LEGAL FRAMEWORK FOR DECOMMISSIONING OIL AND GAS FACILITIES IN NIGERIA*

Abstract
In the Oil and Gas sector, once an oil or gas field reaches the end of its economically productive life, operators are required to remove or appropriately decommission offshore platforms and associated facilities, or fully abandon the field where necessary. Decommissioning of oil and gas structures becomes unavoidable once these facilities reach the end of their operational lifespan and further life-extension or replacement options are no longer technically feasible or economically justifiable[1]. In many cases, declining production levels and increasing operating costs make continued operation financially unsustainable.[2] The aim of the study is to explore the legal framework for decommissioning Oil and Gas Facilities in Nigeria. The findings revealed that some of the international frameworks for decommissioning are: the Geneva Convention, 1958, United Nations Convention on the Law of the Sea (UNCLOS), International Maritime Organisation Guidelines and Standards for the Removal of Offshore Installations and Structures, while the national laws are the Petroleum Industry Act, Midstream and Downstream Decommissioning and Abandonment Regulations, 2023, and Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations, 2026. Also, some of the challenges experienced in decommissioning are Financial/ Cost Implications, Non-Domestication of Regional and Global Treaties, Lack of Decommissioning Experience and Regulatory Lacuna. Some recommendations made in the work are strengthening regulatory capacity, improving decommissioning funding, and establishing and maintaining a comprehensive petroleum infrastructure database. Conclusively, Nigeria has developed a more comprehensive legal and regulatory framework for the decommissioning and abandonment of petroleum facilities through the PIA, relevant regulations, and applicable international standards. However, implementation remains the major challenge.

Keywords: Decommissioning, Pipelines, Oil, Gas, Nigeria.

1. Introduction

During petroleum exploration, companies holding oil exploration licences conduct seismic surveys and related activities to locate potential deposits.[3] When commercially viable quantities of petroleum are discovered, oil and gas production facilities are subsequently constructed at sites near the identified reserves.[4] These facilities typically include drilled oil wells, onshore pipelines, and offshore oil platforms, and throughout their economically productive lifespan, these structures are operated and maintained to support petroleum production. [5] Also, pipelines are an essential component of the oil and gas industry, serving as the primary means of transporting crude oil and natural gas, including from offshore production platforms.[6] They are generally preferred over alternative transportation methods, such as waterways, because they provide a more efficient, reliable, and continuous means of conveying hydrocarbons. [7]Smaller-diameter pipelines are typically used as gathering and feeder lines, whereas larger-diameter pipelines are designed for long-distance transmission and distribution.[8]

Throughout the exploration and production of hydrocarbons, a wide range of infrastructure is developed, specialised equipment is deployed, and multiple wellbores are drilled. Once an oil or gas field reaches the end of its economically productive life, operators are required to remove or appropriately decommission offshore platforms and associated facilities, or fully abandon the field where necessary.[9] The primary objectives are to ensure the site is safe, minimise any long-term environmental impacts, and facilitate the potential restoration or future use of the area for other activities.[10] However, once the installation is no longer commercially viable or reaches the end of its operational life, the operator is required to discontinue activities, dismantle and remove the infrastructure, and rehabilitate the site by restoring the environment, as far as practicable, to its pre-exploration condition.[11] The process of bringing oil and gas operations on an installation to a permanent end is known as decommissioning.[12] It involves ceasing production activities, dismantling

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[1] A. S., Bull, and M.S., Love, 'Worldwide oil and gas platform decommissioning: A review of practices and reefing options', *Ocean Coast. Manag*, (2019) (168), 274–306.
[2] *Ibid.*
[3] B.A Hamza, 'International Rules on decommissioning of Offshore Installations: Some Observations' *Marine Policy (*2003) (27), 339
[4] *Ibid.*
[5] P. O., Abraham, *Conceptualizing Decommissioning: Definition, Methods and Regulatory Laws of Decommissioning in Nigeria* (Federal University Oye-Ekiti, 2024)
[6] S., Shams, D.M.R., Prasad, M.A., Imteaz, M.M.H., Khan, A., Ahsan, M.R., Karim, 'An Assessment of Environmental Impact on Offshore Decommissioning of Oil and Gas Pipelines' *Environments*, (2023) (10).
[7] *Ibid.*
[8] *Ibid.*
[9] M. Ayeni, I. Iyalla, and R. Mahon, 'Environmental and Economic Considerations for the Decommissioning of Oil and Gas Infrastructure in Nigeria', (Conference: SPE Nigeria Annual International Conference and Exhibition, 2024).
[10] *Ibid.*
[11] I.F. Enemoa, O.J. Aloziea, C.O. Ukaoma and I.E. Nwafor, 'Proposing a legal framework for decommissioning of oil and gas installation in Nigeria', *Commonwealth Law Bulletin*, (2019) (0) (0).
[12] Y. Oke, *Nigerian Energy and Petroleum Industry Law* (2nd edn, Princeton & Associate Publishing Co. Ltd)

and removing oil and gas infrastructure, and restoring the site to an environmentally acceptable condition in accordance with applicable legal and regulatory requirements.[13]

Decommissioning becomes necessary once an offshore structure reaches the end of its operational lifespan and extending its service life or replacing its components is no longer technically feasible or economically worthwhile.[14] This situation typically arises when oil production declines to levels that cannot justify continued operations and maintenance costs exceed the revenue generated.[15] Offshore oil and gas installations, together with their associated infrastructure, generally have an operational lifespan ranging from 15 to 50 years.[16] As these facilities age, many eventually become uneconomic to operate and must therefore be decommissioned. It is estimated that nearly 3,000 petroleum facilities worldwide will require decommissioning within the next 17 years.[17] Section 318 of the Petroleum Industry Act (PIA) defines decommissioning and abandonment as:[18]

> The authorised process for permanently ceasing operations at crude oil and natural gas wells, installations, plants, and related structures. The process encompasses the shutdown of production activities, the complete or partial removal of petroleum facilities where necessary, the handling and disposal of chemicals, waste materials, and debris, as well as the restoration of the affected environment following the removal of such installations and infrastructure. However, consistent with the approach adopted in many jurisdictions, the Act does not provide a clear conceptual distinction between the terms 'decommissioning' and 'abandonment,' instead treating them as components of a single integrated process.

In Nigeria, the growing environmental concerns and the increasing emphasis on sustainable resource management have prompted many countries and international organisations to establish comprehensive regulatory frameworks governing the decommissioning or abandonment of oil and gas facilities.[19] These frameworks are intended to reduce environmental risks, safeguard marine ecosystems and human health, and prevent public nuisance.[20] However, decommissioning has evolved beyond a purely technical or engineering exercise into a highly regulated process that requires compliance with legal, environmental, and safety obligations.[21]

2. Decommissioning of Oil Facilities

The increasing global demand for oil and natural gas has heightened the need for effective proactive and corrective environmental management measures to promote sustainable development.[22] In recent years, environmental governance relating to oil and gas exploration and production in the Niger Delta has attracted significant academic and policy attention due to the region's persistent environmental challenges.[23] Historically, extensive environmental degradation has occurred across many tropical regions, particularly in Africa, as well as in other emerging economies and some developed countries.[24] These environmental impacts have raised serious concerns about ecological sustainability and human well-being, underscoring the urgent need for comprehensive environmental protection, restoration, and remediation initiatives to safeguard both present and future generations.[25] Decommissioning of oil and gas structures becomes unavoidable once these facilities reach the end of their operational lifespan and further life-extension or replacement options are no longer technically feasible or economically justifiable[26]. In many cases, declining production levels and increasing operating costs make continued operation financially unsustainable.[27]

