

# A BILL

## FOR

AN ACT TO AMEND THE PETROLEUM INDUSTRY ACT, 2021 TO PROVIDE FOR LICENSING REQUIREMENTS FOR THE OPERATION OF OIL WELLS PETROLEUM PROSPECTING LICENSEES, AND FOR REVOCATION OF LICENSES FOR NON- PERFORMING OIL FIELDS AND FOR RELATED MATTERS

*Sponsored by Hon. Ikeagwuonu Ugochinyere*

[ ] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria:

1           **1.** The Petroleum Industry Act, 2021 (referred to as the "Principal Act") is amended as set out in this Bill; Amendment of the Principal Act

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3           **2.** Section 81 is amended by inserting a new subsection 2 and 3 immediately after the extant subsection 1(b) and before the extant subsection 2 and renumbering accordingly; Amendment of Section 81

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6           *"Licensing Requirements for Petroleum Mining Lease"*

7           (2) A petroleum mining lease shall be granted under subsection 1 of this section where the holder of a Petroleum prospecting license shows a minimum crude oil refining capacity of 50,000 barrels per day:

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9           (a) Any Petroleum prospecting licensee without the minimum crude oil refining capacity specified in this section may form a consortium consisting of not more than five licensees and such consortium shall be granted a license for the field;

10           (b) The Commission shall prescribe the regulations that will govern the formation and operations of such consortiums."

11           *"Revocation of Licenses of Non-Performing licensees."*

12           (3) Where a licensee fails to produce the required capacity of crude for a continuous period of two years, the Commission shall revoke the

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1 license of that licensee. This provision shall also apply to the consortium under  
2 subsection 2 of this section:

3 (a) In this section, an oil field shall be considered non-producing if  
4 there has been no crude oil production, reinjection for storage, or any other  
5 approved operational activity from that oil field over a continuous two-year  
6 period;

7 (b) The Commission shall prescribe regulations and guidelines for  
8 monitoring oil well performance, criteria for determining non-performance,  
9 notification procedures prior to revocation, and the revocation process under  
10 this section."

Citation

11 3. The Bill may be cited as the Petroleum Industry Act 2021  
12 (Amendment) Bill, 2024.

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Petroleum Industry Act, 2021 to amend the Petroleum Industry Act 2021 to provide for licensing requirements for operation of oil wells, petroleum prospecting licenses, revocation of licenses for non-performing oil fields.