


WORD OF THANKS

Subjecting the most technical dynamics of oil industry to examination meant that the Commission had to speed through the concepts and market mechanisms while simultaneously finding out what went wrong and how. The whole gamut of activities and stakeholders were to be scrutinised and questioned to reach the conclusions. All members of the Commission worked as hard as possible. To diversify the capability matrix, the Commission co-opted 7 members mentioned in chapter 1. Gratitude for the help, the undersigned has received from the regular and co-opted members must be expressed here during all stages of the proceedings of the Commission be it the data collection, verification, analysis, discussion of relevant laws, rules and regulations, mandate and performance analysis of the stakeholders and drawing of the conclusions. Then comes the writing stage. Let alone less frequent practitioners, writing is always difficult even for those who do it all the time. Again, all members contributed and chipped in for this final product. Heading this Commission was of course a trust reposed on the undersigned by the Federal Government which could not have been possible to deliver without the team I had.


The undersigned is compelled to mention the names of the co-opted members, **Mr. Muhammad Yaseen, Mr. Imran Kishwar, Mr. Qasim Malik, Mr. Sidney Parera, Mr. Shahid Siddique, Mr. Tariq Mehmood, Mr. Bilal Tariq and Mr. Muhammad Javed Sultan** without whose help, completion of this report would not have been possible. **Mr. Imran Kishwar (SSP, Punjab Police)** merits a special mention as he took out time from his hectic schedule of his present assignment as District Police Officer, Kasur.

Report is submitted to the Cabinet for further necessary action.

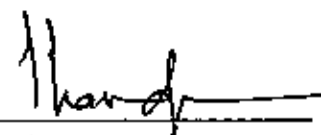
Member, Inquiry Commission

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Designation: Additional Attorney
General
Department: Attorney-General of
Pakistan

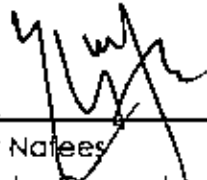
Member, Inquiry Commission

Signature: 
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Designation: Deputy Director General
Department: Intelligence Bureau


Member, Inquiry Commission

Signature: 
Name: Mr. Sajid Akram
Designation: Director
Department: Federal Investigation
Agency (FIA)

Member, Inquiry Commission

Signature: 
Name: Mr. Gohar Nadees
Designation: Director General
Department: Anti-Corruption
Establishment, Punjab

Chairman, Inquiry Commission

Signature: 
Name: Mr. Abubakar Khudabakhsh
Designation: Addl. Director General
Department: Federal Investigation Agency (FIA)

1-12-2020

GLOSSARY OF TERMS

AOSL	Askar Oil Services (Pvt) Limited
APL	Attock Petroleum Ltd
BP	Best Petroleum
BPPL	BYCO Petroleum Pakistan Ltd
CCP	Competition Commission of Pakistan
DC	Deputy Conservative
DG PC	Director General of Petroleum Concession
DG OIL	Director General Oil
ECC	Economic Coordination Committee
FBR	Federal Board of Revenue
FO	Furnace Oil
FOTCO	Fauji Oil Terminal & Distribution company Ltd
FY	Financial Year
GO	Gas & Oil Pakistan Ltd
GoP	Government of Pakistan
GST	General Sales Tax
HDIP	Hydrocarbon Development Institute of Pakistan
HOBC	High Octane Blending Component
HPL	Hascal Petroleum Limited
HSD	High Speed Diesel
HSFO	High Sulfur Furnace Oil
IFEM	Inland Freight Equalization Margin
IGM	Import General Manifest
JP-1	Jet Propellant 1
JP-8	Jet Propellant 8
JPL	Jinn Petroleum Pvt Ltd
KERO	Kerosene
KMK	Karachi-MehmoodKot

KPLP	Korangi-Port Qasim Link Pipeline
KPPL	Kepler Petroleum (Private) Limited
KPT	Karachi Port Trust
Laycan	Laydays Cancelling
LDO	Light Diesel Oil
MFM	Mehmoodkot Faisalabad Machiky
MMA	Ministry of Maritime Affairs
MMT	Million Metric Ton
MoEPD	Ministry of Energy Petroleum Division
MOGAS	Motor Gasoline
MS	Motor Spirit
MT	Metric Tons
NOR	Notice of Readiness
NRL	National Refinery Limited
OCAC	Oil Companies Advisory Council
OGRA	Oil & Gas Regulatory Authority
OMCs	Oil Marketing Companies
OP	Oil Pier
PAPCO	Pak-Arab Pipeline Company Limited
PARCO	Pak-Arab Refinery Limited
PEP	Puma Energy Pakistan (Pvt) Ltd
PEPCO	Pakistan Electric Power Company
PL	Petroleum Levy
PMC	Pakistan Molasses Company
POL	Petroleum, Oil and Lubricants
PQA	Port Qasim Authority
PRL	Pakistan Refinery Limited
PRM	Product Review Meeting
PSO	Pakistan State Oil
PSOCL	Pakistan State Oil Company Limited

Q1	Quality-1 Petroleum (Pvt) Limited
RON	Random Octane Number
SNGPL	Sui Northern Gas Pipe Line
SOP	Standard Operating Procedure
SPL	Shell Pakistan Limited
SRO	Statutory Regulatory Orders
SSGPL	Sui Sothern Gas Pipe Line
TGPL	Taj Gasoline Private Ltd
TORs	Terms of Reference
TPPL	Total-Parco Pakistan Ltd
TSL	Target Scientific Lab
TTI	Textile Testing International
VAM	Vinyl Acetate Monomer
WOP	White Oil Pipeline
ZMPL	Zoom Marketing Oil (Pvt) Limited
ZPL	Zoom Petroleum Limited

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GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
CABINET DIVISION

Islamabad, the 28th July, 2020

NOTIFICATION

No.01/05/2020/Lit-III. In exercise of powers conferred under Section 3 of the Pakistan Commission of Inquiry Act, 2017, the Federal Government is pleased to constitute an Inquiry Commission to probe into the recent shortage of petroleum products in the country and matters related or incidental thereto.

2. The Commission shall comprise of the following:-

(i)	Mr. Abu Bakar Khuda Bux, Addl Director General, F.I.A.	Chairman
(ii)	Representative of Attorney-General for Pakistan	Member
(iii)	Representative of Intelligence Bureau (I.B.)	Member
(iv)	Representative of F.I.A.	Member
(v)	Director General, Anti-Corruption, Punjab	Member
(vi)	Mr. Rashid Farooq, Former D.G. (Oil), Petroleum Division	Member
(vii)	Mr. Asim Murtaza, C.E.O, Petroleum Institute of Pakistan	Member

3. The Terms of Reference (TORs) of the Commission are:

- a) Whether in view of the fall in price of petroleum products in the international market in /or about the months of March and April, 2020, those responsible for procurement of petroleum products for the country, did actually avail the benefit to the maximum possible extent? If not, the causes and person /authority responsible for the failure to avail the benefit of lower prices in the international market?
- b) Whether the quantity of petroleum products procured at lower international price and imported and stored in the country were actually supplied to the public /consumers at the lower price or was it kept in storage or hoarded till the increase of price of petroleum products after 26-06-2020 and supplied thereafter at higher rate resulting in huge profits? If so, what was the quantum of windfall and who were its real beneficiaries?
- c) Whether any order, notification, decision, action or inaction including ban and subsequent relaxation on imports of petroleum products by any person, Authority or Division was meant to end/or did confer any undue benefit or advantage to any person including O.M.Cs., refinery, dealer etc in this crisis?
- d) What were the real causes for the shortage of petroleum products in the country in or about the month of June, 2020, and identification of those responsible for this crisis including the private sector as well as the public functionaries, regulatory authority?

- e) Whether the storage of petroleum products in general and during the shortage period in particular, was less than the required/prescribed limit? If so, what steps were taken against the companies responsible for failure to maintain the stored quantity? If no appropriate actions were taken against the companies responsible, which government authority/official failed in its duty in this respect?
- f) To examine the role of refineries and determine their responsibility in the shortage/crisis vis-à-vis the procurement from local sources, imports, storage and supply in the country.
- g) To collect and compare data of imports, supply, price and consumption of petroleum products during different periods so as to determine the responsibility of the Petroleum Division, O.G.R.A., O.M.Cs., Refineries, Petroleum Dealers or any other Authority or person relating to shortage of petroleum products in the country and any other illegal practices including violation of the provisions of applicable laws including the Petroleum Act, 1937, OGRA Ordinance, 2002, Rules, Regulations, terms of licenses committed in general and during this period in particular.
- h) To identify any deficiencies in the prevailing laws, regulations, licenses, procedure, mechanism/methodology regarding import, price determination/fixation and its timelines, storage and related issues including strategic storage and planning for ensuring smooth supply of petroleum products in the normal course as well as during shortage, crisis or emergency.
- i) To examine whether there was any market manipulation of petroleum products by any party including the O.M.Cs. petroleum dealers, refineries etc. and identification of those responsible for such practices and measures required to prevent such practices in future.
- j) To suggest short term as well as long term measures, guidelines, SOPs required to be taken at the Federal as well as Provincial level to ensure that such shortage, hoarding or market manipulation, if any, does not recur in future.
- k) Any other issue deemed appropriate or relevant to the above TORs.
- l) The Commission shall conclude its inquiry within Thirty (30) days.

4. In addition to the powers conferred on the Commission under this Act, this Commission shall also be empowered under section 10(h) of the Act ibid to constitute special teams consisting of officers from executive authorities and experts in specific fields, for the purposes of assisting the Commission in conducting an inquiry. The special teams shall have such power as may be prescribed under this Act.


(Muhammad Akram)
Joint Secretary

The Manager,
Printing Corporation of Pakistan, Press,
Islamabad

Distribution:-

- i. Secretary to the President, President Secretariat, Islamabad.
- ii. Secretary to the Prime Minister, Prime Minister's Office, Islamabad.
- iii. Secretary Finance Division, Islamabad.
- ✓iv. Mr. Abu Bakar Khuda Bux, Chairman, Commission of Inquiry (Addl Director General, FIA, Islamabad)
- v. Attorney General for Pakistan, Islamabad
- vi. Director General, Intelligence Bureau, Islamabad
- vii. Director General, Federal Investigation Agency, Islamabad
- viii. Director General, Anti-Corruption, Punjab
- ix. Mr. Rashid Farooq, Former D.G. (Oil), Petroleum Division
- x. Mr. Asim Murtaza, C.E.O, Petroleum Institute of Pakistan

Copy for information to:

- i. Private Secretary to Cabinet Secretary
- ii. Senior Private Secretary to Special Secretary, Cabinet Division.
- iii. Senior Private Secretary to Additional Secretary-I, Cabinet Division.
- iv. Senior Private Secretary to Additional Secretary-II, Cabinet Division.
- v. Senior Private Secretary to Additional Secretary-III, Cabinet Division.

List-1 (OMCs having confirm license)

SRL NO.	COMPANY NAME	CATEGORY OF LICENSE	DATE OF APPROVAL OF INITIAL LICENSE	DATE TO INITIATE MARKETING	MARKETING LICENCE ISSUED UNDER OIL RULES, 2016	DATE OF EXPIRY OF LICENSE
1	M/s. Attock Petroleum Ltd.	Confirm	11 Feb. 1997	11 Feb. 1997	June 14, 2019	14 June 2029
2	M/s. Total Fuels Pakistan Ltd.	Confirm	17 Jan. 2001	17 Jan. 2001	March 7, 2019	10 March 2029
3	M/s. Hyco Petroleum Pakistan Ltd. (Marketing)	Confirm	04 March 2002	04 March 2002	Company has to obtain license under Oil Rules 2016 (Application received)	Expiry date does not mention in license issued by MPNR
4	M/s. Pakistan State Oil Company Ltd.	Confirm	23 August 2002	23 August 2002	May 14, 2019	14 May 2029
5	M/s. Puma Energy Pvt. Ltd. (Formerly Adasore)	Confirm	16 Dec. 2003	16 Dec. 2003	September 11, 2017	10 September 2027
6	M/s. Rasool Petroleum Ltd.	Confirm	25 Feb. 2005	25 Feb. 2005	August 07, 2020	Expiry of the license is yet to be decided by the Authority
7	M/s. Shell Pakistan Ltd.	Confirm	11 Jan. 2011	11 Jan. 2011	May 14, 2019	14 May 2027
8	M/s. BIL Energy Ltd.	Confirm	18 Aug. 2005	18 Aug. 2005 (September 19, 2012 confirmed marketing license was issued as per Rule 1971)	However, company has to obtain license under Oil Rules 2016.	-
9	M/s. Gas and Oil Pakistan Ltd.	Confirm	June 12, 2012	Nov. 13, 2014	April 18, 2019	March 18, 2029

LIST-2 (OMCs having provisional license but allowed marketing)

S. No.	COMPANY NAME/TITLE	Initial license (PL)		EXTENSIONS				Date to initiate Marketing
		Date of License	Date of expiry of Initial (PL) license	1st Ext.	2nd Ext.	3rd Ext.	Expiry of PL after last extension in PL	
1	M/s. Askar Oil Services Pvt. Ltd.	Jul 4, 00		3 Extensions in PL granted. Last extension granted on 5-1-18			Dec. 2018	July 4, 2009
2	M/s. Zoom Petroleum Pvt. Ltd.	Jun 14, 11		3 Extensions in PL granted. Last extension granted on 5-1-20.			Dec 21, 20	Jun 14, 2011
3	M/s. Horizon Oil Company Pvt. Ltd.	Mar 28, 13	Mar 27, 16	Aug 1, 19			Mar 28, 20	July 29, 2016
4	M/s. LaQuenta Petroleum Pvt. Ltd.	Mar 28, 13	Mar 27, 16	Apr 14, 18	Aug 2, 19		Mar 27, 20	Sep 11, 2018
5	M/s. Nayyar Petroleum Pvt. Ltd.	Feb 26, 14	Feb 26, 17	Jul 11, 19			Feb 26, 20	Dec 23, 2018
6	M/s. Excel Petroleum Pvt. Ltd.	May 27, 14	May 26, 17	Jul 30, 17	Apr 1, 20		May 27, 20	Aug 21, 2018
7	M/s. Olco Petroleum Pvt. Ltd.	Jul 4, 14	Jul 3, 17	Jul 28, 19			Jul 3, 20	Jun 18, 2017
8	M/s. OTO Pakistan Pvt. Ltd.	Oct 22, 14	Oct 21, 17	Aug 8, 19			Oct 21, 20	Nov 11, 2018
9	M/s. Quality-1 Petroleum Pvt. Ltd.	Oct 22, 14	Oct 21, 17	Nov 3, 17	Jul 12, 19		Oct 22, 19	Jun 27, 2016
10	M/s. The Fuelers Pvt. Ltd.	Aug 17, 15	Aug 16, 18	Dec 2, 19			Aug 16, 20	Dec 18, 2017
11	M/s. Zoom Marketing Pvt. Ltd. (Z&M)	Aug 17, 15	Aug 16, 18	Aug 17, 19			Aug 16, 20	Dec 22, 2018
12	M/s. Al-Noor Petroleum Pvt. Ltd.	Jul 22, 16	Jul 21, 19	Aug 8, 19			Jul 21, 20	Feb 9, 2018
13	M/s. Best Petroleum Pvt. Ltd.	Jul 22, 16	Jul 21, 19	Feb 4, 20			Jul 21, 20	Apr 9, 2020
14	M/s. Euro Oil Pvt. Ltd.	Jul 22, 16	Jul 21, 19	Jul 29, 19	Jul 15, 20		Jul 21, 21	Jan 15, 2019
15	M/s. Oil Industries Pakistan Pvt. Ltd.	Jul 22, 16	Jul 21, 19	Aug 8, 19			Jul 22, 20	Oct 17, 2018
16	M/s. Fast Oil Company Pvt. Ltd.	Oct 21, 18	Oct 20, 19	Mar 25, 20			Oct 20, 20	May 18, 2017 (Sindh) Nov 20, 2018 (Punjab)
17	M/s. Hi-Tech Lubricants Ltd.	Oct 21, 19	Oct 20, 19	Sep 3, 19			Oct 20, 20	May 31, 2019
18	M/s. Jinn Petroleum Pvt. Ltd.	Oct 21, 19	Oct 20, 19	Dec 4, 19			Oct 20, 20	Jun 8, 2018 (Punjab) Aug 22, 2018 (Baluchistan)
19	M/s. Max Fuels Pvt. Ltd.	Oct 21, 18	Oct 20, 19	Dec 18, 19			Oct 20, 20	Feb 25, 2020
20	M/s. Atlas Petroleum Pvt. Ltd.	Dec 21, 19	Dec 20, 19	Feb 6, 20			Dec 20, 20	Feb 21, 2020
21	M/s. Vital Petroleum Pvt. Ltd.	Dec 21, 19	Dec 20, 19	Feb 28, 20			Dec 20, 20	Feb 28, 2020
22	M/s. Taj Gasoline Pvt. Ltd.	Dec 21, 19	Dec 20, 19	Nov 27, 19			Dec 20, 20	Feb 21, 2019
23	M/s. My Petroleum Pvt. Ltd.	Dec 28, 19	Dec 28, 19	May 14, 20			Dec 28, 20	Feb 18, 2018
24	M/s. Fossil Energy Pvt. Ltd.	Sep 18, 17	Sep 17, 20					Sep 4, 2018
25	M/s. Power Petroleum Pvt. Ltd.	Apr 8, 18	Apr 4, 21					Jun 18, 2018

LIST-3 (OMCs having provisional license but not allowed marketing)

S. No.	COMPANY NAME/TITLE	Initial license (PL)		EXTENSIONS				DATE TO INITIAL MARKETING
		Date of License	Date of expiry of initial (PL) license	1st Ext.	2nd Ext.	3rd Ext.	Expiry of PL after last extension in PL	
1	M/s. Terminal One Ltd.	Feb 15, 18	Feb 15, 19	Dec 12, 19	Mar 10, 20		Feb 15, 21	NOT ALLOWED FOR MARKETING OF PETROLEUM PRODUCTS
2	M/s. Accel Petroleum Pvt. Ltd.	Jul 22, 18	Jul 21, 19	Jan 30, 20			July 22, 20	
3	M/s. Altamont Int. Trade Co. Pvt. Ltd.	Feb 15, 18	14 Feb. 21					
4	M/s. Camant Petroleum Pvt. Ltd.	Jul 22, 18	Jul 21, 19	May 18, 20			July 21, 2020	
5	M/s. Barkalay Oil & Gas Development Pvt. Ltd.	Dec 21, 18	Dec 20, 19					
6	M/s. Only One Energy Pvt. Ltd.	Dec 21, 18	Dec 20, 19					
7	M/s. Fuel Gasoline Services Pvt. Ltd.	Dec 21, 18	Dec 20, 19					
8	M/s. Greenery Fuels Pvt. Ltd.	Jul 18, 17	Jul 17, 20					
9	M/s. Northwest Petroleum Pvt. Ltd.	Jul 18, 17	Jul 17, 20					
10	M/s. Yashraj Petroleum Pvt. Ltd.	Aug 24, 17	Aug 23, 20					
11	M/s. Millat Petroleum Pvt. Ltd.	Nov 1, 17	Oct 31, 20					
12	M/s. Petro Oil Pvt. Ltd.	Nov 1, 17	Oct 31, 20					
13	M/s. Lucky Petroleum Pvt. Ltd.	Jan 2, 18	Jan 2, 21					
14	M/s. Echo Oil Pvt Ltd.	Feb 8, 18	Feb 8, 21					
15	M/s. J2 Fuels Pvt. Ltd.	Apr 3, 18	Apr 4, 21					
16	M/s. Eco Gasoline Pvt. Ltd (formerly known as Raj & Sons)	May 22, 18	May 21, 21					
17	M/s. Shama Petroleum	Dec 21, 18	Dec 21, 19					
18	M/s. HGS Fuels Marketing Pvt. Ltd.	Jun 5, 18	Jun 4, 21					
19	M/s. Petro Pakistan Pvt. Ltd.	Jun 5, 18	Jun 4, 21					
20	M/s. Casplan Petroleum Pvt. Ltd.	Jun 8, 18	Jun 7, 21					
21	M/s. Sunshine Petroleum Pvt. Ltd.	Sep 28, 18	Sep 27, 21					
22	M/s. Superior Petroleum Pvt Ltd	Apr 20, 18	Apr 19, 21					
23	M/s. Fourtown Marketing Pvt. Ltd.	Nov 14, 18	Nov 13, 21					
24	M/s. Khaydar Petroleum Pvt. Ltd.	Nov 30, 18	Nov 29, 21					
25	M/s. Ajmanal Petroleum Pvt. Ltd.	Feb 21, 19	Feb 20, 22					
26	M/s. Myrcore Petroleum Pvt. Ltd.	Feb 21, 19	Feb 20, 22					
27	M/s. True Petroleum Pvt. Ltd.	Mar 13, 19	Mar 12, 22					
28	M/s. Target Oil and Gas Pvt. Ltd.	May 31, 19	May 30, 22					
29	M/s. Allied Oil & Energy Pvt. Ltd.	Feb 28, 20	Feb 25, 23					
30	M/s. Nam Petroleum Pvt. Ltd.	May 14, 20	May 13, 23					
31	M/s. Pure Petroleum Pvt Ltd	Nov 12, 18	Nov 12, 21					
32	M/s. Spec Petroleum Pvt Ltd	Jan 02, 19	Jan 01, 22					
33	M/s. International Petrochemicals Pvt. Ltd.	Dec 21, 18	Feb 20, 19				License cancelled	

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OMC-WISE DETAILS OF ALLOWED NO. OF RETAIL OUTLET Vs OPERATIONAL OUTLETS

Sr. No.	Name of OMC	Outlets in 2004 before new Rules 2018*	Permitted in 2017-2018 (No. of outlets)	Petrol Pump allowed due to storage enhancement in respective provinces (2018-19)	Retail Outlets allowed	Operational Outlets in 2020 (informed by OMCs)	U.C./Pipeline2020 (informed by OMCs)	Information as per Explosive Dept (Form E data)		Variance vis data received from Explosive Department	
								Operational	U.C.	Operational	U.C.
OMC's having Confirmed Licence		a	b	c	d=a+b+c						
1	Arora Petroleum Ltd.	533	75	850	343	711	45	637	12	74	23
2	Arora Petro Petroleum Ltd.**	798	11	825	1,194	836	11	779	21	57	10
3	Bans Petroleum & Industries Ltd	258	108	118	494	355	26	413	2	18	24
4	Chandigarh State Oil Company Ltd	1,526	178	2,802	6,451	1,432	120	2,865	39	567	81
5	Chandigarh Energy Petroleum (Pvt) Ltd.	471	71	0	542	544	-	593	7	49	7
6	Chand Petroleum Ltd.	380	125	311	819	504	212	570	46	14	166
7	Chand Petroleum Ltd.	776	-	804	1,585	746	9	755	4	9	5
8	Oil Storage	245	18	686	953	353	20	360	13	7	7
9	Gas & Oil Petroleum (Pvt) Ltd	102	144	1,337	6,475	639	780	177	41	62	739
SUB TOTAL (A)		7,095			14,899	8,340	1,328	7,549	185	691	1,018

Notes: Retail outlet data provided by OMCs in 2020 is taken as 'booked' start for outlet calculations where as actual permitted/operational before 2020 are included therein.

* informed by OMCs.

** Outlets of TPL and Chand Petroleum limited as TPL acquired CPL in 2020

OMC-WISE DETAILS OF ALLOWED NO. OF RETAIL OUTLET VS OPERATIONAL OUTLETS

No. of Retail Outlet Vs Operational Outlets											
Sl. No.	Name of Company	Outlets in 2022 before new Rules 2022 ^a	Provisioned in 2022-2023 (% of outlets)	Petrol Pumps allowed (as in storage enhancement in respective province (2022-23))	Retail Outlets allowed	Operational Outlets in 2022 (Inferred by OMCs)	U.C./Operational ^b (Inferred by OMCs)	Information as per Capitulation Dept Order 2 dated		Variance (in data received from Capitulation Department)	
								Operational	U.C.	Operational	U.C.
OMC's having Provisional Licence		a	b	c	d=a+b+c						
1	Adani Oil Services (P) Ltd	272	22	-	294	294	644	294	275	294	294
2	Arvind Petroleum (Pvt) Ltd	50	24	-	49	49	25	27	4	4	25
3	Asian Petroleum (Pvt) Ltd**	18	28	-	41	42	5	42	5	5	5
4	Asiatic Petroleum	-	-	28	28	27	20	27	5	2	2
5	Asian Petroleum (P) Ltd	-	-	272	272	272	25	272	5	4	24
6	Asiatic Petroleum (P) Limited	-	-	28	28	27	25	27	5	5	25
7	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
8	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
9	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
10	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
11	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
12	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
13	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
14	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
15	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
16	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
17	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
18	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
19	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
20	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
21	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
22	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
23	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
24	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
25	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
26	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
27	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
28	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
29	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
30	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
31	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
32	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
33	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
34	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
35	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
36	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
37	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
38	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
39	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
40	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
41	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
42	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
43	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
44	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
45	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
46	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
47	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
48	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
49	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
50	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
51	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
52	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
53	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
54	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
55	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
56	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
57	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
58	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
59	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
60	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
61	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
62	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
63	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
64	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
65	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
66	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
67	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
68	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
69	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
70	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
71	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
72	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
73	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
74	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
75	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
76	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
77	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
78	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
79	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
80	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
81	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
82	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
83	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
84	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
85	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
86	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
87	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
88	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
89	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
90	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
91	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
92	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
93	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
94	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
95	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
96	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
97	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
98	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
99	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
100	Asiatic Petroleum (P) Ltd	-	-	28	28	27	25	27	5	5	25
TOTAL		462	70	-	532	532	644	532	214	-	40
NOTES:											
a. * Inferred by OMCs											

NOTES:

a. ^a Inferred by OMCs

b. ^{**} The Companies at Serial No. 1, 11, 14 & 20 were allowed for marketing in mid/end of 2022.

Details pertaining to illegal petrol pumps / retail outlets provided by OMCs during meeting held at CGTI on 15-09-2020

S. #	OMC	*Category of Petrol Pump						
		Pumps	Stalls	Subsidization	ISW	GB	Aut.	Total
1	M/s. Pakistan State Oil Company Ltd.	Further attended meeting not shared data/ SOI served by OMCs (under information on temporary formhead)						
2	M/s. Shell Pakistan Ltd.	30	18	2	12	0	0	60
3	M/s. Adcock Petroleum Ltd.	38	12	1	13	0	0	61
4	M/s. Syco Petroleum Pakistan Ltd.	1	1	0	0	0	0	2
5	M/s. Puma Energy Pvt. Ltd.	183	8	1	18	1	0	203
6	M/s. Total Petro-Pakistan Ltd.	1	0	0	0	0	0	1
7	M/s. BP Energy Ltd.	1	0	0	1	0	0	2
8	M/s. Gas and Oil Pakistan Ltd.	18	18	0	0	0	0	36
9	M/s. Haseel Petroleum Ltd.	22	5	1	1	0	0	29
10	M/s. Asker Oil Services Pvt. Ltd.	0	0	0	0	0	0	0
11	M/s. Zoom Petroleum Pvt. Ltd.	12	0	0	0	0	0	12
12	M/s. Horizon Oil Company Pvt. Ltd.	Further attended meeting not shared data/ SOI served by OMCs						
13	M/s. LaQuanda Petroleum Pvt. Ltd.	0	0	0	0	0	0	0
14	M/s. Excel Petroleum Pvt. Ltd.	2	0	0	0	0	1	3
15	M/s. Quality-1 Petroleum Pvt. Ltd.	0	0	0	0	0	0	0
16	M/s. Kayser Petroleum Pvt. Ltd.	0	0	0	0	0	0	0
17	M/s. OTO Pakistan Pvt. Ltd.	0	0	0	0	0	0	0
18	M/s. Zoom Marketing Oils Pvt. Ltd.	13	0	0	0	0	0	13
19	M/s. Fast Oil Pvt. Ltd.	Further attended meeting not shared data/ SOI served by OMCs						
20	M/s. Color Petroleum Pvt. Ltd.	A=13, C=12	0	0	0	0	0	25
21	M/s. The Flare Pvt. Ltd.	A=08, C=10	0	0	0	0	0	18
22	M/s. Ar-Nisar Petroleum Pvt. Ltd.	0	0	0	0	0	0	0
23	M/s. My Petroleum Pvt. Ltd.	A=07, C=14	0	0	0	0	0	21
24	M/s. Jinn Petroleum Pvt. Ltd.	0	0	0	0	0	0	0
25	M/s. Oil Industries Pakistan Pvt. Ltd.	1	0	0	0	0	0	1
26	M/s. Sun Oil Pvt. Ltd.	3	0	0	0	0	0	3
27	M/s. Pure Petroleum Pvt. Ltd.	Further attended meeting not shared data/ SOI served by OMCs						
28	M/s. Ty/ Gasline Pvt. Ltd.	Further attended meeting not shared data/ SOI served by OMCs						
29	M/s. HS-Tech Lubricants Ltd.	0	0	0	0	0	0	0
30	M/s. Power Energy Pvt. Ltd.	0	0	0	0	0	0	0
31	M/s. Aded Petroleum Pvt. Ltd.	0	0	0	0	0	0	0
32	M/s. Max Flame Pvt. Ltd.	0	0	0	0	0	0	0
33	M/s. Vital Petroleum Pvt. Ltd.	0	0	0	0	0	0	0
34	M/s. Best Petroleum (Pvt) Ltd	0	0	0	0	0	0	0
TOTAL		495	74	13	43	1	1	628

*Category

a. Petrol Pumps having no agreement/lease with OMC and working without form A but using the logo of the OMC.

b. Petrol Pumps having previous agreement/lease with OMC but not follow all the OMC's regulatory and standard and requirement but still working while using the logo of the OMC.

c. Petrol Pumps having valid agreement/lease with OMC but have not been issued form A but operational using the logo of the OMC.

Details pertaining to illegal petrol pumps / retail outlets provided by OMCs during meeting held at OGTI on 15-09-2020

S. #	OMC	*Category of Petrol Pump			
		a	b	c	Total (a+b+c)
1	M/s. Pakistan State Oil Company Ltd.	Neither attended meeting nor shared data./ SCN served by OGRA (under information to Secretary Petroleum)			
2	M/s. Shell Pakistan Ltd.				81
3	M/s. Attock Petroleum Ltd.	0	64	1	65
4	M/s. Byco Petroleum Pakistan Ltd.	0	1	1	2
5	M/s. Puma Energy Pvt. Ltd.	159	131	21	311
6	M/s. Total Parco Pakistan Ltd.	11	0	0	11
7	M/s. BE Energy Ltd.	0	0	3	3
8	M/s. Gas and Oil Pakistan Ltd.	0	31	0	31
9	M/s. Haacol Petroleum Ltd.	0	0	30	30
10	M/s. Askar Oil Services Pvt. Ltd.	0	0	0	0
11	M/s. Zoom Petroleum Pvt. Ltd.	3	9		12
12	M/s. Horizon Oil Company Pvt. Ltd.	Neither attended meeting nor shared data./ SCN served by OGRA			
13	M/s. LaGuardia Petroleum Pvt. Ltd.	0	0	0	0
14	M/s. Exceed Petroleum Pvt. Ltd.		3		3
15	M/s. Quality-1 Petroleum Pvt. Ltd.	0	0	0	0
16	M/s. Kepler Petroleum Pvt. Ltd.	0	0	0	0
17	M/s. OTO Pakistan Pvt. Ltd.	0	0	0	0
18	M/s. Zoom Marketing Oils Pvt. Ltd.	4	9	0	13
19	M/s. Fast Oil Pvt. Ltd.	Neither attended meeting nor shared data./ SCN served by OGRA			
20	M/s. Oilco Petroleum Pvt. Ltd.	13	0	12	25
21	M/s. The Fuellers Pvt. Ltd.	0	8	10	18
22	M/s. Al-Noor Petroleum Pvt. Ltd.	0	0	0	0
23	M/s. My Petroleum Pvt. Ltd.	7	0	14	21
24	M/s. Jinn Petroleum Pvt. Ltd.	0	0	0	0
25	M/s. Oil Industries Pakistan Pvt. Ltd.	0	0	1	1
26	M/s. Euro Oil Pvt. Ltd.	1	0	2	3
27	M/s. Flow Petroleum Pvt. Ltd.	Neither attended meeting nor shared data./ SCN served by OGRA			
28	M/s. Taj Gasoline Pvt. Ltd.	Neither attended meeting nor shared data./ SCN served by OGRA			
29	M/s. Hi-Tech Lubricants Ltd.	0	0	0	0
30	M/s. Fossil Energy Pvt. Ltd.	0	0	0	0
31	M/s. Allied Petroleum Pvt. Ltd.	0	0	0	0
32	M/s. Max Fuels Pvt. Ltd.	0	0	0	0
33	M/s. Vital Petroleum Pvt. Ltd.	0	0	0	0
34	M/s. Best Petroleum (Pvt) Ltd	0	0	0	0
TOTAL		198	256	95	630

*Categories

a. Petrol Pumps having no agreement/ lease with OMC and running without Form-R but using the logo of the OMC

b. Petrol Pumps having previous agreement / lease with OMC but not dealer of the OMC anymore and Form-R not renewed but still running while using the logo of the OMC

c. Petrol Pumps having valid agreement / lease with OMC but have not been issued Form-R but operational using the logo the OMC.

THE PETROLEUM ACT, 1934

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5	Production, refining and blending of petroleum
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THE PETROLEUM ACT, 1934

XXI OF 1934

28 September, 1934

An Act to consolidate and amend the law relating to the import, transport, storage, production, refining and blending of petroleum and other inflammable substances.

WHEREAS it is expedient to consolidate and amend the law relating to the import, transport, storage, production, refining and blending of petroleum and other inflammable substances;

It is hereby enacted as follows:

PRELIMINARY

1. Short title, extent and commencement. (1) This Act may be called the petroleum Act, 1934.

(2) It extends to the whole of Pakistan.

(3) It shall come into force on such date as the Federal Government may by notification in the official Gazette, appoint.

2. Definitions. In this Act, unless there is anything repugnant to the subject or context,—

(a) "Petroleum" means any liquid hydrocarbon or mixture of hydrocarbons and any inflammable mixture (liquid, viscous or solid) containing any liquid hydrocarbon;

(b) "Dangerous petroleum" means petroleum having its flashing point below seventy-two degrees Fahrenheit;

(c) "Flashing point" of any petroleum means the lowest temperature at which it yields a vapour which will give a secondary flash when ignited, determined in accordance with the provisions of Chapter II and the rules made thereunder;

(d) "to transport" means to move petroleum from one place to another within Pakistan, by land, sea or air, and includes carrying it out over place to another in Pakistan across territory which is not part of Pakistan;

(e) "to import" petroleum means to bring it into Pakistan by land, sea or air, otherwise than during the course of transport;

(f) "to store" petroleum means to keep it in any one place, but does not include any movement happening during the ordinary course of transport;

(g) "motor equipment" means any vehicle, vessel or aircraft for the conveyance of human beings, animals or goods, by land, water or air, in which petroleum is used to generate the motive power;

(h) "prescribed" means prescribed by rules made under this Act.

CHAPTER I CONTROL OVER PETROLEUM

3. Import, transport and storage of petroleum. (1) No one shall import, transport or store any petroleum except in accordance with rules made under section 4.

(2) None is to be taken into the conditions of any licence for the purpose which he may be required to obtain by rules made under section 4, no one shall import any dangerous petroleum, and no one shall transport or store any petroleum.

4. Rules for the import, transport and storage of petroleum. The Federal Government may make rules

(a) prescribing places where petroleum may be imported and prohibiting its import elsewhere;

(b) regulating the import of petroleum elsewhere;

(c) prescribing the periods within which licences for the import of dangerous petroleum shall be applied for, and providing for the disposal, by forfeiture or otherwise, of any dangerous petroleum in respect of which a licence has not been applied for within the prescribed period or has been refused and which has not been exported;

(d) regulating the transport of petroleum;

(e) specifying the nature and condition of all receptacles and pipelines in which petroleum may be transported;

(f) regulating the place at which and prescribing the conditions subject to which petroleum may be stored;

(g) specifying the nature, situation and condition of all receptacles in which petroleum may be stored;

(h) prescribing the form and conditions of licences for the import of dangerous petroleum, and for the transport or storage of any petroleum, the manner in which applications for such licences shall be made, the conditions which may grant such licences and the fees which may be charged for such licences;

(i) determining in any class of cases whether a licence for the transport of petroleum shall be obtained by the consignee, consignee or owner;

(j) providing for the grant of conditional licences for the import, transport and storage of petroleum, or for any two of such purposes;

(k) prescribing the proportion in which any specified petroleum substance may be added to petroleum, and prohibiting the import, transport or storage of petroleum in which the proportion of any specified petroleum substance exceeds the prescribed proportion; and

(l) generally, providing for any matter which in its opinion is expedient for proper control over the import, transport and storage of petroleum.

5. Production, refining and blending of petroleum. (1) No one shall produce, refine or blend petroleum except in accordance with the rules made under sub-section (2).

(2) The Federal Government may make rules

- (a) prescribing the conditions subject to which petroleum may be produced, refined or blended, and
- (b) regulating the removal of petroleum from places where it is produced, refined or blended and preventing the storage therein and removal therefrom, except as dangerous petroleum, of any petroleum which has not satisfied the prescribed tests.

6. Receipts of dangerous petroleum to show a warning. All receptacles containing dangerous petroleum shall have a stamped, embossed, printed or printed warning, either on the receptacle itself or, when that is impracticably employed and the receptacle, indicating its dangerous character, the words "poison" or "highly flammable", or an equivalent meaning of the dangerous nature of the petroleum.

Provided that this section shall not apply to:-

- (a) any specially designed glass, aluminium or metal receptacle of less than two gallons capacity containing dangerous petroleum, which is not for sale, or
- (b) a tank incorporated as a motor conveyance, or attached to an internal combustion engine, and containing petroleum intended to be used to generate motive power for the motor conveyance or engine, or
- (c) a pipe line for the transport of petroleum, or
- (d) any tank which is wholly underground, or
- (e) any class of receptacles which the Federal Government may, by notification in the official Gazette, exempt from the operation of this section.

7. No licence needed for small stocks of non-dangerous petroleum not in bulk. Notwithstanding anything contained in this Chapter, a person need not obtain a licence for the transport or storage of non-dangerous petroleum if the total quantity in his possession, at any one place does not exceed five hundred gallons and none of it is contained in a receptacle exceeding two hundred gallons capacity.

8. No licence needed for small quantities of dangerous petroleum. (1) Notwithstanding anything contained in this Chapter, a person need not obtain a licence for the import, transport or storage of dangerous petroleum not in bulk if the total quantity in his possession does not exceed six gallons.

(2) Dangerous petroleum possessed without a licence under this section shall be kept in securely wrapped receptacles of glass, aluminium or metal which shall not in the case of receptacles of glass or aluminium exceed one quart in capacity or in the case of receptacles of metal five gallons in capacity.

9. Exemptions for motor conveyances and stationary engines. (1) The owner of a motor conveyance, who complies with requirements of the law for the time being in force relating to the registration and licensing of such conveyance and its driver or pilot and the owner of any stationary internal combustion engine, shall not be required to obtain a licence:-

- (a) for the import, transport or storage of any petroleum contained in any fuel tank incorporated in the conveyance or attached to the internal combustion engine, or
- (b) for the transport or storage of dangerous petroleum, not exceeding twenty gallons in quantity in addition to any quantity possessed under clause (a).

Provided the petroleum is intended to be used to generate motive power for the motor conveyance or engine.

(Provided further that the total quantity of dangerous petroleum stored without a licence under clause (b) shall not exceed twenty gallons, notwithstanding that such owner may possess other motor conveyances or engines.)

(2) The dangerous petroleum transported or stored without a licence under clause (b) of sub-section (1) shall be kept as provided in sub-section (2) of section 8 and, if it exceeds six gallons in quantity, shall be stored in an isolated place which does not communicate with any street, where any person, vehicle or vessel or in any place where person, vehicle

10. No licence needed by railway administration acting as carrier. Notwithstanding anything contained in this Chapter, a railway administration, as defined in section 3 of the Railways Act, 1950, need not obtain any licence for the import or transport of any petroleum in its possession in its capacity as carrier.

11. Exemption of heavy oils. Nothing in this Chapter shall apply to any petroleum which has its freezing point not below two hundred degrees Fahrenheit.

12. General power of exemption. The Federal Government may, by notification in the official Gazette, exempt any petroleum specified in the notification from all or any of the provisions of this Chapter.

13. Inspection of places. (1) The Federal Government may authorize any officer by itself or by virtue of office to enter any place where petroleum is being imported, stored, produced, refined or blended, or is used in transport, and inspect all receptacles, pipes and appliances used in connection with petroleum in order to ascertain if they are in accordance with the provisions of this Chapter and the rules made thereunder.

(2) The Federal Government may make rules regulating the procedure of officers authorized under this section.

CHAPTER III THE TESTING OF PETROLEUM

14. Inspection and sampling of petroleum. (1) The Federal Government may, by notification in the official Gazette, authorize any officer by name or by virtue of office to enter any place where petroleum is being imported, stored, produced, refined or blended and to inspect any take samples for testing of any petroleum found therein.

(2) The Federal Government may make rules:-

- (a) regulating the taking of samples of petroleum for testing,
- (b) determining the mode in which payment shall be made for the value of samples taken, and the mode of payment, and
- (c) generally, regulating the procedure of officers exercising powers under this section.

15. Standard Test Apparatus. (1) A standard apparatus for determining the boiling point of petroleum of petroleum shall be deposited with an officer to be appointed in that behalf by the Federal Government, by notification in the official Gazette.

