory requirements stipulated by the Authority.

### **39. Conformity Assessment**

All hydrocarbon processing facilities, pipelines and installations shall be subjected to annual conformity assessment in line with the requirements of the Authority.

### **40. Technology Adaptation**

- (1) All new technologies shall be subjected to technology qualification process before deployment into the midstream and downstream oil and gas industry.
- (2) No new technology shall be deployed into the midstream and downstream sectors of the oil and gas industry without valid approval from the Authority
- (3) All technology qualification exercise shall include Technical Audit of technology, Inspection of Original Technology Owners/local Technology Promoter, Laboratory evaluation of technology, Pilot implementation of qualified technology and any additional requirements that may be prescribed by the Authority

### **41. Deferment of Operations**

- (1) A licensee or permit holder who intends to defer the operations of its facility, shall notify the Authority in writing not less than twelve months before such deferment.
- (2) Where a licensee or permit holder defers the operations of its facility without the authorisation of the Authority, that facility shall be deemed to be operational, and subject to the terms and conditions of the licence or permit.

#### **42. Reconciliation**

All petroleum or its derivatives, petroleum liquids or petroleum products produced or imported into the country shall be subject to reconciliation at such intervals as may be determined by the Authority.

#### **43. Right to Enter and Inspect Premises in Case of Offences**

Any officer authorised by the Authority may at any time enter and inspect any facility or premises where the officer has reasonable grounds to suspect that a breach of these Regulations is being committed.

#### **44. Prescribed Returns**

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

#### **45. Form of Application**

- (1) Every application for a licence, permit or authorisation shall be made in a manner prescribed by the Authority.
- (2) An application made by an affiliate of a person that has applied for or holds any other licence, permit or authorisation from the Authority, shall disclose such relationship.
- (3) The Authority shall prescribe appropriate service charge for the grant of such licence, permit or authorisation and the charges may be on volume or mass basis.

#### **46. General Offences**

(1) Any person who:

- i. Fails to obtain a licence, permit or authorisation required under these Regulations,
- ii. Fails to provide information required under these Regulations
- iii. Makes a false declaration to the Authority or wilfully furnishes information so required which is in any respect false or insufficient; or
- iv. Fails to comply with any provisions of these regulations or any directives given or condition of any permit or licence issued under these regulations,

shall, in addition to the sanctions, fines and penalties contained in the Act, be liable to the relevant administrative penalties contained in the Second Schedule to these Regulations, and any licence, permit or authorisation granted to that person may be suspended or revoked.

- (2) Where a breach of these regulations occurs, the Authority shall:
- (i) seal the premises where the activity was undertaken.
  - (ii) dismantle and seize the facilities by which the activities were undertaken.
  - (iii) confiscate and dispose of equipment or materials (including any petroleum products) employed by the person in the activity.
  - (iv) impose penalties as contained in the Second Schedule to these Regulations.
- (3) Where no specific penalty for an offence under these Regulations is provided in the Second Schedule, the Authority may impose an administrative penalty not exceeding USD 1,000,000 ( One Million United States Dollars).

#### **47. Interpretation**

In these Regulations, unless the context otherwise requires-

**“Act”** means the Petroleum Industry Act, 2021

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

**“Blending Operations”** means activities that involves the mixing or blending of different proportions of gas such as propane-butane, ethane-propane-butane etc., or the mixing or blending of different proportions of petroleum liquid products such as base oil-additives etc.

**“CNG Compression Facilities”** means facilities such as used for compression of natural gas to less than the volume it occupies at standard atmospheric pressure

**“CPF”** means Central Processing Facilities

**“Competent person”** means a person appointed, with the approval of the Authority, by the manager in writing as a reliable person capable of exercising overall general supervisory responsibility in ensuring compliance with the provisions of these Regulations or parts thereof.

**“Crude oil”** has the meaning ascribed to it in the Act

**“Critical equipment”** means any equipment which if taken out of commission will endanger the life of, or lead to a malfunctioning or a shut-down of, the facility or parts thereof.

**“Debit Note”** means a document issued by Authority as a means of formally requesting for payment of established levy



**“Distribution pipeline”** means a low-pressure pipeline for the purpose of conveying natural gas or petroleum products to customers.

**“Flash-point”** means the degree of temperature at which petroleum gives off a flammable vapour upon being tested by either the Abel closed cup tester, or the Pensky-Martens closed tester.

**“FPSO”** means Floating, Production, Storage and Offloading

**“FSO”** means Floating, Storage and Offloading

**“Force Majeure”** has the meaning ascribed to it in the Act

**“Gas Bulk Storage Facilities”** means bulk gas storage facilities such as gas depot, and gas wholesale storage 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 transportation network”** has the meaning ascribed to it in the Act

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

**“Gas Transportation and Distribution Facilities”** means interconnected gas transportation and distribution facilities for movement of natural gas or gas products such as pipeline, barges, truck, rails, and other means etc.