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[13] *Ibid.*
[14] D. Burdon, S. Barnard, S.J. Boyes, and M. Elliott, 'Oil and gas infrastructure decommissioning in marine protected areas: System complexity, analysis and challenges', *Mar. Pollut. Bull*, (2018) (135), 739–758.
[15] J.D. Chandler, S. T., White, S. Gourvenec, and S. Draper, 'Engineering and legal considerations for decommissioning of offshore oil and gas infrastructure in Australia', *Ocean Eng. (*2017) (131) 338–347
[16] M. Fam, D. Konovessis, L. Ong, and H. Tan, 'A review of offshore decommissioning regulations in five countries—Strengths and weaknesses. Ocean Eng. 2018, 160, 244–263.
[17] *Ibid.*
[18] Petroleum Industry Act, 2021. s. 318.
[19] P.R. Baker, 'Decommissioning Coal in an Extraction Culture: Aftermath and Lessons Learnt' *Journal of World, Energy Law and Business* (2018) (4), 237.
[20] *Ibid.*
[21] S Dunmade, I Adeyemo and J Ukafor, 'Decommissioning and Abandonment: Nigeria's Experience in Global Context' *Social Science Research Network Electronic Journal* (2023) (8).
[22] E.A. Ebisi, Y. Guo, and Z.A. Soomro 'Environmental Conservation and Corporate Social Responsibility (CSR): Insights from Nigerian Oil and Gas Industry Using Stakeholder and Environmental Justice Theories', *Adm. Sci.,* (2025) (15) (7),
[23] *Ibid.*
[24] S. A., Hudu, A.O., Jimoh, S., Amin-Nordin, and H.S., Sharifah 'Environmental degradation as a recipe for emerging viral diseases: implications for global health', *One Health Outlook,* (2026) (8) (18).
[25] *Ibid.*
[26] A.S., Bull, and M.S., Love, 'Worldwide oil and gas platform decommissioning: A review of practices and reefing options', *Ocean Coast. Manag*, (2019) (168), 274–306.
[27] *Ibid.*

The anticipated increase in the number of abandoned or orphaned oil and gas wells is largely attributed to the challenges associated with identifying and documenting older wells, a process that is often characterised by incomplete records, uncertainty, and a lack of transparency.[28] As new wells mature, they may eventually encounter similar circumstances, further contributing to the growing inventory of wells requiring decommissioning.[29] This trend is expected to significantly increase decommissioning expenditures while raising concerns about operators' ability and willingness to meet their legal and financial decommissioning responsibilities[30]. In addition to the absence of reliable global data on the number of abandoned petroleum wells, another major obstacle to effective decommissioning is the lack of a universally recognised legal definition of the term 'decommissioning.'[31] Notably, the concept is not expressly defined in many of the principal international and regional legal instruments governing the retirement and removal of oil and gas infrastructure.[32] Offshore oil and gas installations, together with their associated infrastructure, are generally designed to operate for approximately 15 to 50 years.[33] As these assets age, many eventually become incapable of supporting profitable production, making decommissioning the most appropriate course of action.[34] It has been estimated that nearly 3,000 petroleum facilities worldwide will require decommissioning over the next 17 years.[35]

In the United States Gulf of Mexico alone, approximately 100 offshore platforms have been retired from service each year since 1985.[36] Beyond well abandonment, the Oil and Gas industry also faces the challenge of disposing of obsolete and unused equipment, with decommissioning costs projected to exceed the expenses associated with constructing and developing a new well.[37] These substantial costs are driven by the need for advanced technologies, specialised equipment, and highly skilled personnel, including commercial divers and remotely operated underwater vehicles (ROVs), as well as activities such as removing steel structures, cleaning pipelines, and conducting seabed assessments.[38] The decision to decommission offshore oil and gas facilities is both complex and significant because it requires careful consideration of several interrelated factors, including economic costs, environmental impacts, occupational health and safety, and Regulatory Requirements.[39] The process becomes even more challenging when offshore installations are located within or near marine protected areas, where environmental conservation measures must be carefully balanced against decommissioning operations.[40] Offshore pipelines are typically installed either directly on the seabed or buried within trenches that may be backfilled or left exposed, depending on engineering and environmental considerations.[41]

Decommissioning strategies differ according to the characteristics of each facility and site.[42] Regardless of the approach adopted, dismantling activities inevitably generate waste materials that must be managed in an environmentally responsible manner.[43] Offshore and onshore petroleum infrastructure, including production platforms, drilling rigs, steel jackets, wells, and pipeline networks, requires comprehensive planning that incorporates engineering, environmental, economic, and health and safety considerations throughout the decommissioning process.[44] Best practice recommends that these activities should minimise disturbance to marine ecosystems and prevent the release of pollutants into the surrounding environment.[45] Also, Oil and gas pipelines often extend over long distances through both populated and

[28] D., Raimi, A., Krupnick, J., Shih, and A., Thompson 'Decommissioning Orphaned and Abandoned Oil and Gas Wells: New Estimates and Cost Drivers', *Environmental Science and Technology,* (2021) (40) (30).
[29] *Ibid.*
[30] E. M. Akpambang, O. O. Omoniyi, and M.I. Akpambang, 'Assessing the Impact of International and Regional Legal Frameworks on Petroleum Assets Decommissioning Legislation in Nigeria', *The Journal of Sustainable Development, Law and Policy,* (2025) (17) (1), 206-245.
[31] *Ibid*
[32] *Ibid.*
[33] S. Shams, M.R. Prasad, M.A. Imteaz, M.H. Khan, A. Ahsan, and M.R. Kaim, 'An Assessment of Environmental Impact on Offshore Decommissioning of Oil and Gas Pipelines' Environments, (2023) (10) (6)
[34] *Ibid.*
[35] *Ibid.*
[36] M.J. Kaiser 'Decommissioning forecast in the deepwater Gulf of Mexico, 2013–2033', *Marine Structures*, (2015) (41).
[37] I. Khalidov, K. Milovidov, and A. Soltakhanov, 'Decommissioning of oil and gas assets: industrial and environmental security management, international experience and Russian practice', *Heliyon,* (2021). (7) (7)
[38] *Ibid.*
[39] M.A. Ayoade, 'Environmental Risk and Decommissioning of Offshore Oil Platforms in Nigeria', *NIALS Journal of Environmental Law.* (2011) (1).
[40] P. Ekins, R. Vanner, and J. Firebrace 'Decommissioning of offshore oil and gas facilities: A comparative assessment of different scenarios', *Journal of Environmental Management*, (2006) (79) (04).
[41] J Paterson, 'Decommissioning of Offshore Oil and Gas installations' in G Gordon, J Paterson, Usenmez (eds) *Oil and Gas Law: Current Practice and Emerging Trends* (2nd edition, Dundee University Press 2011) 285.
[42] *Ibid.*
[43] *Ibid.*
[44] B.A Hamzah, 'International Rules on Decommissioning of Offshore Installations: Some Observations' *Marine Policy*, [2003] (27), 339
[45] M.O. Igiehon, 'The Abandonment Controversy: From the International Law to the Brent Spar Incident- 'Economy' Overshadowing Environmental Protection?' *OGLTR* (1996) (7).

industrial regions; their decommissioning demands thorough planning and risk assessment.[46] Any shortcomings in the process could pose serious threats to nearby communities and sensitive ecosystems.[47]

Consequently, conducting a comprehensive Environmental Impact Assessment (EIA) is essential for identifying, evaluating, and mitigating the potential environmental and ecological effects associated with decommissioning activities.[48] Also, leaving pipelines in situ represents the most practical and cost-effective option when compared with complete or partial removal, provided that environmental and safety requirements are adequately addressed.[49] In *Shell Petroleum Development Company of Nigeria Ltd v. Isaiah & Ors,*[50] during pipeline repair operations, crude oil spilt onto the respondents' farmland, streams and fishponds. The affected community sued Shell for compensation. The Supreme Court held that disputes arising from petroleum operations, including pipeline activities, are matters connected with mining operations. The Court recognised the responsibility of oil companies for damage resulting from their operations and discussed the jurisdictional framework applicable to such disputes. The case establishes that operators remain legally accountable for environmental damage caused by petroleum infrastructure. In *SPDC v Farah,*[51] The Supreme Court reaffirmed that petroleum operators owe legal duties in relation to their operations and may be liable where negligence causes environmental damage. Although not a decommissioning case, it reinforces the continuing environmental obligations that remain relevant after production ceases.

