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|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

# **GUIDELINES FOR THE OPERATION OF PETROLEUM REFINING FACILITIES**

***ISSUED BY***

**DEPARTMENT OF PETROLEUM RESOURCES**

**2020**

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## TABLE OF CONTENTS

|   |          |
|---|----------|
| <b>TABLE OF CONTENTS .....</b>  | <b>1</b> |
| <b>1. SCOPE.....</b>  | <b>1</b> |
| <b>2. ELIGIBILITY .....</b>   | <b>1</b> |
| <b>3. APPOINTMENT OF A COMPETENT PERSON.....</b>                        | <b>1</b> |
| <b>4. DEFINITION OF TERMS.....</b>                                      | <b>2</b> |
| <b>5. APPLICATIONS &amp; APPROVALS PROCEDURE .....</b>                  | <b>3</b> |
| 5.1    PETROLEUM REFINING FACILITY APPLICATION OVERVIEW .....           | 3        |
| 5.2    LICENSE TO OPERATE A REFINING FACILITY .....                     | 5        |
| 5.2.1    License to Operate (LTO) Renewal.....                          | 5        |
| <b>6. PLANT OPERATIONS .....</b>  | <b>6</b> |
| 6.1    APPROVAL TO EVACUATE PRODUCT FROM THE REFINING FACILITY .....    | 6        |
| 6.1.1    Approval to Evacuate Finished Products.....                    | 6        |
| 6.1.2    Approval to Evacuate Intermediate Products .....               | 7        |
| 6.2    EXPORT AND IMPORT PERMIT .....                                   | 7        |
| 6.2.1    Import Permit.....   | 7        |
| 6.2.2    Export Permit.....   | 8        |
| 6.2.2.1    Approval to export finished Products.....                    | 8        |
| 6.2.2.2    Approval to Export Intermediate Products .....               | 8        |
| 6.2.3    Import Permit for Crude Oil and other Raw Materials .....      | 8        |
| 6.2.3.1    Import Permit for Crude Oil .....                            | 8        |
| 6.2.3.2    Import Approval for other Petroleum-based Raw Materials..... | 9        |

|   |   |
|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

|           |   |           |
|-----------|---|-----------|
| 6.3       | ANALYSIS OF IMPORTED STOCK FOR USE IN THE REFINING FACILITY ..... | 10        |
| 6.4       | VESSEL CLEARANCE .....  | 11        |
| 6.5       | PRODUCTS OFF-TAKERS PERMIT REQUIREMENTS .....                     | 11        |
| 6.6       | PRODUCT EVACUATION VIA TRUCK .....                                | 12        |
| 6.7       | PRODUCT EVACUATION VIA VESSEL .....                               | 12        |
| 6.8       | PRODUCT EVACUATION VIA PIPELINE .....                             | 13        |
| 6.9       | PRODUCTION PROGRAMMING:.....                                      | 13        |
| 6.10      | DYNAMIC AND STATIC MEASUREMENTS .....                             | 14        |
| <b>7.</b> | <b>HANDLING AND BLENDING OF ADDITIVES AND CHEMICALS .....</b>     | <b>15</b> |
| <b>8.</b> | <b>INSPECTION AND TEST PROCEDURE .....</b>                        | <b>15</b> |
| 8.1       | INSPECTION OF STATIC EQUIPMENT.....                               | 16        |
| 8.1.1     | Storage Tanks.....  | 16        |
| 8.1.2     | Pressure Vessels.....   | 17        |
| 8.1.3     | Process Piping .....  | 18        |
| 8.1.4     | Non-Pressure Vessels.....   | 18        |
| 8.2       | ROTATING EQUIPMENT .....  | 18        |
| 8.2.1     | Process Safety Equipment.....                                     | 19        |
| 8.3       | STORAGE TANK INTEGRITY TEST AND CALIBRATION .....                 | 20        |
| 8.3.1     | Calibration of Storage Tanks .....                                | 20        |
| <b>9.</b> | <b>MODIFICATION OF EXISTING PETROLEUM REFINING FACILITY .....</b> | <b>21</b> |
| 9.1       | EQUIPMENT REPLACEMENT .....                                       | 21        |
| 9.2       | SPARE PARTS.....  | 21        |

|   |   |
|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

|  |           |
|--|-----------|
| <b>10. MAINTENANCE PROCEDURE.....</b>                              | <b>22</b> |
| 10.1 NOTIFICATION OF REFINING FACILITY/EQUIPMENT MAINTENANCE ..... | 22        |
| 10.1.1 Annual Planned Maintenance .....                            | 22        |
| 10.1.2 Turn Around/Planned Shutdown Maintenance .....              | 22        |
| 10.1.3 Emergency Maintenance.....                                  | 23        |
| 10.1.4 Corrosion Control.....                                      | 23        |
| <b>11. SAFETY AND ENVIRONMENT .....</b>                            | <b>23</b> |
| 11.1 APPROVAL FOR EVACUATION OF SLUDGES/RESIDUES .....             | 24        |
| 11.2 EFFLUENT AND WASTE MANAGEMENT PROCEDURE.....                  | 24        |
| <b>12. TAKE OVER/ TRANSFER OF LICENSE .....</b>                    | <b>24</b> |
| <b>13. PLANT RELOCATION .....</b>                                  | <b>24</b> |
| <b>14. REPORT .....</b>  | <b>25</b> |
| 14.1 ANNUAL WORK PROGRAM.....                                      | 25        |
| 14.2 MONTHLY STATEMENT ON PRODUCTION.....                          | 25        |
| 14.3 ANNUAL REPORT .....   | 26        |
| 14.4 SPECIAL REPORT .....  | 26        |
| 14.5 ACCIDENT REPORTS.....   | 26        |
| <b>15. RECONCILIATION MEETING.....</b>                             | <b>27</b> |
| <b>16. DECOMMISSIONING AND ABANDONMENT .....</b>                   | <b>27</b> |
| <b>17. OFFICE AND WORKING ACCOMMODATION .....</b>                  | <b>27</b> |
| <b>18. FEES AND PENALTIES .....</b>                                | <b>28</b> |
| 18.1 FEES.....   | 28        |

|   |   |
|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

18.2 PENALTIES .....30

19. REFERENCES .....31

20. GLOSSARY .....31

|   |   |
|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

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| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>   | <p>Code: DPR GUIDE 0044 - 2021</p> <p>Review Date: 3rd February 2021</p> |

## 1. SCOPE

This guideline is issued pursuant to the provisions of section 3 of the Petroleum Act 1969, its subsequent amendments and Regulation (2) and (3) of the Petroleum Refining Regulations. It prescribes the step-by-step procedures to follow in obtaining necessary License to Operate (LTO), approvals, and permits for the Operations of refining facilities in Nigeria.