(2) Such apparatus shall be marked with the words "Standard Test Apparatus" and shall be verified and corrected from time to time and replaced, when necessary, in accordance with rules made under section 21.

(3) The Standard Test Apparatus shall, on payment of the prescribed fee, be open to inspection of all reasonable times by any person wishing to inspect it.

16. Certification of other test apparatus. (1) The officer appointed under section 15 shall, on payment of the prescribed fee, if any, compare with the Standard Test Apparatus any apparatus for determining the boiling point of petroleum which may be submitted to him for this purpose.

(2) If any apparatus is found by him to agree with the Standard Test Apparatus within prescribed limits, the officer shall compare such apparatus with a special number and with the date of the comparison, and shall give a certificate in respect of it in the prescribed form, certifying that on the said date the apparatus was compared with the Standard Test Apparatus and was

found to agree with it within the prescribed limits and specifying any corrections to be made in the results of test carried out with the apparatus.

(3) A certificate granted under this section shall be valid for such period as may be prescribed.

(4) A certificate granted under this section shall, during the period for which it is valid, be proof, until the contrary is proved of any matter stated therein.

(5) The officer shall keep a register in the prescribed form of all certificates granted by him under this section.

17. **Testing officers.** The Federal Government may authorize any officer by name or by virtue of office to test petroleum of which samples have been taken under this Act, or which may have been submitted to him for test by any person, and to grant certificates of the results of such tests.

18. **Manner of test.** All tests of petroleum made under this Act shall be made with a test apparatus in respect of which there is a valid certificate under section 16, shall have due regard to any correction specified in that certificate, and shall be carried out in accordance with rules made under section 21.

19. **Manner of test.** (1) The testing officer after testing samples of petroleum shall make out a certificate in the prescribed form, stating whether the petroleum is dangerous or non-dangerous and, if the petroleum is non-dangerous, the flashing-point of the petroleum.

(2) The testing officer shall furnish the person concerned, at his request, with a certified copy of the certificate, on payment of the prescribed fee, and such certified copy may be produced in any Court of proof of the contents of the original certificate.

(3) A certificate given under this section shall be admitted as evidence in any proceedings which may be taken under this Act in respect of the petroleum from which the samples were taken, and shall, until the contrary is proved, be conclusive proof that the petroleum is dangerous or non-dangerous, or of, its flashing point.

20. **Right to require re-test.** (1) The owner of any petroleum, or his agent, who is dissatisfied with the result of the test of the petroleum may, within seven days from the date on which he receives intimation of the result of the test, apply to the officer empowered under section 14 to have fresh samples of the petroleum taken and tested.

(2) On such application and on payment of the prescribed fee, fresh samples of the petroleum shall be taken in the presence of such owner or agent or person deputed by him, and shall be tested in the presence of such owner or agent or person deputed by him.

(3) If, on such re-test, it appears that the original test was erroneous, the testing officer shall cancel the original certificate granted under section 16, shall make out a fresh certificate, and shall furnish the owner of the petroleum, or his agent, with a certified copy thereof, free of charge.

21. **Power to make rules regarding tests.** The Federal Government may make rules:

(a) for the specification, verification, correction and replacement of the Standard Test Apparatus;

(b) prescribing the fee for the inspection of the Standard Test Apparatus;

(c) regulating the procedure in comparing a test apparatus with the Standard Test Apparatus;

(d) prescribing the form of certificate to be given in respect of a test apparatus so compared, and the period for which such certificate shall be valid;

(e) prescribing the form of the register of such certificates;

(f) prescribing fees for comparing a test apparatus with the Standard Test Apparatus;

(g) regulating the procedure of testing officers in carrying out tests of petroleum, providing for the averaging of results where several samples of the same petroleum are tested, and prescribing the variations from standard temperatures which may be allowed;

(h) prescribing the form of certificates of test of petroleum, and the fees which may be charged therefor;

(i) providing, where the results of the testing of samples raise a doubt as to the uniformity of the quality of the petroleum, or any lot under test, for the division of the lot into sub-lots, selection and testing of samples of each sub-lot and for the averaging of results in accordance with the results of tests of those samples;

(j) prescribing fees for re-tests under section 20 and providing for their refund where the original test was erroneous; and

(k) generally, regulating the procedure of all officers performing duties connected with the testing of petroleum, and providing for any matter incidental to such testing.

22. **Special rules for a testing officer or other forms of petroleum.** The Central Government may also make rules providing specially for the testing of any form of petroleum which is viscous or solid at common ambient or fluctuating temperatures, and such rules may modify or supplement any of the provisions of this Chapter or of the rules made under section 21 in order to adapt them to the special needs of such tests.

CHAPTER III PENALTIES AND PROSECUTION

23. **General penalty for offences under this Act.** (1) Whoever:

(a) contravenes any of the provisions of Chapter I or of any of the rules made thereunder, except, however, where prohibited, officers or agents of petroleum, or

(b) contravenes any rule under made section 4 or section 5, or

(c) being the holder of a licence issued under section 4 or a person for the time being placed by the holder of such licence in control or charge of any place where petroleum is being imported or stored, or is under transport, contravenes any condition of such licence or violates any condition of such licence to be contravened, or

(d) being for the time being in control or charge of any place where petroleum is being imported, stored, produced, refined or intended or is under transport, refuses or neglects to show to any officer authorized under section 13 any certificate, plan or appliance used in such place in connection with petroleum, or in any way obstructs or fails to render reasonable assistance to such officer during an inspection, or

(e) being for the time being in control or charge of any place where petroleum is being imported, transported, stored, produced, refined or intended, refuses or neglects to show to any officer authorized under section 14 any petroleum in such place, or to give him such assistance as he may require for the inspection of such petroleum, or refuses to allow him to take samples of the petroleum, or

(f) being required, under section 17, to give information or to furnish facts to give such information as so required by that section,

shall be punishable with fine which may extend to five hundred rupees.

(2) If any person has been convicted of any offence punishable under sub-section (1) is again guilty of any offence punishable under that sub-section, he shall be punishable for every such subsequent offence with fine which may extend to two thousand rupees.

24. **Confiscation of petroleum and receptacles.** (1) In any case in which an offender under clause (a) or clause (b) or clause

(i) if notification (1) of section 22 has been committed, the controlling Magistrate may direct that -

(a) the petroleum in respect of which the offence has been committed, or

(b) where the offender is convicted of importing, transporting or storing petroleum exceeding the quantity he is permitted to import, transport or store as the case may be, the whole of the petroleum in respect of which the offence was committed, shall, together with the recognition in which it is contained, be confiscated.

(2) This power may also be exercised by the High Court in the exercise of its appellate or revisional powers.

23. *Forfeiture.* Offences punishable under this Act shall be treated, by a Magistrate of the first class, or by a Magistrate of the second class who has been specially empowered by the Central Government in this behalf,

24. *Power of entry and search.* (1) The Central Government may, by notification in the official Gazette, authorize any officer by name or by virtue of office to enter and search any place where he has reason to believe that any petroleum is being imported, transported, stored, produced, refined or blended otherwise than in accordance with the provisions of this Act and the rules made thereunder, and to seize, detain or remove any or all of the petroleum in respect of which in his opinion an offence under this Act has been committed.

(2) The provisions of the Code of Criminal Procedure, 1898, relating to searches shall, so far as they are applicable, apply to searches by officers authorized under this section.

(3) The Central Government may make rules regulating the procedure of authorized officers in the exercise of their powers under this section subject, however, to the provisions of sub-section (2).

25. *Reports of accidents with petroleum.* Where any accident by explosion or fire, which is attended with loss of human life or serious injury to person or property, occurs as the result of the ignition of petroleum vapour or occurs as or near any place where petroleum is kept and under circumstances making it likely that it was the result of such ignition, the person for the time being in charge of the petroleum shall forthwith give information to the nearest Magistrate or to the officer in-charge of the nearest Police Station.

26. *Inquiry into serious accidents with petroleum.* (1) The inquiry mentioned in section 17 of the Code of Criminal Procedure, 1898, shall [under section 4 of the Criminal Act, 1871, is applicable to the circumstances] be held in all cases where any person has been killed by an accident which the Magistrate has reason to believe was the result of the ignition of petroleum or petroleum vapour.

(2) Any Magistrate empowered to hold an inquiry may also hold an inquiry under the said section into the cause of any accident where he has reason to believe was the result of the ignition of petroleum or petroleum vapour, if such accident was attended by serious injury to person or property, notwithstanding that no person was killed thereby.

(3) The result of all inquiries held in pursuance of this section and of any inquiry held by a court in a case in which sub-section (1) applies shall be submitted as soon as may be to the Central Government, the Chief Inspector of Explosives in Pakistan and the Provincial Government.

CHAPTER IV SUPPLEMENTAL

27. *Provisions relating to rules.* (1) In making any rules under this Act, the Federal Government may -

(a) provide for any matter ancillary to such rules for which, in its opinion provision is necessary to protect the public from danger arising from the storage, transport, storage, production, refining or blending of petroleum, and

(b) make special provision for the special circumstances of any petroleum or place.

(2) Every power to make rules conferred by this Act is subject to the conditions of previous publication.

(3) All rules made under this Act shall be published in the official Gazette.

28. *Power to apply Act to other substances.* (1) The Federal Government may, by notification in the official Gazette, apply any or all of the provisions of this Act, and of the rules made thereunder with such modifications as it may specify, to any dangerously inflammable substance other than an explosive, and therefore the provisions so applied shall have effect as if such substance had been included in the definition of petroleum.

(2) The Central Government may make rules providing specially for the testing of any substance to which any of the provisions of this Act have been applied by notification under sub-section (1), and such rules may supplement any of the provisions of Chapter II in order to adapt them to the special needs of such tests.

29. *Power to limit powers of local authorities over petroleum.* Where any enactment confers powers upon any local authority in respect of the transport or storage of petroleum, the Central Government may, by notification in the official Gazette, -

(a) limit the operation of such enactment, or

(b) restrict the exercise of such powers, in any manner it deems fit.

30. [Repealed] Act, by the Repealing Act, 1959 (1) of 1959, S. 2 and Sub.

THE SCHEDULE

[Repealed] Act, by the Repealing Act, 1959 (1) of 1959, S. 2 and Sub.

THE PETROLEUM ACT, 1934

ACT NO. XXX OF 1934
[as amended up to 1986]

An Act to consolidate and amend the law relating to the import, transport, storage, production, refining, blending, or reclaiming by recycling of petroleum and other inflammable substances.

WHEREAS it is expedient to consolidate and amend the law relating to the import, transport, storage, production, refining, blending or reclaiming by recycling of petroleum and other inflammable substances¹; It is hereby enacted as follows:

PRELIMINARY

1. **Short title, extent and commencement.**— (1) This Act may be called the Petroleum Act, 1934.

(2) It extends to the whole of ²[Bangladesh.]

(3) It shall come into force on such date as the ³[Government] may, by notification in the official Gazette, appoint.

2. **Definitions.**— In this Act, unless there is anything repugnant in the subject or context, —

- (a) "petroleum" means any liquid hydrocarbon or mixture of hydrocarbons, and any inflammable mixture (liquid, viscous or solid) containing any liquid hydrocarbon;
- (b) "Class I petroleum" means petroleum having its flashing-point below twenty three degrees centigrade;
- (bb) "Class II petroleum" means Petroleum having its flashing-point below sixty-one degrees but not below twenty-three degrees centigrade.
- (c) "Flashing-point" of any petroleum means the lowest temperature at which it yields a vapour which will give a momentary flash when ignited, determined in accordance with the provisions of Chapter II and the rules made thereunder;
- (d) "to transport" means to move petroleum from one place to another within Bangladesh by land sea or air.
- (e) "to import" petroleum means to bring into Bangladesh by land, sea or air;
- (f) "to store" petroleum means to keep it in any one place, but does not include any detention happening during the ordinary course of transport;
- (g) "motor conveyance" means any vehicle, vessel or aircraft for the conveyance of human beings, animals or goods by land, water or air, in which petroleum is used to generate the motive power;

¹ The purview of this Act is not limited only to "petroleum" as defined in clause (a) of section 2. Any other inflammable liquid substance having its flashing point below 61°c also falls under the sphere of this Act.

² Substituted by Act VIII of 1973, as amended by Act I. III of 1974 (w.e.f. 26.2.1975), for "Pakistan".

¹ Substituted by Act VIII of 1973, as amended by Act LIII of 1974 (see, for 26.3.1975), for "Central Government".

- (h) "prescribed" means prescribed by rules made under this Act;
- (i) "oil marketing company" means a company, organisation or other person having right, under the authority of the Government or otherwise, of marketing petroleum in Bangladesh;
- (j) "agent" in relation to oil marketing company, means a person, including a firm and a company, appointed with approval of the Government by an oil marketing company to be its agent for dealing in (Class II) petroleum;
- (k) "dealer" means a person including a firm and a company, appointed with the approval of the Government by an oil marketing company to be a dealer for dealing in (Class I) petroleum; and
- (l) "stockist" means a person, including a firm and a company, appointed with the approval of the Government by an oil marketing company to be a stockist for maintaining stock, and for distribution among the agents and dealers, of both Class I and Class II petroleum.

CHAPTER I CONTROL OVER PETROLEUM

3. **Import, transport and storage of petroleum.**—(1) No one shall import, transport, store or distribute any petroleum save in accordance with the rules made under section 4.

(2) Save in accordance with the conditions of any licence for the purpose which he may be required to obtain by rules made under section 4, no one shall import any Class I petroleum, and no one shall transport store or distribute any petroleum.

4. **Rules for the Import, transport and storage of petroleum.**—The Government may make rules—

- (a) Prescribing places where petroleum may be imported and prohibiting its import elsewhere;
- (b) regulating the import of petroleum;
- (c) prescribing the periods within which licences for the import of Class I petroleum shall be applied for, and providing for the disposal, by confiscation or otherwise, of any Class I petroleum in respect of which a licence has not been applied for within the prescribed period or has been refused and which has not been exported;
- (d) regulating the transport of petroleum;

¹Substituted by Ordinance No. XXXIX of 1956, for "non - dangerous"

²Substituted by Ordinance No. XXXIX of 1956, for "dangerous"

³The following Rules have been made:

(a) The Petroleum Rules, 1937 (as amended upto 21-12-1969).

(i) *The Carbide of Calcium Rules, 1937* (as amended upto 31-12-1989).

(ii) *The Mineral Gas Safety Rules, 1960* (as substituted by the *Natural Gas Safety Rule, 1991*).

- (e) specifying the nature and condition of all receptacles and pipe-lines in which petroleum may be transported ;
- (f) regulating the places at which and prescribing the conditions subject to which petroleum may be stored ;
- (g) specifying the nature, situation and condition of all receptacles in which petroleum may be stored ;
- (h) prescribing the form and conditions of licences for the import of class I petroleum and for the transport or storage of any petroleum, the manner in which applications for such licences shall be made, the authorities which may grant such licences and the fees which may be charged for such licences ;
- (i) determining in any class whether a licence for the transport of petroleum shall be obtained by the consignee, consignor or carrier ;
- (j) providing for the granting of combined licences for the import, transport storage and distribution of petroleum or for any two of such purposes ;
- (k) prescribing the proportion in which any specified poisonous substance may be added to petroleum and prohibiting the import, transport or storage of petroleum in which the proportion of any specified poisonous substance exceeds the prescribed proportion ;
- (l) regulating the distribution of petroleum ;
- (m) prescribing the conditions for the appointment of, and the granting of licences to agents, dealers and stockist ;
- (n) prescribing the form and conditions of agreement between an agent, dealer or stockist and an oil marketing company ;
- (o) providing for cancellation or restoration of licences of an agent or a dealer and of agreement between an oil marketing company and an agent, dealer or stockist ; and
- (p) generally, providing for any matter which in its opinion, is expedient for proper control over the import, transport, storage and distribution of petroleum.

5. **Production refining and blending of petroleum.** — (1) No one shall produce, refine, blend or reclaim by recycling petroleum save in accordance with the rules made under sub-section (2).

(2) The Government may make rules

- (a) prescribing the conditions subject to which petroleum may be produced, refined, blended or reclaimed by recycling and
- (b) regulating the removal of petroleum from places where it is produced, refined, blended or reclaimed by recycling and preventing the storage therein and removal therefrom, except as Class I petroleum of any petroleum which has not satisfied the prescribed tests.

6. **Receptacles of class I petroleum to show a warning.** — All receptacles containing Class I petroleum shall have a stamped, embossed, painted or printed warning, either on the receptacles itself or, where that is impracticable, displayed near the receptacle, exhibiting in conspicuous characters the words "Petrol" or "Motor Spirit", or an equivalent warning of the dangerous nature of the petroleum :

Provided that this section shall not apply to —

- (a) any securely stoppered glass, stoneware or metal receptacle of less than nine litres capacity containing Class I petroleum which is not for sale, or
- (b) a tank incorporated in a motor conveyance, or attached to an internal combustion engine, and containing intended to be used to generate motive power for the motor conveyance or engine, or
- (c) a pipe-line for the transport of petroleum, or
- (d) any tank which is wholly underground, or
- (e) any class of receptacles which the Government may, by notification in the official Gazette, exempt from the operation of this section.

7. **No licence needed for small stocks of Class II petroleum not in bulk.** — Notwithstanding anything contained in this Chapter, a person need not obtain a licence for the transport or storage of Class II petroleum if the total quantity in his possession at any one place does not exceed two thousand litres and none of it is contained in a receptacles exceeding one thousand litres in capacity.

8. **No licence needed for small quantities of Class I petroleum.** — (1) Notwithstanding anything contained in this Chapter, a person need not obtain a licence for the import, transport or storage of Class I petroleum not intended for sale if the total quantity in his possession does not exceed twenty five litres;

(2) Class I possessed without a licence under this section shall be kept in securely stoppered receptacles of glass, stoneware or metal which shall not in the case of receptacles of glass or stoneware exceed one litre in capacity or in the case of receptacles of metal twenty litres in capacity.

9. **Exemptions for motor conveyances and stationary engines.** — (1) The owner of a motor conveyance, who complies with requirements of the law for the time being in force relating to the registration and licensing of such conveyance and its driver or pilot and the owner of any stationary internal combustion engine, shall not be required to obtain a licence—

- (a) for the import, transport or storage of any petroleum contained in any fuel tank incorporated in the conveyance or attached to the internal combustion engine, or
- (b) for the transport or storage of Class I petroleum, not exceeding ninety litres in quantity in addition to any quantity possessed under clause (a):

Provided that the petroleum is intended to be used to generate motive power for the motor conveyance or engine :

Provided further that the total quantity of Class I petroleum which may be stored without a licence under clause (b) shall not exceed ninety litres, notwithstanding that such owner may possess other motor conveyances or engines.

(2) The Class I petroleum transported or stored without a licence under clause (b) of sub-section (1), and if it exceeds twenty litres in quantity shall be stored in an isolated place which does not communicate with any room where any person resides or works or in any room where persons assemble.

10. **No licence needed by the railway administration acting as carrier.** — Notwithstanding anything contained in this Chapter, the railway administration, as defined in section 3 of the Railways Act, 1890, need not obtain any licence for the import or transport of any petroleum in its possession in its capacity as carrier.

[11. **Exemption.** — Nothing in this Chapter shall apply to the storage transport and import of any petroleum which has its flashing point not below ninety-five degrees centigrade.]

12. **General Power of exemption.**— The Government may by notification in the official Gazette, exempt any petroleum specified in the notification from all or any of the provisions of this Chapter.

13. **Inspection of Places.**— (1) The Government may authorise any officer^a by name or by virtue of office to enter any place where petroleum is being imported, stored, distributed, produced, refined blended or reclaimed by recycling or is under transport, and inspect all receptacles, plant and appliances used in connection with petroleum in order to ascertain if they are in accordance with the provisions of this Chapter and the rules made thereunder.

(2) The Government may make rules regulating the procedure of officers authorised under this section.

CHAPTER II THE TESTING OF PETROLEUM

14. **Inspection and sampling of petroleum.** — (1) The Government may, by notification in the official Gazette, authorise^a any officer by name or by virtue of office to enter any place where petroleum is being imported, transported stored, distributed, produced, refined, blended or reclaimed by recycling and to inspect and take samples for testing of any petroleum found therein.

(2) The Government may make rules

(a) regulating the taking of samples of petroleum for testing.

Subs. by Ordinance XXXIX of 1966

**The following officers has been authorised for the areas specified:*

	<i>Officers</i>	<i>Areas</i>
1.	<i>The Chief Inspector, Inspectors and Assistant Inspectors of Explosives.</i>	<i>Whole of Bangladesh</i>
2.	<i>All District Magistrates</i>	<i>Their respective districts.</i>
3.	<i>All Magistrates subordinate to the District Magistrate.</i>	<i>Their respective</i>
4.	<i>All Police Officers of rank not below 600th that of Inspector.</i>	<i>The respective areas which their authority extends.</i>

(b) determining the cases in which payment shall be made for the value of samples taken, and the mode of payment, and

(c) generally, regulating the procedure of officers exercising powers under this section.

15. **Standard Test Apparatus.**—(1) A standard apparatus for determining the flashing-point of petroleum shall be deposited with an officer to be appointed in this behalf by the Government, by notification in the official Gazette.

(2) Such apparatus shall be engraved with the words "standard Test Apparatus", and shall be verified and corrected from time to time and replaced when necessary, in accordance with rules made under section 21.

(3) The standard Test Apparatus shall, on payment of the prescribed fee, be open to inspection at all reasonable times by any person wishing inspect to it.

16. **Certification of other Test Apparatus.**—(1) The officer appointed under section 15 shall, on payment of the prescribed fee, if any, compare with the Standard Test Apparatus any apparatus for determining the flashing-point of petroleum which may be submitted to him for this purpose.

(2) If any apparatus is found by him to agree with the Standard Test Apparatus within prescribed limits, the officer shall engrave such apparatus with a special-number and with the date of the comparison, and shall give a certificate in respect of it in the prescribed form, certifying that on the said date the apparatus was compared with the Standard Test Apparatus and was found to agree with it within the prescribed limits, and specifying any corrections to be made in the results of tests carried out with the apparatus.

(3) A certificate granted under this section shall be valid for such period as may be prescribed.

(4) A certificate granted under this section shall, during the period for which it is valid, be proof, until the contrary is proved, of any matter stated therein.

17. **Testing Officers.**—The Government may authorise any officer by name or by virtue of office to test petroleum of which samples have been taken under this Act, or which may

have been submitted to him for test by any person, and to grant certificates of the results of such tests.

18. **Manner of test.**— All tests of petroleum made under this Act, shall be made with a test apparatus in respect of which there is a valid certificate under section 16, shall have due regard to any correction specified in that certificate, and shall be carried out in accordance with rules made under section 21.

The following officers are authorised for the purpose :

1. *The Chief Inspector, Inspectors and Assistant Inspector of Explosives*
2. *The Civil Surgeon, Chittagong*
3. *The Chemical Examiner, Custom House, Chittagong.*

19. **Certificate of testing.**— (1) The testing officer after testing samples of petroleum shall make out a certificate in the prescribed form, stating whether the petroleum is class I or class II and if the petroleum is class I the flashing-point of the petroleum.

(2) The testing officer shall furnish the person concerned, at his request, with a certified copy of the certificate, on payment of the prescribed fee, and such certified copy may be produced in any Court in proof of the contents of the original certificate.

(3) A certificate given under this section shall be admitted as evidence in any proceeding which may be taken under this Act in respect, of the petroleum from which the samples were taken, and shall until the contrary is proved, be conclusive proof that the petroleum is class I or class II as the case may be, and if the petroleum is class II, of its flashing-point.

20. **Right to require retest.**— (1) The owner of any petroleum, or his agent, who is dissatisfied with the result of the test of the petroleum may within seven days from the date on which he received intimation of the result of the test, apply to the officer empowered under section 14 to have fresh samples of the petroleum taken and tested.

(2) On such application and on payment of the prescribed fee, fresh samples of the petroleum shall be taken in the presence of such owner or agent or person deputed by him and shall be tested in the presence of such owner or agent or person deputed by him.

(3) If, on such re-test, it appears that the original test was erroneous, the testing officer shall cancel the original certificate granted under section 19, shall make out a fresh certificate, and shall furnish the owner of the petroleum, or his agent, with a certified copy thereof, free of charge.

21. **Power to make rules regarding tests.**— The Government may make rules—

- (a) for the specification, verification, correction and replacement of the Standard Test Apparatus ;
- (b) Prescribing fees for the inspection of the Standard Test Apparatus ;

- (c) regulating the procedure in comparing a test apparatus with the Standard Test Apparatus ;
 - (d) prescribing the form of certificate to be given in respect of a test apparatus so compared, and the period for which such certificates shall be valid ;
 - (e) prescribing the form of the register of such certificates ;
 - (f) prescribing fees for comparing a test apparatus with the Standard Test Apparatus ;
- (g) regulating the procedure of testing officers in carrying out tests of petroleum, providing for the averaging of results where several samples of the same petroleum are tested, and prescribing the variations from standard temperatures which may be allowed ;
- (h) prescribing the form of certificates of tests of petroleum and the fees which may be charged therefor ;
 - (i) providing where the results of the testing of samples raise a doubt as the uniformity of the quality of the petroleum in any lot under test, for the division of the lot into sub-lots, and for the selection and testing of samples of each sub-lot and for the averaging of results in accordance with the results of tests of those samples ;
 - (j) prescribing fees for re-tests under section 20 and providing for their refund where the original test was erroneous ; and
 - (k) generally, regulating the procedure of all officers performing duties connected with the testing of petroleum and providing for any matter incidental to such testing.

22. Special rules for testing viscous or solid forms of petroleum.— The Government may also make rules providing specially for the testing of any form of petroleum which is viscous or solid or contains sediment or thickening ingredients, and such rules may modify or supplement any of the provisions of this Chapter or of the rules made under section 21 in order to adapt them to the special needs of such tests.

CHAPTER III

PENALTIES AND PROCEDURE

23. General penalty for offences under this Act.— (1) Whoever —

- (a) in contravention of any of the provisions of Chapter 1 or of any of the rules made thereunder, imports, transports, stores, distributes produces, refines, blends or recclaims by recycling blends any petroleum, or
- (b) contravenes any rule made under section 4 or section 5, or
- (c) being the holder of a licence issued under section 4 or a person for the time being placed by the holder of such licence in control or in charge of any

place where petroleum is being imported stored or distributed or is under transport, contravenes any condition of such licence or suffers any condition of such licence to be contravened, or

- (d) being for the time being in control or in charge of any place where petroleum is being imported, stored, distributed, produced refined, blended or reclaimed by recycling or is under transport, refuses or neglects to show to any officer authorised under section 13 any receptacle, plant or appliance used in such place in connection with petroleum, or in any way obstructs or fails to render reasonable assistance to such officer during an inspection, or
- (e) being for the time being in control or in charge of any place where petroleum is being imported, transported stored, distributed, produced, refined, blended, or reclaimed by recycling, refuses or neglects to show to any officer authorised under section 14 any petroleum in such place, or to give him such assistance as he may require for the inspection of such petroleum, or refuses to allow him to take samples of the petroleum, or
- (f) being required, under section 27, to give information of an accident fails to give such information as so required by that section.

shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five thousand taka, or with both.

(2) If any person, having been convicted of an offence punishable under sub-section (1), is again guilty of any offence punishable under that sub-section, he shall be punishable for every such subsequent offence with imprisonment for a term which may extend to six months, or with fine which may extend to ten thousand Taka, or with both.

24. Confiscation of petroleum and receptacles. — (1) In any case in which an offence under clause (a) of clause (b) or clause (c) of sub-section (1) of section 23 has been committed, the convicting Magistrate may direct that—

- (a) the petroleum in respect of which the offence has been committed, or
- (b) where the offender is convicted of importing, transporting, storing or distributing petroleum exceeding the quantity he is permitted to import, transport store or distribute as the case may be, the whole of the petroleum in respect of which the offence was committed,

shall, together with the receptacles in which it is contained, be confiscated.

(2) This power may also be exercised by the High Court Division in the exercise of its appellate or revisional powers.

25. Jurisdiction.— Offences punishable under this Act shall be triable, by a Magistrate of the first class, or by a Magistrate of the second class who has been specially empowered by the Government in this behalf.

26. Power of entry and search. — (1) The Government may, by notification in the official Gazette, authorise any officer¹ by name or by virtue of office to enter and search any

place where he has reason to believe that any petroleum is being imported, transported, stored, distributed, refined, blended or reclaimed by recycling otherwise than in accordance with the provisions of this Act and the rules made thereunder, and to seize, detain or remove any or all of the petroleum in respect of which in his opinion an offence under this Act has been committed.

(2) The provisions of the Code of Criminal Procedure, 1898, relating to searches shall, so far as they are applicable, apply to searches by officers authorised under this section.

(3) The Government may make rules regulating the procedure of authorised officers in the exercise of their powers under this section subject, however, to the provisions of sub-section (2).

The following officers are authorised to exercise the powers mentioned in section 46 in the areas specified in the corresponding entry in the second column :-

<i>Officers.</i>	<i>Areas.</i>
1. The Chief Inspector, Inspectors and Assistant Inspectors of Explosives.	The whole of Bangladesh.
2. All District Magistrates.	Their respective districts.
3. All Magistrates subordinate to the District Magistrate.	Their respective jurisdictions.
4. All Police Officers of rank not below that of Sub-Inspector.	The respective areas over which their authority extends.

27. **Reports of accidents with petroleum.**— Where any accident by explosion or fire, which is attended with loss of human life or serious injury to person or property, occurs as the result of the ignition of petroleum or petroleum vapour, or occurs in or near any place where petroleum is kept and under circumstances making it likely that it was the result of such ignition, the person for the time being in charge of the petroleum shall forthwith give information to the nearest Magistrate or to the officer in charge of the nearest police station, and to the Chief Inspector of Explosives in Bangladesh.

28. **Inquires into serious accidents with petroleum.** — (1) The inquiry mentioned in section 176 of the Code of Criminal Procedure, 1898, shall be held in all cases where any person has been killed by an accident which the Magistrate has reason to believe was the result of the ignition of petroleum or petroleum vapour.

(2) Any Magistrate empowered to hold an inquest may also hold an inquiry under the said section into the cause of any accident which he has reason to believe was the result of the ignition of petroleum or petroleum vapour, if such accident was attended by serious injury to person or property, notwithstanding that no person was killed thereby.

(3) Omitted.

(4) The result of all inquiries held in pursuance of this section shall be submitted as soon as may be to the Government and the Chief Inspector of Explosives in Bangladesh.

CHAPTER IV SUPPLEMENTAL

28A. **Report to be submitted to Chief Inspector of Explosives.**— The officer authorised under sections 13, 14 and 26 shall furnish a copy of the report on the matter inquired into, or searched, by him in accordance with the provisions of these sections to the Chief Inspector of Explosives in Bangladesh.

29. **Provisions relating to rules.**— (1) In making any rules under this Act, the Government may—

(a) provide for any matter ancillary to such rules for which in its opinion provision is necessary to protect the public from danger arising from the import, transport, storage, distribution production, refining, blending or reclaiming by recycling of petroleum, and

(b) make special provision for the special circumstances of any place.

(2) Every power to make rules conferred by this Act is subject to the condition of previous publication.

(3) All rules made under this Act shall be published in the official Gazette.

30. **Power to apply Act to other substances¹.—** (1) The Government may, by notification in the official Gazette, apply any or all of the provisions of this Act, and of the rules made thereunder with such modifications as it may specify, to any dangerously inflammable substance, other than an explosive, and there upon the provisions so applied shall have effect as if such substance has been included in the definition of petroleum.

(2) The Government may make rules providing specially for the testing of any substance to which any of the provisions of this Act have been applied by notification under sub-section (1), and such rules may supplement any of the provisions of Chapter II in order to adapt them to the special needs of such tests.

31. **Power to limit powers of local authorities over petroleum.**— Where any enactment confers powers upon any local authority in respect of the transport or storage of petroleum, the Government may by notification in the official Gazette.

- (a) limit the operation of such enactment, or
- (b) restrict the exercise of such powers, in any manner it deems fit.

¹The provisions of sections 2-4, 12-14, 23-29 and 31, have been applied to Carbide of Calcium. Certain Sections have been applied to Natural Gas, and Calcium phosphide. The provisions of the Act and the petroleum Rules, 1937, have been applied to gas odorants.

THE PETROLEUM RULE, 1937

Previously published under the Government of India (Department of Industries & Labour) Notification No. M-826 (6), dated 23-3-1937:-

In exercise of the powers conferred by section 4, sub-section (2) of section 5, sub-section (2) of section 14, sections 21 and 22 and sub-section (1) of section 29 of the Petroleum Act, 1934 (XXX of 1934), read with section 22 of the General Clauses Act, 1897 (X of 1897), the Governor General in Council is pleased to make the following rules which have been Previously published as required by sub-section (2) of section 29 of the first-mentioned Act, namely :-

RULES

CHAPTER I

PRELIMINARY

1. *Short title and application.* - These rules may be called the Petroleum Rules, 1937.
2. *Supersession and savings.* - (I) All notification and rules issued, and all appointments made by local Governments under the Petroleum Act, 1899, and all rules made by the Governor General in Council under section 8 of that Act are hereby superseded, but -
 - (i) all licenses or duplicates granted or renewed and all fees imposed or levied shall be deemed to have been respectively granted, renewed, imposed or levied under the these rules; and
 - (ii) all approval given and all powers conferred by or under any notification or rule so superseded shall, so far as they are consistent with the Act and these rules, be deemed to have been given or conferred by or under these rules.
2. Anything not in conformity with these rules which was permitted to be done by or under any rule in force immediately before the coming into force of these rules, and which under these rules, may be permitted by the Chief Inspector to be done, shall be deemed to have been so permitted by the Chief Inspector, unless the Chief Inspector, after such notice of his intention as he considers reasonable, declares that it is not so permitted.
3. *Definitions.* - In these rules, unless there is anything repugnant in the subject or context, -

- (a) "*The Act*" means the Petroleum Act, 1934 ;
- (b) "*Chief Inspector*" means the Chief Inspector of Explosives in Pakistan ;
- (c) "*Conservator of the Port*" includes any person acting under the authority of the officer or body of persons appointed to be Conservator of Port under section 7 of the Ports Act, 1968 ;
- (d) "*District Authority*" means – the District Nazim and the City Nazim;
- (e) "*Heavy Petroleum*" means petroleum which has its flashing-point not below 130 degrees F;
- (f) "*Inspector*" means an officer authorized by the Central Government under sub-section (1) of section 13 of the Act ;

Notes and References. – The following officers have been authorized in the areas specified by Notification No. M-826(1), dated the 22nd March 1937 as amended by Notification No. M-826(4), dated the 15th September 1937 as amended in Pakistan.

<i>Officers</i>	<i>Areas</i>
1. The Chief Inspector, Inspector and Assistant Inspector of Explosives	All provinces and Capital of the Federation including Baluchistan
2. All District Magistrates.	Their respective Districts.
3. All Magistrates subordinate to the District Magistrate.	Their respective jurisdiction.
4. All Police officers of rank not below that of Inspector	The respective areas over which their authority extends.

- (g) "*Installation*" means any premises within which any place has been specially prepared for the storage of petroleum in bulk, but does not include a well-head tank ;
- (h) "*Petroleum in bulk*" means petroleum contained in a receptacle exceeding two hundred gallons in capacity ;
- (i) "*Protected works*" means buildings or places in which persons dwell or assemble or where any combustible material is stored and includes docks, wharves, public roads and streets, public foot-paths and public parks, but do not include any building or place which forms part of an installation. [File. Ministry of Industries Notification No. S.R.O. 3 B (K)61, dated 13th February, 1961, published in Gazette of Pakistan, dated 3rd March 1961, Page 118.]
- (j) "*Sampling Officer*" means an officer authorized by the Central Government, under sub-section (1) of Section 14 of the Act.

Notes and References. – Sampling officers were appointed by Notification No. M-826(2), dated the 22nd March 1937 [amended by Notification No. M-826 and 826(5), date the 26th August, 1937 and 15th September 1937 respectively] as amended in Pakistan.

<i>Officers</i>	<i>Areas</i>
1. The Chief Inspector, Inspector and Assistant Inspector of Explosives	All provinces and Capital of the Federation including Baluchistan
2. All District Magistrates.	Their respective Districts.
3. All Magistrates subordinate to the District Magistrate.	Their respective jurisdiction.
4. All Police officers of rank not below that of Inspector	The respective areas over which their authority extends.
5. Preventive Officers, Custom House Karachi	The Port of Karachi
6. Preventive Officers, Custom House Chittagong.	The Port of Chittagong

(k) "*Storage shed*" means a building used for the storage of petroleum otherwise than in bulk, whether it forms or does not form part of an installation, but does not include a building used for the storage of petroleum exempt from license under section 7, 9 or 9 of the Act ;

(l) "*Testing officer*" means an officer authorized by the Central Government to test petroleum under section 17 of the Act ; and

Note and References. – The following officers have been authorized to test petroleum and to grant certificates of the result of such test by Notification No. M-826, dated the 17th March 1937, as amended by Notification No. M-826 (6) dated the 15th September 1937, NO. M-826, dated the 20th October 1937 and No. M-826, dated the 10th May 1939 as amended in Pakistan:

1. The Chief Inspector, Inspector & Assistant Inspector of Explosives.
2. The Civil Surgeon, Chittagong.
3. The Chemical Examiner, Custom House, Karachi.
4. The Special Chemical Adviser to the Central Board of Revenue, Lahore.

(m) "*Well-head tank*" means tank into which crude petroleum flowing or being pumped from a well is first discharged;

(n) "*District Coordination Officer*" means an officer appointed in a District who shall be a civil servant of the Federation or of a Province; and

(o) "*Magistrate*" means a Judicial Magistrate and includes a Special Judicial Magistrate.

4. *Excluded petroleum.* – Nothing in these rules, except Chapter IX, applied to petroleum, which has its flashing-point not below 200 degrees F.

CHAPTER II

Importation of Petroleum

PART I

GENERAL

5. *License for import of dangerous petroleum.* Save as provided in section 8, 9 and 10 of the Act, dangerous petroleum shall not be imported except under a license granted under these rules.

6. *Petroleum exempted.* – (1) Nothing in this Chapter applies to –

- (a) dangerous petroleum, not exceeding 6 gallons in quantity which is not intended for sale ;
- (b) dangerous petroleum contained in any fuel tank incorporated in a motor conveyance ;
- (c) non-dangerous petroleum, comprised in a ship's stores and manifested as such, provided it is not of an unreasonably large amount.

(2) If any question arises as to whether any petroleum manifested as ship's stores is of an unreasonably large amount, the decision thereon of the Collector of Customs shall be final.

(3) Nothing in rules 5 and 13 shall apply to petroleum imported by Armed Forces of Pakistan.

PART II IMPORTATION BY SEA

7. *Importation by sea.* – Petroleum shall not be imported by sea except into the ports of Karachi.

8. *Declaration by master of ship carrying petroleum or by the ship's agent.* – The master of every ship carrying petroleum shall deliver to the pilot before entering any of the ports mentioned in rule 7, a written declaration in Form A under his signature :

Provided that if, in anticipation of a ship's arrival, the agent for such ship delivers to the Conservator of the Port a written declaration as aforesaid under his signature, no such declaration need be made by the master of the ship.

9. *Delivery of certificate.* – If the master or agent declares that any petroleum which it is intended to land at that port or at any other port in Pakistan is petroleum certified in accordance with rule 11 he shall deliver to the pilot or Conservator of the Port, as the case may be along with his declaration, the certificate relating to such petroleum.

10. *Declaration and certificate to be forwarded to Collector of Customs.* – Every declaration and certificate delivered to a pilot under rules 8 and 9 shall be made over by him without delay to the Conservator of the Port, and every declaration and certificate received by the Conservator of the Port under rule 8 or rule 9 or this rule shall be forwarded by him, with all convenient dispatch, to the Collector of Customs of the port.

11. *Certified petroleum.* – For the purposes of rules 9 and 156 Form A, petroleum shall be deemed to be certified if it is accompanied by a certificate in Form B granted at the port of shipment or, subject to the approval of the Collector of Customs, in any other form containing the material particulars required by Form B, and has a flashing point not below 76 degrees F:

Provided that the Collector of Customs may refuse to accept any certificate, if he is not satisfied as to its genuineness.

12. *Anchorage of ships carrying petroleum.* – Every ship having petroleum on board shall be anchored at such anchorage as the Conservator of the Port shall appoint in this behalf and shall not leave such anchorage without the general or special order of the Conservator of the Port subject to such condition as may be specified in such order. Such anchorage shall in no case be the same as that for vessels laden with explosives and shall be at such distance from the anchorage for vessels laden with explosives as to render it impossible for a fire originating at the former anchorage to affect vessels anchored at the latter.

13. *Production of certificate and license for import.* – (1) Every person desiring to import petroleum shall furnish personally or through his agent to the Collector of

Customs a certificate of storage accommodation in Form C signed by the said person or his agent ;

Provided that, where the importer intends to import both dangerous and non-dangerous petroleum, separate Forms shall be furnished for dangerous and non-dangerous petroleum.

Provided further that this sub-rule shall not apply where the quantity of non-dangerous petroleum to be imported by any one consignee does not exceed 500 gallons, or where the quantity of dangerous petroleum to be imported does not exceed 60 gallons.

(2) Every person desiring to import dangerous petroleum shall produce, personally or through his agent, before the Collector of Customs his license for the import and storage of such petroleum.

14. *Permission of Collector of Customs to land petroleum.* – (1) No imported petroleum shall be landed except with the permission of the Collector of Customs.