3. Legal Framework for Decommissioning of Onshore Oil and Gas Facilities in Nigeria

International Framework for Decommissioning

United Nations Convention on the Continental Shelf, 1958 (the Geneva Convention 1958): The continental shelf (CS) has long been recognised as an important maritime area for the exploration and exploitation of petroleum and other natural resources.[52] The adoption of the Convention represented one of the earliest recognised efforts by the international community to establish a legal framework governing offshore petroleum installations and their decommissioning.[53] Although subsequently modified, the Convention was largely derived from the draft provisions on the continental shelf developed by the International Law Commission (ILC) as part of its work on the law of the sea. [54]The ILC's interest in examining the legal status of the continental shelf was significantly influenced by the 1945 declaration of Harry Truman, in which the United States of America (USA) asserted that the natural resources located in the seabed and subsoil of the continental shelf beneath the high seas (HS), despite being adjacent to its coastline, belonged to the USA and were therefore subject to its jurisdiction and control.[55] Although the ILC draft instrument did not include any provision addressing the removal of 'abandoned' or 'disused' installations on the continental shelf, the 1958 Continental Shelf Convention nevertheless introduced a requirement for such installations to be completely removed.[56] This approach may be attributed to the fact that, at the time the Convention was drafted and adopted, the potential circumstances or advantages that could justify the partial removal of offshore installations had not been sufficiently considered.[57]

The Convention on the Continental Shelf (CCS) was adopted in Geneva, Switzerland, on 29 April 1958 and entered into force on 10 June 1964. [58] The Convention establishes provisions concerning the delimitation of the continental shelf and the rights of States to explore and exploit its natural resources.[59] It also addresses the abandonment of installations used

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[46] B. Anifowose, D.M. Lawler, D. van der Horst, and L. Chapman 'A systematic quality assessment of Environmental Impact Statements in the oil and gas industry', *Science of The Total Environment,* (2016) (572).
[47] *Ibid.*
[48] N. Ole and H.P. Faga, 'Assessing the Impact of the Brent Spar Incident on the Decommissioning Regime in the North East Atlantic' (2017) 3(2) Hasanuddin Law Review 141`, 143 <https://doi.org/10.20956/halrev.v3i2.1075>.
[49] *Ibid.*
[50] (2001) All NLR 559; SC.75/1997.
[51] (1995) 3 NWLR (Pt. 382) 148.
[52] M. Lockman, M.D., Brauch, E.F.F., Rodríguez, and J.L.G., Torres, *Decommissioning Liability at the End of Offshore Oil and Gas: A Review of International Obligations, National Laws, and Contractual Approaches in Ten Jurisdictions. (Sabin Center for Climate Change Law & Columbia Center on Sustainable Investment, 2023).*
[53] J Woodliffe, 'Decommissioning of Offshore Oil and Gas Installations in European Waters: The End of a Decade of Indecision?' *The International Journal of Marine and Coastal Law,* (1999) (14) (1) 101, 102,
[54] R Beckman, 'Global Legal Regime on the Decommissioning of Offshore Installations and Structure' in MH Nordquist and others (eds), *The Regulation of Continental Shelf Development: Rethinking International Standards* (Martinus Nijhoff Publishers 2013) 259,
[55] HS Truman, 'Proclamation 2667- Policy of the United States with Respect to the Natural Resources of the Subsoil and Sea Bed of the Continental Shelf,'<https://www.presidency-uscb.edu/documents/proclamation-2667-policy-the-united-states-with-respect-the-national-resources-the-subsoil>, accessed 07 August, 2026.
[56] Geneva Convention 1958, Article 5(5).
[57] Z. Gao, 'Current Issues of International Law on Offshore Abandonment, with Special Reference to the United Kingdom' *Ocean Development and International Law*, (1997) 28(1) 59, 60
[58] N.C. Ole, and I.G. Okpara, 'Decommissioning and the Petroleum Industry Act 2021', *AELN Journal of Environment & Natural Resources Law,* (2023) (11) (1).
[59] *Ibid.*

for resource exploitation.[60] In particular, Article 5(5) requires States to provide adequate notice of the construction of such installations and to maintain permanent warning mechanisms indicating their presence.[61] It further stipulates that installations which are abandoned or disused must be completely removed.[62] It is important to mention that Article 5(5) adopts a stricter removal regime than UNCLOS Article 60(3). While the Geneva Convention requires entire removal, UNCLOS permits removal to be considered in light of generally accepted international standards and therefore accommodates circumstances where complete removal may not be required These provisions establish a clear obligation for the total removal of abandoned or disused installations.[63] The requirement for complete removal has been attributed to the Convention's primary concern with preventing unjustifiable interference with navigation and other legitimate uses of the sea. Consequently, the possibility of permitting partial removal was not expressly contemplated under the CCS.[64] The CCS currently has approximately 57 States Parties, including Nigeria, which ratified the Convention on 28 April 1971.[65]

The CCS provides a clear and comparatively strict framework for decommissioning, particularly through its requirement for the complete removal of abandoned or disused installations. However, its framework is less flexible than UNCLOS, as it does not expressly accommodate partial removal or leaving installations in situ. This rigidity may create practical difficulties where complete removal is technically, environmentally, or economically undesirable. Thus, while the CCS establishes an important foundation for decommissioning obligations, its limited consideration of modern environmental and technological concerns demonstrates the need for supplementary international standards and domestic regulation.

United Nations Convention on the Law of the Sea (UNCLOS) 1982: The Convention recognises the right of coastal States to construct and operate artificial islands, installations, and structures, together with other related rights and obligations provided for under the Convention. [66]However, in relation to the continental shelf (CS), the exercise of these rights must not unlawfully interfere with the safety of navigation or prejudice the rights and freedoms of other States as stipulated by the Convention.[67] Appropriate notification of the construction of such structures is therefore required to serve as a warning of their presence and to alert other users of the maritime environment. Where these installations are abandoned or disused, they must be completely removed to minimise the risk of navigational accidents. Such removal must also be undertaken in accordance with generally accepted international standards established by the relevant international regulatory bodies. [68] It is therefore essential that, in managing the removal of obsolete or abandoned petroleum facilities, States ensure that decommissioning activities are carried out in accordance with the standards and guidelines established by the IMO.[69] Notably, unlike the 1958 Geneva Convention, which adopted an absolute removal regime, UNCLOS allows for the partial removal of offshore facilities or, in certain circumstances, their retention in situ.[70] Nevertheless, Article 60 (3) of UNCLOS does not expressly address the final disposal of offshore installations or their dismantled components at sea, despite the possibility that dumping may be considered a preferred option in some decommissioning programmes.[71] However, for clarity, Article 60(3) of UNCLOS provides that:

> Requires abandoned or disused installations and structures to be removed to ensure the safety of navigation. Their removal must take into account generally accepted international standards established by the competent international organisation, and due regard must be given to fishing, environmental protection and other legitimate uses of the sea

The above issue was illustrated by the Brent Spar incident in 1995, when Shell argued that deep-sea disposal of the facility would be more environmentally preferable than dismantling it onshore, which the company regarded as a more complicated alternative to disposal at sea.[72] However, strong public opposition and widespread condemnation ultimately compelled the oil company and its partners to abandon the proposed disposal plan. [73] It is evident from the provisions of

