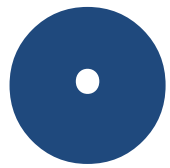


Legislative Framework for Oil Operations in Nigeria

Dr. Olisa Agbakoba SAN*



Oil industry is the mainstream of Nigeria's economy, constituting 92 % of her export earnings and 89% of federal revenue. Oil is produced in the Niger Delta in southern Nigeria. The area is the largest wetland in Africa and third largest in the world. It is in the mangrove rain forest belt with very volatile and delicate ecology.

Oil production affects the environment more than any other industrial activity. There has, therefore been legislative concern for the operations of oil companies particularly as regards revenue generation and environmental protection. The latter was mainly due to agitations of the oil producing communities for safe environment.

The oil industry like all other sectors, operate within a legal framework. This can be found in the corpus of statutes, Regulations, Guidelines, practice codes and conventions touching on oil production.

There are four main aspects of oil operations:

1. Oil prospecting and exploration
2. Oil drilling
3. Oil refinery
4. Oil marketing and transportation.

The activities are carried on either upstream (offshore) or downstream (onshore). Oil production therefore, affects both vegetational and aquatic environments. Moreover, the gaseous extracts which is flared in most oil fields, also affects the atmosphere.

Mineral oil was first discovered in Nigeria in 1958. Shell Petroleum Development Company (Shell), the Nigeria subsidiary of Royal-Dutch, a British-Netherlands multinational, pioneered oil exploration and production in Nigeria. Over the years, petroleum has changed the economy and

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politics of the nation, and also the Laws. Agitations for share in the oil wealth led to a disastrous civil war between 1967 to 1970, and several uprisings in the minority tribes of the Niger Belts.

Since 1958, legislations have been put in place to regulate oil operations. This report is to highlight the legal requirements and framework for oil production in Nigeria, with greater emphasis on obligations of oil companies to run sound oil field practice maintain the environment and support sustainable development.

Legislative Powers

The federal legislature has exclusive powers to make laws on matters relating to oil operations in Nigeria. This is because "Mineral oils and Natural gas" are listed under exclusive legislative list in the 2nd Schedule to the 1979 Constitution¹.

The major statutes are:

1. The Petroleum Act and the Petroleum Control Act²
2. Regulations made under the Petroleum Act particularly,
 - Petroleum (Drilling and Production) Regulations³
 - Mineral Oil (Safety) Regulations⁴
3. Explosive Regulations⁵
4. Oil Pipelines Act⁶
5. Oil in Navigable Waters Act⁷
6. Oil Terminal Dues Act⁸
7. Associated Gas Reinjection Act and the Associated Gas Re-injection (Continued Flaring of Gas) Regulations made under the Act.⁹
8. Petroleum Profit Tax Act.¹⁰
9. Companies and Allied Matters Act¹¹
10. Environmental Impact Assessment Decree¹²
11. Federal Environmental Protection Act¹³

Registration And Licensing

The law requires that the appropriate license is obtained before any oil operation in Nigeria. Under the Petroleum Act¹⁴ only a Nigerian citizen or a company incorporated in Nigeria can apply for such license.

The provision for company incorporation under the Companies and Allied Matters Act¹⁵ allows registration of limited or unlimited liability companies. A limited liability company may be private or public. A significant difference between private and public liability companies in that the shareholding of the later is open to the public and quoted in the stock

market, unlike private company.

The requirement in the Petroleum Act¹⁶ that a prospective corporate oil operator should be incorporated in Nigeria does not specify the kind of company registration. Some oil companies, for obvious purpose of avoiding public shareholding, operate as private companies. A good example is Shell.

Every segment of oil operations requires separate license or permission. These include :

1. License to prospect oil.¹⁷
2. License to explore oil.¹⁸
3. Lease to drill and store oil.¹⁹
4. License to run a refinery²⁰
5. License to transport and market petroleum products²¹

Regulations under the Petroleum Act govern applications and grant of requisite licenses. It is an offence to engage in any oil production or marketing without the relevant license.²²

Each license has a renewable term. Oil exploration license is issued to a holder of an oil prospecting license who discovers oil in "commercial quantity"²³ and has paid all fees, rent, and royalties under the oil prospecting license. Unlike oil prospecting or exploration license, an oil drilling lease confers exclusive right of the leased area to the oil company to prospect and produces oil²⁴. The "exclusive right" provision confers on oil companies monopoly and control of the environment of the oil producing communities around the leased area with limited government interferences.

