



Midstream and Downstream Decommissioning and Abandonment Regulations

**Under Section 232 and 233 of the
Petroleum Industry Act (2021).**

DRAFT DATE: 10/06/2022

General

- 1.** These Regulations shall apply to the decommissioning and abandonment of facilities used in Midstream and Downstream petroleum operations in Nigeria, including pipelines, storage tanks, processing and other facilities under a licence saved pursuant to Section 311 (9) of the Petroleum Industry Act (the Act) and new Licences that may be granted under the Act.
- 2.** The Authority shall issue guidelines and directives for the effective implementation of these Regulations and the decommissioning and abandonment provisions of the Act.

Requirements for a decommissioning and abandonment plan

- 3.** Midstream and Downstream petroleum operations shall be conducted in accordance with a decommissioning and abandonment plan approved by the Authority where the operations under the licence involves the construction of pipelines, storage tanks, petroleum products tank farms and jetties, processing, or other facilities. The decommissioning and abandonment plan shall comply with the requirements as provided in this regulation and the Act.
- 4.** The requirement for a decommissioning and abandonment plan shall apply to Midstream and Downstream petroleum operations whether there is a decommissioning and abandonment plan previously approved by any approving authority before the coming into effect of this Act or by the Authority.
- 5.** A decommissioning and abandonment plan pursuant to these regulations shall be in the form and manner prescribed by the Authority.

Duty to Submit a decommissioning and abandonment plan by existing licencees

- 6.** A licensee of an existing Midstream and Downstream petroleum operation shall within one year from the coming into effect of these regulations submit to the Authority a decommissioning and abandonment plan made pursuant to these regulations where operations under the licence involves existing pipelines, storage tanks, petroleum products tank farms and jetties, processing or other facilities in use or in the case that a decommissioning and abandonment plan already exists, an updated decommissioning and abandonment plan in accordance with these Regulations.

Duty to submit a decommissioning plan by new licensee

7. A new licensee shall submit to the Authority a decommissioning and abandonment plan in accordance with the Act and these regulations as part of the application for a licence to construct a midstream or downstream facility such as pipelines, storage tanks, petroleum products tank farms and jetties, processing or other facilities.

Requirement for establishment of annual contributions to a decommissioning fund in the decommissioning plan

8. A decommissioning and abandonment plan submitted pursuant to these regulations by an existing or new licensee shall state the annual amount to be contributed to the respective decommissioning and abandonment fund set up by the licensee in respect of any Midstream and Downstream petroleum operations that these regulations apply.

9. The annual contribution provided for in a decommissioning and abandonment plan may, subject to the approval or directives of the Authority be reviewed from time to time as required during the period of the licence or until the cessation of petroleum operations to which the plan relates.

Requirements of a decommissioning and abandonment plan

10. A decommissioning and abandonment plan shall be in accordance with good international petroleum industry practice, and guidelines issued by the Authority, provided that where applicable the guidelines shall meet the standards prescribed by the International Maritime Organisation on offshore petroleum installations and structures.

Approval of a decommissioning and abandonment plan

11. (1) A decommissioning and abandonment plan submitted pursuant to Regulation 6 which meets the requirements of Regulation 10 shall be approved by the Authority.

(2). A decommissioning and abandonment plan submitted pursuant to Regulation 7 which meets the requirements of Regulation 10 shall be deemed approved by the Authority upon the grant of licence to construct the facility to which the plan relates.

(3). A decommissioning and abandonment plan approved by the Authority shall from the effective date of the grant of approval, govern any decommissioning and abandonment program or activity relating to the Midstream and Downstream petroleum operations to which the plan relates.

Provision to Update a Decommissioning and Abandonment Plan

12 The licensee may prior to the commencement of the execution of the decommissioning and abandonment programme propose and submit to the Authority an update to the approved decommissioning and abandonment plan. The Authority shall review and approve the proposed update where it meets the requirements of Regulation 10.