This Guideline describes the detailed requirements for Refining Facility Operations, Modifications, Maintenance, Tank Calibration/Integrity Test, Equipment Recertification, Take-Over, De-rating of equipment/facility, Replacements and Relocation of any component or Plant. It also covers the various Applications, Procedures, Fees and Penalties.

This guideline shall apply to the operations of all Petroleum Refining facilities in Nigeria.

## 2. ELIGIBILITY

All refining facilities/companies are eligible to apply for permits, approvals and licenses described in this guideline.

## 3. APPOINTMENT OF A COMPETENT PERSON

Every licensee shall appoint a competent person to take charge of all operations, as authorised by the licence under which it is operating. The licensee shall notify the Director in writing, stating the name, telephone number and address (and of any subsequent changes thereof) of a competent person whose level shall not be below a manager. All company operations (construction, operation, and facility maintenance) shall be conducted under this appointed person.

|   |   |
|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</p>   | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

#### 4. DEFINITION OF TERMS

**Critical equipment:** for the purpose of this Guideline means any equipment which if taken out of commission will endanger the life or lead to a malfunctioning or a shut-down of the refining facility or parts thereof.

**Crude Oil:** Means mineral oil in its natural state before it has been refined or treated (excluding water and other foreign substances)

**Department:** Refers to Department of Petroleum Resources

**Director/CEO:** Means the Director and Chief Executive Officer of the Department of Petroleum Resources and includes any person for the time being, acting or performing the functions of that office.

**Diversion:** This means movement of crude oil/petroleum products in part or whole to location not specified/approved in journey movement plan, bill of lading etc.

**DPR:** Means Department of Petroleum Resources

**Finished Products:** Include motor spirit, gas oil, diesel oil, fuel oil, aviation fuel, kerosene, liquefied petroleum gas etc.

**Inspector:** A representative of the Department of Petroleum Resources or any other person appointed by the Director/ CEO of Department of Petroleum Resources.

**Intermediate Products:** Refers to any refinery hydrocarbon stream that is not crude oil or one of the finished petroleum products.

**Licensee:** Refers to any company licensed by DPR to operate a refinery.

**Maintenance:** This comprises routine preventive scheduled and turn-around maintenance.

**Manager:** The person appointed by the licensee under a refinery license in-charge of all operations authorized by the license.



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|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

**Modification:** Any alteration to an existing refinery in the form of facility upgrade, process and/or storage expansion, refurbishment etc.

**Petroleum Refining Facility:** This means any oil and gas handling facility where petroleum refining activities takes place.

**Process Waste:** Oil handling wastes- oily and non-oily sludge from tanks and process equipment (often characterized as hazardous) and sludge from wastewater treatments. Oil processing wastes-spent catalysts, off-spec materials, spent chemicals, unsaleable by-products, and waste treatment by-products (often hazardous).

**Production:** Refers to finished and intermediate products from the refinery.

**Refinery:** Refinery means petroleum refining facility.

**Relocation:** Refers to movement of a refinery or refinery equipment from one location to another within the refinery premises or from outside location to refinery premises.

**Take-over:** Means transfer or purchase of 30% to 50% of the shares of a publicly listed company by an individual or company which gives acquirer control over management and affairs of the company.

**Transfer of License:** Refers to change in ownership or control of license to operate a refinery or an interest or rights therein either through Merger, Acquisition, Lease, Lien, Assignment, Mortgage, shares divestment or similar transaction. An application for a takeover of a refinery will be treated as an application for a transfer of license over the refinery.

## 5. APPLICATIONS & APPROVALS PROCEDURE

### 5.1 PETROLEUM REFINING FACILITY APPLICATION OVERVIEW

The Department's licensing and approval processes for Petroleum Refining operations in the oil and gas industry as described hereunder is designed to ascertain that applicants

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|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

understand the industry, the technical and economic implications of the Refining Operations, the sociological and environmental impact of the plant, and maintenance provisions and operational safeguards required to protect the health of the operating staff and safety of plant and environment. This is designed to prevent avoidable waste of resources by ensuring at each stage that the applicant understands the statutory requirements and penalties for infringement.

The application process shall comprise statutory approvals and licenses as listed below:

- i. License to Operate (New LTO)
- ii. License to Operate (LTO) Renewal
- iii. Take-Over/Transfer of License Approval
- iv. Approval to Modify Existing Petroleum Refining Facility
- v. Approval to Relocate a Petroleum Refining Facility
- vi. Approval for Tank Calibration/Integrity Test and Equipment Recertification
- vii. Approval for Critical Equipment Replacement
- viii. Approval for Abandonment of Facility Critical Equipment
- ix. Approval to De-rate Facility/ Equipment
- x. Approval for Maintenance of Refining Facility or Major Equipment
- xi. Approval for disposal of Sludges/Residues.
- xii. Approval to Evacuate/load/lift product from the Refining facility
- xiii. Permit to Import Raw materials for the Refinery
- xiv. Refined Products Off-takers Permit
- xv. Product Certificate of Quantity & Quality
- xvi. Permit to Export Refined Product

Online Application – All applications must be duly completed online ([www.dpr.gov.ng](http://www.dpr.gov.ng)). Applicants must ensure to provide correct and functional addresses, telephone numbers and e-mail at the time of submission. Any subsequent change must be promptly

|   |   |
|---|---|
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| <p>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</p>   | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

communicated and addressed to the Director/CEO of the Department of Petroleum Resources as described below through **dprmail (dpr@dpr.gov.ng)**:

**The Director,  
Department of Petroleum Resources,  
7, Kofo Abayomi Street,  
Victoria Island,  
Lagos.**

**Documents** – All required documents should be clearly scanned and uploaded to the portal in PDF or JPEG format (documents shall not exceed 4MB) Uploading of zipped documents is not allowed.

## 5.2 LICENSE TO OPERATE A REFINING FACILITY

Upon mechanical completion of a petroleum refining facility, the refiner shall apply for license to operate (LTO) the plant via online portal and pay the prescribed statutory and processing fees in line with the “**Guidelines for the Establishment of Hydrocarbon Processing Plants in Nigeria**” available on the Department’s website [www.dpr.gov.ng](http://www.dpr.gov.ng).

