



GAS FLARING AND VENTING (PREVENTION OF WASTE AND POLLUTION) REGULATIONS, 2022

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GAS FLARING AND VENTING (PREVENTION OF WASTE AND POLLUTION) REGULATIONS, 2022

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GAS FLARING AND VENTING (PREVENTION OF WASTE AND POLLUTION) REGULATIONS, 2022

[] Commencement

In exercise of the powers conferred on it by section 10 (f) of the Petroleum Industry Act and of all other powers enabling it in that behalf, the Nigerian Upstream Petroleum Regulatory Commission ('Commission') makes the following Regulations-

PART GENERAL

1. Objective.

The objectives of these Regulations are the –

- (a) reduction of the environmental and social impact caused by the flaring and venting of natural gas;
- (b) protection of the environment;
- (c) prevention of waste of natural resources
- (d) enhance energy transition in Nigeria; and
- (e) creation of social and economic benefits from gas flaring and venting capture.

2. Right of the Federal Government to take all Flare Gas

(1) Pursuant to Section 105(2) of the Petroleum Industry Act and all other laws in this regard, the Commission shall have the right to take natural gas that is destined for flaring and venting at the Flare Stack

(2) The provisions of these regulations relating to the right exercised by the Commission in sub-regulation (1) of this regulations shall be applicable to all petroleum leases and licences, including Marginal Fields.

3. Bid Processes.

(1) The Commission may, by a Permit to Access Flare and vent Gas, authorise a Qualified Applicant selected further to competitive bid processes, or any other process defined in these Regulations and the corresponding Guidelines, conducted by the Commission to take Flare and Vent Gas on behalf of the Federal Government at any Flare Site as specified in the Permit.

(2) Subject to the provisions of these Regulations, and in accordance with Section 108 of the Petroleum Industry Act, any Producer may apply to the Commission to obtain a Permit to Access Flare and Vent Gas in order to utilise the Flare and Vent Gas for commercialisation, provided that such application shall -

- (a) exclude any Flare and Vent Gas volume that is being offered in a bid process conducted by the Commission or has been assigned to a Permit Holder; and
- (b) be made by the Producer on behalf of a midstream subsidiary corporate entity, either existing or to be incorporated.

(3) Subject to the provisions of these Regulations, any Producer may utilise associated gas for its own purposes, provided that such utilisation shall not reduce or affect any Flare and Vent Gas volume that is subject to a bid process conducted by the Commission or has been assigned to any Permit Holder.

(4) No Producer or Permit Holder shall be liable for the payment of royalties to any person or the Federal Government in respect of Flare Gas.

4. Flare and Vent Gas Data.

(1) The Commission may request a Producer to provide Flare and Vent Gas Data.

(2) Where a request for Flare and Vent Gas Data is made further to the provisions of sub-regulation (1) of this regulation, the Producer shall provide such Flare and Vent Gas Data and in the format required within 30 calendar days of the date of the request.

5. Penalty for providing inaccurate or incomplete Flare and Vent Gas Data

Where the Producer fails to supply or supplies inaccurate or incomplete Flare and Vent Gas Data to the Commission, the Producer shall be liable to the following administrative fines:

- (1) 10,000 US Dollars or Naira equivalent on the first day it fails to provide accurate or complete Flare and Vent Gas Data; and
- (2) 500 US Dollars or Naira equivalent for each day in which the failure continues.

PART II PERMITS

6. Data Access Permit

(1) No person seeking a Permit to Access Flare and Vent Gas under these Regulations and its Guidelines shall have access to Flare and Vent Gas Data except pursuant to a Data Access Permit issued by the Commission on a non-exclusive basis.

(2) An application for a Data Access Permit shall be made to the Commission in the manner prescribed in the tender documentation issued in respect of a bid process, or other processes prescribed in these Regulations and the Guidelines issued by the Commission, conducted in respect of the Flare Site pursuant to regulation 3(1) of these Regulations and the Guidelines issued by the Commission.

(3) A Data Access Permit issued pursuant to the provisions of these Regulations and Guidelines shall authorise the holder to access Gas Data held at the Commission in respect to any Flare Site specified in the Data Access Permit.