(2) If the Collector of Customs, after receiving –

- (a) the testing officer's report on any petroleum or, in the case of petroleum of Burmese origin a certificate containing the particulars required by Form B granted by a testing officer appointed by the Government of Burma ;
- (b) the certificate required by sub-rule (1) of rule 13 ; and
- (c) the license, if require by sub-rule (2) of rule 13 ;

and after making such further inquiries as he deems necessary, is satisfied that the petroleum can lawfully be imported and that there is suitable accommodation for it, he shall permit it to be landed.

(3) If the Collector of Customs is satisfied that any petroleum imported otherwise than in bulk is not intended to be stored in Pakistan, but is intended to be dispatched immediately after landing to a territory which is not part of Pakistan, he may waive the requirements of rule 5 and 13 and by written order permit, subject to such conditions as he may specify, such petroleum to be landed for the purpose of immediate dispatch to the territory in question.

(4) Nothing in this rule shall affect the power of the Collector of Customs to detain the petroleum under any other law or rule for the time being in force.

15. *Landing of non-dangerous petroleum in anticipation of the testing officer's report.* – (1) Notwithstanding anything contained in rule 14, where the consignee furnishes a guarantee to re-ship the petroleum if the testing officer's report proves unfavourable, the Collector of Customs may, in anticipation of the testing officer's

report, permit any petroleum which he believes to be non-dangerous to be discharged into boats or to be landed.

(2) The permission granted under sub-rule (1) shall be subject to the condition that the boats into which the petroleum is discharged, shall remain at such place as the Conservator of the Port may appoint or that the petroleum shall be landed at a landing-place duly appointed for this purpose by him and stored in an installation under these rules.

16. Unloading of petroleum in bulk. – Subject to the rules in Part II of Chapter III, petroleum imported in bulk shall be discharged into storage tanks on shore either directly or by means of barges or lighters specially constructed for carrying petroleum in bulk and only at such places as the Conservator of the Port may by general or special order direct.

17. Unloading of petroleum otherwise than in bulk. – (1) Subject to the rules in Part II of Chapter III, petroleum imported otherwise than in bulk shall be landed either at jetties provided for the purpose, or in barges or lighters and only at such places as the Conservator of the Port shall direct.

(2) No petroleum contained in casks, drums or other receptacles shall be landed unless such receptacles are free from leakage and of such strength and construction as not to be liable to be broken or to leak except in case of gross carelessness or extraordinary accident.

Provided that petroleum contained in casks, drums or other receptacles which do not satisfy the requirement of this sub-rule may, subject to the rules in part II of Chapter III and to such conditions as the Conservator of the Port may impose, be landed at a separate landing place approved for the purpose.

18. Transshipment of petroleum. – Petroleum may be transshipped from one to another for conveyance to any other port, whether within or beyond the limits of Pakistan, subject to the rules in Part II of Chapter III.

19. Heavy petroleum. – (1) Nothing in rules 12 to 18 inclusive applies to heavy petroleum.

(2) Notwithstanding anything contained in the preceding rules, if the master of, or agent for, a ship produces a certificate that any petroleum on board is heavy petroleum, the Collector of Customs shall allow it to be discharged in the same manner as ordinary cargo.

Provided that the sampling officer may at any time require a sample of any of the petroleum to be delivered to him, with a view to having it tested.

PART III IMPORTATION BY LAND

20. *Importation by land.* – Petroleum shall not be imported by land except at points to be specified by the Central Government in this behalf and unless:-

- (a) it is accompanied by a declaration from the consignor regarding the nature and the quantity of the petroleum
- (b) the importer holds such storage license as may be required under these rules;
- (c) the receptacles in which petroleum is imported conform to rule 27 of Rules; and
- (d) Pakistan Customs Regulations in force for the time being are complied with.

21. *Permission of Collector of Customs to release Petroleum imported by land.*

- (1) No petroleum imported by land shall be landed except with the permission of the Collector of Customs.
- (2) If the Collector of Customs, after receiving,
 - (a) the Testing Officer's report on any petroleum in Form 'G'
 - (b) the certificate of Storage accommodation in form 'C' signed by the consignee or his agent.
 - (c) the license as may be required under these Rules, and after making such further enquiries as he deems necessary, is satisfied that the Petroleum can lawfully be imported and that there is suitable accommodation for it he shall permit it to be land.

22. *Omitted.*

23. *Omitted.*

CHAPTER III Transport of Petroleum

PART I GENERAL

24. *Prevention of accidents.* - All due precautions shall be taken at all times to prevent accident by fire or explosions.

25. *Prevention of escape of petroleum.* - All due precautions shall be taken at all times to prevent any escape of petroleum during transport especially into any drain, sewer, harbor, river or watercourse.

26. *Empty receptacles.* - All empty tanks or other receptacles which have contained dangerous petroleum or which have contained non-dangerous petroleum in bulk shall, except when they are opened for the purpose of cleaning them and rendering them free from petroleum vapor, be kept securely closed unless they have been thoroughly cleaned and freed from petroleum vapor.

27. *Receptacles for dangerous petroleum.* - (1) Dangerous petroleum, if not in bulk, shall be contained in gas-tight tinned, galvanized or otherwise externally rust-proofed sheet iron or steel receptacles which shall be fitted with well-made filling aperture and well-fitting screw plugs, or with screw caps or other caps with metal air-tight under-caps. The receptacles shall be kept in proper repair.

(2) No receptacles, other than tanks on tank-carts of a type approved in writing by the Chief Inspector, shall be of more than 65 galls capacity excluding the air-space prescribed by sub-rule (7).

(3) The receptacles, other than tanks on tank-carts, shall be of a type approved in writing by the Chief Inspector and shall have the following thickness of metal:-

	Not less than
not exceeding 2 gallons	27 B. G.
exceeding 2 but not exceeding 4 gallons	22 B. G.
exceeding 4 but not exceeding 30 gallons	18 B. G.
exceeding 30 but not exceeding 45 gallons	17 B. G.
exceeding 45 gallons	16 B. G.

Provided that the Chief Inspector may, by written order, permit the use in any particular case of receptacles having thickness of metal less than that specified in this sub-rule.

(4) Where the approval of the Chief Inspector is sought to a type of receptacle not previously approved, three copies of a detailed drawing thereof to scale be forwarded to him.

(5) The receptacles shall be so constructed and secured as not to be liable, except under circumstances of gross negligence or extraordinary accident to become defective, leaky or insecure in transit.

(6) The receptacles shall bear a stamped, embossed, painted or printed warning exhibiting in conspicuous character the words "Petrol" or "Motor Spirit" or an equivalent warning of the dangerous nature of the petroleum.

(7) An air-space of not less than 5 per cent, of its capacity shall be left in each tank, drum or other receptacles containing dangerous petroleum.

(8) Nothing in sub-rules (1), (2), (3), (4) and (6) shall apply to receptacles in the possession of Armed Forces of Pakistan.

28. Receptacles for non-dangerous petroleum. – (1) Non-dangerous petroleum, if not in bulk, shall be packed in air-tight tins or drums, of steel or iron or in other receptacles not easily broken or in tanks permanently fixed to carts, wagons, boats or other means of carriage, and of types approved by the Chief Inspector.

(2) An air-space of not less than 5% of its capacity shall be left in each tank, drum or receptacle contained non-dangerous petroleum of a flash point below 150 degrees F.

Provided that, in the case of an un-berthed passenger ship to which Part IV of the Merchant Shipping Act, 1923 applied the petroleum shall be packed either in tins enclosed in outer wooden cases or in hermetically sealed iron or steel drums or, alternatively in the case of heavy petroleum, in sound well-coopered wooden casks of not more than 50 gallons capacity.

29. Restriction on delivery and dispatch of petroleum. – (1) No person shall delivery any petroleum to any one [in Pakistan] other than the holder of a storage license or his authorized agent or a Port Authority or railway administration.

(2) No person shall dispatch any petroleum to any one in Pakistan other than holder of a storage license.

(3) Notwithstanding anything contained in sub-rule (2), non-dangerous petroleum not exceeding 3,000 gallons in quantity packed in sealed air-tight tins or drums of steel or iron may be dispatched to a person not holding a storage license, provided that the person dispatching the petroleum has satisfied himself that prior arrangements have been made by the person to whom the petroleum is dispatched for the immediate disposal in the original packages of any quantity in excess of 500 gallons.

(4) This rule shall not apply to the delivery or dispatch of petroleum in quantities which are permitted by the Act or these rules to be stored without license, or to any petroleum in the possession of the Armed Forces of Pakistan.

PART II TRANSPORT BY WATER

30. Conditions of carriage of petroleum in bulk by water. – (1) Petroleum in bulk shall not be carried by water except in ship or other vessel licensed annually for the carriage of petroleum in bulk by an officer appointed by the Central Government in this behalf, and the petroleum shall be stored in such part of the ship or other vessel and in such manner as may be approved by general or special order by the officer so appointed after consultation with the Chief Inspector:

Provided that –

- (a) nothing in this rule shall apply to ships importing petroleum.
- (b) Petroleum in tank-wagons may, with the permission in writing of the Chief Inspector and subject to such conditions as he may specify, be transported across a river by a recognized wagon ferry.

(2) *The license referred to in sub-rule (1) shall be granted in such form and on payment of such fees as may be specified by the Central Government in this behalf and the license shall remain in force for a period of 12 months.

Notes and References. – Notification NO. M-826(7), dated the 22nd December 1938 prescribed the appended Form for the grant of licenses in respect of ship or other vessels for the carriage of petroleum in bulk by water and directs that fees on the following scale be payable for such licenses :-

	Rs.
(a) ship or other vessel not exceeding 100 tons gross tonnage	500
(b) for every additional 50 tons gross tonnage or fraction thereof	100

License for the carriage of petroleum in bulk by water.

Name of Vessel

Official No.

Gross tonnage

Name of owners

The above vessel is hereby licensed for the carriage of petroleum in bulk by water, under the rule 30 of the Petroleum Rules, 1937, subject to the provision of these rules and the Petroleum Act, 1934.

The petroleum shall be stored only in -

- (1) the following parts ** of the vessels -

*Inserted by Notification No. M-826(1), dated the 22nd December 1938

**The parts of the vessel and the manner of storage to be specified in detail by the licensing authority in consultation with the Chief Inspector of Explosives.

- (2) the following manner, that is to say,

This license shall remain in force till the _____ day*** (twelve months from the date of issue of the
 License) of 196 _____
 issued at _____ the _____ day of _____ 196 _____

Licensing authority appointed under
 Rule 30 of the Petroleum Rules, 1937).

Notes and References. - This rule means, in effect, that petroleum may not be carried in a ship or other vessel in any receptacle exceeding two hundred gallons in capacity unless the vessel has been specially licensed for the purpose less than a year before. Notification No. M-826 (2), dated the 31st March 1937 as amended in Pakistan appoints the officers specified in the annexed Schedule as the officers to license under this rule ships or other vessel for the carriage of petroleum in bulk by water.

THE SCHEDULE

1. The Principal Officer, Mercantile Marine Department, Karachi.
2. The Engineer and Ship Surveyor, Narayanganj.

31. Requirements as to construction of vessels. - Every ship or other vessel carrying petroleum in bulk, other than a recognized wagon ferry permitted to transport tank-wagons under proviso (b) to rule 30, must be of steel or iron well and substantially constructed with scantling of ample dimension in proportion to the size of the vessel.

32. Tank fittings on vessels. - In petroleum tank-ships or other vessels used for the transport of petroleum other than heavy petroleum the following provisions shall apply:-

- (a) all tanks shall be fitted with independent approved filling and suction pipes and valves or with stand-pipes with blank flanges, all pipes being

carried down nearly to the bottom of the tanks, and no petroleum in bulk shall be taken on board or discharged except through such pipes and valves, unless otherwise permitted by the Chief Inspector in writing ;

- (b) all tanks shall be fitted with manholes having screw down covers with petroleum-tight joints and, in the case of tanks intended for use with dangerous petroleum, with ventilators or relief valves of approved pattern properly protected with wire gauge of a mesh of not less than 28 to the linear inch ; and
- (c) ventilators similarly protected shall be fitted to all spaces around tanks

Provided that the Chief Inspector may, by order in writing, exempt from the provisions of this rule any vessel which was employed in transporting petroleum in bulk before the 1st April 1937.

33. Self-propelled barges. - The following conditions shall be observed in self-propelled barges transporting petroleum other than heavy petroleum:-

- (a) the whole of the machinery shall be at the stern of the barge and shall be entirely separated from the cargo by a cofferdam consisting of two transverse petroleum-proof bulk-heads separated by a space of at least two feet six inches ;
- (b) the barge shall be provided with a heavy wood belting; and
- (c) suitable ventilators shall be fitted to the cargo space ;

Provided that condition (a) shall not be applicable to any barge which was employed in transporting petroleum before the 1st April 1937.

34. Petroleum in bulk on barges or flats. - (1) Petroleum in bulk shall not be transported in a barge or flat unless the barge or flat:-

- (a) is self-propelled and carries at least four fire extinguishers, or
- (b) is in tow or, or otherwise attended by, a steamer or tug carrying at least four fire extinguishers.

(2) The fire extinguishers referred to in sub-rule (1) shall be of a pattern approved by the officer appointed under rule 30 and shall be fitted in position approved by him.

35. Inflammable cargo, or passengers. - (1) No ship or other vessel shall carry petroleum in bulk if it is carrying passengers, or any inflammable cargo other than petroleum or coal.

(2) This rule shall not apply to heavy petroleum used as fuel and carried in cellular double bottoms under engine and boiler compartments and under ordinary holds, and in peak tank, deep tanks or bunkers of approved construction; such oil fuel storage tanks and installation connected therewith shall comply with the provisions of rules 228 to 243 of the Merchant Shipping (Construction and Survey of Passenger Steamers), Rule, 1935.

35A. – Petroleum carried as cargo in un-berthed passenger ships. – Dangerous petroleum shall not be transported as cargo by an un-berthed passenger ship as defined in the Merchant Shipping Act, 1923 (XXI of 1923):

Provided that the certifying officer referred to in section 157 of the Merchant Shipping Act, 1923 (XXI of 1923), may, in cases where he is satisfied that no other means of transporting the petroleum are available, permit dangerous petroleum in quantity not exceeding 250 gallons to be transported otherwise than in bulk by an un-berthed passenger ship other than a country craft subject to –

- (a) the condition that no more persons shall be carried in the ship than can with safety be accommodated in the ship's life-boats in case of accident; and
- (b) such other conditions as the certifying officer may, after consultation with the Chief Inspector, impose ;

Provided further that clause (a) of the foregoing proviso shall not apply in the case of un-berthed passenger ships engaged on voyages between ports situated in Pakistan or between any port or place on the Dominion of Pakistan in the course of which they do not go more than 20 miles from land.

35B. Transport by country craft. – No country craft shall carry dangerous petroleum if it is carrying passengers.

36. Restrictions as to inflammable cargo. – (1) No steamer or tug employed in towing or otherwise attending a barge, flat or lighter carrying petroleum, other than heavy petroleum in bulk shall at the same time tow or otherwise attend any other vessel carrying an inflammable cargo other than petroleum or coal.

(2) No such steamer or tug shall carry any inflammable cargo other than petroleum or coal.

(3) All such steamers or tugs shall be fitted with efficient spark arresters.

37. Ventilation and cleaning of holds and tanks. – (1) Before any petroleum is discharged from a ship or vessel the holds of such vessel shall be thoroughly ventilated:

Provided that nothing in this sub-rule shall apply to any vessel carrying dangerous petroleum not exceeding 6 gallons or non-dangerous petroleum not exceeding 500 or heavy petroleum not in bulk.

(2) After all petroleum has been discharged from any such vessel the holds, tanks and bilges of the vessel shall be rendered free from inflammable vapour.

(3) Sub-rule (2) shall not apply to the tanks of a ship importing petroleum which leaves the port without delay after the discharge of cargo or remains only for the purpose of taking on board bunkers stores or ballast or for such other purposes as may be approved the Conservator of the Port, if the tanks of every such ship are securely fastened down immediately after the discharge of the cargo.

(4) Sub-rule (2) shall not apply to barges or lighters continuously engaged in the transport of petroleum in bulk, if -

- (a) an interval of not more than 72 hours is likely to elapse between an operation of unloading or discharging and the next loading operations; and
- (b) the tanks are securely fastened down immediately after unloading.

(5) Sub-rule (2) shall not apply to specially constructed steel tank motor-vessel approved by the Chief Inspector which are engaged in transport of petroleum in bulk on such rivers and on such parts thereof as may be approved by him in areas outside port limits, or by the Conservator of the Port within port limits, if the tanks of such vessels are securely fastened down immediately after unloading and the vessels depart not later than 12 hours after completion of discharge for their next place of loading.

(6) All ships or other vessels which by sub-rules (3), (4) or (5) are exempted from the application of sub-rule (2) shall, until their holds and tanks have been rendered free from inflammable vapour comply with all the rules applicable to ship, or other vessels when carrying petroleum in bulk.

38. Master of vessel especially responsible. - (1) The master or other officer in charge of any ship with petroleum on board or of any vessel certified under rule 30 shall be responsible that -

- (a) all due precautions are taken for the prevention of accident in the loading or discharge of petroleum,
- (b) so long as there is petroleum or inflammable vapour in a tank, all openings from the tank to the atmosphere, except the gas escape line, are kept closed and locked or otherwise fastened in a manner certified as satisfactory by the officer appointed under rule 30 ; and when it is necessary to take dips or samples, the ullage plugs or sighting ports are closed immediately this has been done ;

Provided that, subject to the provisions of clause (c), such master or officer in charge may cause the necessary openings to be opened or unlocked

for the purpose of tanking on board or discharging non-dangerous petroleum, for cleaning the tanks, or for other sufficient reason.

- (c) every person entering a tank wears a safety helmet of a description approved by the Chief Inspector, unless a Conservator of the Port or other officer appointed by the Central Government in this behalf has on payment of the fee prescribed in sub-rule (2) examined the tank with the aid of a vapour-testing instrument and has certified it to be free from dangerous vapour ;
- (d) the vessels and any steamer or tug towing or otherwise attending on such vessel exhibits conspicuously :-
 - (i) from sunrise to sunset a red flag not less than three feet square with a white circular center six inches in diameter, if dangerous petroleum is carried, and a red flag not less than three feet square if non-dangerous petroleum is carried ; and
 - (ii) from sunset to sunrise such warning lights as may be required by the Conservator of the port ;
- (e) the vessel, when carrying petroleum in bulk, at all times lies afloat unless otherwise permitted by general or special order in writing of the Chief Inspector or the Conservator of the Port ;
- (f) the vessel, when carrying petroleum in bulk, is constantly under the control and personal supervision of a responsible person ;
- (g) iron or steel hammers or other instruments capable of causing a spark are not used for the purpose of opening or closing the hatches or tank covers ; and
- (h) footwear, which exposes any iron or steel, is not worn on the deck of any vessel while the loading or unloading of dangerous petroleum is proceeding.

(2) A fee of one hundred rupees shall be payable by the Master or other Officer in charge of the ship or vessel for each test carried out under clause (c) of Sub-rule (1).

39. Loading and unloading by night. - (1) Where adequate electric lighting is installed and rule 105 is complied with tank-ships and barges may discharge or load non-dangerous petroleum at any time and tank-ships and barges which have commenced the discharge into storage tanks on shore, or loading into their own tanks, of dangerous Petroleum in bulk before sunset may continue the said discharge or loading.

(2) Should anything occur during discharging or loading dangerous petroleum after sunset which necessitates a repair or disconnection of the main pipes or connections, such discharging or loading shall be discontinued until after sunrise.

(3) Save as provided by sub-rule (1), petroleum shall not be discharged or loaded or landed between the hours of sunset and sunrise.

(4) This rule shall not apply to the refueling of aircraft by vessels certified under rule 30, subject to any conditions which the Chief Inspector may impose in this behalf.

40. Loading and discharge of bulk petroleum. – (1) The loading and discharge of petroleum in bulk shall be by armored hose and metal pipes.

(2) All pipes and other appliances used in the landing or loading of petroleum in bulk shall be free from leakage.

(3) When a ship has finished discharging petroleum other than heavy petroleum, the pipe line shall be immediately emptied of petroleum by pumping water through the line.

(4) The Chief Inspector may, by written order, grant exemption in any particular case from the provisions of sub-rules (1) and (3).

41. Precautions on suspension of loading or discharge. – When the loading or landing of petroleum has been commenced such loading or landing shall proceed with due diligence, and, if it is discontinued, the tanks and holds of the ships or other vessels concerned and all loading or discharge valves shall be closed immediately.

42. Naked lights, fire and smoking on board a vessel prohibited. – No fire, naked light, fuses, matches, or other appliance for producing ignition or explosion and no smoking shall be allowed on board any barge, flat or lighter carrying petroleum in bulk, or on board any such vessel used for the transport of dangerous petroleum otherwise than in bulk or for the transshipment of petroleum to or from any vessel within the limits of any port :

Provided that nothing in this rule shall prevent the use on a self-propelled barge of the machinery of propulsion.

43. Smoking, fire and lights prohibited during loading and unloading. – At all times during the loading or unloading of a ship or other vessel until such time as all petroleum shall have been loaded into or removed from the holds or tanks and the holds or tanks shall have been securely closed down and, in the case of landing, rendered free from inflammable vapour, there shall be no fire or artificial light or smoking on board such ship or other vessel or within 100 feet of the place where the petroleum is being loaded or landed;

Provided that this rule shall not apply to the use of lamps, cookers or other similar apparatus electric or otherwise, so designed, constructed and maintained as to be incapable of igniting inflammable vapour or, in the case of heavy petroleum, the cause of galley fires.

Provided further that this rule shall not apply to the discharging or loading of a ship, under conditions approved by the Conservator of the Port, by means of steam from her own boilers or power generated by electric motors or internal combustion engines placed in a position away from cargo holds or pump rooms or by means of electric motors so designed, constructed and maintained as to be incapable of igniting inflammable vapour and maintained in accordance with Lloyd's or any other approved classification society's requirements.

44. *Matches.* - No person engaged in landing or loading petroleum shall carry fuses, matches, or any other appliance for producing ignition or explosion.

45. *Fire-extinguishing appliances to be ready for use.* - Vessels discharging or loading petroleum shall have adequate fire-extinguishing appliances so disposed that they can be put into immediate use, and, if the petroleum is dangerous petroleum shall have their awnings furled.

46. *Restriction on the conveyance of petroleum.* - Dangerous and non-dangerous petroleum shall not be simultaneously conveyed to the shore or to another ship on the same vessel.

47. *Restriction as to leaky tins.* - Leaky tins or other receptacles containing petroleum shall not be discharged into a vessel containing sound tins or other sound receptacles.

48. *Transport by sea of petroleum which has not been tested.* - (1) Petroleum which has been imported into any port specified in sub-rule (1) of rule 7 and which not been tested at such port in accordance with the rules contained in Chapter IX, shall not be transported to any other port otherwise than to a port at which importation is permitted under sub-rule (1) of rule 7 and in accordance with the provisions of all the rules in Chapter II, except rule 5, when it arrives at such other port.

(2) Nothing in sub-rule (1) shall apply to petroleum of Burmese origin which is covered by a certificate in Form B granted by a testing officer appointed by the Government of Burma.

49. *Transport by sea of petroleum which has been tested.* - Petroleum which has been tested at one of the ports specified in sub-rule (1) of rule 7 and petroleum of Burmese origin which is covered by a certificate in Form B granted by a testing officer appointed by the Government of Burma, may be transported to any other port and the provisions of rule 8 to 14, 16 and 17 shall apply to such petroleum when it arrives at such other port.

50. *Omitted.*

PART-III

COASTWISE TRANSPORT OF DANGEROUS PETROLEUM OTHERWISE THAN IN BULK.

51. Applications. - (1) The rules in this part apply on to the transport coastwise and dangerous and dangerous petroleum otherwise than in bulk.

(2) Unless otherwise expressly provided in this Part nothing contained in Part II of this Chapter, except rule 39, shall apply to any petroleum transported in accordance with this Part.

51-A. Conditions of transport by un-berthed passenger ships. - Dangerous Petroleum may be transported otherwise than in bulk by an un-berthed passenger ship as defined in the Merchant Shipping Act, 1923 (XXI of 1923), not being a country craft, in accordance with the provisions of rule 35A and rule 53 to 61 inclusive.

52. Maximum quantity allowed to be carried. - Dangerous petroleum may be transported otherwise than in bulk by country craft or steam or motor vessels other than un-berthed passenger ships as defined in the Merchant Shipping Act, 1923, subject to the provision of rule 53 to 62 inclusive, if the quantity of petroleum does not exceed.

(a) in the case of country craft, the licensed carrying capacity of the vessel after taking into account the weight of the barrels or tins in which the petroleum is carried ; or

(b) in the case of steam or motor-vessels, 15 tons.

53. Loading of barrels and drums. - Barrels and drums shall be loaded with the bungs upwards.

54. Carriage below decks. - Dangerous petroleum shall not be carried below decks in decked vessels unless the hold is properly ventilated.

55. Provision of bulkhead. - In all vessels other than country craft a solid gas-tight bulkhead without openings, and in country craft a solid bulkhead without openings, shall be fitted between the hold and the after-deck where the crew are accommodated; and in vessels fitted with a poop the bulkhead shall be placed immediately in front of the poop. In decked vessels the bulkhead shall reach up to the deck ; in all other vessels it shall reach to within six inches of the gunwales.

56. Fire, lights and smoking. - (1) No fire, naked light of any description and no smoking, shall be allowed on any part of vessel transporting dangerous petroleum except abaft the solid bulkhead.

(2) The navigation light on any such vessel shall be carried abaft the bulkhead.

57. *Carriage of other inflammable cargo.* – No inflammable cargo other than dangerous petroleum or other petroleum products or the dunnage used for packing purposes shall be carried on a vessel transporting petroleum.

58. *Fire buckets.* – Buckets containing dry sand shall be placed at convenient points on a vessel transporting petroleum. Not less than two such buckets shall be placed on the after-deck.

59. *Construction of steam or motor-vessels.* – Steam or motor vessels not specially constructed for the carriage of petroleum shall not carry petroleum unless they are constructed only of iron or steel.

60. *Transport in steam or motor-vessels.* – On steam or motor-vessels, not specially constructed for the carriage of petroleum. :-

- (a) any petroleum shall either be carried in separate compartments which shall be gas-tight and shall be efficiently sealed, or in a hold in which there are efficient ventilators in accordance with clause (b), or on deck in accordance with rule 61 ;
- (b) half of the ventilators provided in accordance with clause (a) shall extend to the bottom of the space, and the other half only a short distance, below the deck; the short ventilators shall be labeled "Inlet or to Windward"; such ventilators shall have large cowl heads, the openings being covered with double fine brass wire gauze;
- (c) dangerous petroleum shall be contained in receptacles complying with the provision of rule 27 ; and
- (d) special precautions shall be taken against smoking and the use of lights or fire of any kind while the cargo is being loaded or unloaded, or while the hatches are off, or any deck opening are uncovered; before any lights are used in a compartment which contains petroleum, precaution shall be taken to ensure that the space is clear of vapour; all empty receptacles which have contained dangerous petroleum shall be kept securely closed.

61. *Transport on deck.* – Petroleum may be carried on deck in steam or motor vessels not specially built for the carriage of petroleum, subject to the following conditions:-

- (a) in cargo ships dangerous petroleum shall not occupy more than 50 per cent of the open deck areas and shall be so stowed as not to interfere with the navigation of the ship, or make it unseaworthy ;

- (b) in passenger ships a limited quantity of dangerous petroleum may be carried provided proper precautions are taken regarding stowage and keeping the packages away from passenger's promenade or deck space;
- (c) the petroleum shall be protected from the direct rays of the sun by the use of a canvas awning or otherwise; and
- (d) conspicuous notices shall be posted up drawing attention to the danger arising from smoking or striking matches near the deck cargo.

62. *Conditions of transport by country craft.* - No dangerous petroleum shall be transported in country craft except subject to the following conditions:-

- (a) subject to the provision of rule 27, the petroleum shall be carried.
 - (i) on 40/65 gallon steel barrels the screw bungs of such barrels being well-fitting and sealed; or
 - (ii) in 4 gallon sealed steel drums, not more than three tiers of which may be carried on any single vessel; or
 - (iii) in 2 gallon sealed steel tins, not more than six tiers of which may be carried on any single vessel;
- (b) all barrels, drums or tins shall be placed within four feet of the after-deck where the crew are accommodated in the case of an un-decked vessel or on deck in the case of a decked vessel; and
- (c) no passengers shall be carried on board the craft.

PART IV TRANSPORT ON LAND VEHICLES

63. *Prohibition of fires and smoking.* - (1) No fire or other artificial light capable of igniting inflammable vapour shall be allowed on any vehicle containing petroleum in bulk.

(2) No person shall smoke while on or attending such a vehicle.

(3) No article or substance capable of causing fire or explosion shall be carried on such a vehicle.

Explanation. – For the purposes of this rule any tank or other receptacle which has contained petroleum and which has not been thoroughly cleaned and freed from inflammable vapour shall be deemed to contain petroleum.

64. Filling and discharge of tanks. – (1) Tanks-wagons, lorries or carts transporting petroleum shall only be filled or discharged by means of metal pipes or armoured hose in which the armouring is electrically continuous throughout.

(2) Tanks, other than fuel tanks on vehicles, containing dangerous petroleum shall not be filled or discharged –

- (i) within 100 feet of any fire, furnace or artificial light capable of igniting inflammable vapour; or
- (ii) at any place where the lorry, wagon or cart is exposed to sparks

Provided further that the distance specified in clause (i) may be reduced to the figure 12 feet prescribed in the license in Form K where the petroleum is filled, stored and discharged into a tank in any premises licensed in that Form:

Provided further that the distance specified in clause (i) may be reduced to three meters [10 feet] for LPG cargo vehicle unloading into the LPG storage container and so positioning that the shut-off valves in both the truck and container are readily accessible.

Explanation. – A pipe supplying liquid to a tank is "under seal" to that tank if it is screwed to the tank or otherwise attached so that no liquid or vapour can escape into the air except through an approved vent.

65. Means of extinguishing fire to be carried. – An adequate supply of dry sand or other efficient means of extinguishing fire shall be carried in an easily accessible position on every vehicle transporting petroleum in bulk by road.

66. Prohibition as to public service vehicle. – Petroleum shall not be transported on any public vehicle which is carrying passengers.

67. Vehicle to be constantly attended. – Every vehicle on which petroleum is being transported by road, or which, while transporting petroleum by road is trailed by another vehicle, shall, so long as it contains petroleum, be attended by at least two persons:

Provided that such vehicles may be left unattended in places previously approved by the Chief Inspector.

68. Trailers attached to vehicles transporting petroleum by road. – (1) A trailer not exclusively used for transporting petroleum shall not be attached to any vehicle transporting petroleum.

(2) A trailer transporting petroleum shall not be attached to any vehicle other than a vehicle used for transporting petroleum, and not more than one trailer shall be so attached.

(3) A trailer shall have two axles.

(4) When a trailer is attached to a vehicle, the total quantity of petroleum transported on the trailer and the vehicle combined shall not exceed 2,000 gallons.

Provided that the Chief Inspector may, by order in writing and subject to such condition as he may deem fit to impose, raise the above limit to 3,000 gallons in the case of a tank wagon, and

(5) If a trailer transporting dangerous petroleum is attached to a vehicle transporting non-dangerous petroleum, the vehicle shall comply with all the provisions of these rules relating to vehicles transporting dangerous petroleum.

(6) A trailer other than a tank trailer shall not be attached to a tank-wagon. The capacity of a tank trailer shall not exceed 1,000 gallons, and no trailer shall be attached to a tank-wagon of greater capacity than 2,000 gallons.

(7) No trailer attached to a tank-wagon shall be employed within any thickly populated area without the permission in writing of the District Authority.

69. *Tank capacity.* - In these rules the tank forming part of a tank wagon or tank trailer shall be deemed to include any number of tanks on the same chassis and any limitation herein prescribed on the capacity of a tank shall be construed so as to permit of the tank containing the amount specified under varying degrees of temperature.

70. *Employment of electric light.* - If electric lighting is employed on any vehicle, including a trailer, used in the transport of petroleum other than heavy petroleum by road, the following conditions shall be complied with :-

- (i) the pressure shall not exceed sixteen volts;
- (ii) the circuit shall be heavily insulated and shall be independent of the chassis, and the wiring shall be so fixed and protected as to reduce as far as possible the risk of damage;
- (iii) the generator, battery, switches and fuses shall be carried in front of the fire-resisting screen and the battery shall be in an easily accessible position; and
- (iv) means of cutting off the current close to the battery by a double pole switch or other suitable method shall be provided.

71. *Fuelling from vehicles.* – (1) No motor vehicle shall fill or replenish its fuel tanks with petroleum other than heavy petroleum directly from vehicles carrying petroleum in bulk.

(2) Aircraft may receive fuel by means of specially constructed tank Lorries or wagons only if these are of a type approved by the Chief Inspector for this purpose.

(3) During the fuelling of aircraft used for the conveyance of passengers no passenger shall be allowed to remain in the machine.

(4) No person shall be allowed to smoke within 100 feet of any aircraft while it is being, or is about to be fuelled.

(5) All aircraft engines within the distance specified in sub-rule (4) shall be stopped so long as fuelling is in progress.

(6) Nothing in sub-rules (2) and (5) shall apply to military aircraft fuelling on military aerodromes.

72. *Owner responsible for observance of rules.* – The owner of a vehicle used for the transport of petroleum who employs any person in connection with such transport, shall be responsible that all necessary measures have been taken to ensure that such person is acquainted with and carries out the provisions of these rules.

73. *Precautions to be observed during filling or emptying tank-wagons.* – During the filling, discharging or emptying of any tank-wagon or trailer transporting petroleum in bulk other than heavy petroleum the following precautions shall be observed :-

- (i) if the vehicle is mechanically-driven the engine shall be stopped so long as the filling, discharging or emptying is in progress and shall not be restarted until all tanks and valves have been securely closed.

Provided that this condition may be dispensed with in the case of vehicles approved under sub-rule (2) of rule 71, which are supplying aircraft;

- (ii) adequate provision shall be made to prevent the accumulation of a dangerous static charge of electricity.
- (iii) if the wagon is drawn by an animal or animals, they shall be removed from the wagon and the wheels securely scotched before the filling, discharging or emptying of any dangerous petroleum is begun; and
- (iv) the vehicle shall be constantly attended by a competent person.

74. *Composite vehicles.* – Petroleum in cans or other receptacles shall not be transported by road on any tank-wagon used for the transport of petroleum unless the

wagon is so constructed as to comply with the conditions applicable to transport on wagons other than tank-wagons as well as with the conditions applicable to transport on tank wagons.

75. *Filling and dipping pipes to be kept closed.* – Except during the operation of filling or emptying a tank-wagon the filling and dipping pipes shall be kept securely closed. Where the filling pipes are not provided with a liquid seal, the covers shall be kept locked or properly sealed except during the operation of filling a tank-wagon, and the keys shall not be carried on the wagon.

76. *Filling and emptying by night.* – Except where approved electric lighting as specified in rule 105 is exclusively used, the filling, discharging and emptying of tank-wagons shall be performed between the hours of sunrise and sunset.

77. *Approval of vehicles for transport in bulk necessary.* – (1) Petroleum in bulk shall not be transported by land except in a vehicle approved [licensed] in writing by the Chief Inspector or Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf after physical inspection of vehicle and scrutiny of plan which shall be furnished, in triplicate, together with an original treasury receipt for Rs. 500, showing that the amount of fee has been deposited in the local treasury/bank under the head of account of Department of Explosives.

(1A) Every approval accorded under sub-rule 1 may be revalidated by the authority empowered to accord such approval.

(1B) Every application for revalidation of approval [license] shall be accompanied by the approved plan and original treasury receipt showing the deposit of fee of Rs. 500 under the correct head of account and shall be made so as reach the authority on or before the 2nd December each year.

(1C) Application for revalidation of approval for tank lorry received after the 2nd December but not later than the 31st December shall be considered only on payment of double the fee ordinarily payable for such revalidation.

(2) All such vehicles other than those exclusively used for the transport of heavy petroleum shall have a stamped, embossed, painted or printed warning exhibiting in conspicuous characters the words "Petrol", "Motor Spirit", "Kerosene" or an equivalent warning of the nature of the contents.

(3) Every such vehicle and its fittings shall be maintained in good condition.

78. *Vehicles for transport other than in bulk.* – (1) Every vehicle on which petroleum not in bulk is transported shall be strongly constructed and with sides and back of adequate height and shall be maintained in good condition.

(2) In the case of animal-drawn vehicles the requirement is sub-rule (1) regarding the sides and back of the vehicle shall not apply if the load is securely fastened to the vehicle.

(3) All receptacles shall be so packed as not to project beyond the sides or back of the vehicle.

79. Engines of mechanically-driven vehicles. - (1) In every mechanically driven vehicle used for the transport by road of petroleum other than non-dangerous petroleum not in bulk or heavy petroleum :-

- (a) the engine shall be of an internal combustion type;
- (b) the engine fuel tank and electric batteries shall be effectively screened from the body of the vehicle by a fire-resisting shield carried up above the height of the load and down to within twelve inches of the ground; and
- (c) the exhaust shall be wholly in front of the fire-resisting shield.

(2) If the windows are provided in the fire-resisting shield they shall be fitted with wired glass.

(3) The fuel tank of every such vehicle other than an articulated vehicle may be behind the fire-resisting shield if -

- (a) a fuel feed apparatus, placed in front of the shield, is used to lift the contents from the fuel tank; and
- (b) the fuel tank is protected from blows by the frame or by stout steel guards and the filling hole cover is provided with a lock.

(4) The fuel tank of any vehicle may be behind the fire-resisting shield if the fuel used in the engine is heavy petroleum.

(5) A quick action cut-off valve shall be fitted to the fuel feed pipe of every such vehicle in any easily accessible position, which shall be clearly marked.

80. Speed limit for vehicles. - Without prejudice to the operation of any other provision of law for the time being in force whereby a lower limit of speed is imposed, the speed of a motor tank wagon or a motor lorry transporting petroleum in receptacles shall not exceed 30 miles per hours if fitted with solid tyres.

81. Exemptions. - (1) If the Chief Inspector is satisfied that in respect of any class of vehicle any of the requirements of rules 68, 78 and 79 may be safely suspended or relaxed, he may authorize such suspension or relaxation for such period and under such condition as he may think fit.

(2) Nothing in rules 68, 70, 77, 78 and 79 shall apply to vehicles and trailers in the possession of Armed Forces of Pakistan.

82. Special provision of motor conveyances. — (1) Rules 63 to 80 shall not apply to the conveyance of petroleum in any motor vehicle for use only in the propulsion of such vehicle.

(2) No motor conveyance carrying passengers on hire shall carry any petroleum other than :-

(i) petroleum in the fuel tank incorporated in the conveyance, and

(ii) petroleum not exceeding 20 gallons in quantity intended to be used to generate motive power for the conveyance and kept in the manner provided in sub-section (2) of section of the Act.

(3) During the filling or replenishment of the fuel tank of a vehicle licensed for conveyance of more than six passengers on hire, the driver or other person in charge of the vehicle shall not allow any passenger to remain in the vehicle.

(4) All petroleum tins carried in a vehicle carrying passengers for hire shall be securely closed and shall be carried in a specially prepared receptacle which is not accessible to passengers in the vehicle and is not on the roof.

PART V TRANSPORT BY PIPE LINES

83. Application. — The rules in this part apply only to the transport of petroleum by means of pipe lines other than those in any area in which operations for the winning of natural petroleum or natural gas or both are carried on or within the limits of refineries and installations.

84. Casing. — (1) An approved casing shall be put over the pipe line where it passes under any railway or public road and an approved protective casing shall be constructed round the pipe where it crosses over any railway or protected work.

Provided that the Chief Inspector may require an extra casing to be put over the pipe line where it crosses any stream, road, railway or protected work.

85. Patrol. — The whole of every pipe line shall be efficiently patrolled.

86. *Prevention of excessive pressure.* - As a precaution against excessive pressure in the pipe line, an automatic by-pass relief valve and a reliable pressure gauge shall be placed on the common discharge pipe at pumping station.

87. *Telegraph and telephone.* - A telephone or telegraph line shall be provided with connections at frequent intervals along the pipe line. One telephone or telegraph line shall suffice for a series of parallel pipe lines.

Provided that this rule shall not apply to a pipe line connecting railway siding with installations if the length of such pipe line does not exceed one mile.

88. *Gate valves.* - Gate valves shall be provided at reasonable intervals.

89. *Checking of tank gauges.* - Tank gauges shall be checked between stations at frequent intervals.

CHAPTER IV

Storage of Petroleum Requiring License

90. *License for storage.* - Save as provided in section 7, 8 and 9 of the Act and by rule 109 no one shall store any petroleum except under a license granted under these rules.

Provided that no licence shall be necessary for storage in a well-head tank.

91. *Precautions against fire.* - (1) No person shall smoke in any installation or storage shed.

(2) No person shall carry matches, fuses or other appliance for producing ignition or explosion in any installation or storage shed which is used for the storage of dangerous petroleum.

(3) No fire, furnace or other source of heat or light capable of igniting inflammable vapour shall be allowed in any licensed installation or storage shed save in places specially authorized by the licensing authority for the purpose.

(4) An adequate supply of dry sand or earth together with the necessary implements for its convenient application, or other efficient means of extinguishing petroleum fires, shall always be kept in every installation and in or adjacent to every storage shed.