### 5.2.1 License to Operate (LTO) Renewal

Upon expiry of License to Operate (LTO) a petroleum refining Facility, the licensee shall apply for license to operate (LTO) Renewal via the online portal and pay the prescribed statutory and processing fees. The following supporting information and documents will also be required:

- a. A Copy of the expired License to Operate (LTO)
- b. Current Tax Clearance Certificate of Company
- c. Evidence of compliance to Minimum Industry Safety Training for Downstream Operations (MISTDO)
- d. Valid integrity tests Reports and Calibration Charts of Storage Tanks and plant equipment as witnessed by DPR Representative(s).

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|--|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>...Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>   | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

- e. Environmental Impact Assessment (EIA)/ Environmental Evaluation Review (EER) Approval from the Department.
- f. Evidence of payment for prescribed statutory application of two thousand US dollars only (\$2,000) per 1000 BPSD for capacities 30,000 BPSD and above or one thousand US dollars only (\$1,000) per 1000 BPSD for capacities below 30,000 BPSD; and five hundred thousand naira only (₦500,000) for DPR processing fee.

Upon satisfactory review of the above, a pre-license renewal inspection exercise shall be conducted by representatives of the Department of Petroleum Resources.

The Director may renew the License to Operate (LTO) based on acceptable inspection report.

## 6. PLANT OPERATIONS

All licensed refineries shall be operated in compliance with the provisions of the Petroleum Refining Regulations, 1974 and its subsequent amendments.

The refiner shall prepare and submit an annual program of activities in the form of a presentation to the Director/CEO, Department of Petroleum Resources at the beginning of each calendar year.

### 6.1 APPROVAL TO EVACUATE PRODUCT FROM THE REFINING FACILITY

This section covers all product evacuation from the refining facility.

The refiner shall apply for approval to evacuate product from the refining plant via the online portal and provide the following information:

#### 6.1.1 *Approval to Evacuate Finished Products*

- i. Product type and reason for evacuation.
- ii. Local consumption to export ratio of the intending product.
- iii. Mode of evacuation (truck, ship, barge, rail etc.)

|   |   |
|---|---|
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| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

- iv. Product quality clearance from DPR
- v. Evidence of payment of processing fee of ₦250,000 for every 250,000 litres of finished product or part thereof

### 6.1.2 **Approval to Evacuate Intermediate Products**

Application for evacuation of intermediate products shall be on case basis.

- i. Product type, and reason for evacuation.
- ii. Mode of evacuation (truck, ship, barge, rail etc.)
- iii. Provide evidence of DPR approval to use the product in-country.
- iv. Plan for DPR to monitor the discharge.
- v. Evidence of payment of processing fee of N250,000 for every 250,000 litres of intermediate product or part thereof.

## 6.2 **EXPORT AND IMPORT PERMIT**

### 6.2.1 **Import Permit**

The refiner shall apply for approval to import product into the refining plant via online portal and provide the following information:

- a. Relevant Invoices.
- b. Bill of Lading.
- c. Photocopy of Approved Form “M”.
- d. Clearance or Import duty payment from Nigeria Customs & Excise.
- e. Import Clearance Form duly certified by DPR representative at the refinery.
- f. Detail cargo information, such as direct shipment, ship-to-ship, name of mother vessel, certificate of quality, last port of call etc.
- g. A copy of the “Certificate of Quantity” and “Certificate of Quality” of previous imported and delivered products duly authenticated by DPR (to be made available (for renewal of import permit)).

|   |   |
|---|---|
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| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

- h. Evidence of utilization of the quantity of products for which import permit was previously granted.

All documents submitted online would be verified and if found acceptable a permit will be issued to the applicant.

Every Import Permit shall have a duration of 90 days from the date of issue.

### 6.2.2 **Export Permit**

#### 6.2.2.1 *Approval to export finished Products*

- i. Product type, product destination, and reason for export.
- ii. Local consumption to export ratio of the intending product.
- iii. Mode of evacuation (truck, ship, barge, pipelines, rail etc.)
- iv. Product quality certificate endorsed by DPR.
- v. Evidence of payment of processing fee of \$1500 (USD) and application fee of \$1000 (USD) for every 500,000litres or Metric Tonnes (MT).

#### 6.2.2.2 *Approval to Export Intermediate Products*

- i. Product type, and reason for export.
- ii. Mode of evacuation (truck, ship, barge, pipelines, rail etc.).
- iii. Product quality certificate endorsed by DPR.
- iv. Evidence of payment of processing fee of \$1500 (USD) and application fee of \$1,500 (USD) for every 500,000litres or Metric Tonnes (MT) equivalent.

**Note:** A Certificate of Quantity will be issued by the DPR representative that witnessed the cargo loading after confirmation of payment of Product quantity clearance fee.

### 6.2.3 **Import Permit for Crude Oil and other Raw Materials**

#### 6.2.3.1 *Import Permit for Crude Oil*

The refiner shall apply for approval to import crude oil into the refining plant via online portal and provide the following information:

|   |   |
|---|---|
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| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

- a. Reason for import and source
- b. Crude quantity requirement
- c. Relevant Invoices.
- d. Bill of Lading.
- e. Photocopy of Approved Form “M”.
- f. Clearance or Import duty payment from Nigeria Customs & Excise.
- g. Import Clearance Form duly certified by DPR representative at the jetty.
- h. Detail cargo information, such as direct shipment, ship-to-ship, name of mother vessel, certificate of quality, last port of call etc.
- i. A copy of the “Certificate of Quantity” and “Certificate of Quality” of previous imported and delivered crude oil duly authenticated by DPR (to be made available (for renewal of import permit).
- j. Evidence of utilization of the quantity of crude oil for which import permit was previously granted.
- k. Evidence of payment of processing fee of \$3,000 (USD) and application fee of \$1000 (USD) for every 500,000litres or Metric Tonnes (MT) equivalent.

#### 6.2.3.2 *Import Approval for other Petroleum-based Raw Materials*

The refiner shall apply for approval to import other petroleum-based product raw materials for the refining plant via online portal and provide the following information:

- i. Type, reason for import and source
- ii. Raw material quantity requirement.
- iii. DPR chemical certification approval.
- iv. Relevant Invoices.
- v. Bill of Lading.
- vi. Photocopy of Approved Form “M”.
- vii. Clearance or Import duty payment from Nigeria Customs & Excise.

|   |   |
|---|---|
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| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

- viii. Import Clearance Form duly certified by DPR representative at the jetty.
- ix. Detail cargo information, such as direct shipment, ship-to-ship, name of mother vessel, certificate of quality, last port of call etc.
- x. A copy of the “Certificate of Quantity” and “Certificate of Quality” of previous imported and delivered other petroleum-based product raw materials duly authenticated by DPR to be made available (for renewal of import permit).
- xi. Evidence of utilization of the quantity of other petroleum-based product raw materials which import permit was previously granted.
- xii. Evidence of payment of application fee of \$1000 (USD).
- xiii. Evidence of payment of processing fee of \$1000 (USD).