(4) A Data Access Permit shall be valid-

- (a) during any period in which a Flare Site is open for bidding or by any other processes established by the Commission under these Regulations; or
- (b) with respect to any Flare Site for which a Permit Holder holds a Permit, until the expiration of a Permit to Access Flare and Vent Gas.

(5) Prior to presenting its bid in respect of a Flare Site, a Qualified Applicant may be authorised by the Commission to enter the Flare Site to make an assessment of the Flare Site and related facilities of the Producer, provided however that the –

- (a) Producer shall be given no less than 7 days' prior notice of such assessment; and
- (b) assessment is conducted in compliance with applicable industry safety standards and regulations.

7. Revocation of Data Access Permit.

(1) A Data Access Permit may be revoked, where the holder -

- (a) fails to comply with the terms and conditions of a Data Access Permit; or
- (b) intentionally provides inaccurate information in connection with the issuance of the Data Access Permit or withholds significant information in connection with the issuance of the Data Access Permit.

(2) The revocation of the Data Access Permit, surrender of rights, or lapse of rights thereunder shall not release its holder from any obligation arising from these Regulations, a Flare Gas bid process, other processes established in these Regulations or any agreement in connection therewith.

8. Permit To Access Flare Gas.

(1) The Commission may grant a Permit To Access Flare Gas, which shall authorise the Permit Holder on an exclusive basis to take Flare and Vent Gas from one or more Flare Sites as designated in the Permit on behalf of the Commission and to utilise the Flare and Vent Gas or otherwise dispose it in any manner authorised by the Commission, provided that, any such authorisation shall be subject to such terms as may be specified in the Permit To Access Flare and Vent Gas, including the Flare and Vent Gas volume.

(2) No entity shall have access to or take Flare and Vent Gas at a Flare Site except pursuant to a Permit To Access Flare and Vent Gas.

(3) A Permit to Access Flare and Vent Gas may be issued only to a company incorporated in Nigeria, provided that such company shall not be a Producer.

(4) Subject to the provisions of regulation 9 of these Regulations, the term of the Permit To Access Flare and Vent Gas shall be for the duration specified in the Permit.

(5) Any route or right of way within a licence or lease area utilised by the holder of the Oil Mining Lease or Marginal Field and required for the purposes of the rights granted under the Permit To Access Flare Gas shall constitute part of the way-leaves, easements or other rights reserved for the Minister under Paragraph 22 of the First Schedule to the Petroleum Act and shall become available to the Permit Holder for the purposes of the rights granted under the Permit To Access Flare Gas.

(6) All Exemptions issued prior to the effective date of these Regulations are invalid, unless the legal entity to which such Exemption was granted proceeds to sign the Milestone Development Agreement and submit evidence of issuance of Performance Bond to the Commission, in order to obtain the Permit to Access Flare and Vent Gas, within a 3-month period of the effective date of these Regulations.

(7) The only processes by means of which a Producer or any other legal entity can obtain access to Flare and Vent Gas at any Flare Site is through the processes prescribed in these Regulations and the Guidelines issued by the Commission.

9. Revocation of Permit To Access Flare Gas

(1) The Commission may revoke any Permit To Access Flare Gas where-

- (a) the Permit Holder fails to comply with the terms and conditions of the Permit;
- (b) the Permit Holder fails to make payments as per these Regulations, the Guidelines and the Permit;
- (c) the Permit Holder intentionally provided inaccurate information in connection with the issuance of the Permit;
- (d) any bond issued by the Permit Holder to secure the Permit has terminated and has not been replaced within 30 days of its termination or otherwise becomes invalid;
- (e) the Permit Holder becomes insolvent; or
- (f) the Gas Supply Agreement to be signed between the Commission and the Permit Holder is terminated in accordance with its terms.

(2) The revocation of the Permit To Access Flare and Vent Gas, surrender of rights, or lapse of rights for other reasons shall not release the Permit Holder from any obligations arising from these Regulations.

10. Assignment

The Permit Holder shall not assign or otherwise transfer its interest or rights under the Permit; provided that a transfer shall be permitted, where the -

- (a) transferee satisfies the minimum technical and financial requirements necessary to become a Qualified Applicant under a Flare and Vent Gas bid and assumes all obligations of the Permit Holder; and
- (b) prior written approval of the Commission is sought and obtained by the Permit Holder.

