

How to Obtain a Petroleum Depot License: For Companies Operating Petroleum Storage in Nigeria (2026 Complete Guide)

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Description

Introduction

Nigeria’s petroleum storage sector sits at the heart of the country’s energy supply chain. Whether you are importing PMS, AGO, Jet A1, or managing bulk storage for distribution, you **cannot legally operate a petroleum depot without a valid license** issued by the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA).

Under the **Petroleum Industry Act (PIA) 2021** and the **Midstream and Downstream Petroleum Operations Regulations**, no company is permitted to **store, distribute, or sell petroleum products** without regulatory approval.

This guide explains step by step how to obtain a Petroleum Depot License in Nigeria, including:

- Legal framework
- Requirements
- Application steps
- Costs and fees
- Approval process
- Practical compliance tips
- FAQs (People Also Ask)
- Common misconceptions

1. What is a Petroleum Depot License?

A **Petroleum Depot License** is an official authorisation issued by NMDPRA that allows a company to:

- Construct and operate petroleum storage facilities
- Store refined petroleum products
- Load, discharge, and distribute products
- Provide throughput services for third parties

This license applies to:

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- Tank farms
- Coastal depots
- Inland storage terminals
- Bulk petroleum storage facilities

2. Regulatory Authority and Legal Framework

Governing Authority

The **Nigerian Midstream and Downstream Petroleum Regulatory Authority** regulates all depot licensing in Nigeria.

It was established under the **Petroleum Industry Act (2021)** and now oversees functions previously handled by DPR, PPPRA, and PEF.

Legal Instruments Governing Depot Licensing

Regulation	Role

Petroleum Industry Act (PIA) 2021	Primary law governing licensing
Midstream & Downstream Petroleum Operations Regulations 2022	Operational guidelines
NMDPRA Technical & Safety Standards	Engineering, HSE compliance
Environmental Laws (EIA Act)	Environmental compliance

Key Legal Rule:

> No person shall store, sell, or distribute petroleum products without a valid license.

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3. Types of Petroleum Storage Licenses

Depending on your operation, you may need:

License Type	Description
Depot (Storage) License	For bulk storage facilities
Terminal License	For export/import terminals
Wholesale Supply License	For distribution to bulk customers
Import Permit	Required for bringing products into Nigeria

In most cases, **depot operators combine multiple licenses** for full operations.

4. Requirements for Petroleum Depot License

Below is a **complete checklist based on NMDPRA portal requirements**.

A. Corporate Requirements

- Certificate of Incorporation (CAC)
- Memorandum & Articles of Association
- Tax Identification Number (TIN)
- Tax Clearance Certificate
- NSITF compliance evidence

B. Legal & Land Documentation

- Land title (C of O / Deed of Assignment)
- Lease or storage agreement (if not owner)
- Survey plan
- Location approval

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C. Technical Requirements

- Tank design and calibration details
- Engineering drawings (layout, piping, manifolds)
- Storage capacity breakdown
- Metering systems

D. Health, Safety & Environment (HSE)

- Environmental Impact Assessment (EIA)
- Emergency Response Plan (ERP)
- Spill containment plan
- Firefighting system design

NMDPRA will inspect:

- Tank integrity
- Fire safety systems
- Spill control infrastructure
- Pipeline connections

E. Operational Documentation

- Standard Operating Procedures (SOPs)
- Product quality control processes
- Laboratory setup (if applicable)
- Throughput agreements

F. Financial Requirements

- Bank reference letter
- Evidence of financial capacity
- Payment receipts (Remita/portal)

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5. Step-by-Step Process to Obtain Petroleum Depot License

Step 1: Register on NMDPRA Portal

- Visit the official NMDPRA licensing portal
- Create a company account
- Complete company profile

Step 2: Select License Category

Choose:

- “Depot License” or
- “Petroleum Storage Facility License”

Step 3: Fill Application Form

Provide:

- Company details
- Depot location
- Storage capacity
- Product types

Incomplete applications are automatically rejected.

Step 4: Upload Required Documents

Upload all documents listed above in correct format.

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Step 5: Pay Applicable Fees

Payments are made via:

- Remita
- Debit/credit card

Step 6: Technical Evaluation

NMDPRA reviews:

- Engineering design
- Compliance with standards
- Financial capacity

Step 7: Site Inspection

Inspectors verify:

- Tank calibration
- Fire systems

- Environmental compliance
- Metering systems

Step 8: Compliance Correction (If Required)

Any deficiencies must be corrected before approval.

Step 9: License Approval & Issuance

- License issued digitally via portal
- Physical copy available if needed

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Step 10: Post-License Obligations

- Submit operational reports
- Renew annually
- Maintain compliance

6. Cost of Petroleum Depot License in Nigeria

Note: Fees vary based on capacity, product type, and regulatory updates.

Typical Fee Structure

Fee Type	Estimated Cost (₦)
Application Fee	Varies (portal-based)
Processing Fee	Varies
Import Permit (if applicable)	₦75,000 per 30MT
Processing (Import)	~₦210,000

Fee Type	Estimated Cost (₦)
Vessel Notification	~₦220,000
Modification Fees	From ₦165,000

Key Insight

- Fees may be **volume-based or capacity-based**
- Large depots pay significantly higher regulatory charges
- Always confirm via NMDPRA portal

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7. Timeline for Approval

Stage	Duration
Application submission	1–2 weeks
Document review	2–4 weeks
Inspection	1–3 weeks
Approval	2–4 weeks

Total Estimated Time: 6–12 weeks (if no issues)

8. Common Reasons Applications Fail

- Incomplete documentation
- Poor HSE compliance
- Substandard tank design
- Invalid land title
- Failure to meet technical standards
- Upload errors on portal

9. Compliance & Operational Obligations

After obtaining the license, you must:

- Maintain safety systems
- Allow inspections
- Submit periodic returns
- Notify regulator of modifications

Failure to comply may result in:

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- License suspension
- Fines
- Facility shutdown

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10. Frequently Asked Questions (People Also Ask)

1. Who issues petroleum depot licenses in Nigeria?

The **Nigerian Midstream and Downstream Petroleum Regulatory Authority**.

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2. Can I operate a depot without a license?

No. It is illegal and punishable under Nigerian law.

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3. How long is the license valid?

Typically **1 year**, subject to renewal.

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4. Do I need an EIA for a depot?

Yes. Environmental approval is mandatory.

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5. Can foreigners own petroleum depots?

Yes, but must register a Nigerian company.

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6. Is inspection compulsory?

Yes. Physical inspection is a key approval stage.

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7. Can I use a third-party depot?

Yes, with a valid throughput agreement.

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8. What happens if I fail inspection?

You must fix issues before approval.

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11. Common Misconceptions About Petroleum Depot Licensing

“Once I build a tank farm, I can start operating”

False. You must obtain NMDPRA approval before operation.

“Depot license covers importation automatically”

False. Import permits are separate.

“Inspection is just a formality”

False. Many applications fail at this stage.

“All depots pay the same fees”

False. Fees vary by capacity and operations.

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12. Pro Tips for Fast Approval

- Hire certified engineers for design
- Ensure full HSE compliance before applying
- Double-check all uploads
- Engage professionals familiar with NMDPRA systems
- Avoid using agents with no track record

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13. Final Thoughts

Obtaining a **Petroleum Depot License in Nigeria** is a **highly regulated but achievable process** if approached correctly.

The key success factors are:

- Complete documentation
- Strong technical design
- Strict HSE compliance
- Accurate portal submission

With the right preparation, your company can successfully navigate the licensing process and operate legally within Nigeria’s petroleum storage sector.

Category

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1. Industry Insights

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