Revocation, Termination Of License

An oil operation license or lease may be terminated by voluntary notice to that effect by the holder to the Minister of Petroleum Resources. Government may revoke a license or lease under any of these circumstances.

1. where the control of all ownership of the oil company fall on citizens of a country which does not offer Nigerians reciprocal opportunities to hold as operate petroleum concession in that country.
2. If the holder is not operating in accordance with good oil field practice²⁵.
3. If the holder defaults in payment of fees, dues, royalties and taxes to the government.
4. If the holder defaults in publishing reports of its activities as may

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be required by the minister of petroleum resources.²⁶

Fees And Taxation

Oil companies pay prescribed fees, rents and royalties pay to the federal government. In practice, royalties are paid by 60% of produced crude oil.

Income of oil companies are subject of taxation under the Petroleum Profit Tax Act²⁷. The taxable income include proceeds of chargeable oil disposed by the company less cost of production and exportation²⁸. Also Section 55 of the Act²⁹ exempts oil companies from any other taxation including the ordinary companies income tax. This is obviously to avoid double taxation.

Oil companies are to make statutory contributions to Education fund and state development levies. It is clear that only companies income tax is exempted by Section 55.

Government Control and Pre-Emptive Rights.

The Minister of Petroleum Resources has general supervisory powers over all operations of oil companies.³⁰ He has inspection access to all operation areas and mandated to suspend or revoke any oil license whose holder's activities constitute threat to life or property, or which does not operate in accordance with good oil field practice, or offends any law or regulation or the terms of the license or lease.

The Minister is also required to publish annual reports of activities of all companies in Nigeria³¹.

The federal Government retains a right of pre-emption over all crude oil and petroleum products during state of national emergency or war.³²

The Minister of Petroleum Resources is empowered to make regulations for safe and good oil operations of oil companies.³³ Certain regulations have been made under this provision. These include:³⁴

1. Mineral Oils (Safety) Regulations to regulate the standards of construction and maintenance of installations and equipments for oil production.
2. Petroleum Regulations to govern movement of crude oil and other petroleum products.
3. Petroleum (Drilling and Production) Regulations which stipulates procedure for application and grant of licenses and leases for oil related activities as well as specific legal and social obligations and operating codes for oil companies.
4. Petroleum (Refinery) Regulation which regulates operations of refineries,
5. Price Control Regulations made to create uniform prices for petro-

leum products.

The statutes provides for closer government control³⁵ of oil companies because oil industry is the mainstream of Nigeria economy and all major oil companies are foreign owned multinationals. There has been a legislature desire to "Nigerialise" oil production and marketing. For example, there are statutory requirement that every oil company within twelve months of grant of license or lease submit and obtain approved detailed programme for the recruitment and training of Nigerians in all the sectors of its operations.³⁶

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Obligations of Oil Companies

The statutes impose appropriate duties on oil companies for the purpose of ensuring that they adhere to sound oil field practices, safeguard the environment, and promote sustainable development. These social obligations are underscored by the volatile and high risk nature of oil production activities and the delicate ecology of the oil producing areas of the Niger Delta. Some of these obligations are highlighted below.

DUTY TO USE UP-TO-DATE EQUIPMENTS.

Regulation 25 of the Petroleum (Drilling and Production) Regulations provides that

"the License or lease shall adopt all practicable precautions including the provision of up-to-date equipment approved by the Director of Petroleum Resources, to prevent the pollution of inland waters, rivers, water courses, the territorial waters of Nigeria or the high seas by oil, mud or other fluids or substances which might contaminate the water banks or shore line or which might cause harm or destruction to fresh water or marine life and where any such pollution occurs or has occurred shall take prompt steps to control and, if possible, end it".

The primary purpose of this requirement is for prevention of oil spills and other environmental pollution. It has been acknowledged by the oil companies that most of the oil spills and pollution are caused by obsolete equipments and rusted installations.

There is a duty to replace these installations periodically with current state-of-the-art equipments. Unfortunately, most oil companies still operate with the facilities they installed in the 1950's and 60's even when such equipments are no more in use in other western countries where they also operate.

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The Niger Delta, where oil is produced in Nigeria, has a very volatile ecology. It contains about 20,000 square kilometers of wetlands and mangrove forests; the largest wetland in Africa and the third largest in the world. It is also one of the most densely populated areas in Africa. Before the discovery of oil, the area sustained rich agricultural and fishing activities

Regular Maintenance And Inspection Report Of Equipment

The rules requires oil companies undertake regular inspection and maintenance of their installations. The Mineral Oils (Safety) Regulations³⁷ that:

"all...installations shall meet the American Society of Mechanical Engineers Codes and as far as their routine inspection and testing are concerned, these shall comply with the requirements of the Factories Act³⁸ and a record of such inspection and testing shall be maintained to the satisfaction of the Director of Petroleum Resources;..."

