



NATIONAL OPEN UNIVERSITY OF NIGERIA
14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS
FACULTY OF LAW
DEPARTMENT OF PUBLIC LAW
2017_2 EXAMINATION QUESTIONS
JANUARY 2018

Course Code: PUL411
Course Title: OIL AND GAS LAW I
Time Allowed: 2½ HOURS
Instruction: ANSWER QUESTION 1 (ONE) AND ANY OTHER 3 (THREE) QUESTIONS. (QUESTION 1 (ONE) ATTRACTS 25 MARKS)

1. Fred was granted an oil mining lease in 2017 over a portion of Zaina land. Huba community inherited the land from their ancestors and were granted C of O over Zaina land in 2015. Fred has been prevented from entering the land by the community who claim that they have exclusive ownership of the land and its mineral resources. Relate your knowledge of theories of ownership of oil and gas to what obtains in Nigeria,
 - (i) Advise Fred on his chances in court.
 - (ii) Discuss Production Sharing Contract in Nigeria and Peru.
2. Write notes on ;
 - (i) Petroleum as s source of energy
 - (ii) Development of Petroleum in Nigeria
 - (iii) Compare ownership of petroleum in USA with that of Canada
 - (iv) Joint venture agreement and participation agreement
3. Laraba was granted an oil exploration licence over an area of land known as Jakuta in 2016. While still in possession of the land, Palo obtained an oil prospecting licence over a portion of that land in 2017 and has commenced operation. Laraba has gone to court for an injunction to restrain Palo from interfering. Unknown to Laraba, Yaro was also granted an oil mining lease over another portion of Jakuta recently. He believes the government must have made a mistake in Yaro's allocation. Being older than Yaro, he drove Yaro out of the land when he (Yaro) went to inspect the land and asked him to go back to government to sort out himself. On account of this treatment, Yaro has neither paid rent to the government nor sent reports on his operations.

Yaro is confused and has come to you for advice. What should Palo do? Can the Minister revoke any of the licences/lease?

4. Chude was swindled and so does not have sufficient money to commence the mining operations for which his company had earlier been issued an oil mining lease (OML). He wishes to assign the right to Asky for a term of 6 years.
 - (i) As an expert in Oil and Gas advise him on how to assign the right.
 - (ii) Discuss the revocation of OML and OPL.
5. The debate for resource control has been on for a long time now. You have been briefed to articulate the views of the littoral states for presentation to the Federal government of Nigeria.
6. (a) ABC company was granted an oil pipeline license by the Nigerian government. By private agreement, ABC granted EFG the use of the pipeline to convey petroleum products without the knowledge of the Minister of Petroleum. Meanwhile in the course of using the pipeline, there was a pipeline burst which leaked crude oil into Mr. Buba's land destroying his crops. Mr. Buba is asking EFG for compensation and has petitioned the Minister. EFG declined to pay compensation arguing that the licence belongs to ABC. The Minister has threatened to terminate the oil license and purchase the pipeline. Advise the parties.
 - (b) Critically examine the rights and obligations of the holder of an oil pipeline license.