### **6.3 ANALYSIS OF IMPORTED STOCK FOR USE IN THE REFINING FACILITY**

- (1) The exact quantity of each imported feedstock, blend-stock and additives and details of all analysis carried out by the refining facility shall be duly recorded and provided on request by the Department of Petroleum Resources.
- (2) Specimens of imports shall be analyzed in presence of the Department of Petroleum Resources and results of such analysis shall be submitted to the Department of Petroleum Resources

#### ***Samples and Specimens***

- a) The licensee may remove for examination and analysis, samples and specimens of crude oils, catalysts, petroleum products or any other materials considered necessary in course of his operations.
- b) The Department of Petroleum Resources shall be informed and shall be given full particulars of all samples and specimens so removed.



|   |   |
|---|---|
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| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

#### 6.4 VESSEL CLEARANCE

Clearance of vessels for discharge/loading shall be duly implemented upon the importer notifying the Department at least 3 days prior to the arrival of the vessel at a refinery and providing the necessary documents in accordance with the provisions of “**Guidelines and Procedure for Obtaining Coastal Vessel License and Coastal Vessel Clearance in the Nigerian Oil and Gas Industry**” available on DPR website.

**Note:** No Vessel shall discharge/load until Laboratory Re-certification of Petroleum /Product is conducted.

**A Certificate of Quantity will be issued by the DPR representative that witnessed the discharge based on the shore tank receipts from the vessel after confirmation of payment of Product quantity clearance fee.**

#### 6.5 PRODUCTS OFF-TAKERS PERMIT REQUIREMENTS

A prospective refined product off-taker shall apply to the Director/ CEO for product off-take permit and provide the following information:

- i. Certificate of Incorporation.
- ii. Memorandum and Article of Association of the haulage company.
- iii. A copy of valid tax clearance certificate.
- iv. Offtake agreement with refinery.
- v. Evidence of DPR license to store and/ sell product.
- vi. Evidence of payment of processing fee for offtake permit N250, 000 for 1 - 250,000 litres and N1 per litre for quantities above 250,000 litres.

Company shall be required to make a detailed presentation on product utilization plan.

The Director/CEO may grant the Product Off-take Permit based on satisfactory review of company’s submissions and presentation.

|  |   |
|--|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>.....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>   | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

### Validity

The Offtake Permit shall be valid for a period not exceeding one year.

### **6.6 PRODUCT EVACUATION VIA TRUCK**

For product evacuation via truck, the refiner or product off-taker shall notify the Department of the intended product evacuation and submit the following documents:

- i. Valid DPR Truck License
- ii. Valid Truck calibration chart endorsed by DPR
- iii. Copy of DPR license issued to the receiving company
- iv. Journey Management Plan
- v. Oil Spill Contingency Plan (OSCP)
- vi. Evidence of payment of Waybill clearance fee of ₦ 5,000 per truck

**Note:** Every refiner shall be required to develop SOP for trucking operations in the refinery and submit to the Department for approval prior to commencement of trucking operations.

#### **General Offence:**

- i. Product diversion from the refinery via truck - ~~₦~~5,000,000.00 per truck
- ii. Evacuation from the refinery via truck without approval: ~~₦~~5,000,000.00 per truck

### **6.7 PRODUCT EVACUATION VIA VESSEL**

For product evacuation via vessel, the refiner or product off-taker shall notify the Department of the intended product evacuation and submit the following documents:

- i. DPR Coastal Vessel License
- ii. Ship calibration chart endorsed by DPR
- iii. Vessel Experience Factor (VEF)
- iv. Journey Management Plan

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|--|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>...Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>   | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

- v. Oil Spill Contingency Plan (OSCP)
- vi. Product sales distribution agreement
- vii. Evidence of payment of processing fee of N250,000.00
- viii. Evidence of payment of Cargo quantity clearance fee of N 250,000.00

### General offences

- i. Vessel arrival at the loading berth without DPR clearance: \$ 10,000 (USD)
- ii. Product diversion from the refinery via vessel - \$20,000 (USD)
- iii. Evacuation from the refinery via vessel without approval: \$10,000 (USD)

### 6.8 PRODUCT EVACUATION VIA PIPELINE

For product evacuation via pipeline, the refiner or product off-taker shall notify the Department of the intended product evacuation and submit the following documents:

- I. Pipeline information (name, size-length & diameter)
- II. DPR Oil Pipeline License (OPLL)
- III. Pipeline statutory integrity inspection report where necessary
- IV. Evidence of payment of quantity clearance fee of N 250,000.00

### 6.9 PRODUCTION PROGRAMMING:

#### A. Daily/Monthly and Annual Crude Oil Fiscalization

- i. Storage tanks shall be nominated prior to receipt and processing of crude oil.
- ii. Crude oil received in the refinery must be kept in the nominated storage tank.
- iii. Crude oil quality and quantity recertification shall be done before charging to the plant in the presence of the DPR representative(s).
- iv. Fiscalization of crude oil should be carried out at 06.00 hours daily.

|   |   |
|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

## **B. Daily/Monthly and Annual Product Fiscalization**

- i. Product storage tanks must be dedicated to specific products.
- ii. Fiscalization of products should be carried out at 06.00 hours daily.
- iii. Product quality recertification shall be done in the presence of the DPR representative(s).

**Note:** Fiscalization of Petroleum and Petroleum products shall conform with provisions of “**Procedure Guide for the Determination of the Quantity and Quality of Petroleum and Petroleum Products**” available on the DPR website.

### **6.10 DYNAMIC AND STATIC MEASUREMENTS**

- i. All crude oil and natural gas receipt, refining plant productions, product-sales, fuel gas and flared gas in a petroleum refining facility shall be metered.
- ii. The primary measurement method for the determination of the physical quantities of petroleum and petroleum products in the refinery shall be by Dynamic measurement method.
- iii. Such facilities shall be equipped with functional meters to be installed and maintained in accordance with relevant sections of the “**Procedure Guide for the Determination of the Quantity and Quality of Petroleum and Petroleum Products**”.
- iv. All custody transfer operations must be done with a LACT Unit in accordance with the DPR “**Procedure Guide for the Determination of the Quantity and Quality of Petroleum and Petroleum Products**”.
- v. All meter calibration and proofing exercises shall be in accordance with DPR “**Procedure Guide for the Determination of the Quantity and Quality of Petroleum and Petroleum Products**” in the presence of DPR representative(s).
- vi. Manual tank gauging or static measurement shall be the secondary method of measurement.