**“Gas Export and Import Facilities”** means facilities for importing or exporting petroleum or petroleum products or other derivatives such as gas terminal, jetties etc.

**“Gas Processing Facilities”** means facilities for processing natural gas such as GPP, GCP, GTF Plants, LNG Plants, GTL Plants, Methanol Plants, LPG Plants, Gas Derivatives Plants etc

**“Gas Retailing Operations and Infrastructure”** means facilities or infrastructures for storage and sales of natural gas or gas such as gas retailing outlets, mobile skids, or other infrastructures

**“GCP”** means Gas Conditioning Plants

**“GPP”** means Gas Processing Plants

**“GTF”** means Gas to Fertilizer

**“GTL”** means Gas to Liquid

**“Hydrocarbon Processing Facilities”** means facilities used for processing hydrocarbon liquids and gas (excluding blending plants, emulsion processing facilities, waste recycling plants) such as crude oil refineries, petrochemical facilities, gas processing facilities, fertilizers, gas derivative plant, LNG, EGTL and other gas processing facilities, FPSO, Floating Processing Facilities etc

**“Petroleum Liquids Transportation and Distribution Facilities”** means interconnected hydrocarbon oil transportation and distribution facilities for movement of petroleum liquid or petroleum products such pipeline, barges, truck, rails, and other means etc.

**“Petroleum Liquids Export and Import”** means facilities for importing or exporting petroleum liquid or petroleum products or other derivatives such as petroleum liquid or petroleum product terminal, jetties etc.

**“Industrial Gas Storage and Utilisation”** means industrial storage facilities for internal consumption or utilisation.

**Industrial Petroleum Liquid Storage and Utilisation** means industrial storage facilities for internal consumption or utilisation of petroleum liquids, petroleum liquid products etc.

**“Inspector”** means a representative of the Authority, or any other person appointed in writing by the Authority to undertake inspection activities on its behalf.

**“Licencee”** has the meaning ascribed to it in the Act

**“Liquefied natural gas” or “LNG”** has the meaning ascribed to it in the Act

**“LPG” or “liquefied petroleum gas”** has the meaning ascribed to it in the Act

**“Manager”** means the person appointed Manager pursuant to Regulation 4 of these Regulations.

**“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

**“Mobile plant”** includes both portable and transportable plants or units.

**“Modification”** includes expansion, rehabilitation, refurbishment, revamping, upgrading,

“**MT**” means metric tonnes and is equivalent of 1000Kg .

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

“**Natural gas liquids**” or “**NGL**” has the meaning ascribed to it in the Act

“**NGN**” means Nigerian Naira

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

“**Other Related Product**” means all other substances or materials produced in the processing of crude oil, natural gas, and intermediates such

“**Petroleum Products**” means materials derived from crude oil and natural gas processing such as ethane, propane, butanes, pentanes, liquefied petroleum gas, natural gas liquids, asphalts, gasoline, diesel, gas oil, jet fuels, transportation fuels, fuel oils for heating and electricity generation, base oil, lubricant and other derivatives.

“**Petroleum Products Offtake**” means purchase of bulk petroleum products for the purpose of export, reselling, retailing or distribution.

“**Petroleum**” has the meaning ascribed to it in the Act

“**Petroleum liquids**” has the meaning ascribed to it in the Act

**Petroleum Liquids Retailing Operations and Infrastructure** means facilities or infrastructures for storage and sales of petroleum products such as petroleum products retailing outlets, mobile skids, or infrastructures.

**Prescribed Port** means any port which the officer of the Ministry responsible for matters relating to ports may by notice in the federal gazette designate as such for the purposes of these Regulations.

**Producer** means a lessee holding an interest in an oil mining lease or petroleum mining lease or a licensee holding an interest in an oil prospecting licence or a petroleum prospecting licence, where such licensee carries out temporary test production.

**Petroleum Products and Natural Gas Sold in Nigeria** means materials derived from crude oil and natural gas processing such as ethane, propane, butanes, pentanes, liquefied petroleum gas, natural gas liquids, asphalts, gasoline, Kerosene, diesel, gas oil, jet fuel, transportation fuels, fuel oils for heating and electricity generation and other derivatives such as urea, fertilizers, methanol, hydrogen, ammonia, Nitrogen, petrochemicals and precursors, etc. emanating from a processing facility for purchase in Nigeria and export Free on Board (FOB).

“**Pipeline**” has the meaning ascribed to it in the Act

"**Restricted area**" has the same meaning as the "operational area".

"**Shore Certificate**" means a quantity certification that ascertains the final discharged quantity.