Execution of Decommissioning and Abandonment Pursuant to an Approved Decommissioning And Abandonment Plan

13. (1) A licensee who intends pursuant to an approved decommissioning and abandonment plan to decommission and abandon any pipelines, storage tanks, petroleum products tank farms and jetties, processing or other facilities shall obtain the approval of the Authority prior to the decommissioning and abandonment programme.

(2) (i) In respect of the decommissioning and abandonment of any pipelines, storage tanks, petroleum products tank farms and jetties, processing or other facilities or infrastructure on land, the licensee shall make an application to the Authority for approval to decommission and abandon any of such installation at least twenty-four (24) months prior to a proposed start date of the decommissioning and abandonment programme.

(ii) An application under 13 (2)(i) of these Regulations shall be accompanied by a decommissioning and abandonment programme in a form prescribed by the Authority which shall comprise of-

- a. The location of facilities intended to be decommissioned and abandoned, or
- b. The part of the facilities intended to be decommissioned and abandoned, including a single installation or pipeline.
- c. an Executive summary, outlining the background to the decommissioning and abandonment proposals and highlighting the essential features of the proposed method of decommissioning and abandonment, the chosen decommissioning and abandonment options, key execution decisions, key risk management considerations and details on schedule.
- d. Background information, supported by diagrams, schematics and relevant photographs including –
 - (i) Location and main infrastructure map(s) of all land areas relevant to the programme.
 - (ii) The relative location, geographical information system (GIS), type, and status of any other adjacent facilities (such as telephone cables, other pipelines and midstream and downstream installations and facilities) which would have to be taken into consideration.
 - (iii) Information about any commercial activity in the area.
 - (iv) Any other background information relevant to consideration of the decommissioning and abandonment programme.
- e. Description of items to be decommissioned and abandoned, inclusive of diagrams, covering –
 - (i) Support structures for fixed installations at the time of removal (type, size, arrangement and weights).
 - (ii) land based loading facilities relevant to the programme.
 - (iii) Any other installed items.

- f. Removal and disposal methods stating–
- (i) the removal and disposal option, describing the removal method and the disposal route (recognising any potential trans-frontier shipment of waste issues, considering that installations and structures on land, except for buried transportation pipelines and gathering lines, shall be completely removed and the environment restored to its original condition).
 - (ii) an indication of how the principles of the waste hierarchy will be met as well as complying with waste regulations, including the extent to which the installation or any part of it, including the topsides and the materials contained within it, will be re-used, recycled or scrapped.
 - (iii) details of any cleaning or removal of waste materials, including cleaning methods, cleaning agents and disposal of residues.
 - (iv) a clear outline of how the disposal of any radioactive material, including Low Specific Activity scale, Naturally Occurring Radioactive material, will be addressed.
 - (v) water clearances above any remains.
 - (vi) predicted degradation, movement, and stability of any remains.
- g. an environmental and social impact assessment study report, supporting the chosen decommissioning and abandonment option.
- h. a comparative assessment of alternative decommissioning and abandonment options, or otherwise disposal options (the comparative assessment shall analyse the impacts of considered listed options against the following criteria, based on qualitative and quantitative assessments and clearly indicating the rationale for the chosen decommissioning and abandonment option –
- (i) Safety;
 - (ii) Environmental;
 - (iii) Technical, including risks of major project failure;
 - (iv) Societal; and
 - (v) Economic.
 - (vi) Security
- i report of any required Interested party consultations in compliance with this or any other regulations
- j letters of support from named Partners where applicable, demonstrating their agreement with the proposed decommissioning and abandonment approach.
- k estimate of the cost of the proposed measures, which shall include details of the category of expenditures (based on best estimate, global benchmark with similar project and the indication of any potential deviations in the estimate that may account for any difference in the final outcome at implementation).