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|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

## 7. HANDLING AND BLENDING OF ADDITIVES AND CHEMICALS

1. Any additives and chemicals shall be handled strictly and in accordance with the up-to-date instructions as drawn up by the manufacturers and in compliance with the directives of the Department of Petroleum Resources, and a copy of each instructions shall be forwarded to the Department of Petroleum Resources.
2. The quantity of additives on any finished product shall not exceed that which is acceptable in the country and in any case shall not exceed that amount which the Department of Petroleum Resources may from time to time specify.
3. No additive or chemical shall be used in any refining facility without prior approval by the Department of Petroleum Resources at a prescribed fee.
4. If the result of any sample which an inspector of the Department of Petroleum Resources withdraws and analyses in the presence of an officer delegated by the manager shows that the approved maximum has been exceeded at any time, the manager shall be guilty of an offence under the Petroleum Refining Regulations and shall be liable to a fine not exceeding \$100,000 USD.
5. Any refining facility found to be using any chemical not approved by the Department of Petroleum Resources contrary to paragraph (3) of this Regulation shall be liable to a fine not exceeding \$100,000 USD.

## 8. INSPECTION AND TEST PROCEDURE

In compliance with the provisions of Mineral Oil and Safety Regulations (MOSR), 1997 and its subsequent amendment(s), the Licensee shall notify the Department of Petroleum Resources of the completion of the refinery plant or any critical equipment which is due for testing, the notice shall be given not less than one month from the proposed date of commencement of the test(s).

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|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria</p> <p><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                         |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>   | <p>Code: DPR GUIDE 0044 - 2021</p> <p>Review Date: 3rd February 2021</p> |

The licensee shall develop Inspection and Testing Procedure document in line with industry standard and best practices.

## **8.1 INSPECTION OF STATIC EQUIPMENT**

### **8.1.1 Storage Tanks**

- i. All storage tanks within a refinery process plant shall be opened for internal inspection at least once every 5years by a DPR approved inspection company and witnessed by DPR.
- ii. The tank shall be cleaned and adequately ventilated before internal Inspection.
- iii. During an inspection:
  1. the tanks shall be subjected to thorough visual and non-destructive test inspections.
  2. Ultrasonic Thickness Measurement (UTM) of tank shells shall be carried out and records made available to DPR representative(s) on demand.
  3. any observed defect affecting the integrity of the tanks shall be rectified.
  4. the tank shall be hydrostatically tested and recalibrated following (3) before recommissioning.
  5. During storage tank cleaning operations:
    - i. adequate ventilation shall be provided inside the tank and as work progresses, frequent tests shall be carried out to detect any increase in gas concentration.
    - ii. adequate safety equipment and devices shall be provided for workers entering the tank for their protection and survival in case of emergency while working in the tank.
    - iii. the use of sand as an abrasive agent in blasting activities for cleaning of steel structures - tanks and pipelines shall be minimized; and
    - iv. abrasive agents, when desired, shall be of less than 1 percent free silica and only be used when adequate safety precautions have been taken.

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|--|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>.....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>   | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

### 8.1.2 Pressure Vessels

1. All pressure vessels and its fittings in use in the refinery shall be regularly inspected and examined in line with the recommendations of the Department and where no recommendation exists, the inspection shall be carried out in accordance with the codes and standards to which the vessel was built.
2. Oil Heaters and its internal and external parts and fittings shall be inspected not more than 18 months from first commissioning, thereafter at intervals of 24months and the fire tubes replaced when they are below minimum thickness.
3. Every separator and scrubber shall be tested to one and half times the maximum allowable working pressure. Whenever the opportunity occurs but at intervals not exceeding five years, and in the presence of DPR representative(s).
4. Every compressed-air receiver shall be:
  - i. drained of liquid every day; and
  - ii. hydrostatically tested to the recommended pressure when the internal surface of the receiver cannot be inspected, and in any other case, not less than once in every 5 years
5. Every other pressure vessel, other than the ones listed above, shall be inspected:
  - i. Whenever the opportunity occurs, or
  - ii. At intervals not exceeding five years, and
  - iii. tested hydraulically to the recommended test pressure during the inspection.

**Note:** All inspections and tests shall be carried out in the presence of DPR representative(s) and records of every inspection carried out shall be maintained and made available on demand to DPR representative(s).

|   |   |
|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

### 8.1.3 *Process Piping*

1. All process piping and its fittings in use in the refinery shall be periodically inspected visually and examined according to the procedure enumerated in the reference standard ANSI/ASME B 31, or accordance to code of design recommendation.
2. Where possible the tests shall be hydrostatic and shall be conducted in a manner that will ensure the protection of life, property, and the general environment of the piping system.
3. The pressure recording instruments to be used for the tests shall have a valid calibration certificate which should not be more than a year of issue and the chart record of the test shall be continuous and legible and all test results and any remedial action taken shall be submitted to the Department for approval before commissioning of the pipeline. The Accuracy of the pressure recorder shall be within two per-cent (2%) of its range.
4. All process piping system shall be inspected at least once every twenty-four months.

### 8.1.4 *Non-Pressure Vessels*

1. The heat exchangers and other non-pressure vessel equipment within the refinery shall be inspected from time to time in accordance with code and standard acceptable to the Director/CEO Department of Petroleum Resources
2. If any fault is detected during the inspection, a detailed report of the inspection shall be forwarded to the Director/CEO Department of Petroleum Resources
3. Every heat exchanger and other non-pressure vessel/equipment shall be inspected at least once in thirty-six months.

## 8.2 **ROTATING EQUIPMENT**

All rotation or reciprocating equipment shall be inspected and examined regularly in accordance with the reference codes and standards or codes of design recommendations.



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|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

1. Every rotation or reciprocating equipment and every dangerous part of any machinery shall be securely fenced or guarded, where it is practical to do so.
2. Every guard protecting rotary table chain or similar machinery shall be capable of resisting the shock of a breaking chain.
3. Every guard protecting rotary part of rotation or reciprocating equipment shall regularly inspected in accordance with industry best practice.

#### 8.2.1 **Process Safety Equipment**

All pressure relief valves and fittings shall be inspected and recertified periodically in accordance with applicable codes and standards acceptable to the Department of Petroleum Resources.