"**USD**" means United States Dollar

"**Vessel**" means ship, tanker or barge utilised in the transportation of petroleum and its derivatives, petroleum liquids, liquefied natural gas and petroleum products

"**Waste**" means waste generated from hydrocarbon processing facility, which include residues, slop oil, sludges, rusts, etc

"**Wholesale gas**" has the meaning ascribed to it in the Act

"**Wholesale Points**" means the points, such as coastal depots, hinterland depots, jetties, refineries and processing plants', crude oil and natural gas export terminals, free on-board products measurement points and other points of aggregation that may be determined by the Authority, where petroleum products or gas products exist in bulk.

#### 48. Citation

These Regulations may be cited as the Midstream and Downstream Petroleum (Operations) Regulations

### FIRST SCHEDULE

#### LICENCES, PERMITS, AUTHORISATIONS AND FEES

SN	LICENCE /PERMIT/AUTHORISATION	FEES	
		SERVICE CHARGE	APPLICATION FEE
<b>A</b>	<b>HYDROCARBON PROCESSING FACILITIES</b>		
<b>1</b>	Licence To Establish (LTE)	USD 20,000 for capacities < 1,000 BPSD or its equivalent USD 50,000 for capacities between 1,000 and 30,000 BPSD or its equivalent USD 150,000 for capacities above 30,000 BPSD or its equivalent	USD 2,000
<b>2</b>	Licence To Construct (LTC)	USD 10,000 for capacities < 1,000 BPSD or its equivalent	USD 2,000

		USD 20,000 for capacities between 1,000 and 30,000 BPSD or its equivalent	
		USD 30,000 for capacities above 30,000 BPSD or its equivalent	
<b>3</b>	Licence To Operate (LTO) New	USD 50,000 for capacities < 1,000 BPSD or its equivalent	USD 2,000
		USD 100,000 for capacities between 1,000 and 30,000 BPSD or its equivalent	
		USD 150,000 for capacities > 30,000 BPSD or its equivalent	
<b>4</b>	Licence To Operate (LTO) Renewal	USD 2,000 per BPSD Capacities < 30,000 BPSD or its equivalent	USD 2,000
		USD 1,000 per BPSD Capacities > 30,000 BPSD or its equivalent	
<b>5</b>	Plant Relocation Approval	USD 5,000	USD 2,000
<b>6</b>	Critical Equipment Relocation	USD 2,000 per equipment	
<b>7</b>	Approval To Pre-Commission and Commission	USD 2,000	
<b>8</b>	Approval To Evacuate Products from Hydrocarbon Processing Facility	NGN 1 per liter	
<b>9</b>	Products Off Takers Permit (For Volume $\geq$ 250,000 Liters)	NGN 1 per liter	
<b>10</b>	Petroleum Products Evacuation Via Truck (Waybill Clearance Fee)	NGN 3,000 per truck	
<b>11</b>	Petroleum Products Evacuation Via Vessel (Cargo Quantity Clearance Fee)	NGN 250,000	
<b>12</b>	Approval To Evacuate Slop Oil from Hydrocarbon Processing Plants	NGN 100,000	
<b>13</b>	Approval To Evacuate Gas Plant Condensate	USD 5,000	
<b>14</b>	Tank Calibration Approval	USD 1,500 per tank	
<b>15</b>	Tank Integrity Test Approval	USD 1,500 per tank	

<b>16</b>	Certification Of Chemicals/Additives	NGN 100,000	
<b>17</b>	Approval To Modify	USD 10,000	
<b>18</b>	Approval To Deploy New Technology	USD 1,000	
<b>19</b>	Conformity Assessment Approval	USD 5,000 for capacities < 1,000 BPSD or its equivalent	
		USD 10,000 for capacities between 1,000 and 30,000 BPSD or its equivalent	
		USD 20,000 for capacities above 30,000 BPSD or its equivalent	
<b>B</b>	<b>HYDROCARBON LIQUIDS BLENDING/LUBRICANT REFILLING/WASTE RECYCLING/PETROLEUM-BASED ADDITIVES PRODUCTION OPERATIONS</b>		
<b>1</b>	Site Suitability Approval	NGN 250,000	
<b>2</b>	Licence To Establish (LTE)	USD 1,000 or its NGN equivalent	
<b>3</b>	Licence To Construct (LTC)	USD 1,000 or its NGN equivalent	
<b>4</b>	Licence To Operate (LTO)	NGN 2,000 per 5,000 liters or part thereof of plant processing capacity.	NGN 250,000
<b>5</b>	3rd Party Blending Approvals Product Owner	NGN 0.5 per litre for volume less than 20,000 (TPBA -PRO1)	NGN 50,000
		NGN 0.5 per litre for volume between 100,001- 250,000 (TPBA -PRO3)	NGN 75,000
		NGN 0.5 per litre for volume between 100,001- 250,000 (TPBA -PRO3)	NGN 100,000
		NGN 0.5 per litre for volume between 250,001-500,000 (TPBA -PRO4)	NGN 150,000
		NGN 1 per liter for volume at 500,001 and above (TPBA-PRO5)	NGN 250,000
<b>6</b>	3rd Party Blending Approvals Plant Owner	NGN 0.5 per liter for volume less than 20,000 (TPBA-PLO1)	NGN 75,000
<b>7</b>		NGN 0.5 per liter for volume between 20,001-100,000 (TPBA-PLO2)	NGN 100,000