[60] I. Chime, A.L. Nwogu-Ikojo, and C.M. Ike 'Legal Framework for the Regulation of Abandonment and Decommissioning in Nigeria', *Nnamdi Azikiwe University Awka, Journal of Commercial and Property Law,* (2024) (11) (2)
[61] The Geneva Convention on the Continental Shelf, 1958. Art 5 (5).
[62] *Ibid.*
[63] I.P. Enemoa, O.J. Alozie, C.O. Ukaoma, and I.E. Nwafor 'Proposing a legal framework for decommissioning of oil and gas installation in Nigeria', *Commonwealth Law Bulletin*, (2019) (0) (0).
[64] W.W. Soalabowest 'The Decommissioning of Offshore Oil and Gas Installations and Structures in Nigeria and South Africa in the Context of International Best Practices' (Institute of Marine and Environmental Law, University of Cape Town, 2005).
[65] *Ibid.*
[66] United Nations Convention on the Law of the Sea (UNCLOS), 1982. Art. 56 (1).
[67] *Ibid.* Art 78(2).
[68] *Ibid.* Art 60(3).
[69] R Beckman, (n.52).
[70] S. Trevisanut, 'Decommissioning of Offshore Installations: A Fragmented and Ineffective International Regulatory Framework' in Catherine Banet (ed) *The Law of the Seabed: Access, Uses, and Protection of Seabed Resources* (Brill/Nijhoff 2020) 431, 435-436
[71] P.V., McDade, 'The Removal of Offshore Installations and Conflicting Treaty Obligations as a Result of the Emergence of the New Law of the Sea: A Case Study' *San Diego Law Review,* (1987) (24), 645, 651.
[72] T. Hunter, 'Shell Decommissioning of the Brent Platform-Haven't We Been Here Before?' <https://www.abdn.ac.uk/law/blog/shell-decommissioining-of-the-brent-platform--havent-we-been-here-before/>, 07 August, 2026.
[73] *Ibid.*

UNCLOS that, in respect of States such as Nigeria that are parties to both the 1958 Geneva Convention and UNCLOS, the provisions of UNCLOS take precedence.[74] However, States that are not parties to UNCLOS but remain parties to the 1958 Geneva Convention are required to adhere to the complete removal regime established under the 1958 Geneva Convention.[75] More broadly, UNCLOS is widely regarded as reflecting customary international law, meaning that its principles may also influence States that are not parties to the Convention but are bound by regional or bilateral agreements incorporating decommissioning standards derived from UNCLOS.[76]

The discussion demonstrates that UNCLOS provides a fundamental international legal framework for offshore decommissioning**,** particularly by balancing coastal States' rights to offshore installations with navigational safety, environmental protection, and the interests of other maritime users. However, its principal weakness is the lack of a precise and comprehensive decommissioning regime**.** Article 60(3) establishes a general removal obligation but permits flexibility based on international standards and relevant circumstances, thereby leaving considerable discretion to States and creating potential uncertainty regarding partial removal, in-situ abandonment, and final disposal**.** Consequently, while UNCLOS establishes important overarching principles, its broad and somewhat fragmented provisions necessitate supplementation through IMO guidelines and domestic legislation to ensure consistent and effective decommissioning practices.

International Maritime Organisation (IMO) Guidelines and Standards for the Removal of Offshore Installations and Structures on the CS and in the Exclusive Economic Zone (EEZ) 1989: The IMO is recognised under UNCLOS as the competent international body responsible for regulating activities in the world's oceans.[77] In furtherance of this mandate, it has established minimum guidelines governing the decommissioning of offshore installations located on the continental shelf (CS) and in the exclusive economic zone (EEZ).[78] These guidelines recognise certain exceptions to the general obligation to remove offshore structures; however, such exceptions are considered on a case-by-case basis. In determining whether an exception is appropriate, several factors may be assessed, including navigational safety, technical feasibility, environmental considerations, the prevailing natural conditions, financial implications, potential alternative uses, and the possible future risks associated with retaining the structure, among other relevant considerations. [59] Complete removal is required for abandoned or disused installations and structures located in water depths of less than 75 metres and weighing up to 4,000 tonnes, as well as installations fixed after 1 January 1998 that are situated at depths below 100 metres and weigh up to 4,000 tonnes.[79] However, the Guidelines recognise exceptions where total removal is technically impracticable or would entail disproportionate costs or unacceptable risks to personnel or the marine environment. In such circumstances, the coastal State may permit an alternative to complete removal.[80]

Some scholars have criticised the above provision as being ambiguous and susceptible to subjective interpretation, thereby creating the possibility that coastal States or operators seeking to reduce decommissioning costs may rely on the exception to avoid complete removal, potentially at the expense of marine environmental protection.[81] Although the Guidelines are generally regarded as a soft-law instrument, they have nevertheless exerted considerable influence on decommissioning practices by informing and being incorporated into various regional and national legal frameworks governing offshore petroleum decommissioning.[82] Despite these contributions, the IMO standards have been criticised for providing insufficient guidance on the practical procedures for achieving complete removal of offshore installations, with greater emphasis placed on circumstances permitting partial removal or non-removal.[83]

4. National Laws on Decommissioning in Nigeria

Petroleum Industry Act 2021: A significant introduction in the Petroleum Industry Act is the introduction of decommissioning and abandonment provisions into the Nigerian oil and gas regime.[84] Before the PIA, there was no regulatory regime specifically governing decommissioning and abandonment in Nigeria. For proper implementation of

[74] T., Treves,'15 UNCLOS and Non-Party States before the International Court of Justice' in C Esposito and others (eds) *Ocean Law and Policy: 20 Years under UNCLOS* (Brill/Nijhoff Publishers 2017) 367.
[75] E.M. Akpambang, O. O. Omoniyi, and M.I. Akpambang (n.28).
[76] T Treves (n. 64). UNCLOS does not stop parties from entering into agreements that are consistent with the provisions of the convention- see UNCLOS 311(2).
[77] G.C. Kasoulides, 'Removal of Offshore Platforms and the Development of International Standards' *Marine Policy,* (1989) (13) (3) 249.
[78] IMO Guidelines 1989, para. 2.1(1)-(6); T., Balogun, M., Davar and R., Chicco, 'Decommissioning Disputes- The Sustainability Gap' *The Journal of Sustainable Development Law and Policy,* (2023) (14)(1), 56- 64.
[79] IMO Guidelines 1989, paras. 3.1 and 3.2.
[80] *Ibid,* paras. 3.5; paras. 3.4 and 3.11
[81] N. Ole and H.P. Faga, 'Assessing the Impact of the Brent Spar Incident on the Decommissioning Regime in the North East Atlantic' *Hasanuddin Law Review,* (2017) (3) (2) 141-143.
[82] F Maes and A Cliquet, 'Marine Spatial Planning: Global and Regional Conventions and Organisations' in D Hassan, T Kuokkanen, and N Soininen (eds) *Transboundary Marine Spatial Planning and International Law* (Routledge 2015) 86;
[83] G.C. Kasoulides, (n.67).
[84] Dunmade, Adeyemo and Ukafor, (n.8).

the provisions and to establish clear-cut procedures, the Nigerian Upstream Petroleum Regulatory Commission (the 'NUPRC') and the Nigerian Midstream and Downstream Petroleum Regulatory Agency (the 'NMDPRA') (the **'**Regulatory Bodies') have enacted the Decommissioning and Abandonment Regulations for the upstream and downstream sectors, respectively. [85]

Decommissioning, Abandonment and International Best Practices: Section 234 (1) of the Petroleum Industry Act, 2021, provides that the decommissioning and abandonment of petroleum wells, installations, structures, pipelines, plants, utilities, and other facilities used in both onshore and offshore petroleum operations must be carried out in accordance:[86]

> Recognized international best practices in the petroleum industry. In addition, such activities are required to comply with the guidelines issued by the relevant regulatory body—the Commission or the Authority, as applicable. These guidelines must also conform to the standards established by the International Maritime Organization (IMO) for offshore petroleum installations and structures.