92. *Supervision of operations within an installation or storage shed.* - All operations within an installation or storage shed shall be conducted under the supervision of an experienced responsible agent or supervisor.

93. *Cleanliness of installation or storage shed.* - The ground in the interior of an installation, and the protected area surrounding any storage shed or installation shall be kept clean and free from all inflammable material, waste vegetation and rubbish.

Explanation. - In this rule "protected area" means the areas necessary for the maintenance of the distances required and the conditions of the license to be kept clear between any installation or storage shed and any protected work.

94. *Drainage.* - (1) All enclosures surrounding tanks or buildings belonging to an installation or storage shed shall be kept drained and no water shall be allowed to accumulate in the enclosure.

(2) Where drainage is effected by means of a pipe, the pipe shall be fitted with a valve actuated from the outside of the enclosure:

Provided that this sub-rule shall not apply to storage sheds which are not required under these rules or the terms of the license to be provided with an enclosure wall or embankment.

(3) All valves and other openings for draining off water shall be kept closed except when water is being drained off.

(4) The nature of the drainage arrangements shall be shown in the plan submitted with the application for the license.

95. *Exclusion of unauthorized persons.* - (1) Every installation shall be surrounded by a wall or fence of at least six feet in height:

Provided that nothing in this sub-rule shall apply to an installation licensed under the rules in force immediately before these rules come into operation unless its fencing is considered by the licensing authority to be unsatisfactory:

Provided further that the Chief Inspector may waive this sub-rule in the case of an installation connected with a pump outfit and floating storage barges, under such conditions as he deems necessary.

(2) Precaution shall be taken to prevent unauthorized persons from having access to any storage shed or installation.

96. *Children.* - No persons under the age of 15 years shall be employed in or allowed to enter any premises licensed under these rules.

97. *Receptacles for petroleum.* – The provisions of rules 26, 27, and 28 shall apply to petroleum stored under license.

98. *Petroleum only to be stored.* – No installation or storage shed shall without permission in writing from the Chief Inspector be used for any purpose other than the storage and distribution of petroleum and purposes directly connected therewith.

98A. *Approval of ancillary facilities.* – The pump premises for the approval of ancillary facilities shall conform to the minimum standard as laid down in Schedule IV at the end of these rules.

99. *Marking of capacity of tanks.* – The capacity in gallons of every tank in an installation shall be conspicuously marked in the tank.

The "capacity" of the tank is to be calculated and marked according to the nature of the petroleum proposed to be stored therein leaving margin for air-space prescribed in the Rules. The object of this provision is to ensure that the capacity thus marked constitutes the actual licensable capacity of the tank.

100. *Construction of tank.* – Every tank or other receptacle used for the storage of petroleum in bulk other than well-head tank shall be constructed of iron or steel properly erected and designed according to sound engineering practice and, together with all pipes and fittings shall be so constructed and maintained as to prevent any leakage of petroleum.

101. *Testing of tanks.* – (1) Storage tanks or other receptacles for the storage of petroleum in bulk other than well-head tanks, after being placed in a final position and before being brought into use, shall, unless they were in use before the 1st April 1937, be tested by water pressure by the licensee in the presence of an Engineer accepted as qualified for the purpose by the licensing authority.

(2) The water used for testing shall be free from petroleum and shall not be passed through any pipes or pumps ordinarily used for the conveyance of petroleum :

Provided that, where the licensing authority is satisfied that it is not reasonably possible to convey water by pipes or pumps other than those ordinarily used for the conveyance of petroleum, he may permit the use of a petroleum-pipe or pump for the conveyance of water subject to such condition as he may impose.

(3) The test referred to in sub-rule (1) shall also be made before any receptacles for the storage of petroleum in bulk are brought into use after being repaired.

102. *Earthing of tanks.* – All tanks or other receptacles for the storage of petroleum in bulk other than well-head tank or tanks for receptacles of less than 10,000 gallons capacity containing heavy petroleum shall be electrically connected with the earth in an efficient manner by means of not less than two separate and distinct connections placed at

opposite extremities of such tank or receptacles. The roof and all metal connections of such tank or receptacle shall be in efficient electrical contact with the body of such tank or receptacle.

103. Inspection of earth connection. – (1) The connections and contacts required by rule 102 shall be inspected and tested at least once in every year by an Inspector or Assistant Inspector of Explosives in the manner prescribed by the Chief Inspector.

(2) The inspection under this rule should be carried out in the following manner:-

- (i) Examine visually all joints and connections above ground to discover if any of these are loose or disconnected. The number of joints should be as few as possible but where they are necessary they should be properly soldered as well as riveted to ensure both mechanical and electrical soundness.
- (ii) The electrical resistance to earth should be tested and measured either by means of a direct reading instrument or by the procedure laid down in the "Code of Instruction for the Guidance of Public Works Officers in the Erection and Testing of Lightning Conductors".
- (iii) The conditions of the connections and contacts will not be considered satisfactory unless the resistances to earth are found to be less than 10 ohms.

CAUTION: - *The use of any testing instrument, capable of producing a spark, which is not so shielded as to be incapable of igniting inflammable vapours, is prohibited under Rule 91.*

(3) A fee of one hundred rupees, for the service, shall be payable by the licensee for the test prescribed in Rule 103(1). In the event of the test proving unsatisfactory a fee of fifty rupees shall be payable by the licensee for each subsequent test until the circuit is passed by the Testing Officer as satisfactory;

Provided that (1) not more than one hundred rupees shall be charged for all tests made on a circuit during any one day; and

(2) where two or more earthing circuits are connected to the same tank, fee for testing all such circuits shall not exceed the fee prescribed for testing one circuit.

The inspection under this Rule should be carried out in the following manner:-

- (1) Examine visually all joints and connections above ground to discover if any of these are loose or disconnected.
- (2) While testing an individual earth connection other connection fitted on the object should be disconnected. The electrical resistance to earth should be tested and measured either by means of a direct reading instrument or by the procedure laid down in

the "Code of Instruction for guidance of Public Works Officers in the erection and testing of lightning conductors". The "British Standard Code Practice C.P. 326.101(1948)" may be consulted for further details.

(3) Earth resistance should not ordinarily exceed 1 ohm though 10 ohms is the permissible limit.

(4) The test record should be maintained in the following form:

Name of the licensee. _____

License No. _____

Tank No. _____

Date of inspection. _____

Resistance in ohms in each connection:

(a) First reading. _____

(b) Second reading. _____

(c) Third reading. _____

(d) Mean (average). _____

Weather report for the previous week. _____

Nature of the soil. _____

104. Night working. - No installation or storage shed shall be open, and no work in any installation or storage shed shall be permitted, between sunset and sunrise except where approved electric lighting as specified in rule 105 is exclusively used.

105. Electric apparatus. - (1) All electric wires installed at less than 15 feet from the ground in any petroleum installation or situated within 20 feet of any building or tank containing dangerous petroleum shall consist of insulated cables, enclosed in metallic coverings which shall be gas-tight, electrically and mechanically continuous throughout, and effectively earthed outside the building.

(2) No electric wire shall pass over any petroleum tank, filling, painting or storage shed.

(3) In filling, painting and storage sheds and pump rooms used for - (i) dangerous petroleum -

(a) all electric meters, distribution boards, switches, fuses, plugs and sockets shall be placed outside the building and shall be of flame-proof construction satisfying the requirements of the British Standard Specification No. 229, and the frame shall be effectively earthed;

- (b) all electric fixed lamps shall be enclosed in a well glass flame-proof fitting, either double enclosed with an inner and an outer well glass or singly enclosed with substantial metal protection ; such lamps shall be installed at 12 feet where possible, but in no case less than 8 feet, above the floor level;
 - (c) all electric portable hand lamp of the self-contained pattern shall be of a type approved by the Chief Inspector.
 - (d) for the examination of cans and other containers, electric torches employing a separate battery may be used; these torches shall be fitted with substantially protected flame-proof globes and shall be supplied through a cable of cab-tyre or other suitable sheathing and properly constructed flame-proof connectors; and
 - (e) no single fixed lamp shall exceed 150 watts.
- (ii) non-dangerous petroleum:-
- (a) all electric meters, distribution boards, switches, fuses, plugs and sockets shall be enclosed in iron-clad, gas-tight cases and shall be fixed at least 5 feet above the floor level in well-ventilated positions close to the door;
 - (b) all electric fixed lamps shall be enclosed in a gas-tight well glass fitting provided with substantial metal protection;
 - (c) all electric portable hand lamps shall be fitted with substantially protected gas-tight globes and supplied through a flexible cab-tyre or other suitable sheathing and properly constructed gas-tight connectors; and
 - (d) no single fixed lamp shall exceed 200 watts and no hand lamp shall exceed 30 watts.

106. Pumping. – No internal combustion engine or electric motor shall be used for driving pumps for pumping petroleum save in a pump house specially constructed for the purpose and under such conditions as may be approved by the Chief Inspector.

Provided that this rule shall not apply where the motor, control switchgear and starting apparatus are of flame-proof construction satisfying the requirements of the British Standard Specification No. 229.

107. Posting up of rules and conditions. – Copies of the preceding rules in this Chapter and of the conditions of the license shall be exhibited in a conspicuous place in every licensed installation and storage shed.

108. *Petroleum in possession of the Armed forces of Pakistan.* – Nothing in rules 90, 95, 98, 101 and 104 shall apply to petroleum in the possession of the Armed Forces of Pakistan.

CHAPTER V

Storage of Petroleum not Requiring License

109. *Exemption of heavy petroleum.* – (1) Notwithstanding anything contained in these rules, it shall be permissible to store without license, subject to the conditions of this Chapter, heavy petroleum in quantities not exceeding 10,000 gallons, which is not stored in the same installation or storage shed as other petroleum.

(2) The provisions of Chapter IV shall not apply to petroleum so permitted to be stored without license under sub-rule (1).

(3) The exemption under sub-rule (1) above shall not apply to the storage of any kind of petroleum in any quantity in bulk stored in a tank connected with a pump outfit for fueling motor vehicles which will be licensed in Form 'K'.

110. *Storage of exempted heavy petroleum in bulk.* – (1) Heavy petroleum in bulk, if stored otherwise than under a license, shall be stored in tank constructed of iron or steel properly erected and designed and the tank with all pipes and fittings shall be so constructed and maintained as to prevent any leakage of petroleum.

(2) All tanks of a capacity exceeding 1,000 gallons shall be surrounded by bank or wall, or sunk in a pit, so constructed and maintained as to be able to contain without leakage the whole of the petroleum liable to be present at any time in the tank.

(3) A distance of not less than ten feet shall be kept clear between protected works and the enclosure walls or banks.

(4) Nothing in this rule shall apply to petroleum in the possession of Armed Forces of Pakistan.

111. *Storage of exempted heavy petroleum not in bulk.* – Heavy petroleum which is not in bulk, if stored otherwise than under a license, shall, if the quantity exceeds 500 gallons, be stored in a storage shed of which either –

- (a) the doorways and other opening shall be built up to a height of one foot above the level of the floor; or
- (b) the floor shall be sunk to a dept of one foot.

112. Prior report of storage of exempted heavy petroleum. – Every person intending to store heavy petroleum in quantity exceeding 1,000 gallons otherwise than under a license shall send to the Chief Inspector a prior report stating the situation of the premises on which such petroleum is to be stored.

113. Garages and hangars. – (1) Every garage or hangar used for housing any motor conveyance containing dangerous petroleum in bulk in any tank incorporated in the conveyance, whether such petroleum is intended to be used to generate motive power for the conveyance or not, shall be constructed of un-inflammable material and be effectively and safely ventilated to the open air.

(2) Every such garage or hangar shall be in charge of a competent person who shall be responsible for taking all proper precautions against fire and shall prevent unauthorized person from having access to the building.

CHAPTER VI

Licenses

114. Application for license. (1) A person wishing to obtain or to renew a license prescribed under these rule shall submit an application in writing to the authority empowered to grant such a license.

(2) Every application for the grant or renewal of a license to store or to import and store petroleum shall be in Form D.

115. Grant of license. – (1) Licenses for importation and storage may be granted by the licensing authorities set forth in Schedule I in the forms, for the purposes, and on payment of the fees, specified therein.

(2A) Notwithstanding anything contained in sub-rule (2), the licensing authority may, if it is satisfied that a license is required for specific work of national importance and for a short period, grant a license for a period not exceeding three months but not extending beyond the 31st December, following the date on which the license is granted: Provided that an Inspector of Explosives shall not grant such a license without the concurrence of the Chief Inspector of Explosives if a Certificate is not obtained from the District Authority under sub-rule (3)" and

(2) A license in form H may be granted for such period as the licensing authority may deem necessary subject to a maximum of twelve months. Every other license granted or renewed under these rules shall remain in force until the 31st day of December of the year for which the license is granted or renewed.

(3) Where the licensing authority is the Chief Inspector or an Inspector of Explosives an applicant for a new license may apply to the District Authority for a

certificate to the effect that there is no objection to the applicant receiving a license for the site proposed and the District Authority shall, if he sees no objection, grant such certificate to the applicant who may forward it to the Chief Inspector or an Inspector of Explosives with his application in Form D.

(3A) Where the site proposed is located in the port land and includes loading and unloading facilities, the Port Authority, while granting the certificate under sub-rule (3), shall endorse on the plan accompanying the application the details of the loading and unloading facilities keeping in view the requirements of safety distance as laid down in the relevant rules made for the port.

(4) The Chief Inspector or the Inspector of Explosives may refer an application not accompanied by a certificate granted under sub-rule (3), to the District Authority for his observations.

(4A) Nothing in sub-rule (3) or sub-rule (4) shall be deemed to require an application for the grant of a license for a site for which a license was previously granted and has expired to be accompanied by a certificate granted under the said sub-rule (3).

(5) If the District Authority, either on a reference being made to him or otherwise, intimates to the Chief Inspector or the Inspector of Explosives that any license which has been applied for should not in his opinion be granted, such license shall not be issued without the sanction of the Central Government.

(6) No license in Form H shall be granted except to a person holding a license in Form I.

(7) In the case of license granted for storage one copy of the plan or plans of the storage premises signed in token of approval by the licensing authority shall be attached to the license and one copy shall be filed for record in the office of the licensing authority.

(8) If the site proposed is located on land within the jurisdiction of a Port Authority or the Civil Aviation Authority, reference in this rule to District Authority shall be construed as reference to Port Authority or Civil Aviation Authority, as the case may be.

(9) For installation of a CNG station at any existing petrol pump, no additional NOC shall be required except permission for construction and installation and license for its operation from the Department of Explosives.

(10) For installation of a stand alone CNG station at new sites or new location, NOC's from the following authorities shall be required, namely:-

- (a) Gas Utility Company;
- (b) Civil Defense; and
- (c) Tehsil Municipal Officer.

(11) The permission for construction and installation of CNG station along with plan approval shall be granted by Chief Inspector of Explosives under the Petroleum Act, 1934 (XXX of 1934) and the Explosives Act, 1884 (IV of 1884).

(12) All authorities concerned for issuance of permission or NOCs or licenses or otherwise shall decide the case within one month of the receipt of the request for installation of a CNG station

116. Particulars of license. – Every license granted under these rules shall be held subject to the conditions endorsed on it and shall contain all the particulars which are contained in the form prescribed for it by these rules.

117. Power of licensing authority to alter conditions. – (1) Notwithstanding anything contained in rule 116 the licensing authority, at the time of issuing a license may omit, alter or add to any of the conditions specified in the prescribed form of license.

(2) The power conferred by sub-rule (1) shall not be exercised by any licensing authority other than the Chief Inspector of Explosives.

118. Amendment of license. – (1) Any license granted under these rules may be amended by the authority granting such a license:

Provided that the amendment shall not be inconsistent with any rule in this Chapter.

(2) A licensee who desires to have his license amended shall submit it to the licensing authority with an application stating the nature of the amendment and the reason therefore.

(3) The fee for the amendment of a license shall be twenty five rupees plus the amount (if any) by which the fee that would have been payable if the license had originally been issued in the amended form exceeds the fee originally paid for the license.

119. Renewal of license. – (1) A license may be renewed by the authority empowered to grant such a license, provided that a license which has been granted by the Chief Inspector may be renewed without alteration by an Inspector or Explosives duly authorized by the Chief Inspector in this behalf.

(2) Every application for the renewal of a license shall be made so as to reach the licensing authority not less than thirty days before the date on which the license expires, and, if the application is so made, the premises shall be held to be duly licensed until such date as the licensing authority renews the license or until an intimation that the renewal of the license is refused has been communicated to the application.

(2A) Every application under sub-rule (2) shall be accompanied by the license which is to be renewed together with the approved plan attached thereto and the original

treasury receipt showing the deposit of the correct renewal fee under the correct head of account.

(3) The same fee shall be charged for the renewal of license as for the grant thereof, provided that if the application for renewal is not received within the time specified in sub-rule (2), the license shall be renewed only, on payment of double the fee ordinarily payable for the license.

120. Refusal of license. – (1) A licensing authority refusing to grant, amend or renew a license, shall record his reason for such refusal in writing.

(2) A copy of the order containing the reason for such refusal shall be given to the applicant on payment of a fee of rupees twenty five.

121. Suspension or cancellation of license. – (1) Every license granted under these rules shall be liable to be suspended or cancelled by order the licensing authority for any contravention of the Act or of any rule thereunder, or of any condition contained in such license.

(2) A licensing authority suspending or canceling a license shall record his reason for so doing in writing.

(3) A copy of the order containing the reasons for the suspension or cancellation of a license shall be given to the holder of the license on payment of a fee of rupees twenty five.

122. Appeals. – (1) An appeal shall lie against any order refusing to grant, amend or renew a license or suspending or canceling a license –

- (i) to the Central Government where the order is passed by the Chief Inspector;
- (ii) to the immediate official superior to the District Authority if the order is passed by the District Authority; and
- (iii) to the Chief Inspector if the order is passed by an Inspector of explosives.

(2) Every appeal shall be in writing and shall be accompanied by a copy of the order appealed against and shall be presented within 60 days of the order passed if preferred to the Central Government, and within 30 days in all other cases.

123. Supply of rules. – With every license granted for the storage of petroleum, a copy of rule 90 to 107 in Chapter IV, shall be given free of charge to the licensee.

124. Certificate of safety. – (1) Before petroleum is stored in any installation, for which a license is being granted for the first time, a certificate shall be furnished to the licensing

authority to the effect that all enclosure walls and embankments constructed in accordance with the condition of the license are of such a nature as to ensure safety.

(2) The certificate shall be signed by an Engineer accepted as qualified for the purpose by the licensing authority.

(3) When the license is not granted for the first time, but is being granted for the increased quantity of petroleum, a certificate shall similarly be furnished to the licensing authority before any quantity of petroleum exceeding the amount which was admissible under the former license is stored in the installation.

I hereby certify that the dangerous/non-dangerous petroleum installation of at has been constructed in accordance with the conditions of the license and that in my opinion the enclosure walls and embankments are of such a nature as to ensure safety.

Signature.....

Designation.....

Place.....

Date.....

125. Transfer of license for storage. - (1) The holder of a license for the storage of petroleum may, at any time before the expiry of the license, apply for permission to transfer his license to another person.

(2) Such application shall be made to the licensing authority who shall, if he approves of the transfer, enter upon the license, under his signature, an endorsement to the effect that the license has been transferred to the person named.

(3) A fee equal to the license fee shall be charged on each such application.

(4) The person to whom the license is so transferred shall enjoy the same power and be subject to the same obligations under the license as the original holder.

126. Procedure on death or disability of licensee. - (1) If a licensee dies or becomes insolvent or mentally incapable or otherwise disabled, the person carrying on the business of such licensee shall not be liable to any penalty or confiscation under the Act or these rules for exercising the powers granted to the licensee by the license during such time may reasonably be required to allow him to make an application for a new license in his own name for the unexpired portion of the original license.

(2) A fee equal to the license fee shall be charged for a new license for the unexpired portion of an original license granted to any person applying for it under this rule.

127. Loss of license. – Where a license granted these rules is lost or accidentally destroyed a duplicate may be granted on payment of a fee of fifteen rupees.

128. Payment of fees. – (1) Every application under this Chapter shall be accompanied:-

- (i) If in respect of a license granted or to be granted by the District Authority, by the appropriate fee in cash or by cheque, and
- (ii) if in respect of any other license, by a Treasury receipt showing that the appropriate fee has been paid into the local Treasury under the Department of Explosive's head of account:

(2) If an application for the grant, renewal or amendment of a license is rejected, the fee paid shall be refunded by the District Authority, or if it has been paid into a Treasury, by that Treasury on the production of a signed order from the licensing authority directing such refund.

(3) Fees payable under any other Chapter of these rules shall be paid in cash or by cheque.

128a. Time Limit for Payment of Fees for un-authorized or excess storage.-

The fee assessed for payment in respect of un-authorized or excess storage shall be paid within 30 days of the receipt of demand letter. If the fee is not paid within the period specified, an amount equal to double the fee ordinarily payable under these rules shall be payable within 30 days following that period.

129. Power to exempt from payment of fees. – The Central Government may, by general or special order, grant exemption from or reduction of any fee payable under these rules.

130. Production of license on demand. – (1) Every person holding or acting under a license granted under these rules shall produce it, or an authenticated copy of it, at the place to which the license applied, when called upon to do so by an Inspector.

(2) Copies of any license may, for the purposes of this rule, be authenticated by the licensing authority on payment of twenty five rupees for each authentication. Duplicate authenticated copy may be issued on payment of fifteen rupees for each license.

131. Procedure on reports of infringements. – The District Authority shall inform the Chief Inspector of the action taken by him on any reports of infringements or the Act or of these rules, which the Chief Inspector may make to him.

131A. Executive control over authorities. – Every authority other than the Central Government acting under this Chapter shall perform his duties subject to the control of the Central Government:

Provided that nothing in this rule shall be deemed to affect the powers of executive control of the Chief Inspector over the officers subordinate to him.

CHAPTER VII

Refining and Blending of Petroleum

132. Approval of refinery. – (1) No person shall refine or blend petroleum unless the plans showing the general arrangement of tanks, stills, fencing, gates, and all plant and buildings at the place where it is proposed to refine or blend petroleum (hereinafter in this Chapter referred to as the refinery) have been approved by the Chief Inspector.

(2) The Chief Inspector on receiving an application under sub-rule (1) may require the submission of such particulars as he may specify regarding the materials used or to be used in the construction of stills, condensing pipes and tanks, and the method of their erection.

133. Retention of plans. – A copy of the approved plans, which shall incorporate any alteration sanctioned under rule 135 from time to time, shall be kept at the refinery.

134. Application of rules. – Rules 135 to 147 inclusive apply on to refineries.

135. Alterations. – No alteration in a refinery involving the general arrangement of tanks, stills, any other plant and buildings or the materials used in the construction of the method of erection of the stills, condensing pipes and tanks shall be carried out without the previous sanction in writing of the Chief Inspector.

136. Use of fire-proof materials. – All building in which petroleum is handled shall be built of fire-proof materials.

137. Situation of storage tanks. – No storage tank, the capacity of which exceeds 50,000 gallons, shall be situated nearer than 300 feet to any still, boiler or furnace.

138. Size of service tanks. – Unless specially permitted by the Chief Inspector service tanks (i.e., tanks which contain fuel for boiler and still fires) shall not be larger than is necessary to conserve 24 hours fuel for the fire which they serve.

139. Drainage. – Suitable arrangements shall be made for the proper carrying off and fire-trapping of all drainage and possible leakage from a still or bench of stills.

140. Fires and smoking. – (1) No fire, furnace or source of heat or light capable of igniting inflammable vapour shall be allowed except in the firing spaces of still or boilers.

(2) No smoking shall be allowed except in spaces or buildings specially approved for the purpose by the Chief Inspector.

141. Supply of sand or earth. - (1) An adequate quantity of dry sand or earth together with the necessary implements for its convenient application or other efficient means of extinguishing petroleum fires shall always be kept readily accessible near tanks and stills.

(2) The Chief Inspector may specify the quantity of dry sand or earth which shall be deemed to be adequate for the purposes of this rule.

142. Hydrants and hoses. - (1) In a refinery with still capacity exceeding on an average 1,000 gallons daily, hydrants with a minimum pressure of 40 lbs. with the necessary hose, shall be provided at suitable points. Their location shall be shown in the approved plan of the refinery.

(2) All hydrants and hose shall be kept in an efficient condition.

143. Pumping of dangerous Petroleum. - All dangerous petroleum as it leaves the stills, with the exception of such quantities as may be pumped direct to service tanks for fuel, shall be at once pumped out of the refinery to storage tanks, and shall not be stored in the immediate neighbourhood of stills and boiler:

Provided that the Chief Inspector may permit dangerous petroleum to be disposed of otherwise.

144. Prevention of danger from electricity. - Adequate provision shall be made to prevent the accumulation of dangerous static charges of electricity.

145. Plans. - Fire walls and efficient separators for drainage shall be shown in the plans referred to in rule 132 and may be required to be erected when deemed necessary by the Chief Inspector.

146. Reports of fires. - The occurrence of any fire at a refinery shall be reported immediately by the person in charge of the refinery for the time being to the nearest Police Station and to the Chief Inspector.

147. Closing of refinery. - If a refinery is closed down, the area within the fence surrounding it shall be cleared of all petroleum having a flashing-point below 200 degree F, as soon as possible.

CHAPTER VIII

Tetra Ethyl Lead Mixture

148. *Addition of tetra ethyl lead.* – Tetra ethyl lead shall not be blended with petroleum except in equipment approved in writing by the Chief Inspector and in such proportions and under such conditions as may from time to time be determined by him.

149. *Importation, Transport and Storage.* – No person shall import, transport or store petroleum containing tetra ethyl lead unless the proportions of tetra ethyl lead have been previously determined by the Chief Inspector in accordance with rule 148.

150. *Prescription of special conditions.* – The Chief Inspector may from time to time by a written order prescribe special conditions which shall be observed during handling of leaded petroleum or cleaning or repair of storage tanks which have contained leaded petroleum.

151. *Colouration.* – Every mixture of petroleum and tetra ethyl lead shall be distinctly colored before being supplied to the public.

152. *Marking of receptacles.* – All receptacles containing a mixture of petroleum and tetra ethyl lead in non-bulk, other than tanks on tank carts, shall unless they are in the possession of the Armed Forces of Pakistan bear a warning in the following terms –

“Warning

This spirit contains lead and should be used as a motor fuel only”

CHAPTER IX

Testing of Petroleum

153. *Drawing of samples.* – (1) In all cases the sampling officer shall personally superintend the drawing of the sample. Where the sample is drawing from an original unopened receptacle containing petroleum not in bulk the opening shall be sufficient to admit of the sample being rapidly transferred from the receptacle.

(2) Two bottles, each of the capacity of about 40-fluid ounces, shall be filled to three-quarters of their capacity with the sample and corked. The corks shall be driven home and cut off level with the neck; and melted sealing wax shall be worked into the corks and the bottles shall be efficiently sealed.

(3) In the case of petroleum imported by sea the bottles containing the sample shall, after being sealed, be labeled with the name of the ship, the name of the consignee and such other distinguishing marks as may be necessary.

154. Forwarding and retention of samples. – One of the bottles referred to in sub-rule (2) of rule 153 shall be preserved for reference in case of need and the other shall be forwarded to the testing officer.

155. Procedure of delivering of samples from ship's cargo. – (1) When the master of, or the agent for, a ship has made the declaration required by rule 8, the sampling officer shall go on board the vessel and obtain samples of all the petroleum on board which it is intended to land at the port. If the importer so desires the sampling officer shall also take samples of all the petroleum on board which it is intended to land at any other port in Pakistan:

Provided that no sample need be taken of –

- (a) petroleum which is declared to be dangerous; or
- (b) petroleum of Burmese origin which is covered by a certificate in Form B granted by testing officer appointed by the Government of Burma.

(2) The master shall delivery to the sampling officer, without charge, samples of every variety of petroleum comprised in the petroleum of which samples are to be taken under sub-rule (1). Such samples shall, if the sampling officer so requires, be taken from the particular receptacles indicated by him:

Provided that when the petroleum is in cases, samples may be taken as landing proceeds.

156. Selection of samples from ship's cargo. – The minimum number of samples to be selected of each brand of quality contained in the cargo shall be as follows:-

- (a) of petroleum certified in accordance with 11 –
 - (i) in cases – one sample for every 15,000 cases or part thereof;
 - (ii) in casks or drums, declared to be of uniform quality – one sample for every 120,000 gallons or part thereof;
 - (iii) in bulk or in tanks – one sample from each group of tanks or tank compartments certified to be of the same brand or quality.
- (c) of other petroleum –
 - (i) in cases – one sample for every 10,000 cases or part thereof;

(ii) in casks or drums, declared to be of uniform quality – one sample for every 80,000 gallons or part thereof;

(iii) in bulk or in tanks – one sample from each tank or tank compartment.

157. Standard Test Apparatus. – (1) The Standard Test Apparatus and thermometers shall –

- (a) agree in every respect with the specifications laid down in Schedule III; and
- (b) have been tested and certified by the Board of Trade or the National Physical Laboratory, London, and marked with the year of test.

(2) The standard thermometers shall be replaced at least once in every three years.

158. Certificate of apparatus. – (1) When any apparatus for determining the flashing-point of petroleum is submitted to the officer appointed under sub-section (1) of section 15 of the Act for comparison with the Standard Test Apparatus, that officer shall examine the apparatus including the thermometers and the barometers or aneroids.

(2) No certificate shall be granted under section 16 of the Act if –

- (a) the apparatus is in any respect outside the tolerances laid down in Schedule III to these rules or is otherwise defective; or
- (b) any thermometer shows reading varying by more than 1 deg F, at temperature of 76 deg F, and 120 deg F as given by the Standard Test Apparatus; or
- (c) any barometer or aneroid shows a variation of more than half an inch from the pressure given by the Standard Test Apparatus.

(3) A certificate in Form E shall be granted in respect of any apparatus which has been found to agree with the Standard Test Apparatus within the limits mentioned in sub-rule (2).

(4) A certificate granted under this rule shall be valid for a period of three years.

159. Register of certificates. – A register of all certificates granted under rule 158 shall be maintained in Form F by the officer appointed under sub-section (1) of section 15 of the Act.

160. Methods of test. – (1) The testing officer shall test the samples in the manner laid down in Schedule III to these rules.

(2) In all cases at least three samples shall be separately test, the average of three readings being corrected for the thermometer correction, if any, and for the barometric correction in case of dispute.

(3) If the average flashing-point is not lower than 76 deg F and no one test give a flashing-point below 73 deg F the whole of the petroleum represented by the samples shall be deemed to be non-dangerous petroleum.

161. Procedure when test shows want of uniformity. – (1) If the testing officer after testing samples taken from a ship's cargo, considers further tests necessary to satisfy himself that none of the petroleum is dangerous, he shall report to the Collector of Customs accordingly.

(2) On receipt of a report under sub-rule (1) –

- (a) when the consignment is imported in cases or casks or drums, the Collector of Customs shall cause the petroleum in question to be landed and stacked in lots of not more than 1,500 cases or casks or drum each, or to be discharged into boats each containing not more than 1,500 cases or casks or drums, and the sampling officer shall select and delivery to the testing officer one sample from each lot;
- (b) when the consignment is imported in bulk, the sampling officer shall forward a second sample and the Collector of Customs may, until the receipt of the testing officer's further report, prevent the landing of any portion of the contents of the tank in question, or may permit it to be landed as provided in rule 15;
- (c) if the petroleum has been already landed and stored under rule 15 –
 - (i) if it is not in bulk it shall be divided into lots and samples of each lot shall be selected as provided in clause (a);
 - (ii) if it is in bulk samples shall be drawn from each separate storage tank containing the petroleum.

162. Certificate of tests. – (1) The testing officer shall as soon as practicable and ordinarily within twenty-four hours after receipt of any samples make out a certificate in form G and shall forward it in the case of samples of petroleum taken on board a ship to the Collector of Customs and in the case in the other samples to the officer submitting the sample.

(2) The testing officer shall, at the request of any person concerned, furnish him with a certified copy of the certificate in Form G on payment of a fee of twenty five rupees.

163. *Fees for inspection and comparison.* – (1) The fee for each inspection of the Test Apparatus shall be as follows:-

	Rs.
Able Flash Point Apparatus or Pensky-martenis Apparatus	200
Barometer	50
Thermometer	50

164. *Fees for testing.* – (1) The fee for testing each sample of imported petroleum shall be one hundred rupees:

Provided that the aggregate fee chargeable under this sub-rule shall not, in the case of any one ship, exceed Rs. 1000.

(2) The fee for re-testing each sample under section 20 of the Act shall be one hundred. It shall be refunded if the original test is proved to be erroneous.

CHAPTER X

Exemption

165. *Power to exempt.* – The Central Government may on the recommendation of the Chief Inspector of Explosives in exceptional cases, by order, grant to any person or persons exemption from all or any of the provisions of these rules or such conditions, if any, as may be specified in the order.

SCHEDULE 1

LICENCES (*vide Rule 115*)

Article No.	Form of License (See Schedule (II))	Purpose for which granted	Authority empowered To grant license	Fee	
(1)	(2)	(3)	(4)	(5)	
1	H	To import dangerous petroleum other than petroleum which can be used in an internal combustion engine, in quantity not exceeding 60 gallons at any one time?	The District Authority	Rs. 25.	
2	I	To store dangerous petroleum in quantity not exceeding 60 gallons.	The District Authority	Rs. 25.	
3	J	To store non-dangerous petroleum otherwise than in bulk, in quantity not exceeding 5,000 gallons.	The District Authority	FOR ARTICLES 3, 4, 5, 6 AND 7. Dangerous, Non-dangerous and Heavy Petroleum.	
				(a) When the quantity to be stored does not exceed two thousand liters	Rs. 60.
				(b) When the quantity to be stored exceeds two thousand liters but does not exceed four thousand liters.	Rs. 100.
4	K	To store petroleum in a tank or tanks in connection with a pump	The Chief Inspector or an Inspector of	(c) When the quantity to be stored exceeds four	Rs. 100 for the first 4000 liters plus Rs. 25

		outfit for fuelling motor conveyances.	Explosives authorized by the Chief Inspector of Explosives in this behalf.	thousand liters but does not exceed twenty thousand liters	for every additional 4000 liters or part thereof.
5	L	To import dangerous petroleum and to store petroleum in installations.	The Chief Inspector	(d) When the quantity to be stored exceeds twenty thousand liters but does not exceed two hundred thousand liters.	Rs. 200 for the first 20000 liters plus Rs. 25 for every additional 4000 liters or part thereof.
6	M	To import and store dangerous petroleum otherwise than in bulk and to store otherwise than in bulk 9a) non-dangerous petroleum in quantity exceeding 5,000 gallons or (b) partly dangerous petroleum and partly non-dangerous petroleum.	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	(e) When the quantity to be stored exceeds two hundred thousand liters.	Rs. 1325 for the first 200,000 liters plus Rs. 100 for every additional 100,000 liters or part thereof to a maximum of Rs. 5000 for each category of petroleum
7	Special Forms	To import dangerous petroleum and to store petroleum (in cases not provided for in Articles 1, 2, 3, 4, 5, and 6.)	The Chief Inspector		

SCHEDULE II FORMS

FORM 'A'

[See Rule 8]

Declaration to be made by the master of a ship carrying before entering a port or by the ship's agent.

Name of ship _____

Particulars of the carriage

Name of Petroleum	Total quantity carried in the ship.	Quantity of petroleum to be landed in - name of port.	Remarks
Dangerous petroleum which can be used in an internal combustion engine.			
Other than dangerous petroleum			
Petroleum certified in accordance with rule 11 other than heavy petroleum			
Heavy petroleum			
Other than non-dangerous petroleum			
Total			

Signature of Master/agent of the ship

Dated

FORM 'D'*[See Rules 114(2)]*

Application for the grant/amendments/renewal/transfer of license to import and store petroleum.

The replies to be given in this Column

1. Particulars of Applicant

Name

NIC No.

Full Postal Address

Telephone/FAX/E mail

2. Situation of the premises where petroleum is to be stored

Province

District

Town and village

3. Petroleum proposed to be stored:

(i) Dangerous petroleum

(a) In bulk

(b) Not in bulk

(c) Total

(ii) Heavy petroleum

(a) In bulk

(b) Not in bulk

(c) Total

(iii) Non-dangerous petroleum

(a) In bulk

(b) Not in bulk

(c) Total

(iv) Excluded Petroleum

(a) In bulk

(b) Not in bulk

(c) Total

Total [(i) + (ii) + (iii) + (iv)]**4. Form in which license is required****5. Do the premises fulfill all the conditions endorsed on the form?**

6. Petroleum already stored in the premises:

(i) Dangerous petroleum

(a) In bulk

(b) Not in bulk

(c) Total

(ii) Heavy petroleum

(a) In bulk

(b) Not in bulk

(c) Total

(iii) Non-dangerous petroleum

(a) In bulk

(b) Not in bulk

(c) Total

(iv) Excluded Petroleum

(a) In bulk

(b) Not in bulk

(c) Total

Total [(i) + (ii) + (iii) + (iv)]

7. Dangerous petroleum proposed to be imported.

(a) In bulk

(b) Not in bulk

(c) Total

I hereby declare that the statements made above have been checked up by me and are true and I undertake to abide by the terms and conditions of the license which will be granted to me.

Date of application

*Signature and designation of the applicant.***Notes.**

1. Where the application is made on behalf of a company, the name and address of the company and the name of the manager or agent should be given and the application should be signed by him. Every change in the name of the manager or agent shall be forthwith intimated to, and his specimen signature filed with, the licensing authority.

2. "In bulk" means in tanks or receptacles exceeding 1,000 liters in capacity "Not in bulk" means in approved containers not exceeding 1,000 liters in capacity.

3. (i) This application, if it relates to a new installation or storage shed or fueling station or if the applicant proposes any alterations in an existing installation or storage shed or fueling station, must be accompanied by specifications and four copies of plans drawn to scale. The plan should clearly indicate:-

- (a) the manner in which the conditions prescribed by these rules have been complied with;
- (b) the premises to be licensed, the area of which shall be distinctively colored or otherwise defined;
- (c) the surroundings and all protected work;
- (d) the position and capacity of all storage tanks/cylinders, storage and filling sheds, dispensers and the position of all other facilities, buildings and erections forming part of the installation/fueling station;
- (e) the area reserved for all kinds of petroleum;
- (f) tanks and other enclosures; and
- (g) all pumps, valves, fittings, filling and discharge points, vent pipes etc.

(ii) License together with approved plans and specifications attached thereto. (Not required for the first grant of license)

(iii) "No Objection Certificate" from the District Authority. (Not required for renewal, transfer and amendment of a license without any change in the site of the licensed premises).

(iv) Requisite amount of fees.

(v) A certificate of tank testing if required.

(vi) A certificate of safety if required.

FORM 'D-1'*[See Rule 77]*

Application for grant/renewal of license to transport petroleum in bulk on land by mechanically propelled vehicles.

Replies to be given in this column.

1. Particulars of Applicant

Name

NIC No.

Full Postal Address

Telephone/FAX/E mail

2. Description of the vehicle

(a) Make and model

(b) Engine number

(c) Chassis number

(d) Registration number

(e) Name and the registration owner

(f) Total number of compartments

(g) Capacity of each compartment
in kilo liter

(h) Class(es) of petroleum authorized
to be carried in the vehicle

I hereby declare that the statements made above have been checked up by me and are correct to the best knowledge and I undertake to abide by the terms and conditions of the license which will be granted to me.

Date of application

Signature of the applicant

Where the application is made on behalf of the company, the name and address of the company and the manager or agent should be given and the application should be signed by him. Every change in the name of manager or agent shall be forthwith intimated to and his specimen signature filed with the licensing authority.

FORM 'E'
[See Rule 158 (3)]

Certificate of Apparatus

.....Apparatus

Marked No.....

Maker's Name.....

Slide No.....

Thermometer No.Oil Cup No.....

Water Bath Cup No.....

The above apparatus including the thermometers having been submitted for verification with the Standard Test Apparatus was compared by me on and found to agree with it within the prescribed limits.

The following corrections are necessary to the thermometer and barometer or aneroid readings:

Thermometer No.....

No.....

Barometer or aneroid No.....

This certificate is valid for a period of three years from

Date.....

Reference.....

Signature and designation of the Officer
(Appointed under Sec. 15(1) of the Petroleum Act, 1934.)

FORM 'F'*[See rules 159]**Register of Certificate Apparatus*

Serial No.	Place at which the apparatus is intended to be used	Number and date engraved on the apparatus	Contents of Certificate	Date of which certificates will cease to be valid.

FORM 'G'*[See Rule 161]***Certificate of tests of petroleum**

Owner.....

Marks.....

Test

1.

2.

3.

Average Thermometer

Correction.....

The sample is.....

Petroleum and (in the case of non-dangerous petroleum) has a flash point
of.....

Place.....

Date.....

Testing Officer

.....

FORM 'H'
[Article 1 of Schedule I]

License to import dangerous petroleum other than petroleum which can be used in an
internal combustion engine, in quantity not exceeding 60 gallons [300 liters]

No.....

Rs.....

License is hereby granted toto import
dangerous petroleum other than petroleum which can be used in an internal combustion engine,
not exceeding 300 liters in quantity at any one time, at the Port of..... subject to the
provisions of the petroleum Act, 1934 and the rules made there under and to further conditions
on the back of this license.

This license shall remain in force till the 20

The20.....

