How to Obtain an Oil Mining Lease (OML) in Nigeria: Complete 2026 Guide

ICA (Ibe Chido & Associates)

Description

Obtaining an **Oil Mining Lease (OML)** is your gateway to commercial petroleum production in Nigeria. Anchored by the **Petroleum Industry Act (PIA 2021)**, regulated by the **Nigerian Upstream Petroleum Regulatory Commission (NUPRC)**, and processed via the **OGISP/ELPS portal**, this license demands technical readiness, environmental compliance, and payment of precise fees. This comprehensive 2026 guide walks you through every step; from corporate setup to FDP approval, highlighting exactly what you need to succeed, based on official NUPRC regulations.

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1. What Is an OML?

An **Oil Mining Lease (OML)** grants exclusive rights to exploit petroleum in a defined Nigerian area. Since **PIA 2021**, the licensing framework has evolved, legacy OMLs now fall under conversion to **Petroleum Mining Leases (PMLs)**. Some of the most important shifts include enhanced local content requirements, a clearer fee structure, and newly digitized processes.

2. Who Grants OMLs & Where to Apply

The statutory authority for granting and regulating OMLs (and PMLs) is the **Nigerian Upstream Petroleum Regulatory Commission (NUPRC)**. Application submissions, document uploads, and payments are completed through the **OGISP/ELPS portal**. Always refer to the NUPRC’s official PDF regulations and the portal for validated requirements.

3. High-Level Process Checklist

- **Corporate readiness:** Nigerian incorporation, clearance, and local content alignment.
- **Path clarity:** Is it a new OML? Conversion? Acquisition? Competitive bid?
- **Technical package:** FDP, seismic/well data, ESIA, financials, and guarantees.
- **Submission:** via NUPRC's online portal + fee remittance.
- **Agency review:** technical, environmental, fiscal, legal scrutiny.
- **Grant & execution:** instrument signing, rent/fee payment, issuance, registration.
- **Post-grant compliance:** reporting, renewals, decommissioning, royalties.

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4. Step-by-Step Procedure

Step 1 – Pre-application Preparation

- Establish or designate a Nigerian entity to hold the OML.
- Compile proof of finances, liabilities, local content plan, FPS, technical competence, and environmental readiness (ESIA/screening).

Step 2 – Determine Application Route

1. **Conversion** under Energy Transition PIA framework (OML → PML).
2. **Bid/Auction** participation.

3. **Acquisition** from current holders, requiring NUPRC approval.

4. **Direct Grant** (rare, often discretionary).

Step 3 – Portal Submission and Fee Payment

Submit a complete dossier via **OGISP/ELPS portal**, and pay the required fees using TSA/Remita codes. Ensure all uploads are valid PDF formats and signed where applicable.

Step 4 – NUPRC Review & RFI Stage

Expect back-and-forth RFIs, respond promptly (within 7–14 days). If ESIA or community issues exist, schedule stakeholder engagements efficiently.

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Step 5 – Grant Instrument Signing

Upon NUPRC approval-in-principal, execute the lease, pay initial rents, file bonds, register, and await gazetting.

Step 6 – Operations and Compliance

Adhere to ongoing regulatory obligations including FDP updates, reporting, local content quotas, and decommissioning plans.

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5. Document Checklist (Template)

Category	Documents / Evidence	Notes
Corporate	CAC docs, tax clearance, TIN	Ensure entity is properly registered
Technical	FDP, seismic/well data, reserves estimate	Signed by accredited professionals
Financial	Audited accounts, proof of funding, guarantees	Meets NUPRC bond requirements

Category	Documents / Evidence	Notes
Environmental	ESIA or screening certificate	NESREA/MoE standards compliance
Local Content	Nigerian content plan, subcontractor details	Meet NCC requirements
Community	Engagement minutes, stakeholder documentation	Preempt social risks
Legal	Title opinions, assignment agreements (if applicable)	Land rights and permissions validated
Application	OGISP forms, receipt, submission confirmation	Keep portal transaction records

(*Note: Update with exact form codes from the NUPRC/OGISP portal when available.*)

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6. Updated Costs & Fees (2025 Official NUPRC Figures)

This section now reflects the authentic, current **2026 NUPRC Upstream Petroleum Fees & Rents (Temporary) Regulations**, based on the schedule. These are the **exact amounts payable** for permit processing and application steps:

Fee Item	Official Rate / Amount	Notes
OGISP Processing – General Category	₦6,250	Standard permit
OGISP Processing – Major Category	₦31,250	Elevated service level
OGISP Processing – Specialised Category	₦312,500	Complex / high-risk operations
OGISP Account Reactivation	₦5,000 (General); ₦25,000 (Major); ₦250,000 (Specialised)	Re-activate portal access
License Extension (OPL/OML)	₦10,000,000	Extending work commitment period