- l. schedule, indicating details of the decommissioning and abandonment time scale for the proposed option, including a schedule showing the dates at which the various stages of the decommissioning and abandonment are expected to start and finish.
- m. details of the arrangements by which the licensee will keep the Authority informed of the progress of decommissioning and abandonment.
- n. a description of the post-decommissioning and abandonment monitoring and maintenance phase, including steps to be taken to ensure maintenance and safety, where any installation, structure or pipeline remained disused and in position or are to be partly removed.

(3)(i) In respect of the decommissioning and abandonment of any pipelines, storage tanks, petroleum products tank farms and jetties, processing or other facilities or infrastructure relating to a licence for midstream and downstream petroleum operations offshore, the licensee shall make an application to the Authority for approval to decommission and abandon at least thirty-six (36) months prior to the proposed start date of the decommissioning and abandonment programme.

(b)(ii) An application under Regulation 13 (3)(i) of these Regulations shall be accompanied by a decommissioning and abandonment programme in a form prescribed by the Authority in addition to the requirement in Regulation 11 (a) which shall comprise of –

- a. Description of items to be decommissioned and abandoned, inclusive of diagrams, covering –
 - (i) Support structures for offshore fixed and floating installations at the time of removal (type, size, arrangement and weights).
 - (ii) Topsides for offshore fixed and floating installations (type, size, configuration, equipment and weights).
 - (iii) Subsea equipment and installations on or in the seabed (size, weight, height above seabed, whether piled or not, type of construction and material, details of interaction between equipment and other uses of the sea, such as fishing).
 - (iv) For pipelines, flow lines and umbilicals – lengths, diameters, type of construction, the extent of burial, trenching and details of any concrete mattresses, frond mattresses, grout bags, rock-dump or other materials used to cover the lines.
 - (v) Details of any subsea facilities that form part of the pipelines, such as production line end manifold, umbilical termination assembly, riser anchor bases).
 - (vi) Information about the stability of the pipelines including details of any spanning or exposure (Met-ocean data, survey data and history to support information given in this section should be included as an annex to the programme, live pipeline survey information may be relevant).
 - (vii) Details of interaction between any part of the pipelines and other uses of the sea (such as fishing activity, both historical and depending on the field may be necessary to estimate future activity).

- (viii) Details of interaction between any part of the pipelines and other uses of the sea (in particular fishing activity, marine traffic, marker buoy positioning both historical and where relevant to estimate future activity).
 - (ix) Materials on the seabed – drill cuttings (amount, composition, dimensions), debris, any other materials.
- b. Where there is a related equipment that is not covered by the decommissioning and abandonment programme, details shall be provided for such equipment and explanation provided of why it is not part of the programme.
 - c. Proposals for identification and removal of seabed debris following decommissioning and abandonment works. As a minimum the area covered for debris clearance should include a 500meter radius around any installation and a 100meter (50meter either side of the pipeline) corridor along the length of any pipelines. Following the work, verification of seabed clearance by an independent organisation is required.
 - d. For the removal and disposal methods, details of any materials and remains on the seabed after decommissioning and abandonment.
 - e. Proposals covering the post-decommissioning and abandonment phase –
 - (i) Seabed sampling surveys to monitor levels of hydrocarbons, heavy metals and other contaminants in sediments and biota.
 - (ii) Inspection and maintenance where any installation, structure or pipeline remained disused and in position or are to be partly removed. Where any installation, structure or pipeline is partly removed, the licensee shall remain liable for any residual liability arising from the installation, structure or pipeline not removed and appropriately marked.
 - f. Analysis indicating that the proposal complies with the standards prescribed by the international maritime organisation on offshore petroleum installations and structures.