<b>8</b>		NGN 0.5 per liter for volume between 100,001- 250,000 (TPBA-PLO3)	NGN 150,000
<b>9</b>		NGN 0.5 per liter for volume between 250,001-500,000 (TPBA-PLO4)	NGN 250,000
<b>10</b>		NGN 1 per liter for volume at 500,001 and above (TPBA-PLO5)	NGN 300,000
<b>7</b>	Site Suitability Approval	NGN 250,000	
<b>8</b>	Revalidation Of LTC	NGN 250,000	
<b>9</b>	Approval To Modify	USD 1,000 or its NGN equivalent	
<b>10</b>	Relocation Approval	USD 1,000 or its NGN equivalent	
<b>11</b>	Tank Calibration Approval	NGN 300,000	
<b>12</b>	Tank Integrity Test Approval	NGN 300,000	
<b>13</b>	Lubricant Storage and Sales Licence (Lube Distributors (E-D1))	NGN 50,000	NGN 200,000
<b>14</b>	Lubricant Storage and Sales Licence (Lube Distributors (E-D2))	NGN 50,000	NGN 150,000
<b>15</b>	Lubricant Storage and Sales Licence (Lube Distributors (E-D3))	NGN 50,000	NGN 100,000
<b>16</b>	Lubricant Storage and Sales Licence (Lube Distributors (E-D4))	NGN 50,000	NGN 75,000
<b>17</b>	Lubricant Storage and Sales Licence (Lube Retailers (E-R1))	NGN 10,000	NGN 50,000
<b>18</b>	Lubricant Storage and Sales Licence (Lube Retailers (E-R2))		NGN 25,000
<b>19</b>	Lubricant Storage and Sales Licence (Lube Retailers (E-R3))		NGN 15,000
<b>20</b>	Lubricant Storage and Sales Licence (Lube Retailers (E-R4))		NGN 10,000
<b>C</b>	<b>MEASUREMENT</b>		
<b>1</b>	Licence To Establish (LTE)	USD 10,000	USD 2,000

<b>2</b>	Licence To Construct (LTC)	USD 10,000	USD 2,000
<b>3</b>	Licence To Operate	USD 10,000	USD 2,000
<b>4</b>	Operational LACT/per Accounting Meter	USD 10,000	
<b>5</b>	Calibration Of Truck	NGN 5,000 per truck	
<b>6</b>	Terminal Storage Tank Calibration / Recertification (crude oil and natural gas)	USD 1,500 per tank	
<b>D</b>	<b>TRANSPORTION AND DISTRIBUTION</b>		
<b>1</b>	Barging, Rail and Trucking of Crude Oil	USD 2,000 for Barging/Rail USD 1,000 for Trucking	
<b>E</b>	<b>PETROLEUM LIQUIDS NETWORK CODE</b>		
<b>1</b>	Crude oil and condensate Transportation Network Operator (T1) - System with Capacity < 166000 BBL/D	USD 2,500	USD 1,000
<b>2</b>	Crude oil and condensate Transportation Network Operator (T2) - System with Capacity 1 – 830000 BBL/D	USD 1,500	USD 850
<b>3</b>	Crude oil and condensate Transportation Network Operator (T3) - System with Capacity > 830000 BBL/D	USD 2,750	USD 2,000
<b>4</b>	Petroleum products Transportation Network Operator (T1) - System with Capacity < 26 million litres per day	NGN160,000	NGN100,000
<b>5</b>	Petroleum products Transportation Network Operator (T2) - System with Capacity between 26 million and 131million litres per day	NGN 350,000	NGN 80,000
<b>6</b>	Petroleum products Transportation Network Operator (T3) - System	NGN 400,000	NGN 70,000