District Authority

CONDITIONS OF LICENSE

1. Dangerous petroleum shall be imported in gas-tight tined, galvanized or otherwise externally
rust-proof sheet iron or steel receptacles which shall fitted with well made apertures and
well-fitting screw plugs or with screw caps or other caps with metal air-tight under caps.
2. The receptacles shall have the following thickness of metal:

Capacity exclusive of the prescribed air space -	Not less than -
Not exceeding 2 gallons	0.443mm (27 BG)
Exceeding 2 but not exceeding 4 gallons	0.63mm (24 BG)
Exceeding 4 but not exceeding 30 gallons	0.80mm (22 BG)
Exceeding 30 but not exceeding 45 gallons	1.25mm (18 BG)
Exceeding 45 gallons	1.59mm (16 BG)

3. The receptacles shall be so constructed and secured, as not be liable, except under
circumstances of gross negligence or extra-ordinary accident, to become defective, leaky or
insecure in transit and shall bear a stamped, embossed, pointed or printed warning exhibiting
in conspicuous characters the words 'Highly Inflammable' or an equivalent warning of the
dangerous nature of the petroleum.
4. An air space of not less than 5 percent of its capacity shall be left in each receptacle at the
time of filling.

FORM 'I'

[Article 2 of Schedule I]

License to store dangerous petroleum in quantity not exceeding 60 gallons [300 liters].

No.

Fee Rs.

License is hereby granted to valid only for the storage of gallons of dangerous petroleum in the storage shed described below, subject to the provisions of the petroleum Act, 1934 and the rules made there under and to the further conditions on back of this license.

This license shall remain in force till the 31st day of December.

The 19

District Authority

Description of the storage shed referred to above

.....

Date of renewal	Date of expiry	Signature licensing authority

This license is liable to be cancelled if the licensed premises are not found conforming to the description and condition attached hereto and contravention of any of the rules and conditions under which this license is granted is also punishable with fine which may extend to five hundred rupees for a first offence and which may extend to two thousand rupees for any subsequent offence.

CONDITIONS

1. Dangerous petroleum shall be stored only--
 - (i) in a storage shed constructed of suitable non-combustible materials on private ground; the doors and windows may be of wood; or
 - (ii) in a properly ventilated iron bin of a design approved by the Chief Inspector and placed on private ground in the open air.
2. The storage shed shall be adequately ventilated near the ground level and also near the roof. The ventilators shall be provided with two layers of non-corroding metal wire gauze having not less than 28 to the linear inch [11 meshes per linear centimeter].

- 3...The storage shed shall not form part, or be attached to any building in which any person resides or works or where person assemble for any purpose unless it is separated there from by a substantial roof and partition wall of masonry construction having no openings therein.
 4. The storage shed if in any building, shall not be situated under any staircase or under any other means of exit likely to be required to be used for escape in case of fire.
 5. Any two storage sheds or bins or other storage premises not more than twenty feet [six meters] apart shall be deemed to be one storage shed.
 6. No alterations shall be carried out in the storage shed or bin without the previous sanction in writing of the licensing authority.
 7. If the licensing authority calls upon the holder of a license, by a notice in writing to execute any repairs to the storage shed, which are, in the opinion of such authority necessary for the safety of the shed, the holder of the license shall execute the repairs within such period as may be fixed by the notice.
 8. All empty receptacles which have contained dangerous petroleum shall except when they are opened for the purpose of cleaning them and rendering them free from petroleum vapour be kept securely closed unless they have been thoroughly cleaned and freed from petroleum vapour.
 9. No receptacles shall be repaired on the premises and no person shall repair or cause to be repaired any receptacle in which to his knowledge, any dangerous petroleum is or has been kept until he has taken all reasonable precautions to ensure that the receptacle has been rendered free from such petroleum and any inflammable vapour.
 10. Adequate precautions shall be taken at all times for the prevention of accident by fire or explosion.
 11. Every care shall be taken to prevent any dangerous petroleum escaping into any drain, sewer, harbour, river or watercourse.
 12. Adequate precautions shall be taken to prevent unauthorized persons having access to any dangerous petroleum kept and to the vessel which contains or has contained such petroleum.
 13. The licensee shall keep daily records and accounts of all receipts and issues of petroleum in such form as the licensing authority may from time to time prescribe and shall exhibit his stock and records to an Inspector or sampling officer on demand.
 14. Any accident by fire or explosion occurring within the licensed premises, which is attended with loss of human life or serious injury to person or property shall be reported to the nearest Magistrate or to the officer-in-charge of the nearest police station and to the Chief Inspector of Explosives immediately and by telegraph or telephone where such means of communication are available.
 15. Free access to the licensed premises shall be given at all reasonable times to any inspector or sampling officer and every facility shall be afforded to such officer for ascertaining that the rules and the conditions of this license are duly observed
-

FORM 'J'*[Article 3 of Schedule I]***LICENSE TO STORE NON-DANGEROUS PETROLEUM, OTHERWISE
THAN IN BULK IN QUANTITY NOT EXCEEDING 5000 GALLONS.**

No.

Fee Rs.

License is hereby granted to valid only for the
storage of gallons of non-dangerous petroleum in the storage shed
described below, subject to the provisions of the petroleum Act, 1934, and the rules made there
under and to the further conditions on the back of this license.

This license shall remain in force till the 31st day of December 19.....

The 19.....

The District Authority

Description and location of the storage shed referred to above.

Date of renewal	Date of expiry	Signature licensing authority

This license is liable to be cancelled if the license premises, when inspected, are not found conforming to the description and condition attached hereto and contravention of any of the rules and condition under which this license is granted is also punishable with fine which may extend to five hundred rupees for the first offence and which may extend to two thousand rupees for any subsequent offence.

CONDITIONS OF LICENSE

1. The petroleum shall be stored only in the storage shed, which shall be constructed of suitable unflammable materials, but the beams, rafters, column, windows and doors may be of wood. The building shall rest on foundation walls the walls and floors being suitably finished to form a sump or enclosure not more than 60 centimeters in depth and capable of receiving and retaining, in cases of accident to emergency, a volume not less than the maximum quantity of petroleum allowed in the building.
2. The storage shed shall not form part of, or be attached to any building in which any person resides or works or where persons assemble for any purpose unless it is separated there from by a substantial floor or partition which is constructed of unflammable material and has no opening in it.
3. The storage shed, if in any building, shall not be situated under any staircase or under any other means of exit likely to be required to be used for escape in case of fire.
4. No alterations shall be carried out in the storage shed without the previous sanction in writing of the licensing authority.
5. If the licensing authority calls upon the holder of a license, by a notice in writing to execute any repairs to the storage shed, which may in the opinion of such authority, be necessary for the safety of the shed, the holder of the license shall execute the repairs within such period, not being less than one month from the date of receipt of the notice, as may be fixed by the notice.
6. Any two storage sheds not more than 4.5 meters apart shall be deemed to be one storage shed.
7. Non-dangerous petroleum shall be packed in airtight tins or drums of steel or iron in other receptacle not easily broken.
8. The drum or other receptacle containing petroleum shall only be opened in the licensed premises and for the time necessary for drawing off the petroleum and during such drawing off every reasonable precaution shall be adopted for preventing the escape of petroleum or the vapor there from.
9. Adequate precautions shall be taken to prevent unauthorized persons having access to any petroleum kept and to any receptacles, which contain or have contained petroleum.
10. Adequate precautions shall be taken all the time for the prevention of accident by fire or explosion.
11. Every care shall be taken to prevent any petroleum escaping into any drain, sewer,

harbor, river or watercourse.

12. The licensee shall keep daily accounts and records of all the receipts and issue of petroleum in such form as the licensing authority may, from time to time, prescribe and shall exhibit his stock and records to an Inspector or Sampling officer on demand.
 13. Any accident, fire or explosion occurring within the licensed premises causing loss of human life or serious injury to person or property, shall be reported to the nearest Magistrate or to the Officer-in-charge of the nearest Police Station and to the Chief Inspector of Explosives, Karachi, immediately and by telegraph, fax or telephone where such means of communication are available.
 14. Free access to the licensed premises shall be given at all reasonable times to any Inspector or Sampling Officer and every facility shall be afforded to such officer ascertaining that the rules and conditions of this license are duly observed.
-

FORM 'K'
(Article 4 of Schedule I)

*License to store petroleum in a tank
or tanks in Connection with a pump outfit for fuelling motor vehicles.*

No.....

License Fee Rs.....

License is hereby granted to _____ valid only for the storage of under mentioned facilities/kinds and quantities of petroleum in underground tank (tanks) in the licensed premises described below and as shown on the plan hereto attached subject to the provisions of the Petroleum Act, 1934, and the rules made thereunder and to the further conditions or of the rules framed there under or of any condition of this license.

This license shall remain in force till the 31st day of December _____

This license is liable to be cancelled if the licensed premises when inspected are not found conforming to the description and conditions attached hereto and contravention of any of the rules and conditions under which this license is granted is also punishable with fine which may extend to five hundred rupees for a first offence and which may extend to two thousand rupees for any subsequent offence.

Dated the ____ day of _____, _____.

Licensing Authority

Plan No. dated

Description of the licensed premises referred to above.

The licensed premises is situated at _____ and consist of
gas-tight tank (tanks) and other facilities as per detail(s) given below:

Petroleum Facility (ies) allowed at the licensed premises				
Sl.No.	Tank Number	Kind of Petroleum	Quantity in Liters	Fee in Rupees
(i)				
(ii)				
(iii)				
(iv)				
(v)				
(vi)				
(vii)				
Ancillary Facility (ies) allowed at the licensed premises				
	Name of Facility	Dimensions	Date of approval	
(a)				
(b)				
(c)				
(d)				
(e)				
Total License Fee				

Space for endorsement of Renewals:

Date of Renewal	Date of Expiry	Signature of Licensing Authority

CONDITIONS OF LICENCE

1. The petroleum shall be stored in one or more gas-tight metal tanks of a capacity (ies) mentioned above sunk completely underground in the position shown on the plan attached hereto and each placed in a masonry or concrete pit, the tank being packed round with sand, earth or clay so that no air-space is left between the tank and the masonry or concrete pit and the tank is not visible. Such masonry or concrete pit shall not be obligatory if the tank is a welded one tested up to a pressure of 3 lbs. per square inch and is buried and is on private, leased or rented land away from public traffic. The space over the buried tanks must not be used for any purpose.
2. There shall be no openings in any tank other than those necessary for the introduction or removal of the petroleum or for ventilating or dipping the tank. The filling and dipping pipes shall be carried down nearly to the bottom of the tank.
3. Every tank shall be fitted with a vent pipe leading into the open air. The vent pipe shall be securely supported and shall be not less than 12 feet in height. The upper opening shall be covered with fine copper or other non-corroding metal wire gauze of mesh not less than 28 to the linear inch and fitted with a hood or the upper opening shall be fitted with an inlet valve and an exhaust valve.
4. After the 1st April 1937, no pump or tank shall be erected inside a building and, if prior to that date any tank is installed inside a building, it shall only be filled from a tank-wagon through an underground filling pipe having a filling point in the open air at a distance of not less than 12 feet from the building.
5. No alteration of the premises including the position of a pump or tank and no replacement of a tank shall be effected except with the previous sanction in writing of the licensing authority. All alterations sanctioned under this condition shall be shown on an amended plan to be attached to this license.
6. If the licensing authority calls upon the holder of a license by a notice in writing to execute any repairs to the licensed premises which are, in the opinion of such authority, necessary for the safety of the premises, the holder of the license shall execute the repairs within such period, not being less than one month from the date of receipt of the notice, as may be fixed by the notice.
7. Every tank, before being repaired, shall be cleared of all petroleum and of all inflammable vapours. When a tank in position is open for cleaning or repairs no electric or other lamps, electric cables or electric fans shall be brought near the manhole of the tank until the tank has been certified in writing to be "gas free" by a qualified Chemist or Engineer. (The inside of the tank may be lighted by the use of mirrors.)
8. The petroleum shall enter a tank "under seal" and shall not be supplied to the tank between the hours of sunset and sunrise except by a motor tank-wagon of a type approved

by the Chief Inspector for the purpose and with the approval in writing of the licensing authority.

Note: A pipe supplying liquid to a tank is "under seal" to that tank if it is screwed to the tank or otherwise attached so that no liquid or vapour can escape into the air except through the vent pipe fitted to the tank as required by condition 3.

9. No artificial lights capable of igniting inflammable vapour shall at any time be present in the immediate vicinity of the tank-wagon during the transfer of the petroleum to the tank and no person engaged in such transfer shall smoke. When the underground tank is filled with petroleum from barrels no such light shall be allowed within a distance of 30 feet from the barrels.
10. No petroleum shall be removed from a tank except by means of the pump or pumps at the position marked on the plan hereto attached. Every pump shall together with its connections and fittings be so constructed and maintained as to be gas and petroleum-tight. The pipe connections between the tank and a pump shall be placed underground.
11. For the purpose of charging the tanks of motor vehicles the petroleum shall only be supplied by being.
 - (a) pumped through strong metal piping by means of approved pumps into above ground measuring tanks of a capacity not exceeding 30 gallons, fixed in approved positions, and run thence through sound hose, fitted with a secure self-closing cock and nozzle, into the tanks of motor vehicles, or
 - (b) pumped through strong metal piping by means of approved pumps into an above ground service tank of approved capacity, fixed in an approved position, and run thence through strong metal piping into measuring tanks of a capacity not exceeding 30 gallons fixed in approved position and thence through sound hose, fitted with a secure self closing cock and nozzle into the tanks of motor vehicles, or
 - (c) pumped by means of approved measuring pumps, fixed in approved positions, through sound hose fitted with a secure tap and nozzle, into the tanks of motor vehicles.
12. Petroleum may be supplied to a motor vehicle between the hours of sunset and sunrise from the pump provided that (i) lights other than the electric lights of the vehicle receiving the petroleum are extinguished, (ii) the pump and the vehicle are illuminated by electric light or failing this by some other form of lighting and (iii) no light capable of igniting inflammable vapour is situated or brought within twelve feet of the pump or vehicle receiving the petroleum.
13. (a) Petroleum shall not be placed in any motor vehicle while the engine is running and, where the vehicle is licensed for the conveyance of more than six passengers on hire, while any passenger remains in the vehicle, and
 - (b) Persons in and engaged in connection with any motor vehicle shall not be permitted to smoke while it is being refueled.

14. Except when absolutely necessary for the purposes of condition 7 or for testing the accuracy of the pump's discharge by means of a standard capacity measure, petroleum shall not be filled from the tank or pump into any receptacle other than the fuel tank of a motor vehicle.
15. This license shall be held to cover the use of a portable kerb-side pump outfit for a period of not more than one month in the place of the licensed permanent outfit in the event of the latter being out of order, provided notice in writing is given to the licensing authority before the portable pump is taken into use, and the conditions of this license which apply to a portable pump are observed. No petroleum shall be allowed above ground (except that actually in the pump) in any case where the underground tanks can be used in connection with the portable pump by making a temporary connection from the portable pump to the underground tank.
16. In cases where portable pumps, are used not more than two barrels of petroleum in reserve shall be kept within 20 feet of the pump or on public property nearby.
17. A licensee who stores dangerous petroleum intended for sale may stock in a building within the licensed premises not more than 6 gallons of dangerous petroleum in securely closed two-gallon standard tins, and shall, if so required by the District Authority, stock at least 2 gallons.
18. Adequate precautions shall be taken to prevent unauthorized persons from having access to the petroleum or to the vessels, which contain or have contained petroleum.
19. Every person managing or employed on or in connection with the licensed premises shall abstain from any act whatever which tends to cause fire or explosion and which is not reasonably necessary and to the best of his ability, shall prevent any other person from doing such act.
20. Every care shall be taken to prevent any petroleum escaping into any drain or sewer.
21. The licensee shall provide for each pump, whether curbside or portable, a minimum of two tins or drums of dry sand which shall be kept ready for extinguishing fires.
22. Any accident, fire or explosion occurring within the licensed premises, which is attended with loss of human life or serious injury to person or property, shall be reported to the nearest Magistrate or to the Officer-in-charge of the nearest Police Station immediately and by telegraph or telephone where such means of communication are available.
23. Free access to the licensed premises shall be given at all reasonable times to any Inspector or sampling Officer and every facility shall be afforded to such officer for ascertaining that the rules and the conditions of this license are duly observed.
24. Electrically operated pumps must comply with the following conditions, namely:-
 - (a) the motor, switch gear and all wiring on the pump casing shall be of flame proof construction satisfying the requirements of B.S.S. No. 229, and

- (b) a double poled switch shall be provide in an immediately accessible position not less than 12 feet from the pump and must be so connected as to be capable of completely isolating the pump from the electric supply

25. (a) The licensee shall keep records and accounts of all petroleum in stock and of sales or issues thereof. The accounts shall clearly indicate date-wise the opening balance, receipts, sales, closing balance and meter numbers. Separate account shall be maintained for effereent categories of petroleum.

(b) The licensee shall exhibit his stock book and records to any officer authorized under section 13 of the Petroleum Act, 1934, whenever such an officer calls upon him to do so.

26. Before petroleum is stored in the premises, the licensee shall send to the licensing authority a report in writing to the effect that the premises have been built according to the approved plan.

27.

Nature of amendments	Date	Signature of licensing authority
1. Dealer's name		
2. Trade name		

Further condition(s) of the license:

Signature/Stamp of the Authority

.....

FORM 'L' [Article 5 of Schedule I]

License to import dangerous petroleum and to store petroleum in installations

No.....

Fee Rs.....

License is hereby granted to.....valid only for the importation ofgallons of dangerous petroleum and for the storage ofgallons of petroleum in the place described below and shown on the plan attached hereto subject to the provisions of the petroleum Act, 1934 and the rules made there under and to the further condition on the back of this license.

This license shall remain in force till the 31st day of December 19

Sl.No.	Nature of Petroleum to be stored/imported	Quantity of petroleum (in gallons)
	Dangerous petroleum in bulk	
	Dangerous petroleum not in bulk	
	Heavy petroleum in bulk	
	Heavy petroleum not in bulk	
	Non-dangerous petroleum in bulk	
	Non-dangerous petroleum not in bulk	
	Excluded petroleum in bulk	
	Excluded petroleum not in bulk	
	Total	

Chief Inspector of Explosives

Plan No.dated

Description of the place referred to above

.....
.....
.....

Date of renewal	Date of expiry	Signature of licensing authority

GENERAL CONDITION

This license is liable to be cancelled if the licensed premises, when inspected, are not found conforming in the description and conditions attached hereto and contrivention of any of the rules and conditions under which this is granted is also punishable with fine may extend to five hundred rupees for a first offence and may extend to two thousand rupees for any subsequent offence.

CONDITIONS OF LICENSE

1. Petroleum shall be kept only in the storage tanks and storage and filling sheds or other approved places within the installation specified for the purpose on the plan attached hereto.

2. (i) The tank or tanks shall be supported on an approved foundation and shall be surrounded by a wall or embankment of substantial construction, or shall be partially sunk in an excavation. The enclosure thus formed shall contain only one of the following classes of petroleum, shall be of dimension sufficient to contain the quantity of petroleum specified under the class to be stored and shall be so constructed and maintained as to the escape there from of any petroleum in the form of liquid whether under the action of fire or otherwise;

(a) *Dangerous petroleum* ... 10 percent more petroleum than the tank or tanks are capable of containing;

(b) *Non-dangerous petroleum* other than class C petroleum ... the amount of petroleum the tank or tanks are capable of containing;

(c) *Heavy petroleum* ... the amount of petroleum the largest tank in the enclosure is capable of containing;

Provided that heavy petroleum may be stored in the same enclosure as non-dangerous petroleum other than heavy petroleum if the dimension under (b) above is observed.

(ii) Except for the necessary pipes and valves the space within an enclosure and not occupied by the tank or tanks, shall be kept entirely clear and unoccupied. Alternatively gas-tight metal tanks may be sunk completely underground the tanks being packed round with sand, earth or clay, so that no air space is left below ground level and tank is not visible. Tanks so buried shall not be required to maintain the safety distance laid down in condition 8 but the space over the buried tanks must not be used for any purpose. The filling and dipping pipes in an under ground tank shall be carried down to the bottom of the tank.

(3) All tanks shall be fitted with a vent pipe leading into the open air, the open end being covered with fine copper or other non-corroding metal wire gauze of mesh not less than 28 to the linear inch [11 per linear centimeters] and fitted with a hood or the tank shall be fitted with an approved relief valve or other approved means for preventing dangerous internal or external pressures being produced.

- (4) Cast iron valves are not permitted on any tank and all valves in an installation must be permanently marked in a manner clearly indicating the direction of opening and shutting the valves.
- (5) Pumps shall be placed only in position shown on the plan attached hereto and they shall together with all connections and fittings be so constructed and maintained as to prevent leakage of petroleum.
- (6) Storage or filling sheds shall be constructed of suitable un-inflammable material. The building shall rest on foundation walls and shall be surrounded by a wall or embankment of substantial construction or the walls and floor shall be suitably finished to form a sump or enclosure not more than two feet deep. A combination of these methods is permissible. The enclosure or sump thus formed shall be of sufficient capacity to contain the total quantity of petroleum liable at any time to be present in the building and shall be so constructed and maintained as to prevent the escape there from of any petroleum in the form of liquid whether under the action of fire or otherwise. In the case of dangerous petroleum or partly dangerous petroleum the enclosure or sump shall be capable of receiving and retaining a volume not less than 5 percent in excess of the maximum quantity allowed in the building. The sumps and enclosures must be kept clean and free from any accumulation of inflammable liquids.
- (7) Every storage or filling shed in which dangerous petroleum is stored or filled shall be adequately ventilated near the ground level immediately above any walls constructed to prevent any leakage of petroleum and also near or in the roof. The ventilators shall be provided with two thickness of fine copper or other non-corroding metal wire mesh of not less than 28 to the linear inch [*11 per linear centimeters*].
- (8) (a) A distance of not less than 100 feet shall be kept clear between;
 - (i) A storage tank and any other storage tank;
 - (ii) Between storage tank and storage or filling shed, the distance being measured between the nearest points of the perimeters of the storage tanks or storage or filling sheds, as the case may be.
- (b) A distance of not less than 150 feet shall be kept clear between any storage tank or storage or filling shed and any protected work.
- (c) Notwithstanding anything contained in clause (a) or clause (b) -
 - (i) Where the quantity of dangerous petroleum or partly dangerous and partly non-dangerous petroleum not in bulk to be stored in a storage shed does not exceed 50,000 gallons, the following reduced distance may be kept clear between the shed or enclosure wall and (A) any other building forming part of the installation, (B) any protected work, or (C) any storage tank containing non-dangerous petroleum having a capacity not exceeding 50,000 gallons:-

Not exceeding 1,000 gallons	20 feet
Exceeding 1,000 gallons but not exceeding 10,000 gallons	30 feet
Exceeding 10,000 gallons but not exceeding 20,000 gallons	40 feet
Exceeding 20,000 gallons but not exceeding 30,000 gallons	50 feet
Exceeding 30,000 gallons but not exceeding 40,000 gallons	60 feet
Exceeding 40,000 gallons but not exceeding 50,000 gallons	70 feet

- (ii) When a storage tank containing non-dangerous petroleum has a capacity not exceeding 100,000 gallons, a distance of not less than 50 feet may be kept clear between it and (A) another such tank of similar or less capacity or (B) a storage or filling shed containing non-dangerous petroleum. Such a storage tank and storage or filling shed may, where the total quantity stored does not exceed 200,000 gallons. Keep a distance of not less than 50 feet clear between the enclosure walls or embankment and any protected works;
- (iii) When a storage tank containing non-dangerous petroleum has a capacity not exceeding 50,000 gallons, distance of -
 - (a) For horizontal tanks, not less than one third; and
 - (b) For perpendicular tanks, not less than one-half of the height of the tank may be kept clear between it and (A) another such tank or (B) a storage or filling shed wherein non-dangerous petroleum is stored in quantity not exceeding 50,000 gallons. Such a storage tank and stores or filling shed may, where the total quantity stored does not exceed 100,000 gallons keep a distance of not less than 20 feet clear between the enclosure wall or embankment and any protected works.
- (iv) In case of heavy petroleum a distance of not less than 20 feet may be kept clear between a storage tank and (A) another such tank or (B) a storage or filling shed containing such petroleum and a distance of not less than 50 feet shall be kept clear between such storage tank or filling or storage shed and any protected work.

When the total quantity stored in such storage tank and storage and filling shed does not exceed 100,000 gallons half the distance given in clause (iii) for the like quantity of non-dangerous petroleum other than heavy petroleum may be observed.

9. The distance specified in condition 8 may be reduced by the licensing authority in cases where screen walls are provided or other special precautions are taken or where there are special circumstances that, in his opinion warrant the alteration.
10. Notwithstanding anything herein to the contrary when petroleum is stored in an installation at or near wells, pumping stations or refineries, the concessions in clause (C) of condition 8 shall not apply and no storage tank, the capacity of which exceeds 50,000 gallons, or storage or filling shed shall be placed nearer than 300 feet to any still, boiler, furnace or fire. In such an installation all tanks shall be situated in a compact area;

- (a) Under a single control,
 - (b) Enclosed or capable of being enclosed by one continuous fence,
 - (c) On which there shall be no protected works.
11. No alteration shall be carried out in the installation without the previous sanction in writing of the licensing authority. Such alteration so sanctioned shall be shown on an amended plan to be attached to this license.
 12. If the licensing authority calls upon the holder of a license, by a notice in writing to execute any repairs to the licensed premises which are in the opinion of such authority necessary for the safety of the premises, the holder of the license shall execute the repairs within such period, not being less than one month from the date of receipt of the notice, as may be fixed by the notice.
 13. The responsible agent or supervisor referred to in rule 92 shall not allow any person to enter a tank, which has contained petroleum, unless -
 - (a) Such person wears a safety helmet of a description approved by the Chief Inspector; or
 - (b) (i) The responsible agent or supervisor has certified in writing as the result of an examination of the tank by himself or by some other competent person that the atmosphere in the tank is fit for person to enter; and
 - (ii) At least one safety helmet of a pattern approved by the Chief Inspector shall have been kept ready for instant use at the manhole of the tank, which is being cleaned or repaired.
 14. No work, involving the use of fire, welding or hot reverting, shall be performed in or on any tank until the tank has been certified in the manner laid down in clause (b) of condition 13 to be free from petroleum vapour. When any water is pumped into or withdrawn from the tank no further work of the above description shall be done until the tank has been rested and a fresh certificate issued. When a tank is open for cleaning or repairs no lamps of any description either ordinary or electric torches, electric cables or fans other than of a flameproof type satisfying the requirements of the British Specification No. 229 shall be brought near the tank.
 15. No person shall repair or cause to be prepared any receptacle or pipe in which to his knowledge any petroleum is or has been kept until he has taken all reasonable precautions to ensure that the receptacle or pipe has been rendered free from petroleum and any inflammable vapor.

Provided that this condition shall not be deemed to prohibit the usual soldering operations connected with the filling and dispatching of petroleum receptacles.

16. All empty receptacles which have contained dangerous petroleum shall, except when they are opened for the purpose of cleaning them and rendering them free from petroleum

vapour, be kept securely closed unless they have been thoroughly cleaned and freed from petroleum and inflammable vapour.

17. (a) Adequate precautions shall be taken at all time for the prevention of accident by fire or explosion.
- (b) Wherever so specified by the Chief Inspector storage tank shall be fitted with approved fire foam attachments which shall be maintained in proper orders at all times.
18. Every care shall be taken to prevent any petroleum escaping into any drain, sewer harbor, river or watercourse and enclosure or sumps must not be permanently connected with any drain or sewer.
19. Any accident, fire or explosion occurring within the area specified in the license causing loss of human life or serious injury to person or property shall be reported to the nearest Magistrate or to the Officer-in-charge of the nearest Police Station immediately and by fax, telegraph or telephone where such means of communication are available.
20. Free access to the licensed premises shall be given at all reasonable times to an Inspector or Sampling Officer and every facility shall be afforded to such officer for ascertaining that the rules and the conditions of this license are duly observed.
21. (i) (a) All permanent pipelines shall be of metal and shall be constructed according to sound engineering practice and shall have a reserve strength of not less than 50% above the working pressure.
- (b) Hose pipes and rubber flexible pipes used in connection with loading or unloading of petroleum from an installation or forming part of a piping system shall have reserve strength of at least 33 1/3% above the working pressure.
- (ii) All metal pipes and flexible pipes shall be tested once every 6 months by a competent engineer holding license to ascertain fitness and compliance with the requirement of strength laid down above.
- (iii) (a) A complete and permanent record of such testing shall be maintained in the licensed premises.
- (b) The date of the last test shall be recorded on the pipes and pipe sections concerned in a distinctive manner.
22. The license shall not deliver from the licensed premises:-
 - (a) Petroleum in bulk to any vessel used in the carriage of petroleum in bulk by water; and
 - (b) Any petroleum in bulk shall be delivered to any vehicle used for the transport of petroleum in bulk by road unless such vehicle is licensed by the Chief Inspector

FORM 'M'

[Article 6 of Schedule I]

License to import and store dangerous petroleum otherwise than in bulk (a) non-dangerous petroleum in quantity exceeding 5000 gallons, or (b) partly dangerous petroleum and partly non-dangerous petroleum.

License No.

Fee Rs.

License hereby granted to valid only for the importation ofgallons of dangerous petroleum and for the storage of gallons of dangerous petroleum andgallons of non-dangerous petroleum in the storage shed described below and shown on the approved plan attached hereto, subject to the provisions of the petroleum Act, 1934 and the rules made there under and to the further conditions of this license.

The 20

Licensing Authority

DESCRIPTION OF THE LICENSED PREMISES

The licensed premises are situated at and consist of storage shed(s), other facilities and the adjoining areas shown in the attached approved plan.

Date of renewal	Date of expiry	Signature of licensing authority

This license is liable to be cancelled if the licensed premises when inspected are not found conforming to the description and conditions attached hereto and contravention any of the rules and conditions, under which this license is granted, is also punishable with fine which may extend to five hundred rupees for a first offence and which may extend to two thousand rupees for any subsequent offence.

CONDITIONS OF LICENSE

1. The petroleum shall be stored only in the storage shed which shall be constructed of

suitable non-flammable material provided that, when only non-dangerous petroleum is stored, the beams, rafters, columns, windows and doors may be of wood.

The building shall rest on foundation walls and shall be surrounded by wall or embankment of substantial construction or the walls and floor shall be suitably finished to form a sump of enclosure not more than two feet deep. A combination of these methods is permissible. The enclosure or sump thus formed shall be of sufficient capacity to contain the total quantity of petroleum liable at any time to be present in the building and shall be so constructed and maintained as to prevent the escape therefrom of any petroleum in the form of liquid whether under the action of fire or otherwise. In the case of dangerous petroleum or partly dangerous and partly non-dangerous petroleum the enclosure or sump shall be capable of receiving and retaining a volume not less than 5 per cent in excess of the maximum quantity allowed in the building. The sumps and enclosures must be kept clean and free from any accumulation of inflammable liquids.

2. The storage shed, if it is used for the storage of dangerous petroleum, shall be adequately ventilated near the ground level immediately above any walls constructed to prevent any leakage of petroleum and also near or in the roof. The ventilators shall be provided with two thicknesses of fine copper or other non-corroding metal wire gauze of mesh not less than 28 to the linear inch.

3. If the licensing authority calls upon the holder of a license, by a notice in writing to execute any repairs to the licensed premises which may, in the opinion of such authority, be necessary for the safety of the premises, the holder of the license shall execute the repairs within such period, not being less than one month from the date of receipt of the notice, as may be fixed by the notice.

4. No alteration shall be carried out in the licensed premises without the previous sanction in writing of the licensing authority. All alterations shall be shown on an amended plan to be attached to this license.

5. The following distances shall be kept clear at all times between protected works and a storage shed or an enclosure wall used for the storage of dangerous petroleum or partly dangerous and partly non-dangerous petroleum:-

Quantity to be stored	Distances to be kept clear feet
Not exceeding 500 gallons	20
Exceeding 500 gallons but not exceeding 1,000 gallons	25
Exceeding 1,000 gallons but not exceeding 5,000 gallons.	30
Exceeding 5,000 gallons but not exceeding 20,000 gallons.	40
Exceeding 20,000 gallons but not exceeding 30,000 gallons.	50
Exceeding 30,000 gallons but not exceeding 40,000 gallons.	60
Exceeding 40,000 gallons but not exceeding 50,000 gallons.	70
Exceeding 50,000 gallons	100

6. The following distances shall be kept clear at all times between protected works and a storage shed or an enclosure wall used for the storage of non-dangerous petroleum only:-

Exceeding 5,000 gallons but not exceeding 10,000 gallons.	15
Exceeding 10,000 gallons but not exceeding 50,000 gallons.	20
Exceeding 50,000 gallons.	30

7. The distances specified in conditions 5 and 6 may be reduced by the licensing authority in cases where screen walls are provided or other special precautions taken or where there are special Circumstances that, in his opinion, warrant the reduction.

8. Drums or other receptacles containing petroleum shall only be opened in the licensed premises and for the time necessary for drawing off the petroleum, and during such drawing off every reasonable precaution shall be adopted for preventing the escape of petroleum or the vapour therefrom.

9. All empty receptacles which have contained dangerous petroleum shall, except when they are opened for the purpose of cleaning them and rendering them free from petroleum vapour, be kept securely closed unless they have been thoroughly cleaned and freed from petroleum and inflammable vapour.

10. No person shall repair or cause to be repaired any receptacle in which, to his knowledge, any petroleum is or has been kept until he has taken all reasonable precautions to ensure that the receptacle has been rendered free from petroleum and any inflammable vapour.

Provided that this condition shall not be deemed to prohibit the usual soldering operations connected with the filling and dispatching of petroleum receptacles when such operations are conducted in an approved place outside the storage shed.

11. Adequate precautions shall be taken at all times for the prevention of accident by fire or explosion.

12. Every care shall be taken to prevent any petroleum escaping into any drain, sewer, harbour, river or water course.

13. Adequate precaution shall be taken to prevent unauthorized persons having access to any petroleum kept and to any receptacles which contain or have contained petroleum.

14. Any accident, fire or explosion occurring within the licensed premises, which is attended with loss of human life or serious injury to person or property shall be reported to the nearest Magistrate or to the Officer-in-Charge of the nearest Police Station immediately and by telegraph or telephone where such means of communication are available.

15. Free access to the licensed premises, shall be given at all reasonable times to any Inspector or Sampling Officer and every facility shall be afforded to such officer for ascertaining that the rules and the conditions of this license are duly observed.

FORM 'N' [Article 7 of Schedule I]

License to store petroleum for specific work of national importance

License No.....

Fee Rs.....

License is hereby granted tovalid only for storage of the following kinds and quantities of petroleum in the licensed premises as per details shown in the approved plan attached hereto subject to the provisions of Petroleum Act, 1934 and the rules made there under and to the further conditions of this license.

Dangerous petroleum

..... gallons

Dangerous petroleum

..... gallons

Heavy petroleum

..... gallons

Licensing Authority

This license shall remain into force till

Description of the licensed premises

Space for endorsement of renewal

Date of renewal	Date of expiry	Signature of licensing authority

This license is liable to be cancelled if the licensed premises when inspected are not found conforming to the description and conditions attached hereto and contravention any of the rules and conditions, under which this license is granted, is also punishable with fine which may extend to five hundred rupees for a first offence and which may extend to two thousand rupees for any subsequent offence.

CONDITIONS OF LICENSE

1. Petroleum shall be stored only in the storage shed, godown or pit as per details of the approved plan attached hereto.
2. The storage place shall not form part of, or be attached to any building in which any person resides or works or persons assemble for any purpose.
3. Any two storage places not more than 5 meters apart be deemed to be one storage place.
4. Every storage place shall be surrounded by a wall or fence of at least 2 meters in height.
5. The drum or other receptacle containing petroleum shall only be opened in the licensed premises for the time necessary for drawing off the petroleum, and during such drawing off every reasonable precaution shall be adopted for preventing the escape of petroleum or the vapor there.
6. Adequate precautions shall be taken at all times to prevent unauthorized persons having any access petroleum kept and any receptacles, which contain or have contained petroleum.
7. Adequate precautions shall be taken at all times for the prevention of accident by fire explosion.
8. Every care shall be taken to prevent any petroleum escaping any drain, sewer, harbor, river, watercourse or public road.
9. The licensee shall keep daily records and accounts of all receipts and issues of petroleum in such as the licensing authority may from time to time prescribe and shall exhibit his stock and records to an Inspector or Sampling Officer on demand.
10. Any accident, fire or explosion within the licensed premises causing loss of human life or serious injury to person or property shall be immediately reported to the nearest Magistrate or to the Officer-in-charge of the nearest Police Station and by telegraph/fax or telephone to the Chief Inspector of Explosives (Telegraphic address; "Explosives, Karachi").
11. Free access to the licensed premises shall be given at all reasonable times to any Inspector or Sampling Officer and every facility shall be afforded to any such officer ascertaining that the rules and conditions of this license are duly observed.

FORM 'P'*[See rule 77]***License to transport petroleum in bulk on land by mechanically propelled vehicles**

License No

Fee Rs.....

License is hereby granted toto transport petroleum in bulk on land by the vehicle as described below subject to the provisions of the Petroleum Act, 1934, and the rules made there under and to the further conditions of this license.

This license shall remain valid up to theday of20.....

Date of issue

*Licensing Authority***DESCRIPTION OF VEHICLE**

- | | | |
|-----|--|-------|
| (a) | Make and model | ..... |
| (b) | Engine number | ..... |
| (c) | Chassis number | ..... |
| (d) | Registration number | ..... |
| (e) | Name of the registered owner | ..... |
| (f) | Name of carriage contractor | ..... |
| (g) | Total number of compartments | ..... |
| (h) | Capacity of each compartment | ..... |
| (i) | Class(es) of petroleum authorized to be carried in the vehicle | ..... |

This license is liable to be cancelled if the licensed premises when inspected are not found conforming to the description and conditions attached hereto and contravention any of the rules and conditions, under which this license is granted, is also punishable with fine which may extend to five hundred rupees for a first offence and which may extend to two thousand rupees for any subsequent offence.

CONDITIONS OF LICENSE

1. The license or its authenticated copy shall at all times be kept in the licensed vehicle and produced on demand by an Inspection Officer.

2. Only reasonable persons who are conversant with the conditions of this license shall be employed for driving the licensed vehicle or attending to it.
3. The licensed vehicle shall be constantly attended to by a responsible person and by at least two persons while it is transporting petroleum;

Provided that the licensed vehicle, if its tanks and compartments are empty, be left unattended in a place approved for the purpose, in writing by the Chief Inspector.

4. The licensed vehicle shall at all times carry:
 - (a) A portable fire-extinguisher of capacity not less than 9 liters and suitable for extinguishing oil fires; the extinguisher shall be kept unlocked at an easily accessible position which shall be away from the discharge faucets of the vehicle;
 - (b) A separated oil-tight and electrically continuous hose with coupling to match the discharge faucet of the licensed vehicle and the inlet pipe into which the petroleum carried in the vehicle is to be unloaded; and
 - (c) A flexible cable for electrical bonding; the cable shall be at least 5 meters long and shall have at each end a suitable clamp or clip.
5. The licensed vehicle shall not be loaded or unloaded except in a place approved for the purpose, in writing, by the Chief Inspector.

Provided that the licensed vehicle may be unloaded at any other place with all due precautions and under adequate supervision if such unloading is necessitated due to an accident or breakdown.

6. Petroleum carried in the licensed vehicle shall not be directly transferred into any container or into the fuel tank of any motor conveyance or an internal combustion engine.
7. The licensed vehicle shall not be loaded if any tank or compartment, pipe, valve, emergency discharge control or any safety fitting become leaky, defective or otherwise insecure until necessary repairs have been carried out satisfactorily and in the event of any leak in the tanks or compartments, until the leak is thoroughly repaired and all the tanks or compartment's are tested hydrostatically to a pressure of 0.316 kg/sq.cm for a duration of not less than one hour and found satisfactory.
8. Before petroleum is loaded into or unloaded from the licensed vehicle;
 - (a) its engine shall be stopped and the battery shall be isolated by a proper switch or otherwise;
 - (b) its wheel shall be secured by brakes or by scotching and in the case of animal

- drawn vehicles, animal shall be unhitched and removed;
- (c) A reasonable persons shall be in attendance and remain so until load or from which it is to be unloaded or loaded;
 - (d) The correct filling or discharge hose shall be selected and connected by oil tight coupling at both ends; and
 - (e) A reasonable person shall be in attendance and remain so until loading or unloading is over and the tanks and compartments have been sealed.
9. Except when called upon by traffic signals or required by an Inspector of Explosives or a Sampling Officer, the licensed vehicle shall not stop on any road, congested area or a place, which is not, a place approved in writing under these rules for the loading, unloading or stabling of such vehicle.
10. No smoking and no fire or artificial light or any article capable igniting inflammable vapor shall be allowed on the licensed vehicle.
11. The licensed vehicle shall not be used for carrying passenger or any article-other than petroleum.
12. The licensed vehicle shall not be allowed to be repaired welding, soldering, brazing or hot riveting until its tanks. Compartment's pipe and valve have been thoroughly cleaned and examined by a competent person and certified by him in writing to be free from inflammable vapor or oil.
13. No alteration in the licensed vehicle or its safety fitting shall be carried out without the previous sanction in writing of the licensing authority. Such alteration so sanctions so sanctioned shall be endorsed on this license by an amendment.
14. Every facility shall be given at all reasonable times to any Inspector or Sampling Officer for ascertaining that the rules and the conditions of this license are duly observed or for drawing samples.
15. Causing loss of human life or serious injury to person or property shall be immediately reported to the nearest Magistrate or to the Officer-in-charge of the nearest Police Station and by telegraph/fax or telephone to the Chief Inspector of Explosives (Telegraphic address; "Explosives, Karachi").