Approval of an Application for Decommissioning and Abandonment by the Authority

14 (1) The Authority shall approve an application for a decommissioning and abandonment programme within one hundred and eighty (180) days after the date of submission of the application provided the application meets the following criteria-

- (a) The programme is accordance with the approved decommissioning and abandonment plan
- (b) the programme addresses considerations and recommendations raised by the Authority and the public consultations in the light of individual circumstances;
- (c) where applicable, the potential for reuse of a transportation pipeline together with other existing facility in connection with further hydrocarbon developments is considered before decommissioning and abandonment;
- (d) all feasible decommissioning and abandonment options have been considered and a satisfactory comparative assessment made;

- (e) any removal or partial removal of an installation, structure or transportation pipeline is to be performed in a manner that guarantees sustainable environmental development;
- (f) any recommendation to leave an installation, structure or gathering line in place is made with regard to its likely deterioration and to the present, possible and future effects on the environment and in the case of offshore installations and structures, consistent with the applicable good international petroleum industry practices;
- (g) relevant environmental, technical, and commercial regulations or standards are complied with.

(2) Where the Authority declines to approve the decommissioning and abandonment programme, it shall notify the licensee of its decision in writing stating the reasons for the refusal.

(3) Where the Authority fails to notify the licensee of its decision on the application within one hundred and eighty (180) days from the date of submission of the application as prescribed in this Regulation, the application shall be deemed approved.

Rejection of an Application for a Decommissioning and Abandonment Programme

15. (1) An application for a decommissioning and abandonment programme pursuant to these Regulations may be rejected by the Authority where it does not meet the requirements provided that the licensee shall be given an opportunity to submit an amended or modified application within a reasonable time.

(2) Where the licensee fails to submit an amended or modified application within the time specified or submits an amended or modified application which is not in compliance with approved decommissioning and abandonment plan, the Authority shall refuse to approve the application and notify the licensee of its decision in writing.

(3) where the Authority refuses an approval under the circumstances of Regulation 15(2), the Authority shall have such decommissioning and abandonment program carried out by a third party to be financed from the decommissioning and abandonment fund pursuant to section 233 (3) of the Act.

Requirement for Public Consultation

16. (1) Prior to the submission of an application for any decommissioning and abandonment programme as provided for in these regulations, a licensee shall conduct public consultations with stakeholders, including communities affected by the activities, public authorities and bodies and other interested parties with respect to planned decommissioning and abandonment program.

(2) A licensee shall, in carrying out the consultations under these Regulations –

- (a) Announce its decommissioning and abandonment programme by placing a public notice in One (1) national newspaper and One (1) local newspaper with wide coverage and on its publicly accessible website. The notice shall indicate where copies of the decommissioning and abandonment programme can be viewed, to whom representations should be submitted, and the dates and place of public consultations;

- (b) Provide the Authority with necessary information to enable the Authority to indicate on its website that the programme has been issued for consultation alongside a link to the consultation programme;
- (b) Choose the mode of consultation appropriate for effective and inclusive engagement with stakeholders, taking into account the nature and location of the project and the key issues to be consulted on;
- (d) Ensure that appropriate information and risks are disclosed to stakeholders in a timely, understandable, accessible and appropriate manner and format, well in advance of the proposed consultations;
- (e) Hold meetings with relevant stakeholders, communities likely to be affected and the public to explain the impact and proposed mitigation measures, and to receive their oral or written views;
- (f) Where the consultations involve holding meetings, ensure that the venues of and time for the meetings are convenient to the relevant stakeholders, communities likely to be affected by the project and the public; and
- (g) Ensure that the comments received during consultations are recorded, made publicly available and taken into account.

17. The report of the public consultation including measures taken by the licensee to take into account the outcome of the consultations shall be submitted to the Authority with the application.

Execution of a decommissioning and abandonment programme

18. (1) Once an application of a decommissioning and abandonment programme has been approved by the Authority, a licensee shall commence execution of the programme.

(2) A licensee shall keep the Authority informed of the progress of the execution of the programme, including providing regular reports and updates envisaged under the approved programme in the form prescribed by the Authority. The Authority may request meetings with a licensee at which progress could be reviewed.

Changes to the approved decommissioning and abandonment programme

19. Any revisions to the programme shall be subject to the approval by the Authority. If a licensee contemplates any changes to the approved decommissioning and abandonment programme, such changes shall be submitted to the Authority for review and approval.