11. Fees

(1) A Qualified Applicant appointed in accordance with these Regulations and the Guidelines shall pay such fees to the Commission, as may from time to time be specified by the Commission for -

- (a) Data prying;
- (b) Data leasing; and
- (c) Award fee for grant of Permit to Access Flare and Vent Gas.

(2) Without prejudice to the provisions of sub-regulation (1) of this Regulation, the following fees may be applicable-

- (a) Handling Fee to be mandatorily paid by the Permit Holder to the Producer as prescribed in the approved Connection Agreement; and
- (b) Guarantee Fee to be paid by the Permit Holder to the Producer under the approved Deliver or Pay Agreement, where applicable.

12. Prohibition against Flaring and Venting of Natural Gas

(1) Pursuant to these Regulations, no Producer shall flare or vent gas from any facility operated by such Producer, save for the provisions of Section 104(1) and 107 of the Petroleum Industry Act, these Regulations, and Guidelines issued by the Commission. .

(2) No Permit Holder shall engage in Routine Flaring or venting of natural gas from any facility operated by such Permit Holder.

(3) No Producer shall engage in Routine Flaring or venting natural gas from any Greenfield Project.

PART III PAYMENT FOR FLARING GAS

13. Payment for Gas Flaring.

(1) Where an average monthly production of 5,000 barrels or more of oil is produced per day in any Oil Mining Lease area, Petroleum Mining Lease area or Petroleum Prospective Licence area, the Producer or the Licensee shall be liable to the Federal Government for a Flaring penalty expenditure of \$2.00 (two United States Dollar) per 28.317 standard cubic metres (one thousand standard cubic feet) of gas flared and vented within such Oil Mining Lease area, Petroleum Mining Lease area or Petroleum Prospective Licence area, irrespective of whether the flaring is Routine or Non-Routine Flaring, provided that, there shall be no liability for the payment where the flaring and venting was caused by an act of war, community

disturbance, insurrection, storm, flood, earthquake or other natural phenomenon which is beyond the reasonable control of the Producer or Licensee.

(2) Where an average monthly production of less than 5,000 barrels of oil per day is produced per day in any Oil Mining Lease area, Petroleum Mining Lease area or Petroleum Prospective Licence area, the Producer or the Licensee shall be liable to the Federal Government for a Flaring penalty expenditure of \$0.50 (fifty United States cents) per 28.317 standard cubic metres (one thousand standard cubic feet) of gas flared and vented within such Oil Mining Lease area, Petroleum Mining Lease area or Petroleum Prospective Licence area, irrespective of whether the flaring is Routine or Non-Routine Flaring, provided that, there shall be no liability for the payment where the flaring and venting was caused by an act of war, community disturbance, insurrection, storm, flood, earthquake or other natural phenomenon which is beyond the reasonable control of the Producer or Licensee.

(3) Notwithstanding the provisions of sub-regulations (1) and (2) of this regulation, no flare payment expenditure shall become due to the Producer in respect of an agreed volume of Flare and Vent Gas that the Producer is committed to deliver to the Permit Holder under the Deliver or Pay Agreement entered into with the Permit Holder as from the commencement of commercial operations by the flare reduction project, except to the extent that the Producer or Licensee does not comply with the requirements of these Regulations.

(4) Any exemption granted by the Commission as per Section 104(1)(b) and 107 of the Petroleum Industry Act, and regulation 12(1) of these Regulations does not release the Producer or licensee from having to make the Flaring Penalty referred to in Section 52(7)(d) and 104(4) of the Petroleum Industry Act and these Regulations. This Flaring Penalty shall be paid in the same manner and be subject to the same procedure for the payment of royalties to the Government by companies engaged in the production of petroleum.

(5) The Flare Penalty paid under this paragraph shall not be eligible for cost recovery or be tax deductible

14. Certificate for Continued Flaring

The Commission may, decline to issue or may revoke an exemption to a Producer as prescribed in Section 104(1)(b) of the Petroleum Industry Act and regulation 12(1) of these Regulations, where the Producer -

(a) commercialises any Flare and Vent Gas, without regard to regulation 3 of these regulations, except in relation to a Producer's Approved Flare Out Project; or

(b) does not comply with the requirements of these Regulations.