SCHEDULE III

METHODS OF TESTING PETROLEUM

Determination of Flashing Point. (See Rules 157 and 60)

I. APPARATUS TO BE USED.

The flashing point of petroleum and petroleum mixtures which are fluid at 50° F and which flash not above 120° F shall be determined by the Abel apparatus as hereinafter defined.

The flashing point of petroleum and petroleum mixture which are solid at 50° F and which flash not above 120° F shall be determined by the Abel apparatus, the test being modified as hereinafter described.

The flashing point of petroleum and petroleum mixtures which flash above 120° F, shall be determined by the pensky-marten apparatus as hereinafter defined.

II. PREPARING THE SAMPLES FOR TEST.

About ten fluid ounces of the sample, sufficient for three tests, should be transferred from the bottle into which the sample has been drawn to a pink flask or bottle, which should be immersed in water artificially cooled until a thermometer introduced into the sample, indicates a temperature not exceeding 50 degree F.

III (1) ABEL APPARATUES.

The apparatus to be employed shall be the Abel petroleum testing apparatus modified by having an oil cup provided with a stirrer. It shall be constructed to the dimensions herein specified within the limits of accuracy prescribed by the tolerances set forth below.

Oil Cup. — The oil cup consists of a cylindrical vessel open at the top and fitted on the outside with a flat circular flange projecting at right angles.

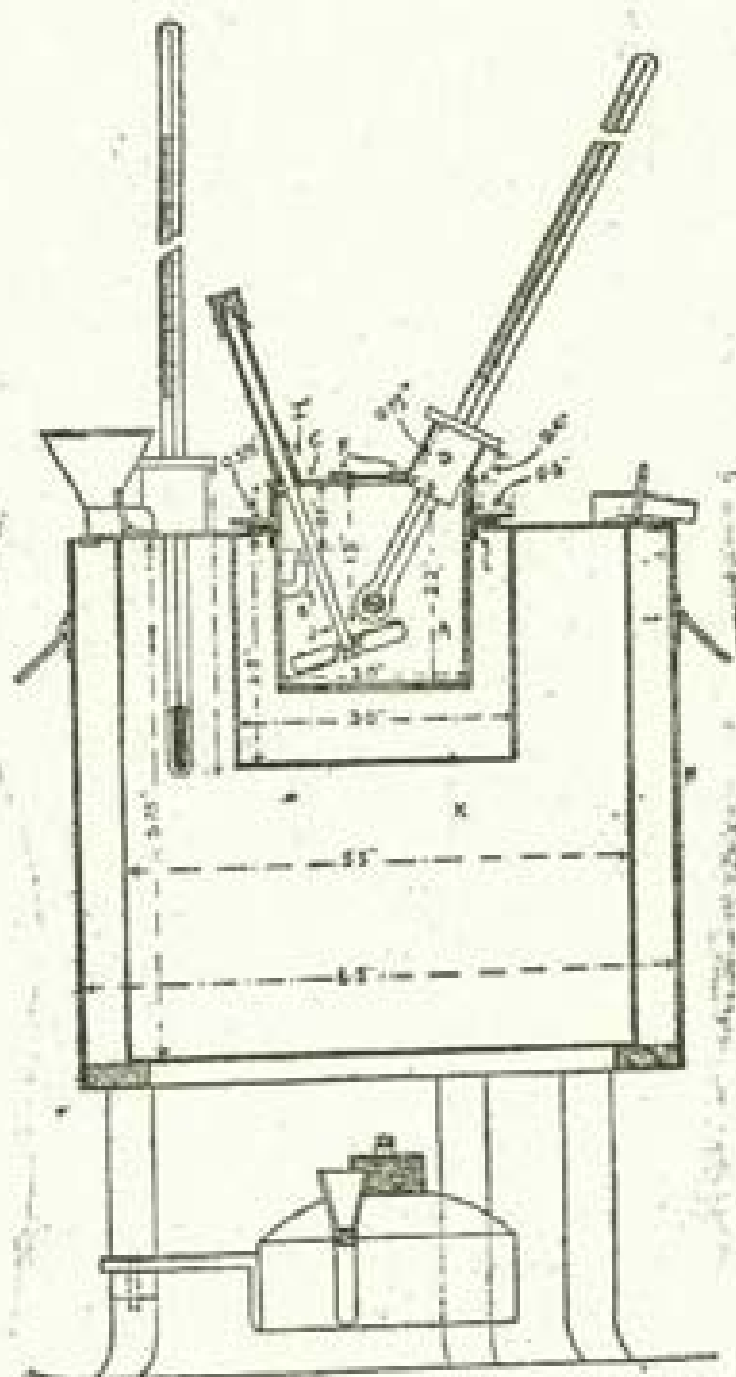
Within the cup, fixed through the wall and silver soldered or brazed in place, there is a gauge consisting of a piece of wire bent upward and terminating in a point.

Material. — Brass or gun-metal.

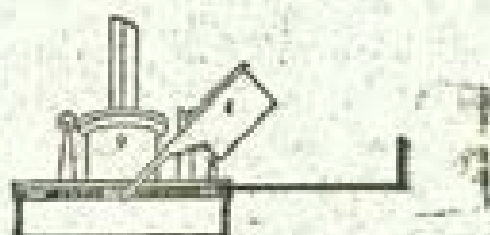
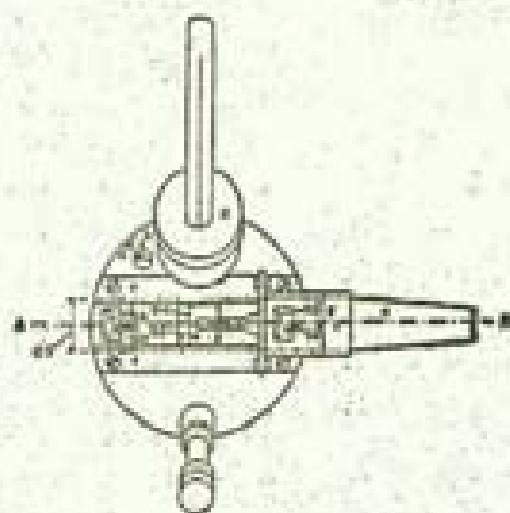
	Dimension	Tolerance
Cup, wall and bottom thickness.	17 L. W. G.	—
Cup, internal distance.	2 in.	+ 0.05
Cup, internal depth.	2.2 in.	+ 0.05
Flange thickness.	17 L. W. G.	—
Flange, width.	0.5 in.	+ 0.05
Flange, distance of upper side from top edge of cup.	0.375 in.	+ 0.05
Gauge, thickness not less than.	101 W. G.	—
Gauge, distance of point from level of upper edge of cup.	0.7 in.	+ 0.005

Cover.— The cup is provided with a close-fitting cover with a downward projecting rim barely reaching the flange on the cup. The downward projecting rim is made solid with the top or silver soldered or brazed in place. Upon the cover are mounted a thermometer socket, trunnion to support oil test lamp a pair of guides in which a slide moves, and a white bead. The top of the cover is pierced by three rectangular holes symmetrically placed on a diameter, one in the center and the other two as close as practicable to the inner sides of the cover rim and opposite each other. These three holes are covered or uncovered by means of a slide moving in suitably disposed guides. The slide has two perforations, one corresponding in all particulars to the center hole in the cover and the other to one of the holes at the side. The movement of the slide is restricted by suitable stops, and its length and the disposition of the holes are such, that at the outer extremity of the movement of the slide, the holes in the cover are simultaneously just completely opened and at the inner extremity of the movement of the slide they are completely closed.

The trunnions supporting the test lamp are fixed on the top of the guides and the lamp is mounted in the trunnions so that it is free to oscillate. The lamp is provided with a jet to contain a wick and is so arranged that when the slide is moved so as to uncover the holes, the oscillating lamp is caught by a pin fixed in the slide and tilted over the central hole in such a way that the lower edge of the cover bisects the circle formed by the bore of the jet when in the lowest position. The flame then occupies a central position within the hole in both directions.



ABEL FLASH-POINT APPARATUS.



SECTION ON AA
COVER OF ABEL FLASH-POINT APPARATUS
(SLIDE OPEN)

A suitably mounted gas-jet may be substituted for the lamp.

	Dimension.	Tolerance.
Cover, thickness.	0.05 in.	± 0.015
Cover, central hole, length (in direction of slide)	0.5 in.	± 0.005
Cover, central hole, width.	0.4 in.	± 0.005
Cover, peripheral holes, length (in direction of slide)	0.2 in.	± 0.005
Cover, peripheral holes, width.	0.3 in.	± 0.005
Slide, thickness.	20 I.W.G.	-
Slide, width of upper surface	0.5 in.	± 0.01 (excess only)
Lamp, overall length of jet.	Approx. 0.6 in.	to suit the requirements for the position of the jet when tilted
Lamp, bore of jet at end.	0.0625 in.	± 0.005
Bead, diameter	0.15 in.	± 0.01
Thermometer Socket.		
Internal diameter.	0.6 in.	± 0.01
Length of short slide measured from under surface of cover.	Approx 0.5 in.	-
Length of long side measured from under surface of cover.	Approx 0.75 in.	-
These dimensions are subject to the correct placing of the thermometer when in position.		
Vertical depth of lowest part of thermometer below center of under side of cover.	1.5 in.	± 0.1

The thermometer socket is in form of a split tube, mounted on a diameter at right angles to the diameter through the center of the holes, and fitted at such an angle as to bring the bulb of the thermometer, when in place, vertically below the center of the cover and at the correct distance from it.

A white bead, the dimensions of which represent the size of test flame to be used, is mounted in a visible position on the cover.

Materials.— All parts excepting bead, brass or gun-metal. Bead, ivory or other suitable material.

Cover fitted with stirrer.— Provision may be made in the cover for the reception of a stirrer which projects into the oil cup, for use with viscous materials only.

A bush is mounted on the cover in a position diametrically opposite the thermometer mounting, and its length is such and it is set at such an angle that the stirrer rod clears the oil-level gauge and the blades operate below the level of, and without

fouling, thermometer bulb. The bush is placed as near as practicable to the outer edge of the cover.

	Dimension	Tolerance, in.
Stem, length, overall.	4 in.	± 0.1
Stem, length, lower end to point of attachment of blades.	Approx. 0.1 in.	—
Stem, length, lower end to upper surface of collar.	1.9 in.	± 0.1
Stem, length, upper surface of collar to lower end of thread.	2 in.	± 0.1
Stem diameter.	Approx. 0.125 in.	—
Stem diameter collar.	Approx. 0.25 in.	—
Stem, thread.	7 B .A.	—
Blades thickness.	17 L.W.G.	—
Blades, length excluding root.	0.5 in.	± 0
Blades breadth (all corner of blades rounded)	0.3125 in.	± 0.01
Blades, angle.	Approx. 45 degree.	
Sleeve, length.	To suit stem giving free rotation with no appreciable vertical play when screwed home.	
Diameter of bore.	Sliding fit on stem.	
Diameter of collar.	Approx. 0.25 in.	—

The stirrer consists of a round stem having four blades or vanes silver soldered in place at one end. A collar is fixed on the stem so that when the stem is inserted into the bush from below, it is arrested at a position such that the correct length protrudes in the oil cup. The top end of the stem is reduced and screwed.

A long sleeve having an internally screwed, knurled knob soldered to its upper end is passed over the upper end of the stem and screwed home. The length of the sleeves is such that a flat faced collar at its lower end just comes into contact with the upper end of the bush, leaving the stirrer free to rotate without appreciable vertical play.

A flat headed cylindrical plug is provided for insertion in the bush when the stirrer is not in use.

Material.— Brass or gun metal.

Heating vessel.— The heating vessel or bath consist of two flat bottomed cylindrical copper vessels placed coaxially one inside the other and soldered at their tops to a flat copper ring, greater in outside diameter than the larger vessel and of smaller inside diameter than the smaller vessel. The space between the two vessels is thus totally enclosed and is used as a water jacket.

	Dimension.	Tolerance. In
Inner vessel, thickness.	24 L.W.G.	—
Inner vessel, internal diameter.	3 in.	± 0.05
Inner vessel, internal depth.	2.5 in.	± 0.05

Outer vessel, thickness, not less than	24 L.W.G.	-
Outer vessel internal diameter	5.5 in.	± 0.1
Outer vessel internal depth	5.75 in.	± 0.1
Top plate, thickness, not less than	20 L.W.G.	-
Top plate, outer flange projection.	0.375 in.	± 0.1
Top plate, diameter of central hole	To suit ebonite or store fibre ring, clearance not to exceed 0.1 in.	
Ebonite or fibre ring, internal diameter.	Easy fit on oil cup.	-
Ebonite or fibre ring, external diameter of flange.	2.75 in.	± 0.2
Ebonite or fibre ring, overall depth of spigot	0.25 in.	± 0.2
Ebonite or fibre ring, thickness flange and spigot.	0.08 in.	± 0.005
Ebonite or fibre ring, screw, C.S.	S.B.A. x 0.15 in.	-
Thermometer socket, internal diameter.	0.6 in.	± 0.1
Thermometer socket, height from top of plate.	0.75 in.	± 0.1

An ebonite or fiber ring of right-angle section is fitted into the hole in the center of the flat ring forming the top of the bath and when the apparatus is in use, the oil cup fits into, and its flange rests upon, this ebonite or fiber ring so that the oil cup is centrally disposed within the heating vessel. The ebonite or fiber ring is secured in place by means of six small screws having their heads sunk below the surface of the ring, to avoid metallic contact between the bath and the oil cup.

A spile socket, similar to that on the cover of the oil cup, but set vertically, allows a thermometer to be inserted into the water space. A funnel and overflow pipe also communicate with the water space through the top plate and two loop-handles are provided thereon.

The bath rests upon a cast-iron tripod stand, to the ring of which is attached a cylindrical copper jacket not less than 24 L.W.G. flanged inwards at the top, and of such dimension that the bath, while resting firmly on the iron ring, just touches with its outward projecting flange the inward turned flange of the jacket. Two handles are provided on the outer jacket.

Diameter of the outer jacket 6.5 inches x 0.1 inch.

Spirit lamp.— A spirit lamp is provided for raising the temperature of the water bath, but any other suitable means may be employed for this purpose.

Thermometers.— Two thermometers are provided, the one for ascertaining the temperature of the bath, the other for determining of flashing point.

OIL CUP THERMOMETER

Type	Mercury in glass, nitrogen filled, graduated on the stem enamel back.
Length.	Approximately 9 inches.
Stem.	Diameter 0.24 to 0.28 inches.
Bulb.	Spherical, made of normal glass approved by the Board of Trade. Diameter. 0.35 inch \pm 0.05
Range.	50 to 150° F with expansion chamber. Distance from the bottom of the bulb to the 50° line 2.75 inches to 3.15 inches Distance from the 50° line to the 150° line, not less than 4.75 inches..
Immersion.	A swelling is made in the stem to ensure that the thermometer shall be fixed in its brass collar so that the distance from the top of the collar to the bottom of the bulb is 2.4 inches. \pm 0.05 inch.
Graduation.	Scale graduated in 1° F divisions every 5° and every 10° to be indicated by longer lines, figured at every 10° in full.
Marking.	"Abel Oil Cup." Identification number, Fahrenheit; makers or vender's name or trade mark.

WATER BATH THERMOMETER.

Type	Mercury in glass, nitrogen filled, graduated on the stem enamel back.
Length.	Approximately 9 inches.
Stem.	Diameter 0.24 to 0.28 inches.
Bulb.	Cylindrical, made of normal glass approved by the Board of Trade. Length approximately 0.8 inch. Diameter not to exceed the diameter of the stem.
Range.	90° to 190° F with expansion chamber. Distance from the bottom of the bulb to the 90° line 3.95 inches to 4.35 inches Distance from the 90° line to the 190° line, not less than 3.55 inches..
Immersion.	A swelling is made in the stem to ensure that the thermometer shall be fixed in its brass collar so that the distance from the top of the collar to the bottom of the bulb is 3.5 inches. \pm 0.01 inch.
Graduation.	Scale graduated in 1° F divisions every 5° and every 10° to be indicated by longer lines. Figured at every 10° in full.
Marking.	"Abel Water Bath." Identification number, Fahrenheit; makers or vender's name or trade mark.

The brass collar of the thermometer is in each case of the following dimensions:--

Outer diameter- push fit in socket.

Thickness of tube - 22 L.W.B.

Thickness of flange - 0.1 inch. \pm 0.001 inch.

III (II) METHOD.

(I) For petroleum flashing below 90°F.

The test apparatus shall be placed for use in a position where it is not exposed to currents of air or draughts.

The heating vessel or water-bath shall be filled by pouring water into the funnel until it begins to flow out at the spout of the vessel. The temperature of the water at the beginning of the test shall be 130° F and no heat shall be applied to the water-bath during the test. When a test has been completed and it is desired to make another test the water-bath shall be again raised to 130° F, which may conveniently be done while the petroleum cup is being emptied, cooled and refilled with a fresh sample to be tested. The next test is then proceeded with.

If an oil test lamp is being used it shall be prepared by fitting it with a piece of flat plaited candle wick and filling it with colza or rape oil up to the lower edge of the opening of the spout or wick tube. The lamp shall be trimmed so that when lighted it gives a flame of about 0.15 of an inch diameter, and this size of flame, which is represented by the projecting white bead on the cover of the oil-cup is readily maintained by simple manipulation from time to time with a small wire trimmer. A gas test flame may be employed, and if so, the size of the jet of flame shall be adjusted to the size laid down above.

The bath having been raised to the proper temperature, the cup shall be placed on a level surface in a good light and the oil to be tested shall be poured into it, until the level of the liquid just reaches the point of the gauge which is fixed in the cup. Before a test is begun the temperature of the oil shall be determined and shall be brought to approximately 60° F. The cover, with the slide closed, shall then be put on to the cup and pressed down so that its edge rests on the rim of the cup, and the cup shall be so placed into the bath or heating vessel, every care being taken to avoid wetting the sides of the cup with the oil. The thermometer in the lid of the cup has been adjusted so as to have the correct immersion when the brass collar of the thermometer is properly seated, and its position shall not in any circumstances be altered. When the cup has been placed in the proper position, the scale of the thermometer faces the operator.

The test-lamp shall then be placed on position upon the lid of the cup. When the temperature has reached 60° F, the operation of testing shall be begun, the test flame being applied once for every rise of one degree, in the following manner:-

The slide shall be slowly drawn open while a metronome, set at 75 to 80 beats per minute, beats three times and shall be closed during the fourth beat. A pendulum of 24 inches effective length may be used in place of the metronome, counting one beat from one extremity of the swing to the other.

The barometric pressure shall be observed and recorded. No correction shall be made except in case of dispute, when the flashing-point figure shall be corrected according to the following rule:-

For each inch (25.4 mm) below 29.92 in. (760 mm) barometric reading add 1.6° F to the flashing-point.

For each inch (25.4 mm) above 29.92 in. (760 mm) barometric reading, subtract 1.6° F. from the flashing point.

(2) For petroleum flashing between 90°F and 120° F.

The air chamber which surrounds the oil cup shall be filled with cold water at a depth of 1.5 inch and the heating vessel or water bath filled at usual, but also with cold water. The lamp shall then be placed under the apparatus and kept there during the entire operation, and the temperature of the oil raised at the rate of 2° F to 2.25° F per minute, the testing being carried out as laid down in the previous section, except that the test flame shall first be applied when the temperature has reached 80° F.

(3) For solid petroleum mixtures.

Solid petroleum mixtures are to be tested in the Abel apparatus in the following manner:-

The solid mixture must be cut into cylinders 1.5 inch long and 0.25 inch in diameter by means of a cork borer or other similar cutter having the correct internal diameter. These cylinders are to be placed in the petroleum cup of the testing apparatus in a vertical position in such number as will completely fill the cup. The cylinders must be in contact with one another, but must not be so tightly packed as to be deformed in shape.

Five or six of the cylinders in the center of the cup must be shortened so 0.5 inch to all space the thermometer bulb.

The air bath of the testing apparatus must be filled to a depth of 1.5 inch with water. The water bath must then be raised to, and maintained at a temperature of about 80° F.

The cup must then be placed in the air bath, and the temperature of the sample must be allowed to rise until the thermometer in the oil cup shows 75°F, when the test flame must be applied.

If no flash obtained, this temperature must be maintained constant in the oil-cup for one hour, at the expiration of which time the test flame must again be applied.

If flash is obtained, the solid mixture will be subject to the provisions of the Petroleum Act, 1934.

Note. - It may, in many cases, save time in testing samples of petroleum mixtures to apply the test flame after the sample has been a few minutes in the cup and while still at the temperature of the room in which the test is being carried out, provided that this temperature is below 76 degree F. If a flash is obtained by this means, it is unnecessary (for the purpose of the Petroleum Act) to proceed with the test at a higher temperature.

IV. (1) THE PENSKY MARTENS APPRATUS.

The standard Pensky-Martens Closed Tester shall be used for determining the flashing point of petroleum products having a flashing point above 120° F.

Every instrument shall be marked with the letters L.P.T., an identification number (on the cup, cover and top plate) and the name of the maker or vendor, such stamping implying a guarantee that the instrument complies with the requirements specified below.

The Pensky Martens Tester shall include the following major parts:-

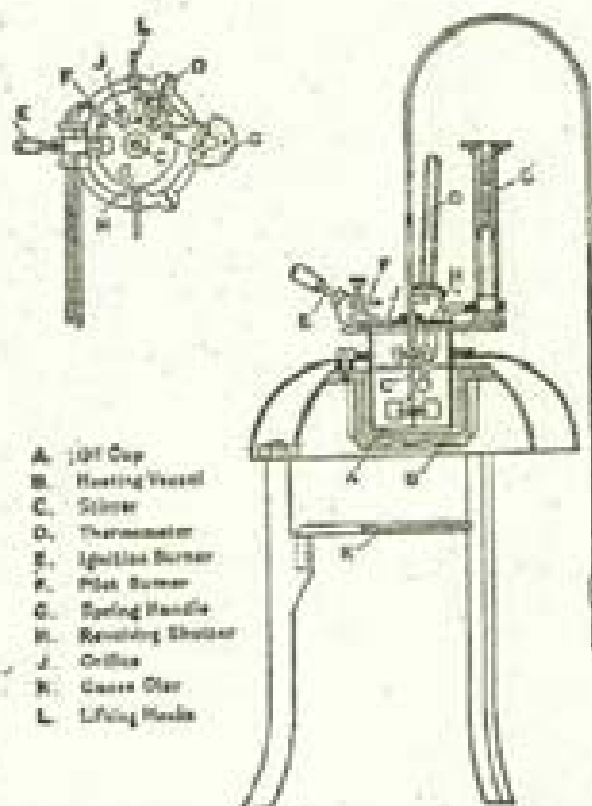
Cup. - The cup of the standard Pensky-Martens Tester shall be made of brass and shall satisfy the following dimensional specification:-

THE PENSKY MARTENS CLOSED TESTER.

Dimension.	Inches.	Inches.
Inside diameter below filling mark.	2.000	± 0.050
Difference, inside and outside diameters below filling mark.	0.125	± 0.010
Inside height.	2.200	± 0.050
Thickness of bottom	0.095	± 0.025
Distance from rim to filling mark.	0.860	± 0.015
Distance lower surface flange to bottom of cup.	1.795	± 0.015

The Pensky-Martens Tester shall include the following major parts :—

Cup.—The cup of the standard Pensky-Martens Tester shall be made of brass and shall satisfy the following dimensional specifications :—



THE PENSKY-MARTENS CLOSED TESTER.

Dimensions						Inches.	Inches.
Inside diameter below filling mark	..	..	..	..	..	2.000	± 0.050
Difference, inside and outside diameters below filling mark	..	..	..	..	..	0.125	± 0.010
Inside height	..	..	..	..	..	2.200	± 0.050
Thickness of bottom	..	..	..	..	..	0.095	± 0.025
Distance from rim to filling mark	..	..	..	..	..	0.160	± 0.015
Distance lower surface flange to bottom of cup	..	..	..	..	..	1.795	± 0.015

The inside of the cup may be turned to a slightly larger diameter above the filling mark and the outside may be tapered above the flange, but the wall thickness at the upper edge shall be not less than 0.04 in. The flange should be approximately 0.5 in wide and approximately 0.125 in thick. It shall be equipped with devices for locating the position of the lid on the cup and the cup centrally in the stove. A handle, attached permanently to the flange of the cup, is a desirable accessory.

NOTE: If the bottom of the cup is affixed it shall be brazed or hard soldered.

Stirring device.—The lid shall be equipped with a stirring device consisting of a vertical steel shaft, not less than 0.1 in, nor more than 0.125 in. in diameter, mounted in the centre of the cup, carrying two bladed brass propellers, and provided with any convenient means for operating. The blades of both propellers shall be approximately 0.3 in. wide and shall be set at an angle of approximately 45°. The smaller (upper) propeller shall have an over-all diameter of approximately 0.75 in. The larger (lower) propeller shall have an over-all diameter between 1.25 and 1.75 in. The thickness of the propeller blades shall be not less than 0.08 in. not more than 0.08 in; which limits correspond respectively to No. 18 and 14 S.W.G. The propeller blades shall be brazed or hard soldered to collars on the vertical shaft and the collars shall have horizontal and vertical dimensions not greater than 0.4 in.

The plane of the centre of the upper propeller shall be 0.4 in. below the level of the rim of the cup. The plane of the centre of the lower propeller shall be 2.0 in. below the level of the rim of the cup. The level of the rim of the cup is in effect the level of the plane part of the portion of the lower surface of the lid inside the rim.

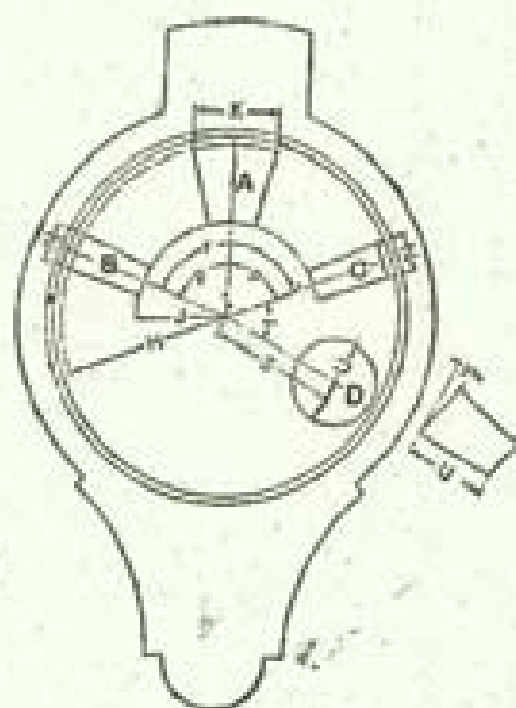
Cover proper.—The cover proper shall be of brass and shall have a rim projecting downward almost to the flange of the cup and fitting the outside of the cup closely. The thickness of the cover, measured just inside the rim, shall be not less than 0.03 in. or more than 0.08 in. There shall be proper locating device engaging with a corresponding locating device on the flange of the cup.

There shall be four openings in the cover.

Opening A is an area defined by arcs of two concentric circles and the intersected lengths of two radii. The radius of the outer circle shall be not less than 0.94 in. or more than 0.97 in. The chord of the arc of the outer circle shall be not less than 0.5 in. or more than 0.54 in.

Openings B and C are equal areas, each of the same general form as opening A but of approximately half the (angular) width. The radii of the defining inner and outer circles shall be within the limits specified for the radii of the two circles

arcs of which partially define opening A. The chord of the outer arc for opening B or opening C shall be not less than 0.19 in. nor more than 0.22 in. The sum of the areas of openings B and C shall be not less than 75 percent nor more than 100 percent of the area of opening A.



H Minimum 0.34 in., maximum 0.37 in.

J Minimum 0.23 in., maximum 0.26 in.

K Minimum 0.30 in., maximum 0.34 in.

N Minimum 0.19 in., maximum 0.22 in.

S Approximately 0.75 in.

T Approximately 0.5 in.

Angles p Equal.

Angle r Minimum 135°, maximum 140°.

Angle t Minimum 30°, maximum 60°.

Angle y Minimum 10° maximum 15°.

COVER OF PENSKY-MARTENS TESTER.

Openings B and C shall be equally distant from opening A, and radii drawn through each of their centers shall be at an angle of not less than 135° nor more than 140° .

Opening A, B and C need not conform exactly to the shape of geometrical figures bounded by arcs of two concentric circles and intersected length of radii; Their boundaries must, however, fall on or between the lines indicated by the limiting values of the dimensional specification of the preceding text.

Opening D is a split tube to grip the thermometer collar. It shall be set at an angle of not less than 10° nor more than 15° from the perpendicular. Its centre is approximately 0.75 in. from the centre of the lid and on a radius at an angle of not less than 50° nor more than 60° from the radius passing through the opening C. Its height shall be such that, when a standard thermometer is in position, the bottom of the bulb shall be 1.5 in; ± 0.1 in. below the level of the rim of the cup (which corresponds to the lower surface of the portion of the lid inside the rim).

Shutter.- The lid shall be equipped with a brass shutter, approximately 0.1 in thick, operating on the plane of the upper surface of the lid. The shutter shall be so shaped and mounted that it rotates on the surface of the lid about an axis normal to the lid, and through its centre, between two stops so placed that when in one extreme position the openings A, B and C of the lid are completely closed and when in the other extreme position these opening are completely opened.

Flame exposure device.- The tip of the flame jet shall have an orifice 0.027 in to 0.03 in. diameter. The flame-exposure device shall be equipped with an operating mechanism which, when the shutter is in the "open" position, depresses the tip so that the centre of the orifice is between the plan of the under and upper surfaces of the lid proper, at a point on a radius passing through the centre of the larger opening A and approximately 0.1 in. from the outer edge of the opening.

The test flame shall be approximately spherical and shall be regulated to be of the same mean diameter as a bead 0.16 in. in diameter of some suitable material mounted on the lid.

The mechanism operating the shutter should be of the spring type and constructed so that when at rest the shutter shall completely close the three opening. When operated to the other extreme the three openings in the lid shall be fully open and the tip of the exposure tube shall be fully depressed.

NOTE.- A pilot flame for automatic relighting of the test flame should be provided.

Where gas is not available, an oil burner shall be used as the test flame, the position of which shall correspond with that of the gas flame previously specified.

Stove.- Heat shall be supplied to the cup by means of a properly designed stove which is equivalent to an air bath. This stove shall consist of (i) an air bath and (ii) a top plate on which the flange of the cup rests.

Air bath.- The air bath shall have a cylindrical interior 1.625 in. to 1.66 in deep and a diameter not less than 0.125 in. nor more than 0.156 in. greater than the outside diameter of the cup, with the minimum clearance of 0.05 in. The air bath shall be a flame-heated metal casting.

NOTE.- The casting shall be so designed and used that the temperature of bottom and wall is approximately the same. On this account it should be not less than 0.25 in. thick. The apparatus shall be designed so that products of combustion of the flame cannot come into contact with any part of the cup.

Top Plate.- The top plate shall be of metal. The total distance from the upper surface of the plate to the bottom of the air bath shall exceed the distance from the under-surface of the flange to the bottom of the cup by not less than 0.063 in. nor more than 0.125 in.

The top plate shall be mounted with an air gap between it and the air bath. The top plate may be attached to the air bath by means of three screws and spacing bushings. The spacing bushings shall be of proper thickness to define the air gap which shall be not less than 0.125 in. nor more than 0.187 in. The spacing bushings shall be not more than 0.37335 in. in diameter.

Thermometers.- A low range thermometer shall be used with the Standard Pensky-Martens Tester for determining the flashing-point above 120o F. The thermometer shall comply with the specification given below.

The thermometers shall conform to the following general specification:-

Type.- Mercury in glass, except where otherwise stated, Engraved stem. Nitrogen filled.

Stem.- The stem shall be made of lead glass or other suitable glass. Enamel back.

Bulb.- The bulb shall be made of a suitable thermometric glass approved by the National Physical Laboratory. At present these glasses are:-

	Identification mark.	Approved for temperature up to.
Normal glass made by James Powell and Sons, Ltd	Single blue stripe.	350 ° C

Normal glass made by Frank Tolmey and Co. Ltd.	Two blue stripes.	350 ° C
Normal glass, Jena iii made by Schott and Genossen.	Purple stripe	350 ° C
Corning Borosilicate made by Corning Glass Co.	Blue and red stripe	359 ° C
Corning Borosilicate made by Corning Glass Co.		450 ° C
Jena 59 iii made by Schott and Genossen/		450 ° C
Jena 2954 made by Schott and Genossen.	Single black stripe.	450 ° C.

Expansion and contraction chambers.- No contraction chamber shall be above the immersion line and no enlargement of the bore shall be within 10 mm. of the immersion line or of any part of the scale.

Graduation and figuring.- The graduation lines shall be clearly etched, and of uniform thickness not exceeding 0.15 mm. The lines shall all at right angles to the axis of the thermometer. When thermometer is viewed from the front and in a vertical position the lines shall all finish on a line parallel to the axis on the left hand side. Certain of the graduation lines shall be extended on the right hand side but the shortest graduations shall not extend across the bore. When the diameter of the tube permits the figures shall be upright when the thermometer is viewed from the front and in a vertical position, and should preferably be placed so that they would be intersected by the line to which they refer if it were extended.

Marking.- In addition to the special markings given in the table, each thermometer shall be marked with an identification number, and the maker's or vendor's name or trade mark:-

Name and special marking.	" I.P.T.P.M. Low."
Dimension-Stem, diameter.	6 - 7 mm
Bulb, shape	Round.
Bulb length.	
Bulb diameter.	8 mm max.

Overall length, ± 5 mm	275 mm
Length of graduated portion.	150-180 mm
Distance, bottom of bulb to 200 mark	70-85 mm
Range.	20 ° F to 230 ° F
Graduation.	1 ° F
Longer lines at each.	5 ° F and 10 ° mF.
Figured at each/	10 ° F
Expansion chamber.	Required.
Immersed	2.2 in.
Top finish.	Glass ring.

Each thermometer shall be mounted securely in a thermometer collar so that from the under-side of this collar to the bottom of the bulb the distance is 2.1 in. (± 0.05 in.) The thermometer collar shall have an outside diameter of 0.5 in; ± 0.002 in. and a flange 0.1 in; ± 0.01 in. in thickness. The cement used to fasten the thermometer into the collar shall be of such a nature that it will withstand the action of oil up to the highest temperature at which the thermometer is used.

Drying of the sample.

If gas oil or fuel oil is being tested the sample shall be dried by the following method:-

One hundred grams of well-dried granular calcium chloride is placed in a dry wide mouth stopper glass bottle.

Two hundred and fifty milliliters of the oil is then poured upon the calcium chloride. The stopper is secured in position by tying. The bottle is then well shaken and is stood in a vessel of water, the level of the water being up to about one-third of the height of the oil in the bottle. The water is next raised to a temperature of 50 ° C. (120 ° F) and is maintained at the temperature for a period of seven hours, the bottle and its contents being well-shaken up at intervals of about an hour. At the end of this treatment the bottle and its contents are allowed to cool to atmospheric temperature; the bottle is then opened and sufficient of the oil for test filtered through paper on a Buchner funnel.

IV. (II) METHOD.

All parts of the cup and its accessories shall be thoroughly clean and dry before starting the test. Particular care should be taken to avoid the presence of any gasoline or naphtha used to clean the apparatus after a previous test.

The cup shall be filled with the oil to be tested up to the level indicated by the filling mark.

The lid shall be placed on the cup and the latter set in the stove. Care should be taken to have the locating devices properly engaged. The thermometer shall be inserted.

The test flame shall be lighted and adjusted so that it is of the size of a bead 0.16 in. in diameter.

Heat shall be supplied at such a rate that the temperature read on the thermometer increases not less than 9 or more than 11 degrees per minute. The stirrer shall be turned at a rate of approximately 60 revolutions per minute.

Application of the test flame shall be made at each temperature reading which is a multiple of 2 ° F, up to 220 ° F. For the temperature range above 220° F application shall be made at each temperature reading with is a multiple of 5 ° F the first application of the test flame shall be made at a temperature at least 50° F below the actual flashing-point. Application of the test flame shall be made by operating the device controlling the shutter and test flame burner so that the flame is lowered in one-half second, left in its lowered position for one second, and quickly raised to its high position. Stirring shall be discontinued during the application of the test flame.

The flashing point is taken as the temperature read on the thermometer at the time of the flame application that causes a distinct flash in the interior of the cup. The true flash must not be confused with the bluish halo that sometimes surrounds the test flame for the applications preceding the one that causes the actual flash.

The barometric pressure shall be observed and recorded. No correction shall be made except in case of dispute, when the flashing point figure shall be corrected according to the following rule:-

For each inch (25.4 mm) below 29.92 in. (760 mm) barometric reading add 1.6 ° F to the flashing point.

For each inch (25.4 mm) above 29.92 in. (760 mm) barometric reading subtracts 1.6 ° F, from the flashing-point.

V. THE FLASHING POINT.

If a flash takes place at any temperature below 76 ° F, the temperature at which it occurs is noted. Two fresh portions of the sample are then to be successively tested in a similar manner and the results recorded. If no greater difference than two degrees Fahrenheit exists between any two of the three recorded results and if in no instance the flash has taken place within eight degrees Fahrenheit of the temperature at which the testing was commenced, the average of the three readings gives the flashing-point recorded by that particular instrument, but without either apparatus correction or thermometer correction. In the event of there being a greater difference than two degrees Fahrenheit between any two of the readings, or if the flash has occurred within eight degrees of the temperature at which the testing was commenced, the series of tests is to be rejected and a fresh series of three similarly obtained.

If, however, a flash has occurred at or below 64 ° F when the test was applied in the manner above described, the next test shall be commenced 10 ° F, lower than the temperature at which the flash had been previously obtained, and this procedure shall be continued until the results of three consecutive tests do not show a greater difference than two degrees Fahrenheit and until a flash has not occurred in any of the three tests within eight degrees Fahrenheit of the temperature at which the test was commenced. Provided always that if at the commencement of the series of tests a flash has occurred on the first application of the test flame at 60 ° F, and if a flash has also occurred on the first application of the flame in each of the three successive tests in which the test flame is first applied at 60 ° F, as above directed, the testing officer shall certify that the petroleum has a flashing point below 67 ° F, and the sample shall be reported as "dangerous petroleum".

If a temperature of 76 ° F has been reached without a flash occurring the application of the test flame is to be continued at every degree rise of temperature until a temperature of 89 ° F, has been reached. If no flash occurs up to this point the test shall be continued on a fresh sample as in Section III (1) (2) above.

If no flash occurs up to 120 ° F, the flashing point shall be determined by the Pensky-Martens apparatus and method, as described above.

SCHEDULE IV

(See rule 95A)

- (i) Shops may be allowed where pump sites are located on highways and town main roads.
- (ii) Pump sites shall not be located on service road or near bus stand, hotel, school, Public Park and residential building.
- (iii) A minimum frontage and depth of pump site for shop shall not be less than 30 meters and 20 meters respectively.
- (iv) Shop shall be at least 10 meters away from the nearest fill point of dangerous petroleum storage tank and dispensing unit.
- (v) Area of shop shall not be more than 15% of total covered area excluding canopy at the pump premises. A separate fee of rupees twenty five per square foot shall be charged for any additional area of shop.
- (vi) Entrance to shop shall be kept clear at all times.
- (vii) Shop floor shall not be more than half meter higher than outer ground floor.
- (viii) Storage tanks shall not be on the same side of shop.
- (ix) There shall be no opening from adjacent premises to a shop.
- (x) Shop shall not be opened at any pump site without prior approval in writing of the Chief Inspector of Explosives.
- (xi) Roof of the shop shall not be used for any other purpose.
- (xii) Heaters, burners or any appliance likely to cause spark of petroleum vapours shall not be used inside a shop, however a micro-wave oven may be used.
- (xiii) Seating arrangement for customers shall not be provided inside a shop.
- (xiv) Only packed food items, cold drinks, souvenirs and medicines shall be stored. In case of other items permission of the Chief Inspector shall be obtained in writing.
- (xv) At least two fire extinguishers of 10 kgs, each shall be provided exclusively for shop.
- (xvi) A separate fee of Rs. 5000/- per year or part thereof shall be paid for every facility which is not directly connected with storage and distribution of petroleum.
(Provision of tyre puncture shop and car washing facilities are exempted)

Any arrangement not in conformity with these items which has already been permitted by the Department of Explosives shall be deemed to have been permitted by the Chief Inspector of Explosives.

The Gazette of Pakistan

EXTRAORDINARY

PUBLISHED BY AUTHORITY

KARACHI, FRIDAY, DECEMBER 10, 2010

PART II

Statutory Notifications containing Rules and Orders issued by all Ministries and Divisions of the Government of Pakistan and their Attached and Subordinate Offices and the Supreme Court of Pakistan

GOVERNMENT OF PAKISTAN

MINISTRY OF INDUSTRIES AND PRODUCTION

NOTIFICATION

Issued, the 2nd December, 2010

S.R.O. 139(KE)/2010 :

In exercise of the powers conferred by Section 4, sub-section (2) of Section 5, sub-section (2) of Section 14, Sections 21 and 22 and sub-section (1) of Section 29 of the Petroleum Act, 1934 (XXX of 1934), the Federal Government is pleased to make the following rules, the same having been previously published vide Notification No. S.R.O. 104(KE)/2010, dated the 2nd August, 2010, as required under sub-section (2) of Section 29 of the said Act, namely:-

In the aforesaid Rules,-

- (1) in rule 30, in sub-rule (2), for the figures "500" and "100", the figures "5000" and "1000" shall be substituted respectively;
- (2) in rule 77,-
 - (a) for the marginal note, the following shall be substituted, namely:-

(867)

Price : Rs. 30.50

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"License for vehicle to transport petroleum, compressed natural gas, liquefied petroleum gas, liquefied natural gas, industrial compressed gases in bulk;" and

- (b) for sub-rules (1), (1A), (1B) and (1C), the following shall be substituted, namely:-

"(1) The petroleum including compressed Natural Gas, Liquefied Petroleum Gas, Liquefied Natural Gas, Industrial Compressed Gases shall not be transported by road without license grant by Chief Inspector of Explosives or Inspector of Explosives. After physical inspection of vehicle and scrutiny of requisite particulars which shall be furnished together with an original treasury receipt duly paid according to S. Nos. 12, 13, 14 and the corresponding entries relating thereto in column (5) of Schedule-I.