Post-Completion of Decommissioning and Abandonment Programme

20(1) Once a licensee has executed the approved decommissioning and abandonment programme, the licensee shall in writing notify the Authority of the completion of the decommissioning and abandonment programme.

(2) A licensee shall upon the completion of the decommissioning and abandonment programme submit to the Authority a written report stating out measures established by the licensee for the monitoring, maintenance and management of any remains of installations or pipelines that may still exist, pursuant to the scope and duration of the monitoring requirements under the decommissioning and abandonment programme approved by the Authority.

(3) A licensee shall submit the results of all post completion monitoring surveys to the Authority. On completion of the last intended survey as provided by the licensee in its statement of measures pursuant to Regulation 20(2), any further work shall depend on the results of the monitoring surveys and shall be agreed with the Authority.

Decommissioning and Abandonment Required by the Authority

21.(1) The Authority, may at any time by written notice, require a licensee to commence decommissioning and abandonment of any midstream and downstream installation, pipelines, storage tanks, petroleum products tank farms and jetties, processing facilities where such decommissioning and abandonment may be required under best international petroleum industry practices, irrespective of the timing proposed under the approved decommissioning and abandonment plan.

(2) The licensee shall comply with any notice under Regulation 28(1).

Enforcement by the Authority

22. The Authority shall enforce compliance to the provisions of these regulations in the following manner:

- a. In respect of a Licence which has expired, was surrendered, or terminated and no decommissioning and abandonment has been executed by the licensee, or where there is still remaining unfulfilled decommissioning and abandonment obligations, the Authority shall require the licensee of the expired licence to execute the decommissioning and abandonment in line with the previously approved decommissioning and abandonment plan in compliance to these regulations.
- b. In respect of a licence that has been transferred or divested by the licensee prior to the execution of any decommissioning and abandonment obligation provided for in a decommissioning and abandonment plan, the obligation to execute the decommissioning and abandonment obligations under a decommissioning and abandonment plan relating to the licence shall be enforced against the transferee of the licence who acquires its interest with the prior approval and consent of the Minister or the Authority as the case may be in accordance with the Act.

23. Prior to the termination of a licence for any reason, the Authority may request in writing that the licensee refrains from conducting specific decommissioning and abandonment programme regarding any specific midstream and downstream installations or facilities. In such a case, the licensee shall deliver the installations or facilities, in good working order and fit for further working again, to the third party designated by the Authority, and the licensee shall be relieved of any future obligation relating to decommissioning and abandonment of such facilities and any remaining amounts in the decommissioning and abandonment fund shall be transferred to the Authority for the purpose of future decommissioning and abandonment.

Database of installations, structures and assets

24.(1) The Authority shall keep and maintain a database of Midstream and Downstream petroleum installations, any pipelines, storage tanks, petroleum products tank farms and jetties, processing or other facilities or infrastructures and pipelines on land and offshore Nigeria. The database shall include a list of all installations, structures and pipelines used in the operations and their status.

(2) The database pursuant to Regulation 24(1) shall be a public document and shall be published in the Authority's website.

(3) The database shall be subject to annual review and update by the Authority.

(3) For the purposes of keeping, maintaining, reviewing and updating of the database pursuant to these Regulations, a licensee shall submit to the Authority in a format prescribed by the Authority and within the time specified, information relating to its Midstream and Downstream petroleum operations installations, structures, and pipelines.

(4) In addition to the requirement to make the database under these Regulations public by publishing it on its website, the Authority may issue annual publications of the database to the public.

Requirements for establishing a decommissioning and abandonment fund for midstream and downstream petroleum operations under licence

25.(1) There shall be established for each licence (where a facility requires decommissioning and abandonment) a decommissioning and abandonment fund (Fund), not later than three (3) months from the date of commencement of operations in the case of a new licence, or one year from the effective date of these Regulations for existing licences in midstream and downstream petroleum operations.