15. Flare and Vent Gas Logs

(1) A Producer shall maintain a daily log of the flaring and venting of natural gas and shall submit the logs to the Commission within 21 days following the end of each month. This daily log should quantify and compute the total flare and vent volumes per facility, Oil Mining Lease, Petroleum Mining Lease area or Petroleum Prospective Licence area..

(2) A Permit Holder shall maintain a daily log of each occurrence of the flaring and venting of natural gas within its facilities, which shall be submitted to the Commission within 21 days following the end of each month. Any Permit Holder who receives Flare and Vent Gas from the Producer and deliberately flares or vents at his facility on behalf of the Producer is liable to the Fine as prescribed in regulation 21 of these Regulations.

(3) All logs shall be based on data retrieved from metering equipment that shall be installed respectively by the Permit Holder and by the Producer in their respective facilities and shall include the date, time, duration, rates, volumes, and gas source or type, such as sour inlet gas or acid gas, for each flaring. In the case of venting, the Permit Holder and Producer must provide for an inventory based on the Guidelines. This should be compiled to account for methane emissions discharged to the atmosphere from a facility Oil Mining Lease, Petroleum Mining Lease area or Petroleum Prospective Licence area.

(4) The format and manner of all logs shall be in conformity to the Metering and Data Collection Standards issued by the Commission.

(5) Each Producer and each Permit Holder shall keep copies of logs in safe custody for no less than 36 months.

PART IV REPORTING OF GAS DATA

16. Natural Gas Production Logs.

(1) A Producer shall maintain a daily record of all natural gas produced from the Oil Mining Lease, Petroleum Mining Lease or Petroleum Prospective Licence..

(2) A Producer shall record and submit a daily record of natural gas data including, but not limited to:

(a) Calculated weighted average Gas Oil Ratio per facility and Oil Mining Lease, Petroleum Mining Lease or Petroleum Prospective Licence .

- (b) Natural gas consumed by the Producer for Own Consumption
 - (c) Natural gas delivered to existing offtake commitments
 - (d) Natural gas flared
 - (e) Natural gas vented broken down in i) deliberate venting, ii) incomplete combustion and iii) fugitive emissions
 - (f) Associated Gas Utilisation Factor
- (3) A Producer shall submit the record of all natural gas produced, utilized and disposed of from the Oil Mining Lease, Petroleum Mining Lease or Petroleum Prospective Licence within 21 days following the end of each month to the Commission.
- (4) The format and manner of all logs shall be in conformity to the Metering and Data Collection Standards issued by the Commission in its Guidelines.

17. Producer Annual Reporting

- (1) A Producer shall prepare and submit an annual report to the Commission, which shall be submitted each year by March 31 for the previous year.
- (2) The annual report referred to in sub-regulation (1) of these regulations shall include -
 - (a) all Flare and Vent Gas Data with respect to each Flare Site in the format required by the Commission and as prescribed in the Guidelines issued by the Commission; and
 - (b) a list identifying all Flare Sites for which the Producer has not yet executed a Connection Agreement in relation to such sites.
 - (c) the format and manner of all logs shall be in conformity to the Metering and Data Collection Standards issued by the Commission in Guidelines issued by the Commission.

18. Permit Holder Annual Reporting

- (1) A Permit Holder shall prepare and submit an annual report to the Commission, which shall be submitted each year by March 31 for the previous year.

- (2) The annual report referred to in sub-regulation (1) of this regulation shall include -
- (a) Information regarding the volume of Flare and Vent Gas utilised at the Flare Site,
 - (b) the volume of all such Flare and Vent Gas flared by the Permit Holder; and
 - (c) the volume of all Flare and VentGas vented by the Permit Holder.