Fee Item	Official Rate / Amount	Notes
Relinquished Area Retention (50%)	₦10,000,000	Retaining half relinquished area
Creation of Security Interest	₦5,250,000	Mortgage/security creation
Due Diligence Info Request	₦5,250,000	Common in acquisitions
Assignment Consent Processing	**2% of transaction value**	Payable on change-of-ownership
Change of Name (License/Lease)	₦1,350,000	Administrative amendment
Commercial Discovery Announcement	₦1,350,000	Formal declaration of discovery
Exploratory/Appraisal Drilling Approval	₦5,250,000	Permission to drill
Field Name Registration/Change	₦1,350,000	Naming updates
Geophysical/Geotechnical Vessel Permit	US$5,250	USD or equivalent naira amount
Annual Vessel Permit Renewal	US$5,250	Yearly renewal cost
Pre-Shipment Inspection (Vessels)	₦5,250,000	Inspection processing
FDP Approval (including under OML)	₦10,000,000	Approving on-field development plan
FDP Amendment/Revalidation	₦10,000,000	FDP updates or revisions
Appraisal Programme Approval	₦10,000,000	PIA-required appraisal plan approval
Development Well Drilling Approval	₦5,250,000	Permit for development well ops
Decommissioning & Abandonment Plan Approval	₦10,000,000	Pre-decommissioning strategy approval
Decommissioning Execution Programme Approval	₦5,000,000	Strategy execution authorization
Technical Approvals (Design, Safety, etc.)	₦1,350,000 (typical; some exceptions)	Per approval issuance

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Sources: NUPRC Upstream Petroleum Fees & Rents (Temporary) Regulations, 2025 (Schedule)

How Annual Rents & Premiums Work

While this fee table covers **processing and regulatory costs**, annual **lease rents** and grant **premiums** are calculated based on the lease area or production capacity, as tabled in the NUPRC regulation's First Schedule. These are payable on a **per hectare/km²** basis or as a one-off premium, and must be paid before grant or renewal. Review the NUPRC schedule's rent tables to determine your exact financial obligation.

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7. Typical Timeline & Efficiency Tips

Phase	Timeline Estimate
Prep Pack & readiness	4–12 weeks
Application & fee submission	Same-day (online)
Technical & legal review	3–9 months
Execution & registration	1–3 months
Total	**~4–12 months**

Tips to accelerate:

- Submit a polished, full dossier with accurate documentation.
- Respond within a week (7–14 days) to RFIs.
- Conduct early stakeholder and community engagement.
- Use advisors familiar with NUPRC and FDP requirements.
- Make fee payments precisely per the NUPRC's TSA code to avoid delays.

8. PIA-Era Conversion, Renewals & Pitfalls

Under **PIA 2021**, legacy licenses (OPLs/OMLs) must be converted to PPLs/PMLs through NUPRC's **Conversion & Renewal Regulations**. Be aware of conversion deadlines and fees. Renewal success depends on compliance with work programmes and environmental obligations. Avoid outdated processes, always use the PIA-based workflow.

9. Common Misconceptions

1. **OML = PML** — Not always. Under PIA, conversions are required.
2. **Money guarantees approval** — Technical, environmental, fiscal, and legal fitness are equally important.
3. **Foreigners can't obtain OMLs** — Possible with Nigerian JV or entity compliance.
4. **Fee payment ensures grant** — Payment opens the process, but approval depends on full compliance.

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10. FAQs — "People also ask" Style

Here are ready-to-use FAQ snippets to capture featured snippets ("people also ask"):

- **What is an Oil Mining Lease (OML) in Nigeria?**
  An OML is a license granting exclusive rights to produce petroleum. Post-PIA, legacy OMLs now fit into the PML framework.
- **Who grants OMLs in Nigeria?**
  OMLs are regulated and granted by the **Nigerian Upstream Petroleum Regulatory Commission (NUPRC)** via the OGISP portal.

- **How long does it take to obtain an OML?**
  From readiness to grant, it typically takes **4 to 12 months**, depending on application completeness and review cycles.

- **Can foreign companies hold an OML in Nigeria?**
  Yes, usually via Nigerian incorporated vehicles, subject to local content and regulatory compliance.

- **What fees must I pay when applying for an OML?**
  Expect portal processing fees (₦6,250–₦312,500 depending on category), FDP approval (₦10 million), drilling permits (₦5.25 million), and transfer consent (2% of transaction value), among others.

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11. Conclusion & Next Steps

1. Download NUPRC's **Upstream Fee & Rent Regulations (2025)** for rent and premium calculations.

2. Prepare a full technical, environmental, and corporate application package.

3. Incorporate or designate a Nigerian entity with regulatory clearances.

4. Register on the **OGISP/ELPS portal**, follow submission instructions precisely.

5. Engage experienced regulatory/legal/technical advisers for compliance and efficiency.

Category

1. Industry Insights