1. All relief and safety valves and fittings shall be inspected at least once in every thirty-six month or at such shorter intervals as shall be necessary to maintain them in satisfactory conditions to ensure that the:
  - a) Operate effectively whenever the maximum allowable working pressure is applied and:
  - b) Pass full design quantity at those settings
2. All process control valves and fittings shall be inspected and recertified periodically in accordance with applicable codes and standards acceptable to the Department.
3. All Emergency Shutdown valves and fittings shall be inspected and recertified in accordance with manufacturer's recommendation or applicable codes and standards acceptable to Department of Petroleum Resources.
4. All Process Safety Equipment inspection and recertification shall be witnessed by DPR representative(s).

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|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

### 8.3 STORAGE TANK INTEGRITY TEST AND CALIBRATION

For every new or refurbished storage tanks, the refiner shall forward the following documents and information to the Department of Petroleum Resources for (re)calibration/integrity test exercise of the storage tank:

- i. An application in writing made on Company’s letter headed paper declaring the intent to conduct (re)calibration/integrity test of a new/existing refining facility/equipment.
- ii. A letter of introduction for the Engineering Firm (must possess a valid DPR Oil and Gas Industry Services Permit (OGISP) for the service to be rendered) nominated by the company to carry out the calibration/integrity test of the storage tank.
- iii. Evidence of payment of (re)calibration/inspection fee of Five Hundred Thousand Naira Only (₦500,000) payable to “Department of Petroleum Resources”.

#### 8.3.1 Calibration of Storage Tanks

- i. Before a tank is used for any storage, it shall be properly calibrated in the presence of DPR Representative(s), and by a method acceptable by the Department and calibration table of the tank shall be forwarded to the Director/CEO for approval.
- ii. If for any reason any tank which has been in use requires to be recalibrated, the calibration shall be done in the presence of DPR representative(s) and calibration tables of the tank shall be forwarded to the Director/CEO for approval.
- iii. The frequency of calibration/integrity test shall not exceed every 5 years.
- iv. The validity of an approved calibration chart of storage tanks for the refining plant shall be for a period not exceeding Five (5) years.

After a satisfactory calibration/integrity test, four (4) each per tank of duly signed copies of the tank calibration chart shall be forwarded to the Department for review and approval. The refiner shall be eligible for a copy of the approved certificate of calibration.

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|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</p>   | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

Where Risk Based Inspection approach is implemented, the refiner shall comply with the provisions for **“Guidelines for the Implementation of Risk Based Inspection in the Nigeria Oil and Gas Industry, 2020”**.

## 9. MODIFICATION OF EXISTING PETROLEUM REFINING FACILITY

Any proposed modification to an existing refinery in form of upgrade, expansion in processing or storage capacity, reduction in processing or storage capacity, refurbishment etc. shall be communicated to the Director/CEO, Department of Petroleum Resources and must be approved in accordance with the provisions of Part I of the Petroleum Refining Regulations 1974 and subsequent amendment before commencement. Prior to the grant of approval to modify refining facility the company shall be required to forward document as stipulated in the **“Guideline for the Establishment of Hydrocarbon Processing Facility”**.

### 9.1 EQUIPMENT REPLACEMENT

- 1) No new critical component of a refining facility shall be acquired and/or replaced without prior approval of the Department of Petroleum Resources.
- 2) Prior to such replacement, the Licensee shall notify the Director/CEO of such replacement, stating:
  - a. The reasons for the replacement.
  - b. Details of the new equipment.
  - c. Plan for statutory inspection of the equipment by the Department.

**Note:** Every equipment replacement shall be treated as same whether “like- for-like” replacement or “Change out”.

### 9.2 SPARE PARTS

- (I) The manager shall ensure ready availability of spare parts for critical equipment in compliance with the requirements of the Department of Petroleum Resources.

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|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria</p> <p><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                         |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>   | <p>Code: DPR GUIDE 0044 - 2021</p> <p>Review Date: 3rd February 2021</p> |

- (II) The manager shall ensure that all spares are properly stored to preserve their integrity.

## **10. MAINTENANCE PROCEDURE**

Licensee shall establish a documented maintenance procedure in line with industry standard and best practices. The established document shall be submitted to the Director/CEO for approval upon commencement of operations.

### **10.1 NOTIFICATION OF REFINING FACILITY/EQUIPMENT MAINTENANCE**

The Licensee shall submit to the Director/CEO an annual maintenance program at the beginning of every operational year. The Licensee may be required to make a presentation on the maintenance program submitted.

#### **10.1.1 Annual Planned Maintenance**

The company shall notify the Department of Petroleum Resources with detailed information (and supporting documents) of planned maintenance activity. Required information shall include:

- i. Reasons for the maintenance.
- ii. Detailed scope of work for the maintenance activity.
- iii. Schedule for the Maintenance activity.
- iv. Any other document that may be required by the Department.

#### **10.1.2 Turn Around/Planned Shutdown Maintenance**

All Planned Shutdown Maintenance as scheduled by the company shall be duly submitted to the Director of Petroleum Resources at least three months prior to its commencement for statutory approval and oversight; and thereafter, weekly progress report of the maintenance shall be rendered until completion for monitoring purposes only.

|   |   |
|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

### 10.1.3 **Emergency Maintenance**

In the event of emergency maintenance, the Licensee shall notify the Department in writing of the maintenance activities carried out not later than 24 hours from the commencement of the activities, stating:

- i. The reasons for emergency and possible effect on the production commitment of the refinery.
- ii. The steps taken to avoid recurrence of the incident or circumstances that give rise to the emergency.

### 10.1.4 **Corrosion Control**

Every hydrocarbon processing plant licensee must ensure that the plant has adequate corrosion protection system. The plant facilities shall be periodically examined for corrosion detection and the corrosion protection systems and devices installed shall be checked regularly to ensure effective performance. All the anti-corrosion performance monitoring shall be carried out in accordance with current NACE (National Association of Corrosion Engineers) Standards and procedures.

## 11. **SAFETY AND ENVIRONMENT**

The Licensee shall create a written emergency plan for implementation in the event of systems failures, accidents, and other emergencies, which shall include procedures for prompt and expedient remedial action for the following.

- i. Safety of the personnel and public.
- ii. Property and the environmental protection.
- iii. Accident Control.
- iv. Oil Spill/Leaks prevention and contingency plan.
- v. Adequate Personnel training for handling such emergencies.

Care shall be taken to ensure that at no time should the maximum steady state operating pressure and static condition exceed either the internal design pressure or the pressure

|   |   |
|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

ratings of components used, whichever is less. Pressure surges or any momentary pressure variations shall not exceed 10 percent of these pressure limits.