Several specific time limits for inspection and maintenance of specific equipments stipulated under the same regulation. For example, all oil heaters and pressure fittings must be inspected and serviced at least every 12 months. A certified report of periodic inspection is required to be published by Director of Petroleum Resources and he is to ensure that oil production activities conform with good oil field practice.³⁹

The reference international oil operations practice codes is for the require oil companies operate on internationally approved standards and in line with practices and innovations in other parts of the world. Principally, the legislative purpose is to avoid double standards by the oil companies who are all foreign owned multinationals with subsidiaries in other parts of the world including, sometimes, their home countries.

Duty To Safeguard The Environments

The Niger Delta, where oil is produced in Nigeria, has a very volatile ecology. It contains about 20,000 square kilometers of wetlands and mangrove forests; the largest wetland in Africa and the third largest in the world. It is also one of the most densely populated areas in Africa. Before the discovery of oil, the area sustained rich agricultural and fishing activities

The production of oil since over 30 years ago has changed everything. The ecology and bio-diversity of the area are under threat arising from growing population, deforestation, soil degradation, and more importantly, activities of oil companies. The biggest threats are oil drilling and production, movement of crude oil through pipelines, storage of crude oil and oil wastes in underground tanks, and pits and gas flaring.

The need to protect the Niger Delta environment from devastation through oil operations is very obvious. There is expectedly impressive legislative concern for safety of life, properties and ecology of the oil producing communities.

Duty To Drill At A Safe Distance From Habited Area

Oil drilling and storage facilities are to be at safe distance from habited

environment. No general prescription of "safe distance" was made in the laws but the gas flaring regulations prescribes that a minimum of 150 feet. This provision is grossly inadequate as the prescribed distance is too close for gas flaring. This stipulation was made on the background of the obligation of oil companies within five years of commencement of operations to utilize and re inject for commercial purpose gas extract from their oil fields instead of flaring them.⁴⁰ All gas extracts are presenting flared.

Duty To Avoid Pollution

Oil companies are required to prevent oil spills and pollution of the water ways and farm lands. They are to maintain all their installation to prevent "escape of petroleum into any water or surface of operation areas as to damage trees, crops, buildings, farmlands or other properties thereon" ⁴¹.

Duty To Keep And Comply With Approved Field Development Programme

Regulation 37 of Petroleum (Drilling and Production) Regulations requires oil companies to draw up an "oil field development programme" which must be approved by the Director of Petroleum Resources before the commencement of operations by the oil company.

The programme, like the modern environmental impact assessment report, is to give prior exposition of the operating mechanisms and point out anticipated dangers of each activity to the environment and the appropriate solutions. They are obliged to abide by the programme, with approved periodic review.

Filling Up Excavations And Damaged Environment

Subject to local environmental and town planning laws, a holder of oil operation license or lease has a right to cut down trees, clear undergrowth, sink wells, dig for gravel, etc. in carrying out any activity under the license. However, the law requires that where such activity affects land or property occupied or owned by another, fair and adequate compensation should be paid to such owner or occupier⁴². Also all excavations, pits or alterations made or land should be filled or levelled to its original condition ⁴³.

Duty To Keep Local Laws & Customs

Oil companies are required to comply with all local laws particularly relation to protection of the environment, town or country planning and regulating the construction and maintenance of roads, buildings and facilities⁴⁴. They are to also provide adequate infrastructure such as roads in their operating areas and should hinder or prevent any person

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Emission of oil wastes and drilling leakages and other toxic effluent from the oil operations endangers the aquatic habitat and result in killing or migration of fish into the ocean

from having access or using such facilities. The legislative purpose is to promote a healthy integration of the oil companies with the communities they operate for proper and sustainable development of the areas.⁴⁵

Oil companies are also to preserve trees and natural resources protected by law⁴⁶. Forest reserves are demarcated and protected by conservation laws. They should also not cut or destroy Productive trees and cash crops except fair and adequate compensation is paid to the owner.⁴⁷

Communal areas or objects declared sacred by the community or government, as well as trees and mangroves venerated under their custom of the community should not be destroyed by the operations of the oil companies.⁴⁸

It is therefore, fair that any depletion of natural resources should be adequately compensated and or replenished.