19. Release of Annual Report

The Department of Petroleum Resources shall prepare and release an annual report on its website each year by June 30 for the previous year, describing -

- (a) flaring and venting by Producers, including the total volume of Flare and Vent Gas disaggregated into Flare Gas and Vented Gas as a percentage of all natural gas produced for each of the prior two years;
- (b) associated gas produced in association with crude oil in order to calculate the Gas Oil Ratio for each of the prior two years;
- (c) natural gas consumed by the Producer for own consumption for each of the prior two years;
- (d) a comparison of upstream petroleum industry flaring and venting performance by Producers against data from previous years, if available;
- (e) a ranking of Producers by the Associated Gas Utilisation Factor;
- (f) the volume of Flare and Vent Gas received by the Permit Holder disaggregated into utilised, flared and vented;
- (g) a comparison of volume of Flare and Vent Gas received by the Permit Holder disaggregated into utilized utilised flared and vented against data from previous years, if available; and
- (h) the Flare penalties due in relation to the flaring and venting of natural gas produced in association with crude oil by each Producer.
- (i) The format and manner of all logs shall be in conformity to the Metering and Data Collection Standards issued by the Commission in the Guidelines issued by the Commission.

20. Metering and Safety Standards

(1) The metering equipment used for measuring natural gas flared and vented shall be manufactured, operated, calibrated and inspected in conformity to the Metering and Data Collection Standards issued by the Commission.

(2) The metering equipment used for measuring natural gas flared and vented shall have an accuracy in conformity to the Metering and Data Collection Standards issued by the Commission.

(3) All Producers and Permit Holders must comply with environmental, operational safety standards and guidelines developed by the Commission in connection with the Flare and Vent Gas, including but not limited to -

- (a) required burn technologies and practices for flaring;
- (b) guidelines on the location of flaring stacks;
- (c) limits on smoke, heat, and noise generation; and
- (d) health and safety standards in relation to the occupational safety and health of persons working on a Flare Site.

21. Failure by Producer to prepare, maintain or submit logs or records or reports or install metering equipment

1. Where a Producer or Licensee fails to -

- (a) comply with provisions of Section 104(1) of the Petroleum Industry Act;
- (b) provide a Qualified Applicant with access to any Flare Site for the purposes described in regulation 6 of these Regulations;
- (c) provide a Permit Holder with access to any Flare Site or to Flare and Vent Gas as provided in the Permit and in regulation 8 of these Regulations;
- (d) install metering equipment within the time required to do so by the Commission; or
- (e) agree to enter into a Connection Agreement with a Permit Holder

the Producer shall, notwithstanding the provisions of regulations 13 of these Regulations, be required to pay a fine of \$1.00 (One United States Dollar) per 28.317 standard cubic metres (one thousand standard cubic feet) of gas flared or vented within the Oil Mining Lease, Petroleum Mining Lease area or Petroleum Prospective Licence area for each day the Producer fails to meet these requirements.

(2) In the event of the continued failure of the Producer to comply with any of the requirements of sub-regulation (1) of these regulations, the Commission may direct the Producer to suspend the operations or revoke any Oil Mining Lease or Marginal Field awarded to the Producer.

22. Failure by Permit Holder to prepare, maintain or submit logs or records or reports or install metering equipment or provide accurate Flare Data

The Commission may revoke any Permit granted to a Permit Holder in the event of a default by a Permit Holder to:

- (a) prepare, maintain or submit the logs or records or reports required in regulation 15 and 18, of these Regulations, in the manner and within the time required;
- (b) install and maintain metering equipment in its facilities in accordance with the requirements of regulation 20 of these Regulations; or
- (c) supply accurate or complete Flare and Vent Gas Data, logs or records, in accordance with the requirements of regulation 4, 16 and 17 of these Regulations.

PART V MISCELLANEOUS

23. Conflicts

In the event of a conflict or inconsistency between any of the provisions of these Regulations and the provisions of any preceding Regulations issued by the Commission in relation to the flaring and venting of natural gas, the provisions of these Regulations shall take precedence and supersede any such preceding regulations to the extent of such conflict or inconsistency.