The Petroleum Industry Act requires oil and gas companies intending to undertake decommissioning and abandonment activities to obtain prior written approval from the relevant regulatory body, namely the Commission or the Authority, before commencing such operations.[87] This requirement is intended to ensure that the decommissioning and abandonment process is conducted in a structured and accountable manner, with due consideration given to all relevant strategic, financial, environmental, and social factors before the activities are carried out.[88]

While the above provision establishes a comprehensive legal framework for regulating decommissioning activities, they also present certain challenges. First, the Act does not define the precise scope of 'Good International Petroleum Industry Practice,' leaving considerable discretion to regulators and operators in determining the applicable standards. This ambiguity may result in inconsistent implementation and regulatory uncertainty. Secondly, although compliance with IMO standards promotes adherence to internationally recognised safety and environmental benchmarks, the legislation provides limited guidance on how these international standards should be adapted to Nigeria's unique environmental, geological, and socio-economic conditions, particularly in the Niger Delta. Moreover, the requirement for prior written approval reinforces regulatory oversight but may also introduce bureaucratic delays if approval processes lack transparency or are not supported by clear timelines. Consequently, the effectiveness of these provisions depends not only on their statutory formulation but also on the capacity, independence, and enforcement effectiveness of the relevant regulatory authorities.

Decommissioning and Abandonment Plan: The Petroleum Industry Act (PIA) requires any company intending to undertake decommissioning and abandonment activities to submit a comprehensive decommissioning and abandonment plan to the Commission or the Authority for approval.[89] The plan must include an estimate of the projected costs of the proposed activities (financial component), detailed information on the decommissioning and abandonment measures together with the methods to be adopted in executing the work programme (strategic component), and provisions for the maintenance and safeguarding of installations or structures that are only partially removed.[90] In addition, the plan must contain an assessment of the anticipated environmental and social impacts of the proposed decommissioning and abandonment activities (social component).[91] However, while the PIA establishes a comprehensive framework by requiring financial, technical, environmental, and social considerations to be incorporated into decommissioning and abandonment programmes, the Act provides limited guidance on the standards for assessing the adequacy of these plans or the criteria governing regulatory approval. This may result in inconsistent implementation and uncertainty in regulatory decision-making.

Decommissioning and Abandonment Funds: The Petroleum Industry Act (PIA) requires every holder of a petroleum licence or lease to establish and maintain a Decommissioning and Abandonment Fund,[92] which must be held in an escrow account with a Tier 1 commercial bank licensed by the Central Bank of Nigeria and independent of the licensee or lessee.[93] The Fund is intended solely to finance decommissioning and abandonment activities in accordance with the approved decommissioning and abandonment programme.[94]Also, where a licensee or lessee fails to fulfil its decommissioning obligations, the Commission or the Authority is empowered to access the Fund and, where necessary, utilise the monies to engage a third party to carry out the required decommissioning and abandonment works.[95] The PIA

[85] *Ibid.*
[86] Petroleum Industry Act, 2021. S 241 (1) (a) and (b).
[87] *Ibid.* s 232(4)
[88] Dunmade, Adeyemo and Ukafor, (n.8).
[89] *Ibid.* s 232 (6) (a) –(e).
[90] *Ibid.*
[91] *Ibid*.
[92] *Ibid.* s 233(1).
[93] NMDPRA Decommissioning and Abandonment Regulations, 2023. Regulation 24(7).
[94] Petroleum Industry Act, 2021, s233(2)
[95] *Ibid.* s 233(3)

authorises the Commission or the Authority to access the Decommissioning and Abandonment Fund to engage a third party to carry out decommissioning activities where a licensee or lessee fails to discharge its decommissioning and abandonment obligations.[96] The amount to be contributed to the Fund is determined based on the decommissioning and abandonment programme approved by the relevant regulator.[97] The above shows that the PIA strengthens financial security for decommissioning by establishing a dedicated fund and empowering regulators to intervene where operators default; it provides limited guidance on the governance, adequacy, and oversight of the Fund. This may create uncertainties regarding whether sufficient financial resources will be available to meet actual decommissioning costs.

Additional Obligations of Operators in Relation to Decommissioning and Abandonment: In the Petroleum Industry Act (PIA), operators are required to notify the Commission or the Authority of the establishment of their Decommissioning and Abandonment Fund within three months of the commencement of production in the case of upstream operations, or within three months of the commissioning of facilities for midstream operations.[98] Where an Operator is a party to a farm-out agreement with one or more third parties, the agreement must provide for a decommissioning and abandonment plan. The applicable third parties may provide funding for the Fund entirely or partially.[99] Contributions made to the Decommissioning and Abandonment Fund are tax-deductible for income tax purposes and qualify as recoverable costs under the Petroleum Industry Act.[100] Furthermore, where the Decommissioning and Abandonment Fund has been utilised to meet decommissioning costs and a surplus remains, the excess amount is treated as income for production sharing or tax purposes. After the deduction of the applicable profit oil and taxes, the remaining balance is returned to the operator.[101] The foregoing provisions of the PIA encourage early financial planning, facilitate third-party participation, and provide tax incentives to support compliance with decommissioning obligations; the PIA offers limited guidance on the monitoring of fund contributions, the management of farm-out arrangements, and the adequacy of financial provisions. These gaps may affect the effective implementation and long-term sustainability of the decommissioning framework.

Environmental Impact Assessment Act 1992: The **Environmental Impact Assessment Act 1992** underscores the necessity of evaluating the potential environmental effects of development projects before their commencement and throughout their implementation. [102]This requirement extends to decommissioning and abandonment activities, ensuring that the environmental consequences of dismantling petroleum facilities are properly identified, assessed, and managed to minimise adverse impacts.[103] However, the Act does not establish a comprehensive legal framework or specific provisions for regulating decommissioning and abandonment activities. Nevertheless, it makes only limited reference to such activities, treating them as part of the broader category of development projects, without prescribing detailed procedures or standards specifically applicable to the decommissioning and abandonment process.[104]

Although the Act recognises that decommissioning and abandonment activities may have environmental implications, its principal emphasis is on the assessment of environmental impacts before the commencement of projects.[105] Consequently, it provides limited direction on the environmental management of decommissioning activities, which primarily arise at the end of a project's operational life. [106]As a result, the Act does not contain detailed provisions or regulatory guidelines specifically designed to govern the decommissioning and abandonment process, leaving this aspect of environmental regulation largely to other legislative and regulatory instruments.[107]

The Environmental Impact Assessment Act 1992 establishes an important framework for assessing the environmental impacts of development projects; its application to decommissioning and abandonment is indirect and insufficiently developed. The Act lacks specific provisions governing end-of-life petroleum infrastructure, post-decommissioning monitoring, and site restoration, thereby creating regulatory gaps that must be addressed through the Petroleum Industry Act and subsidiary regulations. This fragmentation may weaken the effectiveness of environmental oversight during the decommissioning process.

Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations 2026: The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) introduced the Nigerian Upstream Petroleum Decommissioning and

[96] *Ibid.*
[97] *Ibid.* s 233(4) (a-b).
[98] *Ibid.* s. 232 (9).
[99] *Ibid.* s 233 (12).
[100] *Ibid.* s 232 (9).
[101] *Ibid.* s 233 (12).
[102] U. Y Abubakar, M. J. Abdullahi, and U. U. Alhaji 'Analysis of the Essential Features of Nigeria's Environmental Impact Assessment Act 1992', *BIMA Journal of Science and Technology Gombe,* (2026) 9(4B):130-137
[103] Environmental Impact Assessment Act, s 63 (1).
[104]*Ibid.* s 1 (1).
[105] I. Chime, A.L. Nwogu-Ikojo, and C.M. Ike 'Legal Framework for the Regulation of Abandonment and Decommissioning in Nigeria', (2024) (11) (12).
[106] *Ibid.*
[107] *Ibid.*

Abandonment Regulations, 2026**,** which came into force on 9 March 2026, replacing the earlier 2023 Regulations.[108] The 2026 Regulations were enacted to strengthen and refine Nigeria's legal and regulatory framework governing the decommissioning and abandonment of upstream petroleum facilities, while ensuring greater alignment with the provisions of the Petroleum Industry Act (PIA) 2021 and international best practices.[109] The Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations, 2023 established the initial regulatory framework governing decommissioning and abandonment (D&A) obligations in Nigeria's upstream petroleum industry pursuant to the Petroleum Industry Act (PIA) 2021.[110] Building on this foundation, the 2026 Regulations preserve the core structure of the earlier regime while introducing specific amendments designed to address practical implementation challenges, funding deficiencies, and compliance issues throughout the lifecycle of petroleum projects.[111] These revisions reflect the regulatory experience gained from implementing the 2023 Regulations and seek to enhance the clarity, adaptability, and enforceability of Nigeria's decommissioning and abandonment framework.[112]

Submission of Abandonment and Decommissioning Plan: The Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations, 2026 require all licensees and lessees conducting upstream petroleum operations to submit a Decommissioning and Abandonment (D&A) Plan upon the commencement of the Regulations.[113] Furthermore, operators that already have a D&A Plan incorporated into their Field Development Plan (FDP) are required to review and submit an updated plan to ensure conformity with the revised regulatory requirements.[114] Under the Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations, 2026, licensees and lessees are required to integrate decommissioning and abandonment planning into the early stages of petroleum operations.[115]Specifically, holders of a Petroleum Prospecting Licence (PPL) must submit a Decommissioning and Abandonment (D&A) Plan together with their application for approval of a Work Programme, while holders of a Petroleum Mining Lease (PML) are required to submit a D&A Plan at the stage of filing their Field Development Plan (FDP).[116] In addition, operators with an existing approved D&A Plan incorporated into an FDP must submit an updated plan within six months of the commencement of the 2026 Regulations.[117] These requirements demonstrate a shift from treating decommissioning as an end-of-project obligation to embedding it as an integral component of project planning throughout the lifecycle of petroleum operations.

Suspension and Shut-in of Wells: The 2026 Regulations introduce two notable changes to the framework governing well suspension and shut-in. [118]First, unlike the 2023 Regulations, which were silent on the shut-in of producing wells, the 2026 Regulations expressly address this by providing that no well will be shut-in for operational reasons for a period exceeding 1 year, except with the express approval of 3 the Commission. [119] It is important to note that Regulation 5(10) of the 2026 Regulations appears to contain an internal inconsistency.[120] Specifically, Regulation 5(10) provides that where a licensee or lessee fails to apply for an extension, or where the Commission refuses to grant such an extension, the licensee must, unless otherwise directed by the Commission, complete the abandonment of the well within one month after the expiry of the three years.[121] This provision is inconsistent with Regulation 5(9)(b), which stipulates that the suspension period may extend for a maximum of four years**.**[122] Accordingly, the reference to three years in Regulation 5(10) appears to be a drafting error by the regulator and is likely to require clarification or amendment.

Narrowing of Well-Decommissioning Application: Regulation 5(13)(i) of the 2023 Regulations requires an application to decommission, suspend, or abandon a well to include a report detailing consultations conducted with interested parties in accordance with the Regulations or any other applicable law.[123] However, the 2026 Regulations have completely removed this requirement. Consequently, operators are no longer expressly required to submit a consultation report as part of the prescribed decommissioning programme when applying for the decommissioning of a well.

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[108] T. Adebayo 'Nigeria Upstream Petroleum Decommissioning and Abandonment Regulations 2026' https://topeadebayolp.com/wp-content/uploads/2026/05/Nigeria-Upstream-Petroleum-Decommissioning-and-Abandonment-Regulations-2026.pdf accessed on 4th August, 2026.
[109] *Ibid.*
[110] Stren & Blan Partners 'Nigeria's Upstream Petroleum Decommissioning and Abandonment Regulations, 2026: Notable changes and implications', (Lagos, 30, July, 2026). https://businessday.ng/news/legal-business/article/nigerias-upstream-petroleum-decommissioning-and-abandonment-regulations-2026-notable-changes-and-implications-2/ accessed on the 4th August, 2026.
[111] *Ibid.*
[112] *Ibid.*
[113] Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations, 2026, Regulation 3 (1)
[114] *Ibid.*
[115] Ibid. Regulation 3
[116] *Ibid.* Regulation 3(1) and 3(5) (a-c)
[117] *Ibid.*
[118] T., Adebayo n.74
[119] Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations, 2026, Regulation 5(9)(a)
[120] T. Adebayo n.74
[121] Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations, 2026, Regulation 5(10).
[122] Ibid. Regulation 5(9)(b)
[123] Nigerian Upstream Petroleum Decommissioning and Abandonment Regulations, 2023, Regulation 5(13) (i).

Capturing of Legacy Assets: A notable deficiency in the 2023 Regulations was the absence of provisions addressing fields that were already under development or in production without an approved Decommissioning and Abandonment (D&A) Plan. The 2026 Regulations remedy this omission by requiring operators in such circumstances to submit a D&A Plan within six months of the commencement of the 2026 Regulations.[124] In addition, they are required to establish the prescribed Decommissioning and Abandonment Fund (D&A Fund or the Fund) within 180 days following the approval of the D&A Plan.[125]

The 2026 Regulations represent a significant improvement over the 2023 framework by integrating decommissioning planning into the early stages of petroleum operations, addressing legacy assets, and strengthening regulatory oversight. However, the removal of the stakeholder consultation requirement from well-decommissioning applications may reduce transparency and public participation, while the apparent inconsistency between Regulations 5(9)(b) and 5(10) undermines legal certainty. Furthermore, although the Regulations enhance compliance mechanisms, they provide limited guidance on implementation, monitoring, and enforcement, which may affect their practical effectiveness.

Midstream and Downstream Decommissioning and Abandonment Regulations 2023: The Regulations establish the legal requirements and procedural framework governing the decommissioning and abandonment of oil and gas installations, facilities, and other petroleum infrastructure within Nigeria's midstream and downstream petroleum sectors.[126] The Regulations prescribe the standards and processes that operators must comply with to ensure that decommissioning activities are carried out safely, efficiently, and in an environmentally responsible manner.[127] Every Decommissioning and Abandonment Plan (DAP) is subject to the approval of the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA)**.**[128] The Plan must also incorporate a decommissioning strategy that reflects the principles of economic viability, social responsibility, and environmental sustainability, thereby ensuring that decommissioning activities are undertaken sustainably and responsibly.[129]

Where decommissioning concerns onshore or offshore facilities, pipelines, or other infrastructure, the licensee is required to submit its request for approval at least 24 months (2 years) before the proposed commencement date of the decommissioning programme.[130] In support of the application, the licensee must submit a prescribed decommissioning plan that includes, among other things, procedures for the removal and disposal of facilities and waste materials, site restoration measures, and an environmental assessment report justifying the selected decommissioning option while comparing it with alternative disposal methods.[131]

The Regulations prescribe certain conditions that must be satisfied before the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) may approve a Decommissioning and Abandonment Plan (DAP)**.** [132]Among these is the requirement that the removal, whether complete or partial, of installations, structures, and facilities must be carried out in a manner that promotes sustainable environmental development and complies with recognised international best practices in the petroleum industry.[133]