Duty To Pay Fair And Adequate Compensation

The law requires oil companies to pay "fair and adequate compensation" to owner or occupier of any land or property adversely affected by their oil operations such as pollution of farmland and fishing rivers by oil spills and destruction of cash crops and economic tress or for any land taken over or affected by their operations.⁴⁹

There is no statutory definition or stipulation of the basis of assessment of fair and adequate compensation. But the courts have interpreted the provisions and provided sufficient guidelines. In the case of Shell Petroleum Development Company vs Farah⁵⁰ the Court of Appeal held that the of principles for assessment of fair and adequate compensation under the Act⁵¹ is that such compensation should be adequate

"to restore the person suffering the damnum as far as money can do that to the position he was before the damnum or would have been but for the damnum"

The court further said that the amount payable in compensation is the current market value of the property damaged, including interests and loss of earnings and use. Claims for disturbances, nuisances and auxiliary inconveniences are also within the provision.

Farah's case arose from a massive oil spill in 1970 in Ogoniland. Several hectares of farmlands and economic crops were destroyed. Fishing waters were polluted and many homes were dislodged. The spill was from installations of Shell Petroleum Development Company. There was no effort by the company to effectively clean up the spills. The farmlands were baked and no longer suitable for farming. No compensations were paid. In 1989, after several futile pleas and agitations for compensation, the communities sued the company seeking compensation and or-

der that the company cleans up the affected farmlands.

The high court found in favour of the communities and awarded the sum of 4.62 million Naira as compensation for the 13.2 hectares of land affected by the spill. It also awarded damages for nuisance and disturbances caused the communities as well as loss of earnings. The court of appeal affirmed this decision, and further appeal by the company is pending at the supreme court.

There is admittedly no legislative safeguard for assessment of value of land or property for purpose of compensation. There is no provision for independent valuation. Most of the time, the oil companies appoints the valuers and offer the desperate poor and illiterate land owners ridiculously low amount as compensation. There is also no safeguard for prompt payment of compensation. In practice, the meager compensation is protracted for so many years. For example, in the Farah case, a 1970 spill has not yet been settled.

Most poor land owners cannot afford the cost of court action, and where they do, the case in proceedings protract for several years. The court processes in Nigeria move at snail speed, and the oil companies themselves delay proceedings by adopting time consuming technicalities.

Duty To Protect Fishing Rights Of Communities

Most upstream (off shore) operations affect fishing rights of the oil producing communities. Emission of oil wastes and drilling leakages and other toxic effluent from the oil operations endangers the aquatic habitat and result in killing or migration of fish into the ocean. Outright spills clout the water ways, destroy all aquatic lives, and devastated the entire ecology and bio-diversity. Under the Petroleum Act⁵², affected communities and fishermen are entitled to fair and adequate compensate for interference with fishing rights.

Oil companies are not to disrupt water way easements of the riverain communities.⁵³

Compliance With All Environmental Laws And Regulations

Article 35 (b) of 1st Schedule to the Petroleum Act requires oil companies to comply with all statutes and laws. These include environmental and conservation laws and regulations.

One of such laws is the Environmental Impact Assessment (E.I.A.) Decree⁵⁴, and the Federal Environmental Protection Agency Act.⁵⁵ The EIA decree requires that every industrial activity must be proceeded by an environmental impact assessment report, duly certified by the Federal Environmental Protection Agency, (FEPA), the government body set up under the Act to monitor environmental pollution and industrial

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Oil companies may be granted permission to route oil pipelines for the movement of crude oil, natural gas or associated petroleum products. Oil Pipelines Act⁵⁹ and Regulations made under it govern pipelines operations

waste management.⁵⁶ Before the enactment of the EIA decree in 1992, but there were similar requirements aimed at sustainable industrial development and safeguard of the environment particularly under the Petroleum Act. The oil field development programme in Regulation 37 of the Petroleum (Drilling and Production) Regulations discussed above is an example of such pre-investment surveys.

EIA decree also provides requires periodic environmental audit, which appraises the impact of the industrial activity on the environmental, and proper solution for curb lapses. It also requires that industrial activities already in operation before its enactment should proceed with environmental audit of their activities so far .

Duty To Control And Stop Gas Flaring

Gas flares is the major atmospheric pollutant in the Niger Delta. They pollute the atmosphere, and cause global warming and acid rains. Gas are flared in most Communities very close or in some places, right in the habited areas.

