

*Extraordinary*



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**PETROLEUM ACT**  
**PETROLEUM (DRILLING AND PRODUCTION)**  
**(AMENDMENT) REGULATIONS, 2019**



**ARRANGEMENT OF REGULATIONS**

*Regulation :*

1. Amendment of the Petroleum (Drilling and Production) Regulations, 1969 as amended.
2. Amendment of regulation 31.
3. Amendment of regulation 33.
4. Amendment of regulation 36.
5. Amendment of regulation 38.
6. Amendment of regulation 59.
7. Amendment of regulation 60B.
8. Citation.

S. I. No. 33 of 2019

**PETROLEUM ACT****PETROLEUM (DRILLING AND PRODUCTION)  
(AMENDMENT) REGULATIONS, 2019**

[9th Day of October, 2019]

Commence-  
ment.

**In exercise of the powers conferred upon me by section 9 (1) (a) of the Petroleum Act and all other powers enabling me in that behalf, I, MUHAMMADU BUHARI, President of the Federal Republic of Nigeria and Minister of Petroleum Resources, make the following Regulations—**

**1. The Petroleum (Drilling and Production) Regulations, 1969 as amended (in these Regulations referred to as the “Principal Regulations”) is further amended as set out in these Regulations.**

Amendment  
of the  
Petroleum  
(Drilling and  
Production)  
Regulations,  
1969 as  
amended.

**2. Regulation 31 of the principal Regulations is amended—**

**(a) by substituting sub-regulation (1) with a new sub-regulation (1) as follows—**

**“(1) No person shall carry out geophysical or geotechnical data survey in any concession area unless the person has been issued a permit by the Director of Petroleum Resources.”**

**(b) by substituting sub-regulation (3) with a new sub-regulation (3) as follows—**

**“(3) The application for a permit to survey shall be made in writing to the Director of Petroleum Resource not less than one month to the commencement of the operation and accompanied by a fee of ₦1,500,000.00.”**

Amendment  
of regulation  
31.

**3. Regulation 33 of the principal Regulations is amended—**

**(a) by substituting sub-regulation (1) with a new sub-regulation (1) as follows—**

**“(1) No borehole or well shall be—**

**(a) commenced without the written approval of the Director of Petroleum Resources and payment of a fee of ₦1,500,000.00; and**

**(b) re-entered after work has stopped for six (6) months without written approval of the Director of Petroleum Resources and the payment of a fee of ₦500,000.00;**

Amendment  
of regulation  
33.



Provided that any approval granted under this regulation shall be revalidated if work does not commence within six (6) months of the grant of the approval, upon payment of a revalidation fee of N250,000.00 for drilling approval and N100,000.00 for re-entry approval."

(b) by substituting sub-regulation (3) with a new sub-regulation (3) as follows—

"(3) Where the Director of Petroleum Resources is satisfied with the drilling or re-entry programme, he shall give his written approval for the drilling or re-entry of the well together with such observation and comments he deems fit to make."

Amendment  
of regulation  
36.

4. Regulation 36 of the principal Regulations is amended by substituting sub-regulation (1) with a new sub-regulation (1) as follows—

"(1) No borehole or existing well shall be re-drilled, side-tracked, suspended, plugged or abandoned and no cemented casing or other permanent form of casing shall be withdrawn from any borehole or existing well which is proposed to be abandon, without written permission of the Director of Petroleum Resources and payment of a fee of N350,000.00."

Amendment  
of regulation  
38.

5. Regulation 38 of the principal Regulations is substituted with a new regulation 38 as follows—

"38—(1) All fields, structures, reservoirs and other oil traps shall be developed and produced in strict compliance with a field development programme, which shall be submitted for the prior approval of the Director of Petroleum Resources and upon payment of a fee of N5,000,000.00.

(2) The programme shall give details of the estimated size of the pool(s), the known parameters of the pool(s), all reservoirs or structures encountered and seen on seismic at the time of drawing up the programme, the intended drilling pattern, if any, the production or drainage pattern, and the anticipated drive mechanism.

(3) Notwithstanding the provisions of sub-regulations (1) and (2) of this regulation, no such field development programme shall be required to be submitted during the initial phase, if the extent of a field, structure, reservoir or pool is being appraised and wells are being drilled, not closer than—

(a) eight hundred and eighty yards, where the wells are not likely to produce from the same pool ; or

(b) four hundred and forty yards, where the wells will not at any one time produce from the same pool except in conformity with the subsequently approved field development programme.

6. Regulation 59 of the principal Regulations is substituted with a new regulation 59 as follows—

Amendment  
of regulation  
59.