24. Interpretation

In these Regulations -

"Associated Gas Utilisation Factor" means the volume of Associated Gas utilised as a function of the total Associated Gas production volumes;

"Connection Agreement" means an agreement conforming substantially to the template issued by the Department of Petroleum Resources which is required to be entered into by and between a Producer and a Permit Holder in respect of the connection of the respective facilities of the Producer and the Permit Holder;

"Data Access Permit" means a permit granted by the Department of Petroleum Resources to a Qualified Applicant on a non-exclusive basis, which authorises the Qualified Applicant to access data from the Commission in respect of any Flare Site specified in the Data Access Permit;

"Deliver or Pay Agreement" means an agreement conforming substantially to the template issued by the Commission that the Producer may sign with the Permit Holder under which it guarantees to supply an agreed volume of Disposed Gas within a specified Flare Gas volume and composition range to the Permit Holder;

"Fine" means a punitive charge imposed on the Producer corresponding to a violation as per Section 104(1)(c) of the Petroleum Industry Act and regulation 21 of these Regulations.

"Flare Gas" means any natural gas produced and diverted toward a Flare Site by the Producer with the intent that the natural gas will be flared, including any such natural gas from a Greenfield Project;

"Flare Site" means a location where natural gas is flared, commencing at a flare header and going to the point of the flare within an Oil Mining Lease, Petroleum Mining Lease area, Petroleum Prospective Licence area or within an oil terminal or refinery, provided that a Producer may consolidate operations for more than one production area into one or more Flare Sites;

"Flaring Penalty" means an expenditure incurred by a Producer as per Section 104(4), 105(1), 264(c) and 302(12)(b) of the Petroleum Industry Act and regulation 13(1) and (2) of these Regulations and charged over all Disposed Gas volumes reported by the Producer as per these Regulations and corresponding Guidelines.

"Gas Data" means the dynamic pressure, volume and temperature (PVT) data, and other logs and records generated in the course of day-to-day production activities, submitted to the Commission in accordance to regulations 4, 17 and 18 of these Regulations, which shall include-

- (a) gas volumes;
- (b) oil volumes;
- (c) flow rates;
- (d) gas oil ratio;
- (e) flow pressure and temperature;
- (f) data in relation to a Flare Site, including field name; Producer(s); field operator; Flare Site location; terrain; coordinates; Oil Mining Lease number or Marginal Field License details; available infrastructure; and geophysical maps, models, interpretations, and reports relating to the above data;
- (g) historical Flare and Vent Gas data per field or facility, separated into Routine Flaring and Non-Routine Flaring and Flare Gas and Vent Gas;
- (h) historical Flare Gas data per flare stack, separated into Routine Flaring and Non-Routine Flaring;
- (i) historical oil production data per field or facility;
- (j) historical gas production data per field or facility;
- (k) historical gas utilisation data per field or facility;
- (l) historical water production per field or facility;
- (m) forecast oil production scenarios per field or facility;
- (n) forecast gas production scenarios per field or facility;
- (o) forecast water production scenarios per field or facility;
- (p) oil reserve data per field;
- (q) oil reserve data aggregated for each flaring facility;
- (r) gas reserve data per field;
- (s) gas reserve data aggregated for each flaring facility;

(t) Flare gas composition by stack;

(u) Vent Gas composition; and

(v) any other data that may be required by the Commission

"Gas Supply Agreement" means an agreement conforming substantially to the template issued by the Commission whereby Flare and Vent Gas is sold by the Commission to the Permit Holder;

"Gas Oil Ratio" (GOR) means the ratio of the volume of gas that comes out of solution to the volume of oil at standard conditions;

"Greenfield Project" means any project to develop new oil or natural gas production from an Oil Mining Lease or Marginal Field as of the effective date of these Regulations;

"Guidelines" means directives and procedures developed and administered by the Commission to the upstream petroleum operations by the powers given to the Commission in Section 10(a)(ii) of the Petroleum Industry Act. These may be amended from time to time by the Commission as required.