Gas are flared from the oil wells to clear the layers for drilling of oil. It is the crudest and oldest oil drilling method. What is flared is huge volume of natural gas which in most parts of the world where oil are produced are treated and utilised for commercial purposes.

There are statutory provisions meant to curb gas flaring. Particularly Regulation 42 of Petroleum (Drilling and Production) Regulations and the Associated Gas Re-injection Act 57.

Regulation 42 requires oil companies to set up facilities to utilize the gas extracts from their operations within five years of commencement of operations in Nigeria. Though this Regulation came into force on November 27, 1969, no oil company had complied with it. Gas, even those with toxic contents like sulphur, continued to be flared at a dangerously close distance from the habiting areas of the communities.

On September 28, 1979 another legislation was made to enforce Regulation 42. This was the Associated Gas Re-injection Act. A time limit of April 1, 1980 was set for all oil companies to develop gas utilization projects to re-inject natural gas which they produced in their operations. Yet there was no compliance. In January 1, 1985, on the oil companies behest, a Regulation was enacted under the Act to allow limited exemptions for gas flaring.⁵⁸

Four conditions were stipulated in Regulations 1 (a) _ (c) for grant of permission by the Minister of Petroleum Resources to flare gas. These are:

1. Flaring of only 25% of produced gas.
2. Flaring of gas with more than 15% of impurities which render it

unsuitable for any industrial purpose.

3. Flaring during the period an utilization project is going on, but temporarily delayed by technical problem .

4. Where the volume of produced gas is less than 50 thousand Standard Cubic Feet (SCF).

It is an offence under Section 4 of the Act to flare gas without a proper exemption certificate.

The Regulations also contains operational standards for flaring of gas. For example, all flaring funnels must be upwind and horizontally positioned, and at a safe distance from the habited areas.

Duty To Run Safe Pipeline Operations

Oil companies may be granted permission to route oil pipelines for the movement of crude oil, natural gas or associated petroleum products. Oil Pipelines Act⁵⁹ and Regulations made under it govern pipelines operations. The grant of a pipelines routing permit gives the holder right to survey and dig on any land falling on the route specified in the permit⁶⁰, but the owner or occupier of such land is entitled to adequate compensation for any damage done thereon.⁶¹ The Act also allows the owner or occupier of such land to claim damages for disturbance and loss of earnings.⁶² The civil courts have jurisdiction to asses and determined quantum of compensation.⁶³ The principle in Faras case (supra) will apply in assessment of compensation.

Oil In Navigable Waters Act⁶⁴

This Act domesticates the International Convention for the Prevention of Pollution of the Sea by Oil 1954 to 1962, and also provision to prevent such pollution in navigation and territorial waters of Nigeria. Under this Act, offenses and penalties are prescribed for pollution of the high sea or Nigerian territorial waters and oil terminals by oil or other associated products or effluent.

There are currently seven oil terminals in Nigeria located at Penington, Idoho, Qua Iboe, Forcados, Bonny Offshore, Escravos and Brass. These are points of export of crude oil.

A regulation⁶⁵ was made to require oil companies and oil vessel operators provide proper equipments for preventing and combating oil spills, and to keep records in a prescribed form of quantity of oil lifted, discharges or transfers.

GOVERNMENT GUIDELINES

The Petroleum Act gives the Minister of Petroleum Resources general powers to supervise and regulate operations in the oil industry. Most of these powers conferred on the Minister are in practice delegated to the

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Director of Petroleum Resources (DPR) for implementation.

Guidelines are regularly made by the DPR to oil companies in order to bring their operations in line with Government policies. Such guidelines, cover issues like environmental impact assessment processes, contingency planning for the prevention, control and reporting of oil spills,, waste management and control, oil pipeline flowlines, pipelines inspection and maintenance, oil prices and supplies, etc.

Federal Environmental Protection Agency (Fepa)

This agency regulates and monitors industrial activities which affects the environment. The FEPA Act and EIA Decree mandate the Agency to make regulations and issue directives on environmental matters particularly in the areas of waste management, and environmental impact assessment procedure. FEPA is obligated to ensure strict companies of oil companies with all environmental relevant Laws and regulations. The Agency recently issued guidelines on how to prepare the EIA for gas and related industrial activities.

Conclusion

Several legislation have been put in place for safe oil operations in Nigeria. There are also other state laws which affect oil operations particularly for conservation of resources and sustainable development. The massive pollution from oil operation are as result of total apathy of the enforcing government officials in seeing that the laws are strictly applied by the oil companies.