### 11.1 APPROVAL FOR EVACUATION OF SLUDGES/RESIDUES

This section covers all process waste generated in the refining facility. The refiner shall apply for approval to evacuate sludges/residues from the refining facility via [www.rpl.dpr.gov.ng](http://www.rpl.dpr.gov.ng) and provide the following information:

- i. Waste type and composition.
- ii. Waste management approval from HSE Division of the Department.
- iii. DPR approved inventory of the waste generated at the facility.
- iv. Evidence of payment of processing fee of fifty thousand naira (₦50,000) for approval to evacuate.

### 11.2 EFFLUENT AND WASTE MANAGEMENT PROCEDURE

The Facility shall have a comprehensive Waste Management System which shall comply with the **“Environmental Guidelines and Standards for the Petroleum Industry in Nigeria (EGASPIN), 2018”**.

### 12. TAKE OVER/ TRANSFER OF LICENSE

In the event of a request to Take-Over or Change of Name of Ownership of an existing refining plant in Nigeria, the applicant shall refer to the **“Guidelines and Procedures for Obtaining DPR Approval for Transfer of Licence, Right or Interests in the Downstream Sector of the Nigerian Oil and Gas Industry”** available on the Department’s website [www.dpr.gov.ng](http://www.dpr.gov.ng).

### 13. PLANT RELOCATION

In the event of a request to relocate an existing refining plant in Nigeria, the applicant shall refer to the **“Guidelines for the Establishment of Hydrocarbon Processing Plants in Nigeria”** available on the Department’s website [www.dpr.gov.ng](http://www.dpr.gov.ng).

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|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria</p> <p><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                         |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>   | <p>Code: DPR GUIDE 0044 - 2021</p> <p>Review Date: 3rd February 2021</p> |

## 14. REPORT

Pursuant to the provisions of PART III of the Petroleum Refining Regulations, 1974 and its subsequent amendment(s), the refiner shall provide the following information and document to the Department:

### 14.1 ANNUAL WORK PROGRAM

An annual program of activity in the form of a presentation to the Director of Petroleum Resources at the beginning of each calendar year.

### 14.2 MONTHLY STATEMENT ON PRODUCTION

The refiner shall forward to the Department of Petroleum Resources not later than 14 days after the end of each month, a refining facility statement for the month in a form which the Department of Petroleum Resources may from time to time, direct.

The statement shall contain the following:

- i. A report of important occurrences, technical or otherwise, in the refining facility during the month;
- ii. information on the duration of any shut-down and any major work done during the shut-down including information on any plant taken out of commission during the shut-down and the reasons for the work done.
- iii. information covering inspection report on any installation in the refining facility.
- iv. the latest estimates of anticipated monthly production for the next three months explaining the reason or reasons for any increase or decrease in production generally or in a specific product or products.
- v. a brief summary of the results of test runs, and experiments carried out during the month in the normal course of operations on any section of the refining installation.

The Department of Petroleum Resources may also, from time to time call for special reports on any aspect of the refining operations which may not have otherwise been

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|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

provided for this part of the guideline as described in the Petroleum Refining Regulations or any other directives given by the Department of Petroleum Resources.

### 14.3 ANNUAL REPORT

Not later than two months after 31st December every year, the Manager shall forward to the Director/CEO:

- a. Copies of annual report reviewing the activities of the previous year in a form acceptable to the Department.
- b. An annual program of activities in the form of a presentation to the Director of Petroleum Resources at the beginning of each calendar year.
- c. The manager shall make available to the Director/CEO or to his dully authorized representative such books, files and technical data as are relevant to the technical operation of the refinery.

### 14.4 SPECIAL REPORT

Director/CEO may from time to time call for special reports on any aspect of the refining operation which may or may not have otherwise been provided in this part of the guideline.

### 14.5 ACCIDENT REPORTS

- a. Where any accident occurs in a refinery which results in loss of life or serious injury, written notice of the accident in form D in the schedule to **Regulation 17 of the Petroleum Refining Regulation 1974**, shall be sent by the Manager to the Director/CEO and copied to the nearest DPR Office.
- b. The Director/CEO May, if he so desires, order an inquiry.
- c. For the purpose of this guideline, serious injury includes any injury involving the loss of or impairment in the use of limb or other parts of the body, or one which results in such incapacity whether (Temporary or permanent) that the sufferer



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| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

is incapable of continuing the work on which he was engaged immediately before he suffers the injury.

- d. A record shall be kept of all other injuries in the refinery and any such records shall be made available to the DPR representative on demand.

## 15. RECONCILIATION MEETING

At the end of every month, there shall be monthly reconciliation of crude oil receipt and product processed from the refinery with the Department. For this reason, every plant operator will be required to submit reports of plants activities detailing information on:

- i. Crude oil receipt into the refinery indicating source, grades and quantity.
- ii. Product streams from the refining indicating quantities of all finished products and intermediates and their distribution.

At the end of every successful reconciliation, the Director/CEO will issue a clearance letter.


Every unreconciled crude oil and products in the refinery will be considered as product diversion and shall attract a fine of ₦5,000,000.00 for every 33,000ltrs and part thereof.

## 16. DECOMMISSIONING AND ABANDONMENT

Before any plant is abandoned or decommissioned, the Department of Petroleum Resources shall first be informed, and written approval obtained in accordance with the Department's ***“Statutory Requirement for Decommissioning and Abandonment of Oil and Gas Facilities”***.

## 17. OFFICE AND WORKING ACCOMMODATION

The manager shall provide on the refining premises well equipped office and other working accommodation for representative(s) of the Department as may be specified by the Director/CEO of the Department of Petroleum Resources.