	with Capacity > 131million litres per day		
<b>F</b>	<b>GAS NETWORK CODE</b>		
<b>1</b>	Gas Transportation Network Operator (T1) - System with Capacity < 1 BSCF/D	USD 2,500	USD 1,000
<b>2</b>	Gas Transportation Network Operator (T2) - System with Capacity 1 - 5 BSCF/D	USD 1,500	USD 850
<b>3</b>	Gas Transportation Network Operator (T3) - System with Capacity > 5BSCF/D	USD 2,750	USD 2,000
<b>7</b>	Gas Shipper (S1) - Shipping Capacity 1 - 30 MMSCF/D	USD 1,000	USD 500
<b>8</b>	Gas Shipper (S2) - Shipping Capacity 31 - 200 MMSCF/D	USD 2,000	USD 1,000
<b>9</b>	Gas Shipper (S3) - Shipping Capacity > 200 MMSCF/D	USD 1,500	USD 850
<b>10</b>	Network Agent	USD 1,000	USD 500
<b>11</b>	Wholesale Gas Supply (GS1) Above 500Mscf	USD 0.25/Mscf	USD 25,000
<b>12</b>	Wholesale Gas Supply (Gs2) 25- 500mscf	USD 0.5/Mscf	USD 12,500
<b>13</b>	Wholesale Gas Supply (GS3) Below 25Mscf	USD 5,000	USD 5,000
<b>14</b>	Gas Distributor	USD 2,500	USD 500
<b>15</b>	Gas Aggregator	USD 10,000	USD 2,500
<b>G</b>	<b>EXPORT AND IMPORT</b>		
<b>1</b>	EXPORT PERMIT (Refineries, Depot, Processing Facilities, Terminals, Jetties Etc.)	NGN 1 per liter or its equivalent	
<b>2</b>	Import Approval for Additives and other Chemicals	USD 1,000	
<b>3</b>	Coastal Vessel Licence	NGN 200,000	NGN100,000
<b>4</b>	Coastal Vessel Clearance	NGN 220,000	N/A

<b>5</b>	IMPORT PERMIT (For Petroleum, Petroleum Products and Natural Gas and Gas Products)	NGN 1/LTR	NGN 75,000/30,000MT
<b>6</b>	Import Permit of Synthetic and Bulk Finished Lubricants	NGN 1/LTR	NGN 75,000/30,000MT
<b>7</b>	Approval for Inclusion of Countries of Origin	NGN 200,000/PERMIT	NGN 75,000/30,000MT
<b>H</b>	<b>PETROLEUM PRODUCTS DEPOT</b>		
<b>1</b>	Site Suitability Approval	NGN 1,000,000	
<b>2</b>	Licence To Establish (LTE)	USD 2,000 for capacities < =1,000,000 liters	
		USD 5,000 for capacities >1,000,000 but <= 7,500,000 liters	
		USD 10,000 for capacities > 7,500,000 liters	
<b>3</b>	Licence To Construct (LTC)	USD 2,000 for capacities < =1,000,000 liters	
		USD 5,000 for capacities >1,000,000 but <= 7,500,000 liters	
		USD 10,000 for capacities > 7,500,000 liters	
<b>4</b>	Licence to Operate (LTO)	NGN 4,000 for every 2,000 liters or per thereof for capacities < =1,000,000 liters	NGN 200,000
		NGN 2,000 for every 5,000 liters or part thereof of for capacities >1,000,000 but <= 7,500,000 liters	
		NGN 1,500 for every 5,000 liters or part thereof of for capacities > 7,500,000 liters	
<b>5</b>	Distribution or Marketing Licence New or Renewal	NGN 250,000	
<b>5</b>	Facility Modification Approval	NGN 1,500,000	
<b>6</b>	Tank Calibration Approval	NGN 300,000 per tank	
<b>7</b>	Tank Integrity Test Approval	NGN 300,000 per tank	
<b>8</b>	Backloading	USD 5,000	

9	Annual Registration of Petroleum Product Jetty	NGN 1,000,000	
10	Tank Conversion	NGN 250,000 per TANK	NGN 1,000,000
I.	<b>BULK GAS AND STORAGE/WHOLESALE FACILITIES (GAS DEPOT)</b>		
1	Licence to Establish	NGN 500,000	
2	Licence to Construct	NGN 500,000 per sphere NGN 200,000 per bullet tank	NGN 100,000
4	Licence to Operate (New and Renewal)	NGN 500,000	Not exceeding 1000MT = NGN 100,000 and Additional exceeding or part thereof (above 1000MT) =NGN 10,000
5	Tank Calibration Approval	NGN 500,000	
6	Hydrotest and Integrity Approval	NGN 500,000	
7	Pre-Commissioning and Commissioning Approval	NGN 500,000	
8	LPG Offtake Permit	NGN500,000	NGN 100,000/ 5000MT
9	Category D and Micro Distribution Centres (MDC (New/Renewal)	Not exceeding 500 kilograms (kg) = NGN 15,000	Not exceeding 500 kilograms (kg) = NGN5,000
		Additional 500 kg or part thereof = NGN 20,000	Additional 500 kg or part thereof = NGN5,000
		Exceeding 2,000 kg = NGN 100,000	Exceeding 2,000 kg = NGN 20,000
J	<b>BULK PETROLEUM LIQUID STORAGE/WHOLESALE LICENCE</b>		
1	Site Suitability Approval	USD 1,000	
2	Licence to Establish	USD 20,000 for capacities 0 - 50,000 BBL	USD 2,000
		USD 50,000 for capacities between 50,000 and 100,000 BPSD or its equivalent	
		USD 100,000 for capacities above 100,000 BBL	
3	Licence To Construct	USD 20,000 for capacities 0 - 50,000 BBL	USD 2,000