NOTES

1. See Section 4 of the 1979 Constitution
2. Caps. 350 and 351 Laws of the Federation respectively.
3. Ibid.
4. Ibid.
5. Made under the Explosive Act Cap. 117 Laws of the Federation.
6. Cap. 338 Laws of the Federation.
7. Cap 336 Laws of the Federation.
8. Cap 339 Laws of the Federation.
9. Cap 26 Laws of the Federation.
10. Cap. 352 Laws of the Federation.
11. Cap. Laws of the Federation.
12. No. 82 of 1992.

13. Cap 131 Laws of the Federation.
14. Section 2(2)
15. Sections 26 - 30
- 16.
17. Section 2(1) (b) of Petroleum Act.
18. Section 2(1) (a) of Petroleum Act.
19. Section 2(1) (c).
20. Section 3(1) of Petroleum Act.
21. Section 4(1) of Petroleum Act.
22. Section 4 (1) (b) Petroleum Act.
23. Paragraph 8, Schedule to Petroleum Act . Oil is deemed to have been discovered in commercial quantity where there is capability of the license holder and enough reserve to produce at least 10,000 barrels of crude oil from the licensed area.
24. Paragraph 11, 1st Schedule to Petroleum Act.
25. Good oil field practice is not defined in the Act, but regulation of Mineral Oil (Safety) Regulations states that good oil field practice shall be the current practice of Institute of Petroleum Safety Codes, The American Petroleum Institute Code, or The American Society of Mechanical Engineers Code. See also Regulation 15.
26. Paragraph 24, 1st Schedule to Petroleum Act.
27. Cap. 354 Laws of the Federation.
28. Sections 9-10 Petroleum Act.
29. Ibid.
30. Section 8 and 9 of the Petroleum Act. See also the Petroleum Control Act Cap. 351 Laws of the Federation.
31. Ibid.
32. Section 7 of Petroleum Act.
33. section 9 of Petroleum Act.
34. All the regulations listed below are in Cap 350 Laws of the Federation as subsidiary legislation to the Petroleum Act.
35. See particularly the Petroleum Act and Petroleum Control Act Caps 350 and 351 Laws of the Federation 1990.
36. See Regulation 26 Petroleum (Drilling and Production) Regulations Cap 350 Laws of the Federation.

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37. Regulation 15
38. Cap 126 Laws of the Federation 1990
39. See footnote No. 24 above on the meaning of "good oil field practice" under the regulations.
40. See Associated Gas (Re-injection) Act Cap 26 Laws of the Federation 1990.
41. Regulations 36 (d) and (e) of Petroleum (Drilling and Production) Regulations
42. Articles 35 and 36, 1st Schedule to the Petroleum Act.
43. Regulation 45 of the Petroleum (Drilling and Production) Regulations.
44. Regulation 18 of the Petroleum (Drilling and Production) Regulations.
45. Regulation 19, Ibid.
46. Regulation 21, Ibid.
47. "Productive tree" is defined in Regulation 21 (3) of the Petroleum (Drilling and Production) Regulations as a tree "having commercial value which is not a protected tree", and a protected tree is also defined therein as a tree "protected by law, and includes all trees in a forest reserve.
48. Regulation 22 Ibid.
49. Article 36 of 1st Schedule to the Petroleum Act. See also Regulation 21 of Petroleum (Drilling and Production) Regulations.
50. (1995) 3 Nigeria Weekly Law Reports (Part 382) Page 148 at Pages 192 Paragraph E-F, and Pages 199 Paragraphs A-B.
51. Petroleum Act Cap 350 Laws of the Federation 1990.
52. Regulation 23 of Petroleum (Drilling and Production) Regulations
53. Regulations 24 and 25 of Petroleum (Drilling and Production) Regulations
54. No. 82 of 1992.
55. Cap 131 Laws of the Federation 1990
56. See Section 9 of the Environmental Impact Assessment Decree.
57. Cap 26 Laws of the Federation 1990.
58. Associated Gas Re-injection (Continued Flaring of Gas) Regulations
59. Cap 238 Laws of the Federation 1990
60. Section 5 Oil Pipelines Act
61. Sections 11 (5) and 6 (3) of Oil Pipelines Act

- 62. Section 20 (1) and (2)
- 63. Section 19 Oil Pipelines Act
- 64. Cap 337 Laws of the Federation 1990
- 65. Oil in Navigation Waters Regulations Cap 337 Laws of the Federation 1990.

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There is no provision for independent valuation. Most of the time, the oil companies appoints the valuers and offer the desperate poor and illiterate land owners ridiculously low amount as compensation