"Handling Fee" means a fee to be paid by a Permit Holder to a Producer for operating and maintaining the interconnection assets that are transferred to the Producer by the Permit Holder and in accordance with the Connection Agreement;

"Marginal Field" means an oil field within an Oil Mining Lease area awarded to an applicant in relation to a field identified as a marginal field by the President;

"Metering and Data Collection Standards" means the associated gas and Flare Gas and Vent Gas metering and data collection accounting standards and requirements issued by the Commission in corresponding Guidelines;

"Minister" means the Minister of Petroleum Resources;

"Non-Routine Flaring" is all flaring other than Routine Flaring which is typically intermittent and of short duration and either planned or unplanned, including-

(a) Subject to prudent operations and prompt action on the side of the Producer, temporary (partial) failure of equipment that handles the gas during normal operations until their repair or replacement, e.g. failure of compressors, pipeline, instrumentation, controls;

(b) Temporary failure of facilities that prevents receipt of Flare Gas;

(c) Safety Flaring;

- (d) Initial plant or field start-up before the process reaches steady operating conditions;
- (e) Start-up following facility shutdowns;
- (f) Scheduled preventive maintenance and inspections subject to it being carried out in a prompt manner and following prudent industry standards;
- (g) Construction activities, such as tie-ins, abrupt change of operating conditions, plant design modifications;
- (h) Process upsets when process parameters fall outside the allowable operating or design limits and flaring is required to stabilise the process again;
- (i) Reservoir or well maintenance activities such as acidification, wire line interventions; and
- (j) Exploration, appraisal, or production-well testing or clean-up following drilling or well work-over;

"Oil Mining Lease" means a lease granted by the Minister to a company incorporated in Nigeria, which allows such company to search for, win, work, carry away, and dispose of petroleum;

"Originating Qualified Applicant" means an entity that is deemed qualified by the Commission following submission of its Unsolicited Proposal to utilize Disposed Gas for own use or for on-sale to third party offtakers. The qualification criteria are established by the Commission through the corresponding Guidelines;

"Permit Holder" means a company that has been granted a Permit To Access Disposed Gas by the Commission;

"Permit to Access Flare and Vent Gas" or *"Permit"* means a permit granted to a Permit Holder by the Commission to take Flare and Vent Gas at a Flare Site on behalf of the Federal Government;

"Producer" means a holder of Oil Mining Lease , Petroleum Mining Lease area, Petroleum Prospective Licence area;

"Producer's Approved Flare Out Project" means a natural gas flare elimination, monetization, or commercialisation project, as per Section 108 of the PIA, intended to be developed by a Producer, which is not already operating commercially, that meets the following criteria as validated and approved by the Commission;

- (a) received all required permits / licenses necessary for its operation;
- (b) executed all material commercial agreements necessary for the implementation of the project;
- (c) achieved financial closing;
- (d) the Producer has provided a financial guarantee to the Commission to underpin its commitment to milestones for the implementation of the project;

"Qualified Applicant" means a bidder or an entity presenting an unsolicited proposal who is deemed qualified following submission of its response to a request for qualifications in accordance with the tender documentation or other processes as per these Regulations and corresponding Guidelines and who intends to utilise Disposed Gas for own use or for on-sale to third party offtakers;

"Routine Flaring" means flaring of natural gas produced in association with crude oil during normal oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced gas, utilise it on site, or despatch it to a market and Routine Flaring does not include Safety Flaring, even when continuous;

"Safety Flaring" means flaring undertaken to ensure safe operations at a facility;

"Unsolicited Proposal" means a proposal presented by an Originating Qualified Applicant to the Commission for one or more Flare Sites in accordance with these Regulations and corresponding Guidelines issued by the Commission;

"Unsolicited Proposal Process" means process by means of which an Originating Qualified Applicant can obtain a Permit to Access Disposed Gas;

"Vented Gas" means natural gas that is released into the environment without being combusted; and

"Venting" means Is the controlled or uncontrolled direct release of natural gas into the environment without combustion. This occurs at a number of points in the oil and gas development process (well completion; well maintenance; well operations; production facilities; gas handling facilities; pipeline maintenance; tank maintenance; etc.).

25. Citation

These Regulations may be cited as the Gas Flaring and Venting (Prevention of Waste and Pollution) Regulations 2022.

MADE at Abuja this xx day of 2022.

ENGR. GBENGA KOMOLAFE, FNSE

**Commission Chief Executive
Nigeria Upstream Petroleum Regulatory Commission**

DRAFT

EXPLANATORY NOTE

(This note does not form part of these regulations but intends to explain its purports)

These Regulations provides a legal framework for the protection of the environment against the effect of gas flaring,venting, prevent waste of gas and the creation of social and economic benefit to Nigeria from gas flares and venting..

DRAFT