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|  <b>DEPARTMENT OF PETROLEUM RESOURCES</b><br><small>...Petroleum Regulatory Agency Of Nigeria</small><br><b>DPR</b> | <b>Applicable to all Oil &amp; Gas Operators</b>                            |
| <b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b>  | <b>Code: DPR GUIDE 0044 - 2021</b><br><b>Review Date: 3rd February 2021</b> |

## 18. FEES AND PENALTIES

### 18.1 FEES

The following fees shall be payable-

|                 | Fee   |  |
|-----------------|---|--|
| Statutory Fee   | Approval to Commission  | \$100,000.00 (USD)   |
|                 | License to Operate (LTO) Renewal (capacities 30,000 BPSD and above) | \$2,000.00 (USD) per 1,000BPSD   |
|                 | License to Operate (LTO) Renewal (capacities below 30,000 BPSD)     | \$1,000.00 (USD) per 1,000BPSD   |
| Processing Fee  | Approval to Commission  | \$2,000.00 (USD)   |
|                 | License to Operate (LTO) Renewal                                    | ₦500,000.00/year   |
|                 | Approval to Evacuate Finished Products                              | ₦250,000.00 for every 250,000 litres of finished product or part thereof             |
|                 | Approval to Evacuate Intermediate Products                          | ₦250,000.00 for every 250,000 litres of finished product or part thereof             |
|                 | Approval to Export Finished Products                                | \$1500.00 (USD)  |
|                 | Approval to Export Intermediate Products                            | \$1500.00 (USD)  |
|                 | Import Permit for Crude Oil   | \$3,000.00 (USD)   |
|                 | Import Approval for other Petroleum-based Raw Materials             | \$1000.00 (USD)  |
|                 | Products Off-Takers Permit  | ₦250,000 for 1 - 250,000 litres and ₦1 per litre for quantities above 250,000 litres |
| Application Fee | Product Evacuation Via Vessel                                       | ₦250,000   |
|                 | Approval to Export Finished Products                                | \$1000.00 (USD) for every 500,000 litres or Metric Tonnes (MT) equivalent            |



DEPARTMENT OF  
PETROLEUM RESOURCES  
....Petroleum Regulatory Agency Of Nigeria

Applicable to all Oil & Gas Operators

GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES

Code: DPR GUIDE 0044 - 2021

Review Date: 3rd February 2021

|   |   |   |
|---|---|---|
|   | Approval to Export Immediate Products                   | \$1000.00 (USD) for every 500,000 litres or Metric Tonnes (MT) equivalent |
|   | Import Permit for Crude Oil                             | \$1000.00 (USD) for every 500,000 litres or Metric Tonnes (MT) equivalent |
|   | Import Approval for other Petroleum-based Raw Materials | \$1000.00 (USD)   |
| Waybill Clearance Fee                     | Product Evacuation Via Truck                            | <del>₦</del> 5,000 per truck  |
| Cargo Quantity Clearance Fee              | Product Evacuation Via Vessel                           | <del>₦</del> 250,000  |
| Prescribed Deposit                        | Plant Relocation  | US \$ 1,000,000.00 for every 10,000 bpsd                                  |
| Approval to use LACT Unit                 |   | \$10,000  |
| Meter annual rectification inspection fee |   | \$1,000   |
| (Re)calibration/Inspection Fee            | <del>₦</del> 500,000 per tank                           |   |

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|--|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>.....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>   | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

## 18.2 PENALTIES

Any person that contravenes any provision of these Guidelines shall be liable to a fine as follows –

| Offence  | Fee                                    |
|--|--|
| Late renewal of Refinery LTO beyond Q1   | N500, 000.00                           |
| Non-renewal of Refinery LTO  | N2,000, 000.00/year                    |
| Product diversion from the refinery via truck  | N5,000,000.00                          |
| Evacuation via truck without approval  | N5,000,000.00/ truck                   |
| Vessel arrival at the loading berth without DPR Clearance<br><br>Late submission of notice of vessel arrival | \$ 10,000.00 (USD)<br><br>N150, 000.00 |
| Product diversion from the refinery via vessel<br>Without approval   | \$20,000.00 (USD)                      |
| Product evacuation from the refinery via vessel<br>Without DPR approval                                      | \$10,000.00 (USD)                      |
| Using DPR approved chemical/additive above or below approved quantity  | Not exceeding \$100,000.00 (USD)       |
| Use of chemical not approved by the Department of Petroleum Resources in the refinery                        | Not exceeding \$100,000.00 (USD)       |

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|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |


## 19. REFERENCES

- 1) Petroleum Act, 1969
- 2) Petroleum Refining Regulations, 1974
- 3) Mineral Oils (Safety) Regulations, 1997
- 4) Guideline for the Establishment of Hydrocarbon Processing Plants (Petroleum Refinery and Petrochemicals) in Nigeria, 2008
- 5) Guidelines for the Establishment of Modular Refineries, 2017

## 20. GLOSSARY

|                     |  |
|---------------------|--|
| <b>CAC</b>          | Corporate Affairs Commission   |
| <b>BPSD</b>         | Barrel Per stream Day  |
| <b>Director/CEO</b> | Director of Petroleum Resources  |
| <b>DPR</b>          | Director of Petroleum Resources  |
| <b>EER</b>          | Environmental Evaluation Review  |
| <b>EIA</b>          | Environmental Impact Assessment  |
| <b>HAZOP</b>        | Hazard Operability   |
| <b>LACT</b>         | Lease Automatic Custody Transfer   |
| <b>LTO</b>          | License to Operate   |
| <b>MISTDO</b>       | Evidence of compliance to Minimum Industry Safety Training for Downstream Operations |
| <b>MOSR</b>         | Mineral Oil Safety Regulation  |
| <b>MT</b>           | Metric ton   |
| <b>NACE</b>         | National Association of Corrosion Engineers  |
| <b>OGISP</b>        | Oil and Gas Industry Services Permit   |
| <b>OSCP</b>         | Oil Spill Contingency Plan   |
| <b>P&amp;ID</b>     | Process and Instrumentation Diagram  |
| <b>SOP</b>          | Standard Operating Procedure   |
| <b>USD</b>          | United States Dollar   |
| <b>VEF</b>          | Vessel Experience Factor   |

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|---|---|
|  <p><b>DEPARTMENT OF<br/>PETROLEUM RESOURCES</b><br/>....Petroleum Regulatory Agency Of Nigeria<br/><b>DPR</b></p> | <p>Applicable to all Oil &amp; Gas Operators</p>                      |
| <p><b>GUIDELINES FOR THE OPERATIONS OF PETROLEUM REFINING FACILITIES</b></p>  | <p>Code: DPR GUIDE 0044 - 2021<br/>Review Date: 3rd February 2021</p> |

| <p align="center"><b>Approved by</b></p>  |  |                                   |  |
|---|--|-----------------------------------|--|
| <p align="center"><b>Engr. Sarki Auwalu</b> <i>FNSE, FNSChE</i><br/>(Director/CEO, Department of Petroleum Resources)</p> |    |                                   |  |
|   | <table border="1"> <tr> <td data-bbox="903 952 1157 985"> <p align="center"><b>Date</b></p> </td> <td data-bbox="1157 952 1441 985"> <p align="center"><b>3rd February 2021</b></p> </td> </tr> </table> | <p align="center"><b>Date</b></p> | <p align="center"><b>3rd February 2021</b></p> |
| <p align="center"><b>Date</b></p>   | <p align="center"><b>3rd February 2021</b></p>   |                                   |  |