



**NIGERIAN UPSTREAM PETROLEUM (ADMINISTRATION HARMONISATION)  
REGULATIONS 2023**

**PETROLEUM INDUSTRY ACT, No. 6, 2021**  
**NIGERIAN UPSTREAM PETROLEUM (ADMINISTRATION HARMONISATION)**  
**REGULATIONS 2023**

In the exercise of the powers conferred on it by Section 6(B) of the Petroleum Industry Act, No. 6 of 2021 (the “Act”) all other enabling powers, the Nigerian Upstream Petroleum Regulatory Commission (the “Commission”), hereby makes the following Regulations:

**PART 1**  
**OBJECTIVES AND APPLICATION**

**1. Objective**

- (1) These Regulations provide the framework for the harmonized administration of upstream petroleum operations in accordance with the Petroleum Industry Act and any other laws preserved by the Act relating to upstream petroleum operations.

**2. Application**

- (1) These Regulations shall apply to all upstream petroleum operations under a licence or lease granted under the Act and all licences and leases preserved by the Act.

**PART II**  
**APPLICATION OF REGULATIONS AND REGULATIONS MADE UNDER THE**  
**PETROLEUM ACT AND THE PETROLEUM INDUSTRY ACT**

**3. Regulations and Guidelines in force before the Commencement of the Act**

- (1) All regulations and Guidelines made pursuant to the Petroleum Act, or any other laws relating to upstream petroleum operations shall, except where expressly repealed, continue to apply to petroleum operations under licenses or leases granted or preserved by the Act.
- (2) The provision of any regulations or guidelines made under the Act shall apply where there are-
  - (a) Inconsistencies between the provisions of such any regulations or guidelines made pursuant to the Petroleum Act and the provisions of any regulations or guidelines made pursuant to the Act,
  - (b) no provisions in regulations or guidelines made pursuant to the Petroleum Act.

#### **4. Regulations and Guidelines made pursuant to the Petroleum Industry Act**

- (1) All regulations and Guidelines made by the Commission pursuant to the Act shall except where expressly provided for in the regulation or guideline apply generally to all licences and leases in force in Nigeria whether granted under the petroleum industry Act or preserved pursuant to the Act.

### **PART III**

#### **SPECIFIC PROVISIONS RELATING TO CERTAIN MATTERS UNDER THE ACT**

#### **5. Section 83 of the Act**

- (1) The provisions of Section 83 shall apply to all Licences and Leases in force in Nigeria.
- (2) Payments to Government referred under section 83(1) shall also include but not limited to the following:
  - (a) Signature bonuses
  - (b) Production bonuses
  - (c) Any bonuses or premium paid upon the grant of consent to an assignment
  - (d) Renewal Fees, bonuses or premium; and
  - (e) Any other payment as may be required by the Commission.
- (3) The information relating to any of the payments provided for in sub-regulation 2 of this regulation shall be reported to the Commission in a manner prescribed by the Commission within the period provided in the Act for the submission of the report.
- (4) The Commission shall, pursuant to Section 83(2) of the Act, publish a summary of all reports of financial payments submitted by licensees and lessees on its website within 14 days of the receipt of the report.
- (5) NNPC limited, shall within 90 days from the commencement of these Regulations submit to the Commission -
  - (a) The text of any existing contracts, license or lease and any amendment or side held by the Company and in force before the commencement of the Act

- (b) The text of any existing contracts, license or lease and any amendment or side held by the Company coming into effect after the Commencement of the Act-
- (6) The submission referred to under regulation 5 of this regulation shall be in a manner prescribed by the Commission.
- (7) The contract referred to under regulation 5 of this regulation shall include-
  - (a) Joint Operating Agreements
  - (b) Petroleum Sharing Contracts
  - (c) Petroleum Sharing Agreements
  - (d) Financial and Technical Services Agreement;
  - (e) Any agreements relating to crude oil sales, crude oil swaps, and or any bilateral arrangements for crude oil swaps
- (8) The Commission shall, within 14 days of the submission of any information by NNPC limited pursuant to this sub-regulation publish the report on its website.

#### **6. Section 280(1)(c) and 6<sup>th</sup> Schedule**

- (1) The Commission shall pursuant to Section 280(1) (c ) and 6<sup>th</sup> Schedule of the Act submit to the Federal Inland Revenue Service the applicable production allowance applicable to every producing licence or lease as determined by the Commission on a field by field basis every year.

#### **7. Section 94 (4) of the Act**

- (1) The Commission shall, within six months from the coming into effect of these regulations notify all Licence and Lease Holders in writing of the marginal fields within their lease areas which are subject to the provisions of section 94(4)
- (2) For the purposes of sub-regulation 1 of this regulation, the Commission may require Licence and Lease Holders to submit relevant data relating to any field or discovery within its lease area which have remained unproduced in a continues manner for a period of seven years.

#### **8. Section 303 of the Act**

- (1) An oil prospecting licence which remains unconverted shall be subject to conversion to an Oil Mining Lease in accordance with any regulation or

procedure in force for conversion of oil prospecting licences to oil mining leases under the Petroleum Act.

- (2) Any Oil Mining Lease, deprived from an Oil Prospecting Lease in accordance with the procedure described in sub-regulation 1 shall upon expiration cease to exist as an Oil Mining Lease.
- (3) An Oil Mining Lease which ceases to exist under this sub -regulation may be renewed upon the application of the lessee, provided that the application shall be for the renewal of the Oil Mining Lease as a Petroleum Mining Lease with terms and conditions of a Petroleum Mining Lease under the Act
- (4) The application for renewal of an Oil Mining Lease to a Petroleum Mining Lease shall be in accordance with the procedure for application for renewal of Petroleum Mining Leases under the Act.

## **PART IV MISCELLANEOUS**

### **9. Fees**

- (1) Fees for activities related to any matter covered under these regulations shall be as provided for in the Upstream Petroleum Fees regulations 2023.

### **10. Administrative Fines**

A licensee or lessee in breach of the provisions of these Regulations shall be liable to pay an administrative fine of \$1,000 for each day that the breach subsists.

### **11. Interpretation**

In addition to the definitions contained in section 318 of the Act, the following definitions shall apply to these Regulations

“Act” means the Petroleum Industry Act, 2021;

### **12. Citation**

These Regulations may be cited as the Nigerian Upstream Petroleum (Administration Harmonisation) Regulations 2023.

**MADE** at Abuja this.....day of.....2023

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**ENGR. GBENGA KOMOLAFE, FNSE**  
**Commission Chief Executive**  
**Nigeria Upstream Petroleum Regulatory Commission**

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