		USD 50,000 for capacities between 50,000 and 100,000 BPSD or its equivalent	
		USD 100,000 for capacities above 100,000 BBL	
4	Licence To Operate (LTO)/Wholesale Licence (New and Renewal)	USD 20,000 for capacities 0 - 50,000 BBL	USD 2,000
		USD 50,000 for capacities between 50,000 and 100,000 BPSD or its equivalent	
		USD 100,000 for capacities above 100,000 BBL	
4	Terminals Establishment Order	USD 50,000	
6	Approval To Modify	USD 10,000	
7	Tank Calibration Approval	USD 1,500 per tank	
8	Tank Integrity Test Approval	USD 1,500 per tank	
<b>K</b>	<b>WHOLESALE PETROLEUM LIQUIDS SUPPLY LICENCE</b>		
1	Wholesale Petroleum Liquids (Crude Oil) Supply for Volumes < 50,000 BBLs	USD 1 per BBL	
2	Wholesale Petroleum Liquids (Crude Oil) Supply for Volumes >=50,000 to 200,000 BBLs	USD 0.85 per BBL	
3	Wholesale Petroleum Liquids (Crude Oil) Supply Volumes >200,000 BBLs	USD 0.5 per BBL	
4	Wholesale Petroleum Liquids (Products) Supply	50 Kobo per liter	
<b>L</b>	<b>INDUSTRIAL PETROLEUM PRODUCTS STORAGE AND UTILIZATION</b>		
1	Licence to Operate Industrial Consumer Storage Facility	NGN 15,000.00 for the first 20,000 liters, subsequently each additional 20,000 liters attract a fee of NGN 3,000.00	NGN 50,000
2	Licence to Operate Mobile Containerized Filling Station (For Industrial Consumer)	NGN 1,000,000	NGN 500,000
<b>M</b>	<b>INDUSTRIAL GAS STORAGE AND UTILIZATION</b>		
1	Site Suitability Inspection	NGN 100,000	

2	Licence to Construct Inspection	NGN 200, 000	
3	Licence To Operate (New/Renewal)	NGN 500,000	NGN 50,000
<b>N</b>	<b>GAS TO TELECOM/SMALL SCALE INDUSTRIAL STORAGE AND UTILIZATION</b>		
1	Site Suitability Inspection/Licence to Construct	NGN 50,000	
2	Pressure Test	NGN 50,000	
3	Authorisation for Tank Burial	NGN 50,000	
4	Licence To Operate (New/Renewal)	NGN 100,000	
<b>O</b>	<b>PETROLEUM LIQUID RETAILING OPERATIONS AND INFRASTRUCTURE</b>		
1	Licence to Operate	NGN 10,000.00 for the first 20,000 liters, subsequently each additional 20,000 liters attract NGN 2,000.00	NGN 50,000
2	Authorisation for Modification	NGN 250,000.00	
3	Storage Tank Calibration Authorisation	NGN 50,000.00 per tank	
4	Tank Conversion Authorisation	NGN 100,000.00 per tank	
5	Authorisation for Tank Burial	NGN 100,000.00 per tank	
6	Authorisation To Pre-Commission and Commission	NGN 50,000.00	
7	Licence to Construct (LTC)	NGN 100,000.00	
8	Revalidation of Authorisation /Licences	NGN 25,000.00	
9	Site Suitability Authorisation	NGN 100,000.00	
10	Bunkering vessel/fixed and motorized barge Licence	NGN 5,000,000.00	NGN 1,000,000.00
<b>P</b>	<b>GAS PRODUCTS RETICULATION</b>		
1	Site Suitability Authorisation	NGN 100,000	
2	Licence to Construct	NGN 200,000	
3	Licence to Operate	NGN 300,000	NGN 25,000
<b>Q</b>	<b>LPG PROPANE HANDLING UNIT (PHU)</b>		

<b>1</b>	Site Suitability Authorisation	NGN 100,000	
<b>2</b>	Licence to Construct	NGN 200,000	
<b>3</b>	Licence to Operate	NGN 300,000	NGN 25,000
<b>R</b>	<b>GAS RETAILING OPERATIONS AND INFRASTRUCTURE (LPG REFILLING PLANT, AUTOGAS PLANT, LPG ADD-ON)</b>		
<b>1</b>	Site Suitability Authorisation	NGN 100,000	
<b>2</b>	Licence to Construct/Install	NGN 150,000	
<b>3</b>	Pressure Test Authorisation	NGN 150,000	
<b>4</b>	Licence to Operate (New/Renewal)	NGN 200,000	5 – 100MT = NGN50,000 p.a and Additional 10MT or part thereof (Above 100MT) = NGN5,000 (p.a)
<b>5</b>	Authorisation for Modification	NGN 150,000	
<b>6</b>	Tank Burial Authorisation	NGN 150,000	
<b>7</b>	Tank Calibration Authorisation	NGN 100,000	
<b>8</b>	Licence to Operate (LPG ADD-ON)	NGN 100,000	
<b>S</b>	<b>CNG COMPRESSION FACILITIES</b>		
<b>1</b>	Site Suitability Authorisation	NGN 200,000	
<b>2</b>	Licence to Construct	NGN 200,000 for less than 100,000 SCM and NGN300,000 for above 100,000 SCM.	NGN 20,000
<b>3</b>	Licence to Operate	NGN 300,000 for less than 100,000 SCM and NGN500,000 for above 100,000 SCM	NGN 20,000
<b>T</b>	<b>SMALL SCALE PLUG AND PLAY LNG</b>		
<b>1</b>	Site Suitability Authorisation	NGN 500,000	
<b>2</b>	Licence to Construct	NGN 500,000 per MMSCFD	NGN 50,000
<b>3</b>	Licence to Operate	NGN 500,000 per MMSCFD	NGN 50,000

