

The background of the entire page is a faded, high-angle photograph of an offshore oil rig. The rig's complex network of yellow and grey metal structures, including platforms, ladders, and pipes, is visible against a backdrop of a dark, overcast sky and the deep blue sea. The rig appears to be in the middle of an operation, with various components clearly delineated.

TIT-BITS

Vol. 15

RECAP ON THE POWER OF THE MINISTER TO REVOKE OIL MINING LICENSES

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On Monday, 12 April 2021, the Department of Petroleum Resources (DPR) announced that it has revoked thirty-two refinery project licenses issued to private investors, which have become invalid over the past three years.

The refinery projects were located in Akwa Ibom, Ondo, Bayelsa and Imo States, amongst others. This revocation came a few days after the DPR announced the revocation of four Oil Mining Licenses (OML) — OMLs 123, 124, 126 and 137¹¹ — due to the failure of the Licensee to develop its assets.

It is noted that by Paragraph 25 of Schedule 1 of the Petroleum Act (PA), 1969, the Minister of Petroleum Resources can revoke oil licenses if, in his opinion, the licensee or lessee does not conduct its operations continuously, or in a business-like manner and in accordance with approved requirements or good oil field practices.

Additionally, oil licenses can be revoked by the Minister where a licensee fails to adhere to the provisions of the Petroleum Act and allied regulations, including provisions on the payment of rents or royalties within the specified period and submission of reports on its operations or activities, as the Minister may require.

The above notwithstanding, the due process provided in Paragraph 26 of Schedule of the PA, which requires served notices and a fair hearing opportunity must be followed, otherwise, such revocation may be deemed null and void by the Court upon a challenge of same by a begrudged Licensee.