#### **"59. Fees**

(1) The following fees shall be payable :

- (a) On an application for Oil Prospecting Licence (OPL)..US\$10,000 ;
- (b) Oil Prospecting Licence processing fee .....US\$ 10,000 ;
- (c) On an application for the conversion of OPL to an Oil Mining Lease (OML) ..... US\$1,000,000 ;
- (d) On an application for an existing OML .....US\$1,500,000 ;
- (e) On an application for a renewal of an Oil Mining Lease (OML) .....US\$2,000,000 ;
- (f) On an application to withdraw any of the applications specified in paragraphs (a), (b), (c) and (d) of this regulation .....N500,000 ;
- (g) On an application to assign or sublet on contract an OPL .....US\$5,000 ;
- (h) On an application to assign or sublet on contract an OML .....US\$10,000 ;
- (i) On an application to assign interest in a Marginal field..US\$2,500 ;
- (j) On application to terminate or effect a partial surrender of an OPL or an OML ..... N500,000 ;
- (k) On application for extension of Tenure for OPL.....25% of the initial signature bonus ;
- (l) On application for extension of Tenure for Marginal field.....US\$200,000 per each year of extension, while application for renewal of marginal field is US\$1,000,000 for ;
- (m) On application for retention of 50% of area to be relinquished on conversion from an OPL to OML for PSC companies.....US\$500,000 and payment of the equivalent signature bonus previously paid on the license or lease or current market value of the asset, whichever is higher ;
- (n) On application for retention of 50% of area to be relinquished ten years into the life of an OML.....US\$500,000 and payment of the equivalent signature bonus previously paid on the license or lease or current market value of the asset, whichever is higher ;
- (o) Premium on ministerial consent ..... for assignment of interest is 5% to 10% of the transaction purse, while fees for renewal bonus is 5% of the Net Present Value of the asset ;
- (p) On an application for a licence to operate drilling rig, workover hoist or vessel .....US\$5,000 ;
- (q) On an application for a licence to operate a Geophysical/Geotechnical vessel.....US\$5,000 ;
- (r) For a licence to operate a drilling rig, workover hoist or vessel .....US\$10,000 ;



- (s) For licence to operate a Geophysical/Geotechnical Vessel .....US\$10,000 ;
- (t) Approval for Drill Stem Test (DST) .....N100,000 ;
- (u) Approval for Extended Well Test (EWT) .....US\$5,000 ;
- (v) Application for the renewal of Extended Well Test (EWT) .....US\$10,000 ;
- (w) For permit to export geologic samples for analysis .....N20,000 per sample ;
- (x) For permit to export fluid samples for analysis .....N20,000 per sample ;
- (y) Permit for in-country samples (core, fluid) Analysis .....N200,000 ;
- (z) Permit for field name registration ..... N50,000 ;
- (aa) Permit to export geophysical/geotechnical data for specialized processing, per survey per block ..... N500,000 ;
- (bb) Permit to process/reprocess Geophysical data per survey per block ..... N500,000 ;
- (cc) Permit to conduct geotechnical survey, per sample location .....N50,000 ;
- (dd) Permit to process geotechnical data .....N50,000 ;
- (ee) Permit to re-enter a well for initial completion, re-completion, workover, or stimulation .....N1,000,000 ;
- (ff) Application for Field Development Programme (FDP), FDP review or revision, FDP Addendum .....N5,000,000 ;
- (gg) On request for information for the purpose of due diligence on a license, lease or Marginal field .....N100,000 ;
- (hh) Approval to commence unitization process .....N100,000 ;
- (ii) Approval of operatorship letter for unitized fields .....N250,000 ;
- (jj) Approval for a reference/notification date for unitized fields .....N250,000 ;
- (kk) Late submission of work programme materials ..... N50,000 ;
- (ll) Review of Technical Allowable rate for wells/project pools..... N50,000 ;
- (mm) Application to revalidate Permit ....50% of the original permit fee ;
- (nn) The Annual rent payable on an Oil Prospecting License for each square mile or part thereof.....\$100 ;
- (oo) The annual rent payable for each square Kilometer or part thereof of an Oil Mining Lease for the first ten years ..... \$200 ;
- (pp) The annual rent payable thereafter for each square Kilometer or part thereof until expiration of the lease and on renewal .....\$150 ;
- (qq) Application for Sidewall core acquisition .....N100,000.00 ;
- (rr) Application for Conventional Coring acquisition .....N250,000.00 ;
- (ss) Permit to Collect Fluid Sample .....N250,000.00 ;
- (tt) Application for Condensate Classification Approval .....N500,000.00 ;