Provided that this rule shall not be apply to the tank or cylinder fitted in the vehicle for fueling."

- (3) after rule 96, the following new rule shall be inserted, namely:-

"96A. Approval of ancillary facilities:- The proper permission, approval of ancillary facilities, shall conform to the minimum standards as laid down in Schedule IV to these rules."

- (4) in rule 103,-

- (a) in sub-rule (3), for the word "hundred", occurring twice, the word "thousand" shall be substituted, and
- (b) for the word "fifty", the words "seven hundred and fifty" shall be substituted,

- (5) in rule 114, after sub-rule (2), the following new sub-rule shall be added namely:-

"(3) Scrutiny fee of five hundred rupees (not refundable) shall payable with each such application for grant or renewal of license."

- (6) in rule 115, in sub-rule (3), for the words "twenty five rupees" the words "equal to license fee" shall be substituted,

- (7) in rule 115, after sub-rule (3) the following new sub-rule shall be added namely:-

"(4) Fresh license, in lieu of the expired license, shall be granted only payment of three times the fee ordinarily payable for the license plus fee, equal to the license fee, for each year or part thereof which the license remained expired."

(18) in rule 164,-

(a) in sub-rule (1),-

(i) for the word "hundred", the word "thousand" shall be substituted; and

(ii) in the proviso, for the figure "1000", the figure "5000" shall be substituted; and

(b) in sub-rule (2), for the word "hundred", the word "thousand" shall be substituted.

(19) for Schedule I, the following shall be substituted, namely:-

Schedule
(see rule 77(1) and

Article No.	Form of License	Purpose for which granted	Authority empowered to grant license	Fee
(1)	(2)	(3)	(4)	(5)
1	Form H, See Schedule-II	To import dangerous petroleum other than petroleum which can be used in an internal combustion not exceeding 270 liters at any one time.	The District Authority	Rs. 5,000/-
2	Form I, See Schedule-II	To store dangerous petroleum other than petroleum which can be used in an internal combustion not exceeding 270 liters at any one time.	The District Authority	Rs. 5,000/-
3	Form J, See Schedule-II	To store non-dangerous petroleum (Kerosene Oil, light diesel oil) other than petroleum which can be used in vehicle for fuel otherwise than bulk, in quantity not exceeding 10,000 liters (in drums).	The District Authority	Rs. 5,000/-

Sl. No.	Form of License	Purpose for which granted	Authority empowered to grant license	Fee
(1)	(2)	(3)	(4)	(5)
I	Form K, See Schedule-II	To store petroleum in a tank or tanks in connection with a dispensing unit for fuelling motor conveyances.	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	(i) Fee for storage/dispensing of Dangerous Petroleum products Facility is Rs. 5,000/- (ii) Fee for storage/dispensing of Heavy petroleum products (High speed Diesel Oil) facility is Rs. 5,000/-
II	Form L, See Schedule-II	To import dangerous petroleum and to store petroleum in installations (Bulk Depots) and in tankers for self consumption.	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	(i) Fee for the storage of Dangerous Petroleum products (Petrol, solvent oil etc.) is Rs. 15,000/- (ii) Fee for the storage of Non dangerous petroleum (Kerosene Oil, Light Diesel Oil) Non-dangerous petroleum products Having the flash point above 76°F and below 126°F is Rs. 15,000/- (iii) Fee for storage of heavy petroleum product (High Speed Diesel Oil, Furnace Oil etc) Heavy petroleum having the flash point 126°F and below 200°F Rs. 15,000/-

Article No	Form of License	Purpose for which granted	Authority empowered to grant license	Fee
(1)	(2)	(3)	(4)	(5)
6	Form M, See Schedule-II	To import and store dangerous petroleum otherwise than in bulk and to store otherwise than in bulk (a) non-dangerous petroleum in quantity exceeding 25,000 liters or (b) partly dangerous petroleum and partly non-dangerous petroleum.	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	Rs. 5,000/-
7	Special Form	To import dangerous petroleum and to store petroleum (in cases not provided for in Articles 1, 2, 3, 4, 5, and 6.)	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	Rs. 5,000/-
8	Form B-I	To manufacture/store/sale and dispense compressed natural gas in connection with dispensing unit for fueling motor conveyances only.	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	Rs. 20,000/-
9	Form B-II	To store and/or liquefied petroleum gas in a tank or tanks & dispense liquefied petroleum gas in connection with a dispensing unit for fueling motor conveyances.	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	Rs. 20,000/-
10	Form O	To import/store/sale liquefied petroleum gas in installation (plants) for filling in cylinders.	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	Rs. 25,000/-

Article No.	Form of License	Purpose for which granted	Authority empowered to grant license	Fee
(1)	(2)	(3)	(4)	(5)
11	Form P	To store liquefied petroleum gas of quantity exceeding 100 liters for sale use in industries and other places.	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	Rs. 5,000/-
12	Form Q	License to transport petroleum product in bulk on land by mechanically propelled vehicle.	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	Rs. 1,000/-
13	Form R	License to transport liquefied petroleum gas in bulk on land by mechanically propelled vehicle.	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	Rs. 5,000/-
14	Form S, See Schedule-4	License to transport compressed natural gas in bulk on land by mechanical propelled vehicle. (Compressed natural gas storage cylinder mounted in vehicle for fueling are exempted)	The Chief Inspector or an Inspector of Explosives authorized by the Chief Inspector of Explosives in this behalf.	Rs. 10,000/-

(20) In Schedule-4,-

(a) after Form S, the following new Form shall be inserted, namely:-

This Licence is liable to be canceled if the Licence premises when inspected is not found conforming to the description and condition attached here to and contravention of any of the rules and conditions under which this Licence is granted is also punishable with fine which may extended to fifteen thousand rupees or with simple imprisonment which may extended to one month or with both for a first offence and fine which may extended to twenty-five thousand rupees or with simple imprisonment which may extended to three months or with for any subsequent offence.

CONDITIONS OF LICENCE

1. All design, specifications, standards and construction of Gas tanks, Cylinders, Compressor and Fueling Station shall fulfill the requirements of Code of practice issued by the Pakistan Standard Institution or any other Code approved by the Chief Inspector.
2. Tanks, cylinders gas holders and regulating equipments used at the premises shall be located outdoors unless otherwise specially approved.
3. A group of gas cylinders shall be linked by piping to from a single gas storage unit.
4. CNG Storage unit (s) shall be at least three (3) meters away from footpath and five (5) meters away from CNG or Petroleum filling point.
5. CNG Storage unit (s) shall be provided with security fence at least 1 meter away from the cylinder banks.
6. Every CNG storage unit including manifold group of cylinders or bulk storage tank shall be provided with suitable pressure gauge.
7. Where more than one CNG units are installed, the separating distance between the units shall not be less than two (2) meters.
8. CNG dispensing point shall be at least 4.5 meters away from footpath or public place three (3) meters away from the nearest petroleum dispensing unit and 2 meters from any opening into a building.
9. Every CNG system shall be fitted with a device to prevent the cylinder being charged with a pressure greater than the cylinder test pressure.
10. CNG storage unit (s) shall be provided with isolating valves and master shut-off valve.
11. Emergency and isolating shutoff valve shall be provided near CNG refueling bays in easy accessible position. Each flexible hose for refueling vehicle(s) shall be provided with shut-off valve.

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12. Compressor room shall be ventilated properly at lower level.
 13. Natural gas shall not be vented to the atmosphere unless the vent is led to a safe point of discharge.
 14. The inlet gas line to a CNG compressor shall be provided with a non-return valve to prevent back flow in the event of compressor malfunction.
 15. An effective drying system shall be provided to ensure that moisture is absorbed from the gas prior to its compression.
 16. All electrical wiring, equipment within hazardous area shall comply with the requirements of BS 4683, BS 226 and BS 4137.
 17. Gas detector operated cut-out switch shall be fitted to the electrical system of compressor to switch off the unit automatically in the event of a major gas leak.
 18. A licensing shall not make any alteration, addition or extension of his works without prior approval in writing of the licensing authority.
 19. If the licensing authority calls upon the holder of a licence by a notice, in writing to execute any repairs of the equipment etc. which are in the opinion of such authority, necessary for the safety of the premises, then holder of the licence shall execute the repairs within such period, not being less than one month from the date of receipt of the notice, as may be fixed by the notice.
 20. The premises shall be posted prominently at the entrances of compressor room.
 21. A "NO SMOKING" sign shall be posted prominently at the entrance of compressor room.
 22. There shall be no smoking within six (6) meters of the vehicle.
 23. Filling instruction shall be posted in a conspicuous place adjacent to the dispensing hose.
 24. Any accident involving loss of life or serious injury or severe damage to property shall be immediately reported to the Chief Inspector of Explosives and the nearest Police Station by the quickest means of number shall be furnished with the report.
 25. Free access to the licensed premises shall be given at all reasonable times to the Chief Inspector of Explosives or Office authorized in this behalf for ascertaining that rules and conditions of the licence are duly observed; and
- (b) after Form M, the following new Forms shall be added, namely:

FORM N

(Article 9 of Schedule I)

**TO STORE AND SALE LIQUEFIED PETROLEUM GAS IN A TANK OR
TANKS & DISPENSE LIQUEFIED PETROLEUM GAS IN CONNECTION WITH
A DISPENSING UNIT FOR FUELING MOTOR CONVEYANCES.**

License No. _____ Fee Rs. _____

License is hereby granted to _____ valid
for storage of _____ kilograms of liquefied petroleum gas
in _____ numbers pressure vessels in the premises described
below and dispensing of liquefied petroleum gas as automotive fuel to motor
vehicles, subject to the provisions of the Petroleum Act, 1934 and the made their
under.

The license shall remain in force up to 31st December _____
the _____ (Date of issue).

Chief Inspector of Explosives

**DESCRIPTION OF LOCATION AND FACILITIES OF THE LICENSED
PREMISES**

The licensed premises, the layout, boundaries and other particulars of
which are shown in the attached approved plan No. _____ dated
_____ are situated at (address) _____
and consists of:-

- (i) Storage vessels _____
(Identification number and water capacity) (Specify whether aboveground,
mounded or underground).
- (j) Number of dispensers _____ make _____
- (ii) other facilities _____

SPACE FOR ENDORSEMENT OF RENEWALS

Date of Renewal	Date of Expiry	Signature and Office Stamp of the Licencing Authority

The license shall be renewable without any concession in fee for one year in the absence of contravention of the provisions of the Petroleum Act 1934 and the rules made there under, or of any of the conditions of the license.

This license is liable to be cancelled if the licensed premises are not found conforming to the description and conditions attached hereto and for contravention of any of the rules and conditions under which this license is granted. The holder of this license is also liable for punishment under Petroleum Act 1934 for the contraventions of the provisions of the said Act and the rules framed there under.

RULES

CONDITIONS

Office Stamp of the Authority

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1. The licensed premises shall conform to the description of location and facilities and to the approved plan, as mentioned on the body of the license.
2. The licensed premises shall be used only for the purpose it is licensed for.
3. Liquefied petroleum gas shall be stored only in one or more pressure vessels installed aboveground, underground or aboveground covered with earth (mound) as per provisions of these rules.
4. Liquefied petroleum gas storage vessel, dispenser, pump compressor, piping and other fittings shall be of a design suitable for commercial propane.
5. Storage vessels shall not be installed within any building or shed.
6. A hard stand for parking the tank-truck for the purpose of unloading liquefied petroleum gas into the storage vessels shall be provided as per rules.
7. The location and equipment of the licensed premises shall meet the safety distance requirements as specified in the rules/standards in matter.
8. Liquefied petroleum gas shall be dispensed only into those cylinders used as fuel tanks of motor vehicles, which are duly approved by the Chief Inspector, and have passed the periodic statutory tests under Gas Cylinders Rules, conducted by a testing station recognized by the Chief Inspector.
9. The type of the dispenser used for dispensing liquefied petroleum gas shall conform to a specification approved by the Chief Inspector.
 - (a) It shall be provided with an excess flow valve, a remote operated shut-off valve and pipe shear provision in the liquid inlet pipe.
 - (b) The dispenser shall be installed on a firm foundation and protected against physical damage.
 - (c) A breakaway device with excess flow valves or quick action cut-off valves on both sides of the breakaway device conforming to Underwriters Laboratory USA, specification no. 567 or equivalent shall be provided on the delivery line from the dispenser before the connection of the hose so as to prevent spillage of liquefied

petroleum gas from both sides of the breakaway point in the event of its breakage.

10. The design pressure of the hose for delivery of liquefied petroleum gas by dispenser to motor vehicles shall be minimum thirty two kilograms per square centimeter with a safety factor of five and shall be tested at one and half times the design pressure at an interval not exceeding every one year. The hose shall be mechanically and electrically continuous. The length of the hose shall not exceed five meters and fifty centimeters.
11. The dispensing nozzle at the end of the hose shall be self sealing type of twenty two millimeters nominal size and suitable for matching with flaring connection of cylinders fitted to vehicles as fuel tanks, as specified in Austrian Specification AS-1425 or equivalent, standard approved by the Chief Inspector.
12. Clearly identified switches or circuit breakers shall be provided at easily accessible location minimum six meters away from dispenser to cut-off the power supply in the event of fire, accident or other emergency. The switches or circuit breakers shall be visible from the point of dispensing liquefied petroleum gas to motor vehicles.
13. Pump used for pumping liquefied petroleum gas shall be of either centrifugal submersible or positive displacement type. Positive displacement pump shall be provided with bye-pass to prevent over-pressure.
14. Hazardous area classification for the dispenser shall be as under:
 - (a) Entire space within the dispenser enclosure cabinet and forty six centimeters horizontally from the exterior of enclosure cabinet and up to an elevation of one hundred and twenty one centimeters above dispenser base and the entire pit or open space beneath the dispenser shall be Division-1.
 - (b) Up to forty six centimeters vertically above the surrounding ground level and horizontally beyond forty six centimeters up to six meters on all sides of the dispenser enclosure cabinet shall be Division-2.
15. All metallic liquefied petroleum gas piping shall be rated for Propane and designed to American Standard ASME-B-31.3 with minimum design pressure of thirty two kilograms per square centimeters with a factor of safety of four. The materials of pipe shall be low carbon or alloy steel conforming to American Standard ASTM-SA-333, grade, G, or SA106, Grade-B-Schedule 80; or API-5L or equivalent. The pipeline shall be tested at one and half times of the design pressure, if hydro-tested. Joints of pipeline above forty millimeters diameter shall be welded or flanged.

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Treaded or screwed connection shall not be provided except for special fittings like excess flow valve, pump connection upto fifty millimeters diameter.

16. No addition or alteration in the licensed premises shall be carried out without prior sanction of the licensing authority.
17. No person shall enter or cause to repair or repair either by the use of fire, welding, hot riveting or brazing any vessel used for the storage of flammable gas unless it has been thoroughly cleaned and gas-free or otherwise prepared for safely carrying out such hot work and certified in writing, by a competent person, to have been so prepared. Where the vessel has been certified as gas free, the certificate shall be preserved by the licensee for a period of not less than six months and produced to the Chief Inspector, on demand.
18. The operation of the licensed premises shall be under the supervision of a person having knowledge of the equipments, used in the premises and trained in handling compressed gas, and other operators shall be conversant with the hazards associated with the compressed gas and fire fighting operations.
19. Liquefied petroleum gas shall not be removed from the vessel except by means of transfer facilities shown in the approved plan attached to the license.
20. Smoking, naked lights, lamps source of fire or any other stimulant capable of igniting flammable vapors shall not be allowed inside the premises.
21. The vessel shall not be filled between the hours of sunset and sunrise, except in such manner and under such other condition or conditions as are specifically endorsed on the license by the licensing authority.
22. All electrical equipment such as motors switches, starters, etc. used for transfer of liquefied petroleum gas shall be of flameproof construction conforming to standard/type approved by Chief Inspector.
23. Every person managing or employed on or in connection with licensee premises shall abstain from any act whatsoever which tends to cause fire or explosion and which is not reasonably necessary and to the best of his ability, shall prevent any other person from doing such act.
24. At least two numbers of nine kilograms capacity dry chemical type fire-extinguishers shall be provided near the tank-truck unloading area and one number similar extinguisher shall be provided near each

dispenser and transfer pump location. In dispensing station having aboveground liquefied petroleum gas storage vessels, hydrants with minimum water pressure of seven kilograms per square centimeters shall be provided at convenient positions for around coverage of liquefied petroleum gas storage vessels, and landing area and water sprinklers with a spray density of ten liters per minute per square meter shall be provided. The fire water pump shall be preferably diesel engine driven, with capacity to deliver water at the rate and pressure specified above. The minimum fire water storage at the premises shall be needed for fighting fire at least for one hour.

25. During the period of unloading of liquefied petroleum gas from tank-truck to the storage vessels dispensing operation to vehicles shall not be carried out.
26. The emergency telephone numbers of local fire service, police and the principal marketing company, and emergency instructions shall be conspicuously displayed in the licensed premises.
27. All valves on the vessel and pipelines in the premises must be permanently marked in a manner clearly indicating the direction of opening and closing.
28. If the licensing authority calls upon the holder of a license by a notice in writing to execute any repairs in the licensed premises which are, in the opinion of such authority, necessary for the safety of the premises, the holder of the license shall execute the repairs within such period as may be specified in the notice.
29. Any accident, fire or explosion within the licensed premises which is attended with loss of life or serious injury to person or property shall be immediately reported to the nearest Judicial Magistrate or to the officer-in-charge of the nearest police station and to the Chief Inspector of Explosives by telephonic call.
30. Free access to the licensed premises shall be given at all reasonable times to any of the officers specified in rule in this matter, and every facility shall be afforded to such officer for ascertaining that the rules and the conditions of this license are duly observed.

FORM 'O'
[Article 10 of Schedule I]

Licence to import/store/sale liquefied petroleum gas in installation
(Plants) for filling in cylinders.

No.

Fee Rs.

License is hereby granted to.....valid only for import/store/sale liquefied petroleum gas in installation (Plants) for filling in cylinders for the storage ofwater liters liquefied petroleum gas in the place described below and shown on the plan attached hereto subject to the provisions of the petroleum Act, 1954 and the rules made there under and to the further condition on the back of this license.

This license shall remain in force till the 31st day of December 20

Sr. No.	Nature of Petroleum to be stored/imported	Quantity of petroleum (in liters)
1.	Liquefied petroleum gas in bulk.	
2.	Liquefied petroleum gas not in bulk.	
Total		

Chief Inspector of Explosives

Plan No.dated

Description of the place referred to above

.....
.....
.....

Date of renewal	Date of expiry	Signature of licensing authority

This license is liable to be canceled if the licensed premises, when inspected, are not found conforming in the description approved plan by Department of Explosives and conditions attached hereto and contravention of any of the rules and conditions under which this is granted is also punishable with fine may extend to ten thousand rupees for a first offence and may extend to twenty thousand rupees for any subsequent offence.

CONDITIONS

1. The licensed premises shall not be used for any purpose other than storage and transfer of compressed gas and purposes directly connected therewith.
2. The compressed gas shall be stored only in one or more vessels of capacity.....cubic meters.....Kg. and in position shown in the approved plan attached hereto.
3. Every vessel shall be outside any building and shall be supported on well designed foundations.
4. The storage vessel shall at all times maintain from any other facility, building, boundary, fencing or protected works the distances specified rules/standards in the matter.
5. A suitable hard stand for parking of the vehicle during loading or unloading of any compressed gas shall be provided. The following minimum safety distances shall be provided between the centre of the hard stand and the storage vessel or boundary line of installation, as well as between the loading or unloading points and storage vessel or boundary line of installation, -
 - i) as per rules/standards in the matter, as the case may be, in case of refinery, terminal and cylinder filling plants for flammable liquefied gases;
 - ii) four meters and fifty centimeters in case of non-combustive, non-toxic and non-flammable gases; and
 - iii) nine meters in all other cases.
6. All fittings of the vessel shall be well maintained.
7. No alteration of the position of the vessel and no replacement of the vessel shall be effected except the previous sanction, in writing, of the licensing authority. All alterations so sanctioned under this condition shall be shown on an amended plan to be attached to the license.
8. If the licensing authority calls upon the holder of a license by a notice in writing to execute any repairs in the licensed premises which are, in the opinion of such authority, necessary for the safety of the premises, the holder of the license shall execute the repairs within such period of as may be specified in the notice.

for any purpose other than and purposes directly con-	9.	Every vessel before being repaired or exhumed shall be made free of compressed gas and thoroughly cleaned. When a vessel is opened for cleaning or repairs, no lamp of any description either ordinary or electric, electric cables or fans and no articles, appliances or equipment capable of igniting flammable vapors shall be brought near the vessel.
in one or more vessels of in position shown in the	10.	No person shall cause to repair or repair either by the use of fire, welding, hot riveting or brazing any vessel used for the storage of flammable gas unless it has been thoroughly cleaned and gas-free or otherwise prepared for safely carrying out such hot work and certified in writing, by a competent person, to have been so prepared. Where the vessel has been certified as gas-free, the certificate shall be preserved by the licensee for a period of not less than three months and produced to the Chief Inspector, on demand.
it shall be supported on well	11.	No person shall enter any vessel used for the storage of a toxic or corrosive gas unless he is adequately protected by means of clothing, gas masks and such other protective equipment.
lost from any other facility, the distances specified	12.	Compressed gas shall enter the vessel through sound pipes having no leaks at any place.
le during loading or unloaded. The following minimum the centre of the hard stand totation, as well as between vessel or boundary line of	13.	The vessel shall not be filled between the hours of sunset and sunrise, except in such manner and under such other condition or conditions as are specifically endorsed on the license by the licensing authority.
s the case may be, in case- ants for flammable liquefied	14.	No artificial light capable of igniting flammable vapors shall at any time be present within 9 meters of the vehicle and the loading or unloading points during the transfer of the compressed gas and no person engaged in such transfer shall smoke.
r of non-corrosive, non-toxic	15.	No compressed gas shall be removed from the vessel except by means of transfer facilities marked in the plan attached hereto.
ned	16.	All electrical equipment such as motors, switches, starters, etc., used for transfer of flammable compressed gas shall be of flameproof construction conforming to approved specifications.
and no replacement of the suction, in writing, of the ad under this condition shall d to the license.	17.	Every person managing or employed on or in connection with the licensed premises shall abstain from any act whatsoever which tends to cause fire or explosion and which is not reasonably necessary and to the best of his ability, shall prevent any other person from doing such act.
r of a license by a notice in premises which are, in the safety of the premises, the re within such period of as	18.	The licensee shall provide for each licensed premises a minimum of two portable foam types or dry chemical type fire extinguishers of 9 Kgs. capacity each, which shall be kept ready at convenient location for immediate use in the event of any fire.

19. Except for necessary pipes and valves and approved electric lights the space within the licensed premises shall be kept entirely clear and unoccupied.
20. All valves in the premises must be permanently marked in a manner clearly indicating the direction of opening and shutting the valve.
21. Any accident, fire or explosion within the licensed premises which is attended with loss of life or serious injury to person or property shall be immediately reported to the nearest Judicial Magistrate or to the officer in-charge of the nearest police station and by telephone to the Chief Inspector of Explosives.
22. Free access to the licensed premises shall be given at all reasonable times to any of the Inspector of Explosives and every facility shall be afforded to such officer for ascertaining that the rules and the conditions of this license are duly observed.
 - (i) All metal pipes shall be flexible pipes shall be tested once every 6 months by a competent engineer holding license to ascertain fitness and compliance with the requirement of strength laid down above.
 - (ii) (a) A complete and permanent record of such testing shall be maintained in the licensed premises.
 - (b) The date of the last test shall be recorded on the pipes and pipe section concerned in a distinctive manner.
23. The license shall not deliver from the licensed premises:-
 - (a) Petroleum in bulk to any vessel used in the carriage of petroleum in bulk by water; and
 - (b) Any petroleum in bulk shall be delivered to any vehicle used for the transport of petroleum in bulk by road unless such vehicle is licensed by the Chief Inspector.

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FORM 'P'
[Article 11 of Schedule I]

**LICENCE TO STORE LIQUEFIED PETROLEUM GAS OF QUANTITY
EXCEEDING TO 100 LITERS FOR SELF USE IN INDUSTRIES AND OTHER
PLACES.**

No.

Fee Rs.

Licensee is hereby granted to.....valid only
for store liquefied petroleum gas of quantity exceeding to 100 liters for self use in
industries and other places for the storage ofwater liters liquefied
petroleum gas in the place described below and shown on the plan attached
hereto subject to the provisions of the Petroleum Act, 1934 and the rules made
here under and to the further condition on the back of this license.

This license shall remain in force till the 31st day of December 20

Sr. No.	Nature of Petroleum to be stored/imported	Quantity of petroleum (in liters)
1.	Liquefied petroleum gas in bulk	

Chief Inspector of Explosives

Plan No.dated

Description of the place referred to above

.....
.....
.....

Date of renewal	Date of expiry	Signature of licensing authority

This license is liable to be canceled if the licensed premises, when
inspected, are not found conforming in the description approved plan by
Department of Explosives and conditions attached hereto and contravention of
any of the rules and conditions under which this is granted is also punishable with
fine may extend to ten thousand rupees for a first offence and may extend to
twenty thousand rupees for any subsequent offence.

CONDITIONS

1. The licensed premises shall not be used for any purpose other than storage and transfer of compressed gas and purposes directly connected therewith.
2. The compressed gas shall be stored only in one or more vessels of capacity.....cubic meters.....kg. and in position shown in the approved plan attached hereto.
3. Every vessel shall be outside any building and shall be supported on well designed foundations.
4. The storage vessel shall at all times maintain from any other facility, building, boundary, fencing or protected works the distances specified rules/standards in the matter.
5. A suitable hard stand for parking of the vehicle during loading or unloading of any compressed gas shall be provided. The following minimum safety distances shall be provided between the centre of the hard stand and the storage vessel or boundary line of installation; as well as between the loading or unloading points and storage vessel or boundary line of installation:-
 - i) as per rules/standards in the matter, as the case may be, in case of refinery, terminal and cylinder filling plants for flammable liquefied gases;
 - ii) four meters and fifty centimeters in case of non-corrosive, non-toxic and non-flammable gases; and
 - iii) nine meters in all other cases.
6. All fittings of the vessel shall be well maintained.
7. No alteration of the position of the vessel and no replacement of the vessel shall be effected except with the previous sanction, in writing, of the licensing authority. All alterations so sanctioned under this condition shall be shown on an amended plan to be attached to the license.
8. If the licensing authority calls upon the holder of a license by a notice in writing to execute any repairs in the licensed premises which are, in the opinion of such authority, necessary for the safety of the premises, the holder of the license shall execute the repairs within such period as may be specified in the notice.

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9. Every vessel before being repaired or returned shall be made free of compressed gas and thoroughly cleaned. When a vessel is opened for cleaning or repairs, no lamp of any description either ordinary or electric, electric cables or lams and no articles, appliances or equipment capable of igniting flammable vapors shall be brought near the vessel.
10. No person shall cause to repair or repair either by the use of fire, welding, hot riveting or brazing any vessel used for the storage of flammable gas unless it has been thoroughly cleaned and gas-free or otherwise prepared for safely carrying out such hot work and certified in writing, by a competent person, to have been so prepared. Where the vessel has been certified as gas-free, the certificate shall be preserved by the licensee for a period of not less than three months and produced to the Chief Inspector, on demand.
11. No person shall enter any vessel used for the storage of a toxic or corrosive gas unless he is adequately protected by means of clothing, gas masks and such other protective equipment.
12. Compressed gas shall enter the vessel through sound pipes having no leaks at any place.
13. The vessel shall not be filled between the hours of sunset and sunrise, except in such manner and under such other condition or conditions as are specifically endorsed on the license by the licensing authority.
14. No artificial light capable of igniting flammable vapors shall at any time be present within 9 meters of the vehicle and the loading or unloading points during the transfer of the compressed gas and no person engaged in such transfer shall smoke.
15. No compressed gas shall be removed from the vessel except by means of transfer facilities marked in the plan attached hereto.
16. All electrical equipment such as motors switches, starters, etc., used for transfer of flammable compressed gas shall be of flameproof construction conforming to approved specifications.
17. Every person managing or employed on or in connection with the licensed premises shall abstain from any act whatsoever which tends to cause fire or explosion and which is not reasonably necessary and to the best of his ability, shall prevent any other person from doing such act.

18. The licensee shall provided for each licensed premises a minimum of two portable foam types or dry chemical type fire extinguishers of 5 Kgs. capacity each, which shall be kept ready at convenient location for immediate use in the event of any fire.
19. Except for necessary pipes and valves and approved electric lights the space within the licensed premises shall be kept entirely clear and unoccupied.
20. All valves in the premises must be permanently marked in a manner clearly indicating the direction of opening and shutting the valve.
21. Any accident, fire or explosion within the licensed premises which is attended with loss of life or serious injury to person or property shall be immediately reported to the nearest Judicial Magistrate or to the officer in charge of the nearest police station and by telephone to the Chief Inspector of Explosives.
22. Free access to the licensed premises shall be given at all reasonable times to any of the Inspector of Explosives and every facility shall be afforded to such officer for ascertaining that the rules and the conditions of this license are duly observed.
 - (i) All metal pipes shall be flexible pipes shall be tested once every 6 months by a competent engineer holding license to ascertain fitness and compliance with the requirement of strength laid down above.
 - (ii) (a) A complete and permanent record of such testing shall be maintained in the licensed premises.
 - (b) The date of the last test shall be recorded on the pipes and pipe sections concerned in a distinctive manner.
23. The license shall not deliver from the licensed premises:-
 - (a) Petroleum in bulk to any vessel used in the carriage of petroleum in bulk by water; and
 - (b) Any petroleum in bulk shall be delivered to any vehicle used for the transport of petroleum in bulk by road unless such vehicle is licensed by the Chief Inspector.

FORM 'Q'
[Article 12 of Schedule I]

**LICENSE TO TRANSPORT PETROLEUM PRODUCT IN BULK ON LAND BY
MECHANICALLY PROPELLED VEHICLE**

License No. Fee Rs.

License is hereby granted to to transport petroleum in bulk on land by the vehicle as described below subject to the provisions of the Petroleum Act, 1934, and the rules made there under and to the further conditions of this license.

This license shall remain valid up to the day of 20

Date of issue

Licensing Authority

DESCRIPTION OF VEHICLE

- | | |
|--|-------|
| (a) Make and model | ..... |
| (b) Engine number | ..... |
| (c) Chassis number | ..... |
| (d) Registration number | ..... |
| (e) Name of the registered owner | ..... |
| (f) Name of carriage contractor | ..... |
| (g) Total number of compartments | ..... |
| (h) Capacity of each compartment | ..... |
| (i) Class(es) of petroleum authorized to be carried in the vehicle | ..... |

This license is liable to be cancelled if the licensed premises when inspected are not found conforming to the description and conditions attached hereto and contravention any of the rules and conditions, under which this license is granted, is also punishable with fine which may extend to five hundred rupees for a first offence and which may extend to two thousand rupees for any subsequent offence.

CONDITIONS OF LICENSE

- The license or its authenticated copy shall at all times be kept in the licensed vehicle and produced on demand by an Inspection Officer.

2. Only reasonable persons who are conversant with the conditions of the license shall be employed for driving the licensed vehicle or attending to it.

3. The licensed vehicle shall be constantly attended to by a responsible person and by at least two persons while it is transporting petroleum.

Provided that the licensed vehicle, if its tanks and compartments are empty, be left unattended in a place approved for the purpose, in writing by the Chief Inspector.

4. The licensed vehicle shall at all times carry:—

- (a) A portable fire-extinguisher of capacity not less than 5 litres and suitable for extinguishing oil fires; the extinguisher shall be kept unlocked at an easily accessible position which shall be away from the discharge faucet of the vehicle;

- (b) A separated oil-tight and electrically continuous hose with coupling to match the discharge faucet of the licensed vehicle and the inlet pipe into which the petroleum carried in the vehicle is to be unloaded; and

- (c) A flexible cable for electrical bonding, the cable shall be at least 5 meters long and shall have at each end a suitable clasp or ring.

5. The licensed vehicle shall not be loaded or unloaded except in a place approved for the purpose, in writing, by the Chief Inspector.

Provided that the licensed vehicle may be unloaded at any other place with all due precautions and under adequate supervision if such unloading is necessitated due to an accident or breakdown.

6. Petroleum carried in the licensed vehicle shall not be directly transferred into any container or into the fuel tank of any motor conveyance or an internal combustion engine.

7. The licensed vehicle shall not be loaded if any tank or compartment pipe, valve emergency discharge control or any safety fitting becomes leaky, defective or otherwise insecure until necessary repairs have been carried out satisfactorily and in the event of any leak in the tanks or compartments, until the leak is thoroughly repaired and all the tanks or compartments are tested hydrostatically to a pressure of 0.316 kg/sq.cm. for a duration of not less than one hour and found satisfactory.

8. Before petroleum is loaded into or unloaded from the licensed vehicle;

- (a) its engine shall be stopped and the battery shall be isolated by a proper switch or otherwise;

the conditions of the
Vehicle or attending

to by a responsible
person petroleum

compartments are
for the purpose, in

to own 5 days and
shall be kept
shall be away from

hose with coupling
vehicle and the inst
vehicle is to be

shall be at least 5
pole clamp or clip.

except in a place
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the direct trans-
mission conveyance

or compartment,
any filling become
very vapors have
if any leak in the
ly repaired and all
ly to a pressure of
se hour and found

a licensed vehicle;

it be isolated by a

(b) its wheel shall be secured by brakes or by scotching and in the case
of animal drawn vehicles, animal shall be unhitched and removed,

(c) A reasonable persons shall be in attendance and remain so until
load or from which it is to be unloaded or loaded;

(d) The correct filling or discharge hose shall be selected and
connected by oil tight coupling at both ends; and

(e) A reasonable person shall be in attendance and remain so until
loading or unloading is over and the tanks and compartments have
been sealed.

5. Except when called upon by traffic signals or required by an Inspector
of Explosives or a Sampling Officer, the licensed vehicle shall not stop
on any road, congested area or a place, which is not, a place approved
in writing under these rules for the loading, unloading or stabling of such
vehicle.

10. No smoking and no fire or artificial light or any article capable igniting
inflammable vapor shall be allowed on the licensed vehicle.

11. The licensed vehicle shall not be used for carrying passenger or any
article other than petroleum.

12. The licensed vehicle shall not be allowed to be repaired welding,
soldering, brazing or hot riveting until its tanks, Compartments pipe and
valve have been thoroughly cleaned and examined by a competent
person and certified by him in writing to be free from inflammable vapor
or oil.

13. No alteration in the licensed vehicle or its safety fitting shall be carried
out without the previous sanction in writing of the licensing authority.
Such alteration so sanctioned shall be endorsed on this license by an
amendment.

14. Every facility shall be given at all reasonable times to any Inspector or
Sampling Officer for ascertaining that the rules and the conditions of the
license are duly observed or for drawing samples.

15. Causing loss of human life or serious injury to person or property shall
be immediately reported to the nearest Magistrate or to the Officer-in-
charge of the nearest Police Station and by telegraph/fax or telephone
to the Chief Inspector of Explosives (Telegraphic address, "Explosives,
Rawalpindi").

FORM "R"

[Article 13 of Schedule I]

**LICENCE TO TRANSPORT LIQUEFIED PETROLEUM GAS IN BULK ON
LAND BY MECHANICALLY PROPELLED VEHICLE**

License No. _____ Fee Rs. _____

License is hereby granted to _____ to
transport liquefied petroleum gas by the vehicle as described below subject to the
provisions of the Petroleum Act 1934 the rules made there under and to the
further conditions of this license.

This license will remain valid up to the 31st day of December _____ (year)

Date of issue:

Chief Inspector of Explosives

Approved Plan No. _____ Dated _____

DESCRIPTION OF THE VEHICLE

Make and Model _____ Engine Number _____

Chassis Number _____ Registration Number _____

Name of the registered owner _____

Chemical name of the liquefied petroleum gas to be carried in the vehicle _____

Authorized carrying capacity of the container _____

17

ENDORSEMENT OF RENEWALS

GAS IN BULK ON
VEHICLE.

Date of Renewal	Date of Expiry	Signature and office Stamp of the Licensing Authority

_____ to
 3 below subject to the
 re under and to the

This license is liable to be cancelled if the licensed vehicle is not found conforming to the description of approved plan by Department of Explosives No. _____ dated _____ and conditions attached thereto, and contravention of any of the rules and conditions under which this license is granted and the holder of this license is also punishable with fine which may extend to thirty thousand rupees.

Year _____ (year)

CONDITIONS

Director of Explosives

1. The license or its authenticated copy shall at all times be kept in the licensed vehicle and produced on demand by an Inspector.
2. Only responsible persons who are conversant with the conditions of this license shall be employed for driving the licensed vehicle or attending to it.
3. The licensed vehicle shall be constantly attended to by a responsible person and by at least two persons while it is transporting liquefied petroleum gas.

Provided that the licensed vehicle may, if empty, be kept unattended in a place approved for the purpose, in writing, by the Chief Inspector.

4. The licensed vehicle shall at all times carry -
 - (a) at least two portable fire extinguishers of capacity not less than 9 liters and suitable for extinguishing chemical fire;
 - (b) a strong flexible cable for electrical bonding in case of vehicle used for transportation of flammable liquefied petroleum gas; the cable shall be at least 5 meters long and shall have at each end a suitable clamp or clip.

The Vehicle _____

5. The licensed vehicle shall not be loaded or unloaded except in a place which is approved within the premises licensed for the purpose under the rules by the Chief Inspector.
6. No vehicle shall discharge any liquefied petroleum gas directly into any process vessel in operation or vehicle's fuel tank.
7. The licensed vehicle shall not be loaded if any of the filaments including vessel becomes leaky, defective or otherwise insecure.
8. Before liquefied petroleum gas is loaded into or unloaded from the licensed vehicle -
 - (a) its engine shall be stopped and the battery shall be isolated by a proper switch or otherwise;
 - (b) its wheels shall be secured by brakes or by scotching;
 - (c) its chassis shall be electrically bonded by a cable with the pipe into or from which it is to be loaded or unloaded, in case of vehicle used for transportation of flammable gas;
 - (d) the correct filling or discharge pipe connections are made at both ends;
 - (e) a responsible person shall be in attendance and remain so until loading or unloading is over and the vehicle has been sealed.
9. Except when called upon by traffic signals or required by the licensing authority or any other officer entrusted with the job of enforcing the rules, the licensed vehicle shall not stop on any road, congested area or a place which is not a place situated within the premises licensed under the rules for the loading and unloading of vehicle.
10. No smoking and no fire or artificial light or any article capable of igniting flammable vapors shall be allowed on the licensed vehicle used for the transportation of any flammable gas.
11. The licensed vehicle shall not be used for carrying passengers.
12. The licensed vehicle shall not be allowed to be repaired.

unloaded except in a place
-1 for the purpose under the

Provided that replacement by any of the fittings of the pressure vessel
may be done without involving any hot work.

petroleum gas directly, into any
tank.

13. No alteration in the licensed vehicle or its safety fittings shall be carried
out without previous sanction in writing of the licensing authority. Such
alteration so sanctioned shall be endorsed on the license by an amend-
ment.

ing of the fittings including
insecure.

14. Every facility shall be given of all reasonable times to any inspector for
ascertaining that the rules and the conditions of this license are duly
observed.

into or unloaded from the

there shall be isolated by a

15. Any accident, fire or explosion occurring in the licensed vehicle, which is
attended with loss of human life or serious injury to person or property
shall be immediately reported to the nearest magistrate or to the officer
in-charge of the nearest police station having jurisdiction and by tele-
phone or by fax to the Chief Inspector of Explosives.

by touching.

by a cable with the pipe into
led, in case of vehicle used

16. Liquefied petroleum gas shall not pass through congested or/and busy
city roads as far as possible.

nections are made at both

place and remain so until
pipe has been sealed.

17. The maximum speed limit shall be restricted to 25Kilms.

required by the licensing
job of enforcing the rules,
congested area or a place
as licensed under the rules

18. The word "DANGER" shall conspicuously be written on the back of the
tanker in red color with signs of danger.

article capable of igniting
need vehicle used for the

19. A red flag of adequate size shall be installed on the drivers cab.

ying passengers.

20. A report about satisfactory performance to the tanker along with details of
problems/difficulties faced in the operation, if any shall be furnished to
this office on monthly basis.

is repaired.

FORM 'B'

[Article 14 of Schedule I]

LICENSE TO TRANSPORT COMPRESSED NATURAL GAS IN BULK ON LAND BY MECHANICAL PROPELLED VEHICLE. (COMPRESSED NATURAL GAS STORAGE CYLINDER MOUNTED IN VEHICLE FOR FUELING ARE EXEMPTED).

