

 <p><b>DEPARTMENT OF PETROLEUM RESOURCES</b> ....Petroleum Regulatory Agency Of Nigeria</p> <p><b>DPR</b></p>	<p>Applicable to all Oil &amp; Gas Operators</p>
<p>PROCEDURE GUIDE FOR THE GRANT OF APPROVAL FOR THIRD PARTY BLENDING AND LUBRICANTS FILLING PLANT</p>	<p>Code: DPR Guide 0017 - 2020</p> <p>Revision Date: 2nd October 2020</p>

# PROCEDURE GUIDE FOR THE GRANT OF APPROVAL FOR THIRD PARTY BLENDING AND LUBRICANTS FILLING PLANT

**ISSUED BY**

**DEPARTMENT OF PETROLEUM RESOURCES**

**2020**

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## 1. SCOPE

This procedure guide (for licensing of lubricant retailing and distribution outlets in Nigeria) is issued pursuant to the provisions of the Petroleum (Amendment) Decree No. 37 of 1977 section 4(1) which stipulates that, no person shall import, store, sell or distribute any petroleum products in Nigeria without a license granted by the Director/CEO, Department of Petroleum Resources.

## 2. APPLICATION & APPROVAL PROCEDURE

### 2.1 Third Party Blending Operations

All applications for approval of Third-Party Blending Operations shall be made on the Company's letter headed paper and addressed to the Director/CEO, Department of Petroleum Resources.

#### 2.1.1 Application Requirements (Product Owner)

The application for a Product Owner shall be accompanied with the following documents:

- i. A copy of valid lube blending plant license for the blending company where the lubricants are to be blended.
- ii. A copy of Storage and Sales license for lubricants of applicant (this itemizes the various retailing or distribution outlets for the blended lubricants).
- iii. A copy of Certificate of registration of Trade Names and Identification under which the applicant intends to market the lubricants from Ministry of Trade & Investment.
- iv. Payment of Statutory fee of Two Hundred and fifty Thousand Naira (₦250,000.00) per 500,000 Liters of Lubricants produced and/or part thereof only for Third-Party Approval application.
- v. Payment of Processing fee of two Hundred and Fifty Thousand Naira (₦250,000.00) only for Third Party Approval application.

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- vi. Third-Party Agreement between the applicant and the blending company stating the following details:
  - a. Total quantity in litres of lubricants to be blended broken downs into respective grades
  - b. Source of Base Oil
  - c. Quality specification of lubricants to be blended
  - d. Blending Schedule

#### **2.1.2 Application Requirements (Lube Blending Plant Owner)**

The application for a Lube Blending Plant Owner shall be accompanied with the following documents:

- i. A copy of valid lube blending plant license for the blending company where the lubricants are to be blended.
- ii. Production history (quantity and type of lubricant) of the lube blending plant.
- iii. Report of the last third-party blending approval (Renewal Only)
- iv. Payment of Statutory fee of Seventy-five thousand Naira (₦75,000.00) per 500,000 Liters of Lubricants Produce and/or part thereof Only for Third Party Approval application.
- v. Payment of Processing fee of Three Hundred Thousand Naira (N300,000) Only for Third Party Approval application.
- vi. Third Party Agreement between the applicant and the blending company stating the following details:
  - a. Total quantity in litres of lubricants to be blended broken downs into respective grades
  - b. Source of Base Oil
  - c. Quality specification of lubricants to be blended
  - d. Blending Schedule

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### **2.1.3 Approval Process**

Upon receipt of the applicable requirements and a satisfactory review of the constituent submissions, the Department shall grant approval for the Third-Party Blending operation.

The approval shall however be subject to the following conditions;

- i. Approval shall have a validity period of 90 days.
- ii. All third-party blending batches must carry a quality/quantity certificate which must be endorsed by a DPR representative before the blended batch leaves the blending plant.

## **2.2 Lubricant Filling Plant**

### **2.2.1 Application Requirement**

All applications for Approval to Construct Lubricant Filling Plant shall be made on the Company's letter headed paper and addressed to the Director/CEO, Department of Petroleum Resources. Each application shall be accompanied with the following documents;

- i. Evidence of registration with CAC (Certificate of incorporation).
- ii. A certified True Copy of Company's Memorandum and Articles of Association.
- iii. Current tax clearance certificate.
- iv. A proof of ownership of land where filling plant is to be sighted.
- v. A letter from appropriate town planning authority authorizing the siting of the filling plant at the proposed site.
- vi. A certified copy of land survey map.
- vii. A copy of proposed layout drawings of the filling plant showing relative distances (in meters) of various units within the plant and the interrelationship with adjoining properties.
- viii. Evidence of payment of the prescribed processing fee of Two Hundred and Fifty Thousand Naira (₦ 250,000.00) only, payable via DPR online payment platform.