(uu) Application for Maximum Efficient Rate Tests.....N250,000.00  
per field ;

(vv) Approval for Technical Allowable Rate .....N250,000.00 ;

(ww) Application for Routine Core Analysis.....N20,000 per sample ;

(xx) Application for Special Core Analysis .....N20,000 per sample ;

(yy) Application for Multi-Phase Flow Meters (MPFM) approval  
.....N1,000,000.00 ;

(zz) Failure or late submission of Preliminary Summary of Reserves or  
Annual Report of Reserves .....N1,000,000.00 ;

(aaa) Request for Well Decommissioning and Site Restoration Approval  
.....N250,000.00 ;

(bbb) Application to conduct Bottom Hole Pressure (BHP) Survey permit  
.....N250,000.00 ; and

(ccc) Request for Facility Decommissioning and Site Restoration  
Approval .....N250,000.00.

(2) The following annual renewal fees shall be applicable to Licence to  
operate :

(a) Production Platforms with capacities 5,000 BPSD and above  
(including Floating Production Storage and Offloading (FPSO), Floating  
Production Unit (FPU), Floating Storage and Offloading Unit (FSO), Mobile  
Offshore Production Unit (MOPU) etc.) — \$100,000 ;

(b) Production Platforms with capacities below 5,000 BPSD - \$2,000  
per 1,000 BPSD or oil equivalent ;

(c) Refineries, Petrochemicals, terminals, Gas-based Fertilizer Plants,  
Methanol Plants and Gas-derivatives Facilities with capacities 30,000 BPSD  
and above or oil equivalent — \$2,000 per 1,000 BPSD or oil ;

(d) Refineries, Petrochemical Plants, Terminals, Gas-based Fertilizer  
Plants, Methanol Plants and Gas-derivatives Facilities with capacities below  
30,000 BPSD or oil equivalent - \$1,000 per 1,000 BPSD or oil ; and

(e) Oil Handling Facilities (including Flow stations, drilling platforms,  
wellhead platforms, accommodation platforms, and every other platform,  
and mothballed facilities etc., oil truck lines and flow lines, gas gathering  
and transmission lines) - \$10,000 per year per facility.

(3) The following fees shall be applicable for the under-listed ancillary  
permits and approvals related to oil and gas operations :

(a) Upon application for Radiation Safety Permit .....N1,000,000.00/well ;

(b) Upon application for Effluent Discharge Permit ..... N1,000,000.00 ;

(c) Upon application for Point of Source Registration/facility  
.....N1,000,000.00 ;



- (d) Upon application for registration of Laboratory Chemical .....N100,000.00 ;
- (e) Upon application for Safety Case Approval .....N50,000.00 ;
- (f) Upon application for Accreditation of Training Centres .....N1,000,000.00 ;
- (g) Upon application for Explosive Permit .....N1,000,000.00 ; and
- (h) Upon application for Abandonment of Radioactive Source .....N5,000,000.00 ;

Amendment  
of regulation  
60 B.

7. Regulation 60 B of the Principal Regulations is substituted with a new regulation 60 B as follows—

**“60 B Breach of Regulations**

(1) Any person who—

- (a) fails to obtain any permit required under these Regulations ;
- (b) fails to permit an inspection required under these Regulations ;
- (c) Makes a false declaration to the Director of Petroleum Resources, or willfully furnishes information so required which is in any respect false or insufficient ; or
- (d) fails to comply with any provisions of these Regulations or any directives given or condition of any permit or licence issued under these Regulations,

is liable to a penalty issued by the Director of Petroleum Resources not exceeding Two Hundred and Fifty Thousand United States Dollars (USD \$250,000.00), and in addition any permit, licence or lease granted to that person may be withdrawn or cancelled by the Director of Petroleum Resources.

(2) In this regulation, ‘Person’ includes a body corporate or unincorporated.”

Citation.

8. These Regulations may be cited as the Petroleum (Drilling and Production) (Amendment) Regulations, 2019.

MADE at Abuja this 9th Day of October, 2019.

MUHAMMADU BUHARI  
*President of the Federal Republic of Nigeria  
and Minister of Petroleum Resources*



EXPLANATORY NOTE

*(This note does not form part of these Regulations  
but intend to explain its purport)*

These Regulations amend the Petroleum (Drilling and Production) Regulations 1969, to review certain fees payable under the Regulations and to introduce new fees for certain applications and approvals under the Petroleum Act.