<b>U</b>	<b>GENERAL FEE</b>		
1	Due Diligence Request	NGN 100,000	
2	Certificate of Quantity (COQ)	NGN 250,000	
3	Product Import Certification (PIC)	NGN 220,000 per PIC	
4	Product Reconciliation Clearance	NGN 250,000	
5	Terminal Storage Tank Integrity (crude oil and natural gas)	USD 1,500 per tank	

All payments in USD can be made in its NGN equivalent using the prevailing Central Bank of Nigeria rate.

## **SECOND SCHEDULE**

### OFFENCES AND PENALTIES

<b>S/N</b>	<b>OFFENCE</b>	<b>PENALTY</b>
1	Non-renewal of hydrocarbon processing facilities LTO	NGN 2,000,000.00/ year
2	Late renewal of hydrocarbon processing facilities LTO beyond 31 <sup>st</sup> of March	NGN 500,000
3	Product evacuation from hydrocarbon processing facility by truck or rail without authorisation	NGN 5,000,000.00 per truck or rail wagon
4	Product evacuation from hydrocarbon processing facilities through a vessel without authorisation	USD 10,000.00
5	Vessel arrival at the loading berth without Authority clearance	USD 10,000.00
6	Product diversion by truck or rail	NGN 5,000,000.00 per truck or rail wagon
7	Product diversion from hydrocarbon processing facility through a vessel	USD 20,000.00
8	Using Authority authorised chemical/additive above or below approved quantity	USD 100,000.00

9	Use of chemical unauthorised by the Authority in the hydrocarbon processing facilities	USD 100,000.00
10	Operating a blending plant without licence	NGN 2,000,000
11	Late renewal of blending plant LTO	NGN 300,000
12	Procurement of critical equipment without Test	NGN 5,000,000
13	Diversion of base oil	NGN 3,000,000 per truck
14	Sale of base oil from a blending plant	NGN 3,000,000 per truck
15	Construction of blending plant without LTE	NGN 1,000,000
16	Construction of blending plant without LTC	NGN 5,000,000
17	Third party blending by a plant owner without authorisation	NGN 1,000,000
18	Third party blending by a product owner without authorisation	NGN 2,000,000
19	Operating a lubricant filling plant without LTO	NGN 2,000,000 per year of operation without a licence
20	Late renewal of lubricant filling plant LTO beyond 31 <sup>st</sup> March of every year.	NGN 100,000
21	Procurement of critical equipment without Factory Acceptance Test for lubricant filling plant	NGN 5,000,000
22	Construction of a lubricant filling plant without valid LTE	NGN 3,000,000
23	Construction of lubricant filling plant without valid LTC	NGN 3,000,000
24	Modification of a lubricant filling plant without authorisation	NGN 3,000,000
25	Operation of lubricant filling Plant without valid LTO	NGN 3,000,000
26	Distributors operating without lubricant storage and sales licence	NGN 200,000 per year
27	Retailers operating without lubricant storage and sales licence	NGN 100,000 per year
28	Engagement of non- Authority accredited contractors for fabrication, construction, calibration, testing, or any other midstream and downstream activities.	Not more than USD 250,000 and suspension of not more than 1 year
29	Carrying out midstream and downstream activities without Authority oil and gas industry service permit	Not more than USD 250,000 and suspension of not more than 1 year