The requirement for the establishment of a database represents a positive development, as it is expected to promote transparency and facilitate the identification and location of pipelines requiring decommissioning by both regulators and operators.[134] Furthermore, the database would enable regulatory authorities to identify the owners or operators of petroleum facilities and, consequently, ensure that they are held accountable for their decommissioning obligations.[135] This is particularly important in cases involving orphaned wells, where ownership cannot be readily established and the financial responsibility for decommissioning may ultimately be transferred to the government and, by extension, taxpayers.[136] Similar to the approach adopted in the upstream petroleum sector, the Regulations also require consultation with relevant stakeholders, including public authorities and affected host communities, and provide for the establishment of a Decommissioning and Abandonment Fund (DAF).[137] The section offers a useful and well-structured critique of

[124] *Ibid.* Regulation 19(2)(c)
[125] *Ibid.*
[126] Midstream and Downstream Decommissioning and Abandonment Regulations 2023
[127] *Ibid., Regulation 2.*
[128] *Ibid.* Regulations 3, 5 and 9.
[129] *Ibid.*
[130] *Ibid.* Regulations 12(2) and (4).
[131] *Ibid.* Regulations 12(3)(f)-(h).
[132] *Ibid.* Regulations 13(1)(e)-(f).
[133] *Ibid.* Regulations 23; PIA 2021, section 232(12) and (14).
[134] E.M. Akpambang, O. O. Omoniyi, and M.I. Akpambang (n.28).
[135] *Ibid.*
[136] Midstream and Downstream Decommissioning and Abandonment Regulations 2023. *Ibid,* regulations 24(1).
[137] E. Pereira, O. Omotuyi, A. Koenck, P. Obani, M. Gopaulsingh, and S. Mohammed, 'Decommissioning Offshore Oil and Gas Platforms: Is the Rigs-To-Reefs Program a More Sustainable Alternative?', *Journal of Sustainable Development Law and Policy*, 14(1):1-26.

Nigeria's upstream, midstream, and downstream decommissioning frameworks. Its main strength is its identification of important regulatory issues, particularly legal certainty, stakeholder participation, legacy assets, financial responsibility, database management, and enforcement.

However, the critique remains somewhat broad and descriptive and could be made more analytical by linking each identified deficiency to its legal and practical consequences. For example, the inconsistency between Regulations 5(9)(b) and 5(10) could be linked more directly to uncertainty for operators and regulators, while the removal of the consultation-report requirement could be assessed in terms of its implications for transparency, community participation, and environmental accountability.

The discussion of orphaned assets and the regulatory database is particularly relevant, but it would benefit from greater consideration of how effectively existing funding and enforcement mechanisms can address facilities whose owners cannot be identified. Similarly, the comparison between the upstream and midstream/downstream regimes could be strengthened by examining whether differences in their requirements create regulatory gaps or inconsistencies.

5. Challenges of Decommissioning of Oil and Gas Installations in Nigeria

Nigeria's legal and regulatory framework for decommissioning and abandonment continues to face several challenges. However, it is important to recognise that Nigeria's offshore oil and gas industry has not yet attained the level of maturity experienced in jurisdictions such as the United States Gulf of Mexico and the United Kingdom's North Sea. Consequently, many Nigerian offshore fields remain in their productive stages.[138] As a result, large-scale decommissioning of offshore petroleum installations has yet to occur in Nigeria, making decommissioning largely a future obligation for the industry.[139]Nevertheless, several challenges that may affect the effective implementation of decommissioning activities in Nigeria are discussed below:

Financial/ Cost Implications: From a technical and engineering standpoint, the deconstruction or dismantling of disused offshore rigs is often more complex and expensive than their initial installation.[140] Although the installation process may be reversed for certain structures, other types of offshore facilities, such as concrete gravity-based platforms, require specialised and innovative approaches for their removal.[141] This challenge can be attributed partly to the design and installation of offshore platforms between the 1950s and 1980s, when little consideration was given to the eventual removal of these structures at the end of their operational lifespan.[142] In Nigeria, uncertainty regarding responsibility for the costs associated with abandonment and decommissioning has historically created the possibility of such costs being transferred to the government and the Nigerian National Petroleum Company (NNPC).[143] This differs from jurisdictions where operators are required to establish and adequately fund decommissioning arrangements as a condition for obtaining petroleum licences.[144]

Environmental Implications: The environmental implications and associated costs of decommissioning for the affected Niger Delta region also constitute significant challenges.[145] Following the removal of an offshore platform, substantial waste-management concerns may arise regarding the treatment, transportation, and disposal of the dismantled structure.[146] Before any appropriate disposal option can be implemented, several preparatory activities must be undertaken.[147] These include the proper severance and plugging of all wells and well conductors in accordance with applicable regulatory requirements, as well as the draining and cleaning of tanks, pipelines, and other processing systems.[148] Operational materials and consumables must also be removed, leaving the underlying steel or concrete structure.

[138] P.I. Azubuike, and F.A. Anyogu, 'An Appraisal of Sustainable Decommissioning of Petroleum Installations and Environmental Protection in Nigeria', *International Review of Law and Jurisprudence (IRLJ*) (2022) (4) (3).
[139] *Ibid.*
[140] I.H. Anchustegui, G.S. Eskeland, M. Melnychenko, J. Lødøen, H.H. Brown, and L.E.C. Lund, 'Understanding decommissioning of offshore infrastructures: A legal and economic appetizer', SSRN Electronic Journal
[140] *Ibid.*
[141] E.O. Okumagba, 'Decommissioning of Oil and Gas Installations in Nigeria: A Critical Appraisal of the Impacts of the Petroleum Industry Act 2021', *Baltic Journal of Law & Politics,* (2022) (15) (7).
[142] *Ibid.*
[143] P. Ben-Okoh, and H. Nweze-Tobiel, 'Decommissioning And Abandonment Of Oil And Gas Facilities in Nigeria: Obligations and Regulatory Imperatives', https://www.mondaq.com/nigeria/oil-gas-electricity/1812486/decommissioning-and-abandonment-of-oil-and-gas-facilities-in-nigeria-obligations-and-regulatory-imperatives accessed 08 August, 2026.
[144] *Ibid.*
[145] P.O. Ogbeide, and I., Omoregbee, 'Cost Analysis of Decommissioning Process of Offshore Structure: A Comparative Study for Removal Options', Journal of Energy Technology and Environment, (2023) (5) (2)
[146] *Ibid.*
[147] P.I. Azubuike, and F.A. Anyogu, (n.136).
[148] *Ibid.*

[149]These procedures are essential to minimise environmental risks and prevent decommissioned materials and hazardous waste from being improperly discharged or disposed of within the marine ecosystem.[150]

Non-Domestication of Regional and Global Treaties: Nigeria operates a dualist legal system under which international and regional instruments signed or ratified by the country generally require domestication by the National Assembly before they can acquire force and be enforceable within Nigeria.[151] Consequently, several international and regional instruments relevant to decommissioning to which Nigeria is a party have not been domesticated, creating challenges for their effective implementation and enforcement within the national legal framework.[152]

Lack of Decommissioning Experience: Unlike jurisdictions such as the United Kingdom, Norway, and the United States, which have developed extensive legal frameworks and practical experience in petroleum decommissioning, Nigeria has limited practical experience in executing large-scale decommissioning projects.[153] The shortage of specialised technical expertise, coupled with limited exposure to advances in decommissioning technologies, may undermine the effective implementation of decommissioning activities and increase the risks of environmental pollution, delays, and inefficient use of financial resources.[154] Furthermore, inadequate operational skills and institutional capacity may compel Nigerian operators to depend heavily on foreign contractors and technical specialists, thereby increasing the overall cost of decommissioning projects.[155]

Regulatory Lacuna: The Petroleum Industry Act (PIA) 2021 established two principal regulatory bodies responsible for regulating Nigeria's petroleum industry: The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) is responsible for regulating upstream petroleum operations, including the implementation and enforcement of relevant environmental laws and policies within the sector,[156] while the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) oversees midstream and downstream petroleum activities.[157] Despite the progressive regulatory framework established by the PIA, concerns remain regarding the capacity of Nigerian regulatory institutions, particularly in relation to inadequate funding, insufficient equipment, and shortages of qualified technical personnel.[158] These limitations may constrain the ability of the regulatory bodies to proactively monitor, assess, and supervise decommissioning activities effectively. [159]Where adequate resources are lacking, regulators may be compelled to rely excessively on operators for technical and operational support, which could potentially compromise regulatory independence and effectiveness.[160]

Nevertheless, the PIA's provisions for funding the two regulatory institutions represent a positive development.[161] If effectively implemented, these funding mechanisms could strengthen institutional capacity and enable the regulators to perform their statutory responsibilities more effectively.

