

ASSOCIATED GAS RE-INJECTION ACT

ARRANGEMENT OF SECTIONS

SECTION

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An Act to compel every company producing oil and gas in Nigeria to submit preliminary programmes for gas re-injection and detailed plans for implementation of gas re-injection.

[Commencement.]

[28th September, 1979]

1. Duty to submit preliminary programme for gas re-injection

Notwithstanding the provisions of regulation 42 of the Petroleum (Drilling and Production) Regulations made under the Petroleum Act, every company producing oil and gas in Nigeria, shall not later than 1 April, 1980 submit to the Minister a preliminary programme for-

[Cap. P10.]

- (a) schemes for the viable utilisation of all associated gas produced from a field or groups of fields;
- (b) project or projects to re-inject all gas produced in association with oil but not utilised in an industrial project.

2. Duty to submit detailed plans for implementation of gas re-injection

(1) Not later than 1 October, 1980, every company producing oil and gas in Nigeria shall submit to the Minister detailed programmes and plans for either-

- (a) the implementation of programmes relating to the re-injection of all produced associated gas; or
- (b) schemes for the viable utilisation of all produced associated gas.

(2) The fact that some of the gas produced in association with oil has been earmarked for some alternative utilisation shall not exempt compliance with section 1 of this Act and subsection (1) of this section.

3. Flaring of gas to cease

(1) Subject to subsection (2) of this section, no company engaged in the production of oil or gas shall after 1 January, 1984 flare gas produced in association with oil without the permission in writing of the Minister.

[1985 No.7.]

(2) Where the Minister is satisfied after 1 January, 1984 that utilisation or re-injection of the produced gas is not appropriate or feasible in a particular field or fields, he may issue a certificate in that respect to a company engaged in the production of oil or gas-

- (a) specifying such terms and conditions, as he may at his discretion choose to impose, for the continued flaring of gas in the particular field or fields; or
- (b) permitting the company to continue to flare gas in the particular field or fields if the company pays such sum as the Minister may from time to time prescribe for every 28.317 Standard cubic metre (SCM) of gas flared:

Provided that, any payment due under this paragraph shall be made in the same manner and be subject to the same procedure as for the payment of royalties to the Federal Government by companies engaged in the production of oil.

4. Penalty

(1) Where any person commits an offence under section 3 of this Act, the person concerned shall forfeit the concessions granted to him in the particular field or fields in relation to which the offence was committed.

(2) In addition to the penalty specified in subsection (1) of this section, the Minister may order the withholding of all or part of any entitlements of any offending person towards the cost of completion or implementation of a desirable re-injection scheme, or the repair or restoration of any reservoir in the field in accordance with good oil-field practice.

5. Power to make regulations

The Minister may make regulations prescribing anything requiring to be prescribed for the purposes of this Act.

6. Act to apply in Exclusive Zone

The provisions of this Act shall apply to the Exclusive Zone as they apply to land as defined in section 1 of the Petroleum Act.

[Cap. P10.]

7. Interpretation

In this Act, unless the context otherwise requires-

"**Exclusive Zone**" has the same meaning assigned thereto in the Exclusive Economic Zone Act;

[Cap. E17.]

"**Minister**" means the Minister charged with responsibilities for matters relating to Petroleum.

8. Short title

This Act may be cited as the Associated Gas Re-injection Act.

SUBSIDIARY LEGISLATION

List of Subsidiary Legislation

1. Associated Gas Re-injection (Continued Flaring of Gas) Regulations.

ASSOCIATED GAS RE-INJECTION (CONTINUED

FLARING OF GAS) REGULATIONS

[S.1. 43 of 1984.]

under sections 3 and 5

[Commencement.]

[1st January, 1985]

1. Conditions for issuance of certificate for continued flaring of gas

As from the commencement of these Regulations, the issuance of a certificate by the Minister under section 3 (2) of the Associated Gas Re-Injection Act, for the continued flaring of gas in a particular field or fields, shall be subject to anyone or more of the following conditions, that is-

[Cap. A25.]

- (a) where more than 75 per cent of the produced gas is effectively utilised or conserved;
- (b) where the produced gas contains more than fifteen per cent impurities, such as N₂, H₂S, CO₂, etc., which render the gas unsuitable for industrial purposes;
- (c) where an on-going utilisation programme is interrupted by equipment failure:

Provided that, such failures are not considered too frequent by the Minister and that the period of anyone interruption is not more than three months;

- (d) where the ratio of the volume of gas produced per day to the distance of the field from the nearest gas line or possible utilisation point is less than 50,000 SCF/KM:

Provided that, the gas-to-oil ratio of the field is less than 3,500 SCF /bbl, and that it is not technically advisable to re-inject the gas in that field;

- (e) where the Minister, in appropriate cases as he may deem fit, orders the production of oil from a field that does not satisfy any of the conditions specified in these Regulations.

2. Power to review, etc.

The Minister may, from time to time, review, amend, alter, add to or delete any provision of these Regulations as he may deem fit.

3. Short title

These Regulations may be cited as the Associated Gas Re-Injection (Continued Flaring of Gas) Regulations.