(2) The Fund shall be established by the licensee in respect of petroleum operations under the licence, for the purpose of fulfilling its obligations and liabilities with respect to decommissioning and abandonment pursuant to a decommissioning and abandonment plan.

(3) A licensee shall notify the Authority in writing of the establishment of the Fund pursuant to Regulation 25 (1) not later than Fourteen (14) days from the date of establishment of the fund.

(4) The Fund shall be in the form of an escrow account held by a financial institution that is not an affiliate of the licensee.

(5) The Authority shall be a party to the escrow agreement in respect of the escrow account in Regulation 25 (4) and shall have access to the funds in the escrow account pursuant to the provisions of this regulation.

(6) The escrow account shall be kept free of any encumbrances from creditors, including but not limited to a charge, pledge, guarantee, a letter of credit etc.

(7) The financial institution pursuant to Regulation 25 (4) shall be a reputable commercial bank licenced by the Central Bank of Nigeria and shall pass stress tests conducted by the Central Bank of Nigeria on a semi-annual basis for the entire life of the decommissioning and abandonment escrow. Where the financial institution fails to meet the stress test, the funds in the escrow account shall be transferred within three (3) months to an escrow account in another financial institution that meets the stress test.

(8) The escrow account shall be interest-bearing with any accrued interest being part of the fund.

(9) The revocation or cancellation of a licence shall terminate the licensee's interests, rights and access to the escrow account and Authority shall have sole and exclusive access and control over the escrow account to the exclusion of any other person.

Contributions to the fund

26.(1) The Fund shall be funded by the licensee based on the annual contributions to be calculated in the manner provided in these Regulations and contained in the decommissioning and abandonment plan.

(2) The annual contribution provided for in the decommissioning and abandonment plan shall be in the United State Dollars (USD) and be based on an estimate by the licensee of the applicable decommissioning and abandonment costs, projected forward on a nominal basis; and divided by the estimated life of the facilities and the reasonable cost estimate shall be approved by the Authority.

(3) The estimated life of the facilities referred to in Regulation 26 (2) shall be based on the –

- (a) estimated design life of facilities used for Midstream and Downstream petroleum operations; and
- (b) period of time for which the safe operations of the facilities were designed, in case of facilities used for midstream petroleum operations, which meet the condition of section 8(d) of the Act.

(4) The estimates for costs required in these Regulations shall be made based on best international petroleum industry practice.

(5) The annual contribution shall be deposited to the fund on or before 31st December of each calendar year.

(6) The estimated annual contribution pursuant to Regulation 26(2) shall be reviewed every 10 years following the first submission.

(7) Contributions to the decommissioning and abandonment fund shall be eligible for cost recovery and shall be tax deductible, provided that the cost of executing the decommissioning and abandonment programme disbursed from the Fund shall not be eligible for cost recovery or deductible for tax purposes.

Uses of the fund

27. (1) The decommissioning and abandonment fund shall be exclusively used to pay for decommissioning and abandonment costs.

(2) The licensee shall have access to the fund only upon receipt of the written approval from the Authority pursuant to these Regulations to undertake the decommissioning and abandonment programme and shall use such funds only for conducting approved decommissioning and abandonment plan.

(3) Where there is an excess in the fund after the decommissioning and abandonment has been carried out and approved by the Authority, the excess shall be considered income for production sharing or tax purposes and the amount after the withholding of profit oil and any tax shall be returned to the licensee.

(4) Where the fund is not sufficient to cover the decommissioning and abandonment expenditure, the licensee shall cover such difference to fulfil the obligations in full.

28. (1) Where a licensee fails to comply with the decommissioning and abandonment plan or decommissioning and abandonment programme, the decommissioning and abandonment fund shall be accessed by the Authority, to pay for the performance by a third party of such licensee's obligations pursuant to section 232 of the Act.