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- ix. The filling plant engineering design details showing interface with associated auxiliaries.

Upon submission of the above, a Site Suitability inspection exercise shall be conducted by the Department (Requirement for suitability of site are stated in **appendix 1**). The Department shall grant an Approval to Construct/install the filling plant upon satisfactory appraisal of the submission.

### **2.2.2 Licensing/Approval Process**

Upon completion of construction/Installation of the filling plant, the applicant shall:

- i. Apply for Approval/License to Operate the filling plant on the company's letter headed paper.
- ii. Submit evidence of payment of Statutory and Processing fees of N75,000/500,000 litres and/ or part thereof and ~~N~~250,000.00 respectively via DPR Online Payment Portal for issuance of Approval/License to Operate the filling plant.
- iii. Submit a Third-Party Blending Agreement with a licensed blending company where the blending operation is to be carried out stating the following details:
  - a. Total quantity in litres of lubricants to be blended broken downs into respective grades.
  - b. Quality specification of lubricants to be blended
  - c. Blending Laycan
- iv. Forward a copy of valid lube blending plant license for the blending company where the lubricants are to be blended.
- v. Install an on-site Quality Control laboratory for recertification of the bulk lubricant blend upon arrival at the filling plant to ensure that there is no alteration of quality parameters over the transit process.
- vi. Install Safety and Firefighting facilities at the filling plant.



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- vii. Provide the Product Trade Name(s) and Registration under which they intend to market their product (with the Ministry of Trade and Investment)
- viii. Ensure that all bulk lubricant blend samples are accompanied by a product quality and quantity Certificate which must be endorsed by DPR before discharge at the filling plant.

The Department shall grant a license/approval to operate the filling plant upon satisfactory appraisal of the submissions. The validity of the license/approval to operate the filling plant shall be for a period of twelve (12) months.

### 3. QUARTERLY RECONCILIATION

At the end of every quarter, there shall be quarterly reconciliation, with the Department, of base oil receipt and lubricant produced from a plant. For this reason, every plant operator will be required to submit reports of plant activities detailing information on:

- i. Base oil receipt into the plant, indicating source, grades, quantity
- ii. Lubricants production indicating the grades, the quantities and distribution

At the end of every successful reconciliation the Director will issue a clearance letter which will form one of the basis for future base oil import permit issued by the Department.

Every unreconciled base oil will be considered as base oil diversion and shall attract a fine of three million naira only (N3,000,000.00). Additionally, the operator will be denied future base oil import permit and third-party blending approval.

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#### 4. FEES

The following fees shall be payable.

S/N.	Fee Type	Amount (₦)
1	Application fee- Lubricant Filling Plant (ATC)	250,000.00
2	Statutory fee – Lubricant Filling Plant (LTO) per 500,000 liters and/or part thereof	75,000.00
3	Processing fee - Lubricant Filling Plant (LTO)	250,000.00
4	Statutory fee – Third Party Blending (Plant Owner) per 500,000 liters and/or part thereof	75,000.00
5	Statutory fee – Third Party Blending (Product Owner) per 500,000 liters and/or part thereof	250,000.00
6	Processing fee - Third Party Blending (Product owner)	250,000.00
7	Processing fee - Third Party Blending (Plant owner)	300,000.00

#### 5. OFFENCES

Any person that contravenes any provision of these Procedure Guide shall be liable to a fine as listed below:

Offence	Fine (₦)
a. Third Party Blending without Approval (Product Owner)	2,000,000.00
b. Third Party Blending without Approval (Plant Owner)	1,000,000.00
c. Operating a Filling Plant without License (Annually)	1,500,000.00
d. Base oil Diversion	3,000,000.00

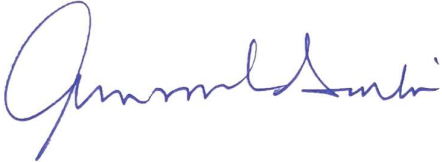
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## 6. GLOSSARY

Abbreviations, terms and references used in this document are explained hereunder:

**CAC** Corporate Affairs Commission

**DPR** Department of Petroleum Resources

Approved by			
<p><b>Engr. Sarki Auwalu, MNSE</b> (Director/CEO, Department of Petroleum Resources)</p>			
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