Petroleum Infrastructures and Orphaned Wells without Decommissioning Programmes: Several ageing petroleum installations, particularly those established before the introduction of EGASPIN and the Petroleum Industry Act (PIA) 2021, did not have adequate or up-to-date Decommissioning and Abandonment Plans (DAPs) and Decommissioning and Abandonment Funds (DAFs).[162] This has created significant difficulties in determining decommissioning liabilities and

[149] S C Dike, 'Decommissioning and Abandonment of Oil and Gas Facilities Legal Regime in Nigeria: Any Lesson from Norway, the UK and Brazilian Legal Frameworks?' *Journal of Property Law and Contemporary Issues,* (2017) (9) (1) 169–183.
[150] *Ibid.*
[151] E.O Okebukola, 'The Application of International Law in Nigeria and the Facade of Dualism' *Nnamdi Azikiwe University Journal of International Law and Jurisprudence,* (2020) (11) (1), 15, 17-18
[152] For example, Nigeria has not yet domesticated the 1958 Geneva Convention on the Continental Shelf, even though it is a party to the convention since June 1961 as well as several other instruments discussed in the paper- see, K. Balarabe, 'Africa and the Domestic Implementation of the Geneva Conventions and Additional Protocols: Problems and Solutions' *Journal of African Law,* (2022) (66) (2) 175-181.
[153] E.O., Okumagba (n.139).
[154] O. Agu, K., Onasoga, D. Olajide, R. Sojinu, and M. Afuye, 'Complexities of Decommissioning and Abandonment on Nigeria's Oil and Gas Sector: Strategic Insights and Management for Indigenous Companies and IOCs'https://strenandblan.com/wp-content/uploads/2025/01/energy-sector-article-on-decommissioning-and-abandonment.pdf, accessed 08 August,l 2026.
[155] *Ibid.*
[156] Petroleum Industry Act, 2021, s6.
[157] *Ibid.* s 31
[158] S.C Dike, 'Decommissioning and Abandonment of Oil and Gas Facilities Legal Regime in Nigeria: Any Lesson from Norway, the UK and Brazilian Legal Framework?' *Journal of Property La and Contemporary Issues,* (2017) 9(1) 169, 193-195
[159] *Ibid.*
[160] *Ibid.*
[161] Petroleum Industry Act, 2021, ss 24 and 47.
[162] E.M. Akpambang, O. O. Omoniyi, and M.I. Akpambang (n.28).

allocating the associated obligations.[163] In the absence of properly developed DAPs and adequately funded DAFs as required under the PIA 2021 and the applicable decommissioning regulations, there is an increased risk of orphaned wells remaining within host communities, potentially leaving the government responsible for the associated decommissioning costs and obligations.[164] The challenge has become more significant in light of the increasing transfer of onshore petroleum assets from international oil companies (IOCs) to indigenous operators.[165] In such circumstances, the allocation and transfer of decommissioning liabilities should be carefully assessed and resolved before the completion of any assignment or transfer of interests.[166] Section 232(13) of the PIA provides the relevant regulatory authority, whether the NUPRC or NMDPRA, with the power to retain the former licensee or lessee's liability for decommissioning obligations following the divestment of its interest.[167] However, where the incoming owner assumes the relevant obligations with the approval of the appropriate regulatory authority, the former operator may be released from further liability.[168] The situation is particularly complex in relation to orphaned wells, as it remains unclear whether the regulatory authorities have established a dedicated funding mechanism or institutional framework specifically designed to address the decommissioning of such legacy sites.[169] Moreover, the financial burden associated with plugging wells and restoring affected petroleum sites can be substantial.[170] The cost of such activities has been estimated at an average of approximately USD 76,000 (equivalent to more than ₦122 million), although the actual cost may vary considerably depending on factors such as the age and condition of the well, the size of the affected area, and other site-specific considerations.[171]

6. Conclusion and Recommendation

Nigeria has developed a more comprehensive legal and regulatory framework for the decommissioning and abandonment of petroleum facilities through the PIA, relevant regulations, and applicable international standards. However, implementation remains the major challenge, particularly because of high decommissioning costs, limited technical expertise, inadequate regulatory capacity, orphaned facilities, environmental risks, and uncertainties concerning financial liabilities. The framework would therefore benefit from stronger enforcement, improved institutional capacity, reliable asset databases, and more effective financial-security mechanisms to ensure that decommissioning liabilities do not ultimately become a burden on government and taxpayers. The following measures are necessary:

i. Strengthen regulatory capacity: The NUPRC and NMDPRA should be adequately funded and equipped with specialised personnel and technology to effectively monitor and supervise decommissioning activities.
ii. Improve decommissioning funding: Regulators should strengthen monitoring of Decommissioning and Abandonment Funds to ensure that contributions remain adequate to meet the actual costs of future decommissioning.
iii. Establish and maintain a comprehensive petroleum infrastructure database: A reliable database should identify petroleum facilities, their location, ownership, operational status and decommissioning liabilities. This would improve transparency and help prevent the emergence of orphaned facilities.
iv. Develop local technical expertise: Government and industry should invest in specialised training, technology and research to reduce Nigeria's dependence on foreign contractors and improve the cost-effectiveness and safety of decommissioning operations.
v. Prioritise environmental protection and stakeholder participation: Decommissioning should be preceded by appropriate environmental assessment and risk management, with meaningful consultation involving affected host communities and other relevant stakeholders. This is necessary to minimise ecological damage and ensure that decommissioning decisions reflect legitimate community and environmental interests.

[163] Stakeholder Democracy Network, 'White Paper on Sustainable Closure and Decommissioning of Oil and Gas Assets in Nigeria' <https://www.stakeholderdemocracy.org/wp-content/uploads/2016/06/Sustainable-Closure-and-Decommissioing-of-Oil-and-Gas-Assets-in-Nigeria.pdf>, accessed 08 August, 2026.
[164] I., Chime, A.L., Nwogu-Ikojo, and C.M (n.58).
[165] T., Adebayo, 'Nigeria Moves to Restart Oil Production in Vulnerable Region after Shell Sells Much of its Businesses,' AP News (Lagos, 3 February 2025), <https://apnews.com/article/nigeria-shell-divestment-niger-delta-ogoni-4ceb760d5d84e8d58b04d24d220893a>, accessed 08 August, 2026.
[166] S Dunmade, I Adeyemo and J Ukafor (n.19).
[167] Petroleum Industry Act, s 232 (13).
[168] M. Akpambang, O. O. Omoniyi, and M.I. Akpambang (n.28).
[169] D. Raimi, A.J. Krupnick, J. Shah, and A. Thompson, 'Decommissioning Orphaned and Abandoned Oil and Gas Wells: New Estimates and Cost Drivers' *Environmental Science & Technology*, (2021) (55) (15).
[170] Resources for the Future, 'New Study Reveals Key Factors for Estimating Costs to Plug Abandoned Oil and Gas Wells'<https://www.rff.org/news/press-releases/new-study-reveals-key-factors-for-estimating-costs-to-plug-abandoned-oil-and-gas-wells/->, accessed 08 August, 2026
[171] *Ibid.*