30	Using storage or changing tank product or pipeline product service without authorisation.	USD 5,000
31	Measuring petroleum at custody transfer or sales points with faulty or uncalibrated measuring equipment, Ullage Transmitting Instrument (UTI) or metering system	USD 10,000 and seizure of faulty measuring instrument
32	Measuring petroleum products with faulty or uncalibrated measuring equipment or Ullage Transmitting Instrument (UTI)	NGN 100,000 and seizure of faulty measuring instrument
33	Conducting a factory acceptance test or site acceptance test of any critical equipment without authorisation and witnessing by officers of the Authority	USD 250,000
34	Modification, repair, or alteration of surface or underground crude oil storage tanks without authorisation.	USD 25,000
35	Introduction of deadwoods, capillary tube or false-bottom, etc in crude oil storage tanks	USD 25,000
36	Construction of a depot without LTC	USD 100,000
37	Operation of a depot without LTO	NGN 10,000,000
35	Modification of a depot without authorisation	USD 100,000
36	Failure to calibrate storage Tank	NGN 250,000 per tank
37	Backloading in a depot without authorisation	USD5,000
38	Blending in a depot without authorisation	USD 100,000
39	Engaging in third party petroleum products distribution without permit	NGN 3,000,000
40	Denial of Access to Authority Personnel	NGN5,000,000.00
41	Assault or Harassment of Authority personnel	NGN 20,000,000 and suspension or revocation of licence
42	Operating Industrial storage and utilisation without valid licence	NGN 1,000,000
43	Burial of underground storage tank without Authority authorisation	NGN 500,000 per tank
44	Construction of retail outlet and CNG compression facilities without LTC	NGN 10,000,000 or seizure of the facility
45	Declaration of false loading manifest	NGN 1,000,000
46	Discharging product while selling in a retail outlet and refilling facilities	NGN 500,000

47	Failure to comply with minimum industry safety training for staff in facility operations	NGN 2,000,000
48	Decanting and unauthorised peddling of petroleum products.	NGN 750 per litre or its equivalent in metric tonnes
49	Product adulteration or trans-loading in depots, transit or retail outlets	NGN 10,000,000
50	Importation of off-spec petroleum products	USD 2,000,000
51	Failure to display price billboard at retail outlets	NGN 50,000
52	Poor housekeeping of retail outlet facilities	NGN 50,000
53	Indiscriminate Parking of Vehicles and Trucks Within a Facility	NGN 50,000
54	Pump under dispensing from retail outlets	NGN 100,000.00 per dispensing pump
55	Repair of vehicles within retail outlets and refilling plants	NGN 500,000
56	Failure to produce, upon demand, storage and sales inventories and reports of midstream and downstream facilities	NGN 1,000,000
57	Establishment of retail outlets and CNG compression facility without LTE	NGN 1,000,000
58	Construction of retail outlets and CNG compression facility without LTC	NGN 5,000,000
59	Operation of retail outlets and CNG compression facility without LTO	NGN 2,000,000
60	Failure to conduct Pressure Test before tank burial	NGN 100,000.00
61	Falsification of Authority licence/permit/authorisations	NGN 5,000,000.00
62	Hoarding of Petroleum Product	NGN 1,000,000.00
63	Late renewal of Authority retail outlets and CNG compression facility licence	NGN 100,000.00
64	Late renewal of Authority depots, terminals and jetties	NGN 500,000
65	Non-display of Authority Licence at a facility	NGN 50,000.00
66	Revalidation/Correction of licence/Inputs	NGN 250,000.00
67	Tank conversion without authorisation	NGN 500,000.00
68	Contravention of Authority's sealing order	NGN 5,000,000.00
69	Under-utilisation of import permit	NGN 550,000

70	Non-utilisation of import permit	NGN 1,000,000
71	Change of discharge port without approval	NGN 1,000,000
72	Late submission of vessel arrival notification	NGN 500,000
73	Failure to comply with any provisions of these Regulations or any directives given or condition of any permit or licence issued under these Regulations	Not exceeding USD250,000
74	Selling to an unlicensed offtaker	NGN5,000,000
75	Selling to unlicensed LPG refilling Plant	NGN2,500,000
76	Operating LPG refilling plant without LTO	NGN5,000,000
77	Construction of LPG refilling Plant without Approval	NGN 2,500,000
78	Under dispensing of LPG refilling plant	NGN 200,000
79	Selling to unlicensed Category D and industrial storage and utilization facility	NGN2,000,000
80	Modification of LPG refilling plant without approval	NGN1,000,000
81	Operating Autogas Plant without LTO	NGN500,000
82	Construction of Autogas Plant without authorisation	NGN2,500,000
83	Under dispensing of Autogas plant	NGN200,000
84	Modification and Upgrade without approval	NGN200,000
85	Operating CNG Compression facilities without LTO	NGN1,750,000
86	Construction of CNG facilities without LTC	NGN5,000,000
87	Failure to conduct recertification exercise when due	USD 5,000 per equipment

All payments in USD can be made in its NGN equivalent using the prevailing Central Bank of Nigeria rate.

Made at Abuja this ..... day of ..... 2022

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**Engr. Farouk A. Ahmad**  
**Authority Chief Executive**  
**Nigerian Midstream and Downstream Petroleum Regulatory Authority**

## Explanatory Note

These Regulations are to regulate the petroleum operations of companies in the midstream and downstream sector, to provide for licences, permits, authorisations and fees for such operations, to provide sanctions and penalties for failure to comply with these Regulations.

REGULATION  
2024