(2) The Authority shall access the fund only after it has provided a written notice to the respective licensee of the noncompliance and has been given a reasonable period to rectify the non-compliance.

(3) If the Authority decides to apply the fund pursuant to Regulation 28(1), the Authority shall be responsible to manage the Fund in accordance with the applicable laws, and the procurement of any goods, works or services required to undertake the decommissioning and abandonment shall be subject to the laws and regulations applicable to public procurement.

Reporting

29. A licensee shall furnish the Authority not later than thirty (30) days after the end of each calendar year a statement of accounts with respect to its decommissioning and abandonment contributions into the fund in the form prescribed by the Authority. A copy of such statement shall be provided by a licensee to the Federal Inland Revenue Service within the same timeline.

Decommissioning and Abandonment Liabilities in case of Assignment

30. (1) An assignment of interest in a licence pursuant to the Act, or a licence or lease saved pursuant to Section 311 (9) of the Act, 2022, shall include the assignment of obligations to make contributions to the Fund under this regulation; Provided that in any case of such assignment, the assignor shall where the fund accrued in the Fund is insufficient to cover any decommissioning and abandonment liabilities as at the date of the assignment, provide a security in the nature of a bank guarantee to the Authority or cash deposit to the Fund to cover the amount required for that part of the liabilities not provided for in the Fund.

(2) All parties to an assignment, whether assignors or assignees, shall be jointly and severally liable for the decommissioning and abandonment obligations with respect to a relevant licence.

Penalty

31(1) A licensee, who fails to submit a decommissioning and abandonment plan with respect to a licence within the time prescribed in these regulations shall be liable to an administrative penalty of One Hundred Thousand United States Dollars (US \$100,000) for every year of non-compliance, payable to the Authority.

(2) A licensee who fails to establish the Fund within the time prescribed in these regulations shall be liable to an administrative penalty of One Hundred Thousand United States Dollars (US \$100,000) for every year of non-compliance, payable to the Authority.

(3) Any licensee who fails to contribute to the Fund, in the manner prescribed in the approved decommissioning and abandonment plan under these regulations, three (3) months after payment is due, shall be liable to an administrative penalty of one year contribution to the Authority in addition to the sum due and payable to the Fund for the period.

(4) A licensee who commences or carries any decommissioning and abandonment program without the approval of the Authority as provided for in these regulations shall be liable to an administrative penalty of Two Hundred Thousand United States Dollars (US \$200,000) payable to the Authority.

(5) The penalties under these Regulations may be payable in Naira at the prevailing Central Bank of Nigeria's exchange rate as advised by the Authority.

(6) Where a failure to comply under Regulations 31(1), 31(2) and 31(3) extends for a period of more than one (1) year, the Authority shall cancel the licence pursuant to Section 32(i) of the Act.

Exclusions

32. Authority shall from time to time determine licencees which may be excluded from the application of these Regulations and the Authority may make guidelines for the decommissioning and abandonment of such facilities which have been non-operational for period of 5 consecutive years.

Interpretations

33. In addition to the definitions contained in the Petroleum Industry Act, 2021 the following definitions shall apply to these Midstream and Downstream Authority and Abandonment Regulations.

“abandonment”, means the non-operation of a licenced midstream and downstream facility for a period of five (5) years;

“Act” means Petroleum Industry Act, 2021;

“Authority” means the Nigerian Midstream & Downstream Petroleum Regulatory Authority;

“Standards prescribed by the International Maritime Organisation on offshore petroleum installations and structures”, means the Resolution of the International Maritime Organisation No. A672(16) of 19 October 1989 on the Guidelines and Standards for the Removal of Offshore Installations and Structures on the Continental Shelf and in the Exclusive Economic Zone, as amended.

“United Nations Convention on the Law of the Sea”, means the United Nations Convention on the Law of the Sea of 10 December 1982, as amended;

Short title

34 These Regulations may be cited as the Midstream and Downstream Decommissioning and Abandonment Regulations.