License No. _____

Fee Rs. _____

License is hereby granted to _____ to transport compressed natural gas by the vehicle as described below subject to the provisions of the Petroleum Act 1934 the rules made there under and to the further conditions of this license.

This license will remain valid up to the 31st day of December _____ (year)

Date of Issue:

Chief Inspector of Explosives

Approved Plan No. _____

Dated _____

DESCRIPTION OF THE VEHICLE

Make and Model _____ Engine Number _____

Chassis Number _____ Registration Number _____

Name of the registered owner _____

Chemical name of the compressed natural gas to be carried in the Vehicle _____

Authorized carrying capacity of the container _____

ENDORSEMENT OF RENEWALS

ALL GAS IN BULK OR
COMPRESSED NATURAL
VEHICLE FOR

Date of Renewal	Date of Expiry	Signature and office Stamp of the Licensing Authority

Rs. _____

_____ to
described below subject to
the terms under and to the

December _____ (year)

Chief Inspector of Explosives

NOTE

Number _____

Number _____

Carried in the Vehicle _____

This license is liable to be cancelled if the licensed vehicle is not found conforming to the description of approved plan by Department of Explosives No. _____ dated _____ and conditions attached thereto, and contravention of any of the rules and conditions under which this license is granted and the holder of this license is also punishable with fine which may extend to thirty thousand rupees.

CONDITIONS

1. The license or its authenticated copy shall at all times be kept in the licensed vehicle and produced on demand by an Inspector.
2. Only responsible persons who are conversant with the conditions of this license shall be employed for driving the licensed vehicle or attending to it.
3. The licensed vehicle shall be constantly attended to by a responsible person and by at least two persons while it is transporting compressed natural gas.

Provided that the licensed vehicle may, if empty, be kept unattended in a place approved for the purpose, in writing, by the Chief Inspector.

4. The licensed vehicle shall at all times carry -
 - (a) at least two portable fire extinguishers of capacity not less than 9 liters and suitable for extinguishing chemical fires;
 - (b) a strong flexible cable for electrical bonding in case of vehicle used for transportation of flammable compressed natural gas; the cable shall be at least 5 meters long and shall have at each end a suitable clamp or clip.

5. The licensed vehicle shall not be loaded or unloaded except in a place which is approved within the premises licensed for the purpose under the rules by the Chief Inspector.
6. No vehicle shall discharge any compressed natural gas directly, into any process vessel in operation or vehicles fuel tank.
7. The licensed vehicle shall not be loaded if any of the fittings including vessel becomes leaky, defective or otherwise insecure.
8. Before compressed natural gas is loaded into or unloaded from the licensed vehicle -
 - (a) its engine shall be stopped and the battery shall be isolated by a proper switch or otherwise;
 - (b) its wheels shall be secured by brakes or by scotching;
 - (c) its chassis shall be electrically bonded by a cable with the pipe into or from which it is to be loaded or unloaded, in case of vehicle used for transportation of flammable gas;
 - (d) the correct filling or discharge pipe connections are made at both ends;
 - (e) a responsible person shall be in attendance and remain so until loading or unloading is over and the vehicle has been sealed.
9. Except when called upon by traffic signals or required by the licensing authority or any other officer entrusted with the job of enforcing the rules, the licensed vehicle shall not stop on any road, congested area or a place which is not a place situated within the premises licensed under the rules for the loading and unloading of vehicle.
10. No smoking and no fire or artificial light or any article capable of igniting flammable vapors shall be allowed on the licensed vehicle used for the transportation of any flammable gas.
11. The licensed vehicle shall not be used for carrying passengers.
12. The licensed vehicle shall not be allowed to be repaired.

Provided that replacement by any of the fittings of the pressure vessel may be done without involving any hot work.

13. No alteration in the licensed vehicle or its safety fittings shall be carried out without previous sanction in writing of the licensing authority. Such alteration so sanctioned shall be endorsed on the license by an amendment.
14. Every facility shall be given at all reasonable times to any Inspector for ascertaining that the rules and the conditions of this license are duly observed.
15. Any accident, fire or explosion occurring in the licensed vehicle, which is attended with loss of human life or serious injury to person or property shall be immediately reported to the nearest magistrate or to the officer-in-charge of the nearest police station having jurisdiction and by telephone or by fax to the Chief Inspector of Explosives.
16. Compressed natural gas shall not pass through congested or/and busy city roads as far as possible.
17. The maximum speed limit shall be restricted to 25KM/hrs.
18. The word "DANGER" shall conspicuously be written on the back of the tanker in red color with signs of danger.
19. A red flag of adequate size shall be installed on the drivers cab.
20. A report about satisfactory performance to the tanker along with details of problems/difficulties faced in their operation, if any shall be furnished to this office on monthly basis", and
- (21) after Schedule-III, the following new Schedule shall be added, namely:

passengers

ad.

ie pressure vessel

"SCHEDULE-IV

[See rule 58 A]

- (i) Shops may be allowed where petrol pumps, compressed natural gas stations and Liquefied Petroleum Gas Automotive fuel stations are located on highways and main roads.
- (ii) The dimensions of plot for petrol pump, compressed natural gas station, liquefied petroleum gas, Automotive fuel station for shop shall meet the all safety distance requirements and isolation distances as mentioned in the relevant rules and regulations.
- (iii) Shop shall be at least 10 meters away from petroleum storage tanks or Liquefied gas storage tanks gas kits and all dispensing units.
- (iv) All other ancillary facilities other than shop shall be at least 5 meter away from petroleum storage tanks or liquefied gas storage tanks, gas kits and all dispensing units.
- (v) Area of shop shall not be more than 15% of total covered area excluding canopy at the petrol pump premises, liquefied petroleum gas fuel stations, compressed natural gas stations. A separate fee of rupees thirty per square feet shall be charged for any additional area of shop.
- (vi) Entrance to shop shall be kept clear at all times.
- (vii) There shall be no opening from adjacent premises to a shop.
- (viii) Shop shall not be opened at any petrol pump, compressed natural gas station, liquefied petroleum gas, Automotive fuel station without prior approval in writing of the Chief Inspector of Explosives.
- (ix) Roof of the shop shall not be used for any other purpose.
- (x) Heaters, burners or any appliance likely to cause spark shall not be used in site a shop, however a micro-wave oven may be used.
- (xi) Seating arrangement for customers shall not be provided inside a shop.
- (xii) Only packed food items, cold drinks, souvenirs and medicines shall be stored. In case of other items permission of the Chief Inspector shall be obtained in writing.
- (xiii) At least two fire extinguishers of 10 Kg. each shall be provided exclusively for shop.
- (xiv) A separate fee per year or part thereof shall be paid for every ancillary facility, as specified below, which is not directly connected with the storage and distribution of petroleum, compressed natural gas, liquefied petroleum gas through dispensers.

**THE REGULATION OF MINES AND OILFIELDS AND MINERAL
DEVELOPMENT
(GOVERNMENT CONTROL) ACT, 1948**

Act No. XXIV of 1948

(8th January, 1949)

An Act to make provision for certain matters connected with the Regulation of Mines and Oilfields and Mineral Development.

WHEREAS it is expedient to make provision for certain matters connected with the Regulation of Mines and Oilfields and Mineral Development under ¹[Government Control];

and whereas it appears to the Central Government to be expedient in the public interest to make such provision to the extent hereinafter appearing;

It is hereby enacted as follows:

1. Short Title, Extent and Commencement

(1) This act may be called the Regulation of Mines and Oilfields and Mineral Development ¹[Government Control] Act, 1948.

(2) ²[It extends to the whole of Pakistan.]

(3) It shall come into force on such date as the Central Government may, by notification in the official Gazette, appoint in this behalf.

2. Power to Make Rules

It is hereby declared to be expedient in the public interest that the ³[appropriate Government] shall have the power to make rules to provide for all or any of the following matters, namely:-

(1) the matter in which, and the authority to whom application for the grant or renewal of an exploration or prospecting licence, a mining lease or other mining concession shall be made, and the prescribing of the fees to be paid on such application;

(2) the conditions in accordance with which the grant or renewal of an exploration or prospecting licence, and mining lease or other mining concession may be made, and the prescribing of forms for the execution or renewal of such licence, lease, and concessions;

¹ Subs. by A.O., 1964, Art. 2 and Sub., for "Federal Control".

² Subs. by the Central Laws (Editorial Reform) Commission, 1960 (21 of 1960), s. 3 and 2nd Sub., for the original sub-section (2) (with effect from the 1st October, 1955).

³ Subs. by A.O., 1964, Art. 2 and Sub., for "Central Government".

(3) the circumstances under which renewal of a licence, lease or concession as aforesaid may be refused, or any such licence, lease or concession whether granted or renewed may be revoked;

(4) the determination of the rates at which, and the conditions subject to which, royalties, rents and taxes shall be paid by licensees, lessees and grantees of mining concessions;

(5) the refinement of ores and mineral oils;

(6) the control of production, storage and distribution of minerals and mineral oils;

(7) the fixation of the prices at which minerals and mineral oils may be bought or sold; and

(8) any matter ancillary or incidental to the matters set out in the foregoing clauses of this section, and the appropriate Government may, by notification in the official Gazette, make rules accordingly.

3. Penalties

In making any rule under the preceding section the ¹[appropriate Government] may direct that any breach of that rule shall be punishable with imprisonment for a term which may extend to three years, or with fine or with both.

²[3A. **Production sharing agreement.** (1) Notwithstanding anything contained in any other law or rules for the time being in force, the President may enter into an agreement with any company, whether incorporated in Pakistan or outside Pakistan, for the grant of a licence or lease to explore, prospect and mine petroleum on the basis of a Production Sharing Agreement and on such terms and conditions as may be agreed upon between the Federal Government and the company.

(2) Notwithstanding anything contained in the Income Tax Ordinance 1979 (XXXI of 1969) a company with which an agreement such as is referred to in sub-section (1) is for the time being in force shall not be liable to pay tax on its income, profits or gains.

3B. **Concessions to petroleum exploration companies.** - (1) Notwithstanding anything contained in any other law for the time being in force, every company, whether incorporated in Pakistan or outside Pakistan, to whom a licence or a lease to explore, prospect and mine petroleum is granted under this Act, not being a company such as is referred to in sub-section (1) of section 3A, shall be entitled to the concessions specified

¹ Subs. By A.O., 1964 Act II and Subs., for "Central Government".

² New sections 3A & 3B inserted by the Act No. LXXXII of 1976, Gazette of Pakistan Extra., Pt. I, P. No. 18, dated January 4, 1977.

in the Schedule in addition to any concessions for the time being admissible to it under any other law or the rules made under this Act.

(2) The Federal Government may, by notification in the official Gazette, amend the Schedule so as to add any concessions thereto or to improve any concession therein]

4. **Effect of Rules etc.**

Inconsistent with other Enactments

Any rule made under this Act, and any order made under any such rule, shall have effect notwithstanding anything inconsistent therewith contained in any enactments or in any instrument having effect by virtue of an enactment other than this act.

5. **Power to Exempt**

The ¹[appropriate Government] may, by notified order, declare that any mineral or mineral oil or any class or description thereof shall be exempt from all or any of the provisions of the rules made under this Act, or that such provisions shall apply thereto with such modification or subject to such conditions as may be specified in the order.

6. **²Definition of appropriate Government**

In this Act, " appropriate Government" means, in relation to mines of nuclear substances, oilfields and gasfields, and development of such substances, mineral oil and gas, the Central Government and, in relation to the other mines and mineral development, the Provincial Government.]

¹ Subs. by A.O., 1964, Art. 2 and Sch. For "Central Government".

² Section 6 added by A.O., 1964, Art. 2 and Sch.

The Petroleum Products (Development Surcharge) Ordinance, 1961

XXV OF 1961

1st JULY, 1961

An Ordinance to provide for the levy and collection of a development surcharge on petroleum products and for matters connected therewith.

WHEREAS it is expedient to provide for the levy and collection of a development surcharge on petroleum products and for matters connected therewith;

NOW, THEREFORE, in pursuance of the Proclamation of the seventh day of October, 1958, and in exercise of all powers enabling him in that behalf, the president is pleased to make and promulgate the following Ordinance:-

1. Short title, extent and commencement. (1) This Ordinance may called the petroleum products (Development Surcharge) Ordinance, 1961.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once, and shall be deemed to have taken effect on the first day of August, 1959.

2. Definitions. In this Ordinance, unless there is anything repugnant in the subject or context,-

(1) "Company" means a company specified in the Second Schedule, [and include a person engaged in the manufacturing, refining or reclaiming of lubricating oil from used lubricating oil]

[1-A) Depot includes the premises set apart for manufacturing, refining or reclaiming of lubricating oil from used lubricating oil in any name]

(2) "Development surcharge" means the surcharge payable under section 3;

[(3) "deferential margin" means the amount by which the fixed sale price exceeds the aggregate of the prescribed price and the inland freight margin, if any;]

[(4) "fixed sale price" means such ex-refinery sale price or, as the case may be, ex-installation, ex-retail outlet or ex-depot sale price, not exceeding the amount shown in the Third Schedule, as the Central Government may, by notification in the official Gazette, declare to be the fixed sale price;]

[(4-A) "inland freight margin" means the amount as determined in accordance with the rules made under section 6 to represent the inland transportation expenses of petroleum products from companies, installation to their retail outlets or depots;]

[(4-B) "installation" means such premises set apart for the storage of petroleum products as the Central Government may, by notification in the official Gazette, declare to be an installation for the purposes of this Ordinances;]

(5) "Petroleum Product" means any petroleum product specified in the First Schedule;

(6) "Prescribed price" means ex-refinery price or, as the case may be, the ex-installation, ex-retail out-let or ex-depot, sale price as determined in accordance with the rules made under section 6; and

[(7) "refinery" means a refinery specified in the Fourth Schedule].

3. Levy of Development Surcharge (1) Subject to the provisions of this Ordinance, every refinery and every company shall pay to the Central Government a development surcharge equal to the differential margin in respect of petroleum products produced or, as the case may be, purchased by it for resale except for export.]

(2) The development surcharge in respect of the period commencing from the first day of August, 1959, and ending on the day this Ordinance is promulgated shall become payable immediately on such promulgation.

(3) Any amount due as development surcharge under subsection (1) or arrears thereof under sub-section (2) and not paid within the time allowed by the Central Government or any officer, authorized by it in that behalf shall be recoverable as arrears of land revenue.

3-A Power to grant exemption from payment, authorise refund and procedure for collection and refund of surcharge. (1) Subject to such conditions, limitations or restrictions as it may think fit to impose, the Central Government may, in such general cases as it may prescribe by rules or in particular cases by special order, exempt a refinery or company from the payment of the development surcharge in respect of all or any of the petroleum products or authorise the refund in whole or in part of the development surcharge paid by a refinery or company.

(2) Subject to any rules made under this Ordinance, the development surcharge shall be collected,—

(a) in respect of imported petroleum products, in the same manner as an imported duty payable under the [Customs Act, (IV of 1969)] is collected; and

(b) in respect of petroleum products produced in Pakistan, in the same manner as a duty of excise leviable under the Central Excises and Salt Act, 1944 (I of 1944), is collected.

(3) The provisions of the Customs Act, 1969 (IV of 1969), or as the case may be, the provisions of the Central Excises and Salt Act, 1944 (I of 1944), shall, so far as may be, apply to the levy, collection and refund of the development surcharge].

4. Maximum sale price. (1) Notwithstanding anything contained in any other law, no company shall sell [ex-refinery, ex-installation, ex-retail outlet or ex-depot] any petroleum product at a price higher than the fixed sale price.

(2) A contravention of sub-section (1) shall be deemed to be a contravention of an order made under section 3 of the [Price Control and Prevention of profiteering and Hoarding Act, 1977]

(XXIX of 1977) Essential Supplies Act, 1957, and all the provisions of that Act shall have effect accordingly.

(3) Nothing in this Ordinance shall be deemed to have or ever to have had the effect of retrospectively creating any offence or of retrospectively enhancing the punishment for any offence provided in any law for the time being in force.

5. Allowance to be made for development surcharge for purposes of income-tax. Notwithstanding anything contained in any other law, the amount of the development surcharge paid by a company under section 3 shall be an expenditure for which allowance is to be made in computing profits or gains under [Section 23 the Income-tax Ordinance 1979 XXX of 1979].

6. Power to make rules (1) The Central Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Ordinance and any such rules may be retrospective from any date not earlier than the first day of August, 1959.

(2) In particular and without prejudice to the generality of the foregoing power such rules may provide,—

(a) for the determination of the [fixed sale price and] prescribed price;

[(aa) for the determination of the inland freight margin.

[(aaa) for the manner of payment and refund of, and exemption from the payment of the development surcharge;]

(b) for any other matter for which there is no provision or no sufficient provision in this Ordinance and for which provision is, in the opinion of the Central Government, necessary in order to give effect to the purposes of this Ordinance.

7. Power to amend Schedules. The Central Government may, from time to time, by notification in the official Gazette, make such amendments and modifications in the Schedules as it thinks fit.

[8. Delegation of powers. - The Central Government may, by notification in the official Gazette, direct that all or any of its powers under this Ordinance or the rules made thereunder shall, in such circumstances and under such conditions, if any, as may be specified in the direction, be exercised also by an officer or authority subordinate to the Central Government].

THE

FIRST SCHEDULE

List of petroleum products
[see section 2(6)]

Nomenclature in common Nomenclature in common use in Pakistan use in internationally by the Oil industry and as S.No. used in platt's Daily Reporting Service.

1. Aviation Spirit 73 On u/1 Avgas Grade 73 clear

2. Aviation Spirit 100/130 ON Avgas Grade 100/130

3. Aviation Spirit 115/145 ON Avgas Grade 115/145

4. Aviation Turbine Fuel Turbine Fuel 1(-56F)

5. Motor Spirit 79 Octane

6. Vaporising Oil Tractor Vaporizing Oil.

7. Superior Kerosene. Kerosene.

8. Inferior Kerosene. No. 2 Fuel

9. High Speed Diesel 48-52 Diesel Index

10. Light Diesel Oil (90% No.2 Fuel, 10%

Bunker "C" Fuel)

11. Furnace Oil. Bunker "C"

[12. Lubricating oil including Base Oils and Lubricating oil reclaimed from used Lubricating oil MVI, HVI, LVI

[13. Asphalt Bitumen Asphalt/Cutback Asphalt]

[14. Jute Batching Oil]

[15. Automotive Gas 100 Oct]

16. Omitted by the S.R.O. 166

(I)/71 dated 22nd May 1971.

17. Motor Gasoline 90 Octane R. Motor Gasoline 90R]

[18. P-4—————]

19. All types of Naphtha/Solvent

THE
SECOND SCHEDULE
List of Companies

1. M/s. Pakistan State Oil Company Ltd.

2. M/s. Caltex Oil (Pakistan) Ltd.

3. M/s. Pakistan Burmah Shell Ltd.

4. Attock Refinery Ltd.

5. Pakistan Peoples Product Corporation, Karachi.

6. M/s. Jamia Industries Ltd. Karachi.
7. Omitted by the Federal Adaptation of Laws Order, 4 of 1975.
8. Omitted by the Federal Adaptation of Laws Order, 4 of 1975.
9. M/s. Pakistan Grease Manufacturing Company Ltd., Karachi.
10. M/s. Technical Oil Manufacturing Company Ltd., Karachi.
11. M/s. Petroleum Industries of Pakistan Ltd., Baldhar Haripur Hazara.
12. M/s. Baluchistan Lubricants Blenders Ltd., Hab Chowki, District Lasbella.
13. M/s. Aremai Petroleum Ltd., Lahore.
14. Omitted by the Federal Adaptation of Laws Order, 4 of 1975.
15. Omitted by the Federal Adaptation of Laws Order, 4 of 1975.
- [16. M/s. Karachi Lubricant, Ibrahim State D-1/Block 7-B, Karachi Corporative Society, Lahore.
17. M/s. Ashrat Lubricant Company Ltd., Chack Jhemra Road near Ghatti Railway Station, Faisalabad.]

THE THIRD SCHEDULE

See section 2(4)

- [1. Aviation Gasoline 110/145 2.53
2. Aviation Gasoline 100/130 2.53
3. H.O.B.C. [2.92]
4. Octane [10.00]
5. Motor Gasoline [2.32]
6. Jp - 1 2.31
7. S. D. 1.43
8. D.O. 1.43
9. Kerosene Superior 1.43
10. Lubricating Oil including Base Oil and 15.00
- Lubricating Oil reclaimed from used Lubricating Oil.

11. Furnace Oil [800.00]

Rs. Per litre

12. Base Oil [4500.00]

Rs. Per metric ton.

13. Asphalt (exclusive of the cost of drums). [1200.00]

Rs. Per litre

14. JP-4 4.80]

THE

FOURTH SCHEDULE

List of refineries

[See section 2(7)]

1. Attock Oil Refinery, Rawalpindi

2. Pakistan Refinery Ltd., Karachi

3. National Refinery Ltd., Karachi

4. Eastern Refinery Ltd., Chittagong.]

**The Petroleum Products[Petroleum Levy] Ordinance,
1961.**

ORDINANCE No. XXV of 1961

[1st July, 1961]

An Ordinance to provide for the levy and collection of a [Petroleum Levy] on petroleum products and for matters connected therewith.

WHEREAS it is expedient to provide for the levy and collection of a [Petroleum Levy] on petroleum products and for matters connected therewith.

NOW, THEREFORE, in pursuance of the Proclamation of the seventh day of October, 1958, and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:-

1.- **Short Title, extent and Commencement.**-(1) This Ordinance may be called the Petroleum Products [Petroleum Levy] Ordinance, 1961.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once, and shall be deemed to have taken effect on the first day of August, 1959.

2.- **Definitions.** In this Ordinance, unless there is anything repugnant in the subject or context,-

(1) "Company" means a company specified in the Second Schedule [and includes a person engaged in the manufacturing, refining, or reclaiming of lubricating oil from used lubricating oil];

1. Subs by Act XVI of 2010, s.2 (w.e.f. 01.07.10)

2. Added by Petroleum products (Development Surcharges) (Amendment) Ordinance, 1964 (11 of 1964), s-2

1[(1A) "Depot" includes the premises set apart for manufacturing, refining or reclaiming lubricating oil from used lubricating oil in any manner;]

2[(4) "fixed sale price" means such ex-refinery sale price or, as the case may be, ex-installation, ex-retail outlet or ex-depot sale price as-

- 3(a) the Federal Government, by notification in the official Gazette; or
- 4(b) accompany specified in the Second Schedule and authorized by the Federal Government, in respect of any petroleum product specified in the First Schedule, through electronic and press media, may declare to be fixed sale price;]

5[(4A) "inland freight margin" means the amount as determined in accordance with the rules made under section 6 to represent the inland transportation expenses of petroleum products from companies' installation to their retail outlets or depots;]

6[(4B) "installation" means such premises set apart for the storage of petroleum products as the [Federal Government] may, by notification in the official Gazette declare to be an installation for the purposes of this Ordinance;]

7[(4Ba) "[Petroleum Levy]" means the levy payable under section 3;]

8[(4C) "licensee" means the licensee defined in the Compressed Natural Gas (Production and Marketing) Rules, 1992, or the Liquefied Petroleum Gas (Production and Distribution) Rules, 2001, as the case may be, and as specified by rules made under section 6;]

9(5) "Petroleum Products" means any petroleum product specified in the First Schedule; and includes Compressed Natural Gas and Liquefied Petroleum Gas]

10(6) "Prescribed Price" means the [ex-refinery price or as the case may be, ex-installation, ex-retail outlet or ex-depot sale price] as determined in accordance with the rule made under section 6 [; and] is

111[(7) "Refinery" means a refinery specified in the Fourth Schedule]

1. Ins. by Oil Petroleum Products (Development Schemes) (Amend.) Ordinance, 1984 (14 of 1984), s.2.
2. Ins by Ord. 25 of 2001, s-3.
3. Ins. and shall be deemed to have been so ins. on the first day of July 1966, by. Or. 22 of 1973, s-2
4. Subs by F.A.O. 1973, Art.2 and Table, for "Central Government".
5. Omitted and Added by Act 1 of 09, s-7 (w.e.f 01.07.09)
6. Subs by Act XVI of 10, s2(w.e.f 01.07.10)
7. Ins by Act 1 of 08, s-2 (w.e.f 01.07.08)
8. The word "and" omitted and shall be deemed always to have been so omitted Ord. 22 of 1973 s-2
9. Subs. and shall be deemed always to have been so subs. Insd., for "ex-installation Price."
10. Subs Insd., for "fixed cap"
11. Added and shall be deemed always to have been so added, that.

3. (Petroleum Levy)

1[(1) Every company, refinery and licensee shall pay to the Federal Government, a petroleum levy on petroleum products at such rate as may be notified by the Federal Government in the official Gazette, from time to time.]

2[(2) Nothing in sub-section (1) shall apply to a petroleum product produced by a refinery or, as the case may be, purchased by a company, for export.

(3) Any amount due and payable under sub-section (1) or arrears thereof under sub-section (2) and not paid within the time allowed by the Federal Government, or any officer authorised by it in this behalf, shall be recoverable as an arrear of land revenue.]

3 [3A.- Powers to grant exemption from payment authorize refund and procedure for collection and refund of Petroleum Levy. (1) Subject to such conditions, limitations or restrictions as it may think fit to impose, the 4[Federal Government] may, in such general cases as it may prescribe by rules or in particular cases by special order, exempt a refinery, licensee or company from the payment of the 5[Petroleum Levy] in respect of all or any of the petroleum products or authorize the refund in whole or in part of the 6[Petroleum Levy] paid by a refinery or company.

(2) Subject to any rules made under this Ordinance, the 7[Petroleum Levy] shall be collected,-

(a) In respect of imported petroleum products, in the same manner as an imported duty payable under the 8[Customs Act, 1969], is collected; and

9[1-of-1944]

(b) In respect of petroleum products produced in Pakistan, in the same manner as a duty of excise leviable under the 10[Federal Excise Act, 2005] is collected.

11[IV of 19691-of-1944];

12[(3) The provisions of the Customs Act, 1969, or, as the case may be, the provisions of the 13[Federal Excise Act, 2005] shall, so far as may be, apply to the levy, collection and refund of the 14[Petroleum Levy].

1. Amended in Act, XXXI of 2011 (Dated 15.12.2011)

2. Subs. By Ordinance, 23 of 2001 s.3.

3. Ins. & shall be deemed to have been so ins., on the first day of January 1968, by Ord.22 of 1975 s.4.

4. Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government".

5. Subs. By the Federal Law (Revision & Declaration)-Ord. 1581 (27 of 1981); s.3 and Sch.II for "Tariff Act, 1934 (32 of 1934)".

6. Subs. Ibid., for sub-section (3).

7. Omitted Insd by Act, VI of 2008 S-2.

4. Maximum sale price.—(1) Notwithstanding anything contained in any other law, no company shall sell :[ex-refinery, ex-installation, ex-retail outlet or ex-depot] any petroleum product at a price higher than the fixed sale price.

(2) A contravention of sub-section (1) shall be deemed to be a contravention of an order made under section 3 of the :[Price Control and Prevention of Profiteering and Hoarding Act, 1977 (XXIX of 1977), Essential Supplies Act, 1957, and all the provisions of that Act shall have effect accordingly.

(3) Nothing in this Ordinance shall be deemed to have or ever to have had the effect of retrospectively creating any offence or of retrospectively enhancing the punishment for any offence provided in any law for the time being in force.

5. - Allowance to be made for aPetroleum Levy] for purposes of income tax. Notwithstanding anything contained in any other law, the amount of the a[Petroleum levy] paid by a company under section 3 shall be an expenditure for which allowance is to be made in computing profits or gains under a[Income Tax Ordinance, 2001 (XLIX of 2001)]

6. - Power to make rules. (1) The a[Federal Government] may, by notification in the official Gazette, make rules : a for carrying out the purposes of this Ordinance and any such rules may be retrospective from any date earlier a[than] the first day of August, 1959.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide.

(a) for the determination of the a[fixed sale price and] prescribed price;

a[(aa) for the determination of the inland freight margin;]

a[(aaa) for the manner of payment and refund of, and exemption from the payment of, the a[Petroleum Levy].

-
1. Subs. and shall be deemed always to have been so subs. By the Petroleum Products (Development Surcharge) (Amend.) ord, 1971, (22 of 1971) a-5 for "ex-installation".
 2. Subs. By the Federal Laws Revision and Declaration Ordinance, 1981 (27 of 1981) a.3 and Sch., II for "Essential Supplies Act, 1957 (3 of 1957)".
 3. Subs. by Act, XVI of 2009, S.2 (w.e.f. 01.07.2010).
 4. Subs. by F.A.O. 1973 Art. and Table for "Central Government".
 5. For the Petroleum Products (Development surcharge) Rules, 1961 see Gaz. of P. 1961 Est pp.1059-1074.
 6. Sic. Should read "then".
 7. Ins. and shall be deemed always to have been subs. By the Petroleum Products Development Surcharge Ordinance, (22 of 1971), a-6.
 8. Cl. (aa) Ins. and shall be deemed to have been so ins. on the first day of July, 1966, *ibid.*
 9. Cl. (aaa) Ins. And shall be deemed to have been so ins. on the first day of January, 1968, *ibid.*

(h) for any other matter for which there is no provision or no sufficient provision in this Ordinance and for which provision is, in the opinion of the [Federal Government], necessary in order to give effect to the purposes of this Ordinance.

7.-Powers to amend Schedules.-3[Except for the Fifth Schedule, the] 1[Federal Government] may, from time to time, by notification in the official Gazette, make such amendments and modifications in the Schedules as it thinks fit.

8.-Delegation of Powers.-The 1[Federal Government] may, by notification in the official Gazette, direct that all or any of its powers under this Ordinance or the rules made there under shall, in such circumstances and under such conditions, if any, as may be specified in the direction, be exercised also by an officer or authority subordinate to the 1[Federal Government].

9.-Validation.-Notwithstanding anything contained in any law, rules or judgment of a court, the petroleum development levy levied and collected from a company during the period from 1st day of March, 2010, to the 30th June, 2010, shall be deemed to have been validly and lawfully levied and collected and shall not be refunded. So much of such levy as has not been paid, collected or realized during the said period shall be recoverable in accordance with the provisions of this Ordinance and the rules made there under.)

THE FIRST SCHEDULE List of Petroleum Products [See section 2(6)]

S.No.	Nomenclature in common use in Pakistan	Nomenclature in common use internationally by the Oil Industry and as used in Platt's Daily Reporting Service.
1.	Aviation Spirit 73 On w/l.	Avgas Grade 73 clear.
2.	Aviation Spirit 100/130 ON.	Avgas Grade 100/130.
3.	Aviation Spirit 115/145 ON.	Avgas Grade 115/145.
4.	Aviation Turbine Fuel	Turbine Fuel 1 (-56F)
5.	Motor Spirit	79 Octane.
6.	Vaporizing Oil	Tractor Vaporizing Oil.
7.	Superior Kerosine	Kerosine.
8.	Inferior Kerosine	No.2 Fuel.
9.	High Speed Diesel	48/ 32 Diesel Index.
10.	Light Diesel Oil	(90 % No.2 Fuel, 10% Bunker "C" Fuel)
11.	Furnace Oil	Bunker "C"

1. Subs. by F.A.O., 1975 Art. I and Table for "Central Government".
2. Subs. by Act I of 09 s. 7 (w.e.f. 01-07-2009)
3. Added by the Petroleum Products (Development Surcharge) (Amk.) Ord. 1971 (22 of 1971), s.7.
4. Subs. by Act XVI of 2010, S.2 (w.e.f. 01-07-2010)
5. Omitted by SRO 450 (I)/2008, dt. 01-07-2008.

THE FOURTH SCHEDULE

List of refineries

[See section 2(7)]

- (1. Attock Refinery Ltd., Rawalpindi.
2. Pakistan Refinery Ltd., Karachi.
3. National Refinery Ltd., Karachi.]
4. Dhodak Refinery]
5. Pak Arab Refinery Ltd. Mazzaffargarh.]
6. Deccan Pakistan Ltd.]

(THE FIFTH SCHEDULE

Rates of Petroleum Levy

[See section 2(1) and 7]

S.NO.	Petroleum Products	Unit	Maximum Petroleum Levy Rate (Rupees per unit)
(1)	(2)	(3)	(4)
1.	High Speed Diesel Oil (HSDO)	Litre	30
2.	Motor Gasoline 87 RON	Litre	30
3.	SKO	Litre	30
4.	Light Diesel Oil (LDO)	Litre	30
5.	HOBK	Litre	30
6.	E-10 Gasoline	Litre	30
7.	Liquefied Petroleum Gas (Produced/ extracted in Pakistan)	Metric Ton	20,000]

* Third Schedule inserted by Ord. 27 of 1962, s-3.

1. Subs by S.R.O 895/78, dt. 27th Jan 1978, see Gaz. of P., 1978, Pt-II, p-244, for the entries under the heading "List of Refineries" which were previously amended by various S.R.O's from time to time.

2. Added by S.R.O 365/74, dt. 14-9-74.

3. Added by S.R.O 637/1/2000, dt. 09-09-2000.

4. Added by S.R.O 477/1/2002, dt. 26-07-2002

5. Subs by Act XXV of 2010, s.2 (w.e.f. 01-07-2010).

6. Ins. By Act XXII of 2011, s.2 (w.e.f. 15-12-2011)

7. Subs by Act XXVI of 2012, s.2 (w.e.f. 01.7.2012)

8. PL rates revised in Finance Bill 2018

[LPG]

[Lique]

The Petroleum Products (Petroleum Levy) Rules,

1967

GOVERNMENT OF PAKISTAN MINISTRY OF PETROLEUM AND NATURAL RESOURCES

Islamabad, the 29th March, 1967

NOTIFICATION

S.R.O. 39(R)/67:- In exercise of the powers conferred by Section 6 of the Petroleum Products (Petroleum Levy) Ordinance, 1961, and in supersession of the Petroleum Products (Petroleum Levy) Rules, 1967 the Central Government is pleased to make the following rules, namely:-

1. **Short title.** - (i) These Rules may be called the Petroleum Products (Petroleum Levy) Rules, 1967.

(ii) They shall come into force from the 1st day of April, 1967.

2. **Definitions.** - In these Rules, unless there is anything repugnant in the subject or context,

(1) "Director" means the Director Oil Operations or any officer or authority authorized by the Federal Government to exercise the powers and perform the functions of the Director under these rules.

(2) "Gallon" means "Imperial Gallon".

(3) "Ordinance" means the Petroleum Products (Petroleum Levy) Ordinance, 1961.

(4) "Schedule" means a Schedule appended to these Rules.

(5) "Ton" means "Long Ton of 2240 lbs".

3. **Prescribed price for oil distribution companies.** - In relation to oil companies other than refineries the prescribed price of a petroleum product specified in the Schedule shall be determined by the Director. After taking into account namely:-

(a) Cost and freight of the products on the basis of authorized ⁽ⁱ⁾imports, or, in the case of petroleum products produced in the country, F.O.B. Cost.

(b) Explanation 1- To convert dollar value to rupees, the applicable exchange rate as notified by the State Bank of Pakistan shall be adopted.

* Substituted vide PL-3(23)75 dated 24.9.1979.

(i) Inserted by Notification SRO. NO. 487(I)/83 dated 16.5.1983.

Explanation II - in order to convert the quantitative units to tonnes or liters, the following conversion factors will be used, namely:-

Product	Sp Gravity at 60°F	Density Factor at 85°F	Converting Factor Lit/M.Ton at 60°F	Converting Lit/M.Ton at 85°F
Regular Gasoline	0.72	0.7078	1391.4	1415.1
HOBC	0.76	0.7486	1318.2	1337.1
Kerosene	0.80	0.7895	1252.3	1268.4
HSD	0.8476	0.8380	1181.4	1194.9
JP-1	0.79	0.7792	1268.2	1283.2
JP-4	0.77	0.7586	1301.3	1320.1
LDO	0.88	0.8701	1138.4	1156.8

S No	Product	Refinery	Specific Gravity at 60°F	Mean Density at 85°F	Conversion Factor at 60°F Liter/M.Ton	Conversion factor at 85°F Liter/M.Ton
(1)	(2)	(3)	(4)	(5)	(6)	(7)
8.	JP-8	NRL PRL ENAR	0.7867	0.77584	1271.67	1288.89
9.	JP-8	ARL	0.8024	0.79150	1247.51	1263.42

- (b) Marine Insurance - Marine Insurance (which, during the continuance of a state of war or emergency declared by the Central Government, shall include war risk insurance) shall be at the actual rates payable for each petroleum product.
- (c) Ocean Losses - Ocean Losses shall be valued at the current C&F value of the relative products and calculated as an incidence but not exceeding the percentages on C&F given in the table below:-

Products	Percentage on C&F
Motor Spirit	0.33
Kerosene Superior	0.25
Kerosene Inferior	0.25
Aviation Gasoline 100)	0.54
Aviation Gasoline 108)	
Aviation Gasoline 115)	
Aviation Gasoline clear T3)	
Aviation Turbine Fuel	0.25
High Speed Diesel Oil	0.31
Power Kerosene / Vaporizing Oil	0.25
Light Diesel Oil	0.44
¹ Automotive Gasoline 100 Octane]	² [0.54]

- (d) Statutory charges - Statutory charges being all duties, taxes, users, Charges and any other charges levied by Government, Corporations, Municipalities, port authorities and other statutory Bodies in Pakistan in respect of each petroleum products, provided that taxes, levies or other charges on net earnings and profits of an oil distribution company shall not be included.
- (e) Distribution margin - A charge to be determined by the Director, having regard to the circumstances and experience of one or more companies, to cover depreciation and interest on the fixed assets (other than assets used for the transportation of petroleum products) and other expenses and remuneration of the Companies.
- (f) Expenses incurred by a company on the inland transportation of petroleum products through pipeline or otherwise, subject to the provisions of Rule 6.
- (g) DEALER'S COMMISSION-- Dealer's Commission on Motor Gasoline, Automotive Gasoline 100 Octane (High Octane Blending Component) and High Speed Diesel Oil at the rates approved by the Central Government.

4. **Variation in the elements of prescribed price.** – Variation in the elements of prescribed price shall be reflected in the prescribed price from the first of the month following the date of each variation except for variations in respect of statutory charges which shall have immediate effect.

5. **Excess of depreciation and interest.** – The Central Government if it is satisfied on the basis of the report of the auditors of an Oil company / and the documents showing the original costs of the fixed assets of that company that such fixed assets had been acquired at comparatively higher costs, may allow that company an increase in the distribution margin to cover higher depreciation value and interest charges.

6. **Inland Transportation Expenses.** – (1) Expenses on inland transportation incurred by any company in any calendar month on the distribution of aviation gasoline 100 Octane (automotive), motor gasoline, superior and inferior Kerosene, high speed diesel oil, light diesel oil [Ⓔ] by rail road or pipeline and [Ⓕ] furnace oil shall be adjusted from month to month against the portion of the fixed sale price declared by the Director to represent inland freight equalization margin and the Director shall time to time fix the freight charges for transportation of the petroleum products through pipeline.

“(2) Expenses on inland transport may include depreciation on company owned vehicles and equipment at the rates applied in the assessment of income tax and interest at 6% on the written down value thereof at the end of the year, except where rebate on such vehicle allowed by the Railways is retained by a company” shall be added.

Provided that the following shall not be included in computing inland transportation expenses.

- (i) Expenses for the transportations of petroleum products from any place of storage not recognized by the director to be an installation, and within main port city limits except in the case, of deliveries by railways wagons or to companies motor gasoline / high speed diesel oil pumps.
- (ii) Demurrage.
- (iii) Expenses incurred on transportation by road where railway wagons and pipeline having capacity for the transfer of the product were available and could be utilized.
- (iv) expenses incurred on transportation of petroleum products by pipeline in excess of the rates approved by the Federal Government and expenses incurred on transportation of petroleum products lost in transit
- (v) Expenses incurred on transportation of petroleum products lost in transit

(3) Each company shall maintain adequate records or receipts and expenses relating to freight which shall be audited by the auditors and shall submit to the Central Government half yearly a certificate from its auditors that the information contained in the records is correct and true and that the amount due to the Government has been correctly calculated in accordance with the rules and has been deposited into Government account. In addition each company shall render a monthly return showing quantities of products sold, freight charges recovered, freight expenses incurred (separately by rail and road) and the amounts payable to Government.

“(4) Notwithstanding anything contained in sub-rule (3), the Central Government may, whenever it so thinks fit, appoint auditors to audit the accounts maintained by a company in respect of receipts and expenses of such audit shall be borne by the company.

ⒺⒺⒺ Substituted by Notification No PL-3(23)/68 of 12.7.1971

* Inserted by Notification No PL-3(20)/68 of 28.6.1969

Ⓕ Inserted by Notification No SRO-1368 of 1.1.1968

Ⓔ Substituted by Notification No. PL-3(23)/75 dated 1.7.1979.

ⒺⒺ Substituted by NR Division's Notification No. PL-Q(6)/67 of 6.7.67.

ⒺⒺⒺ Substituted by Notification No. PL-3(23)/68, of 12.7.1971.

(5) The director may prescribe separate inland freight equalization margin in respect of each province or different areas of a respect of each province or such area, and no adjustment shall be made between the receipts and expenses of the different provinces or areas, relating to freight equalization.

7. **Prescribed price for refineries.** – The proscribed price of the petroleum products refined by refineries in Pakistan shall be determined by the Director having regard to the common elements included in the prescribed price of the imported petroleum products and the special circumstances of each refinery and such adjustment as the Central Government may from time to time, direct.

8. **Payment of Development Surcharge.** – The development surcharge shall be paid and deposited or be refunded in like manner and with or by like authorities as any duty of excise or the duty of customs is paid and deposited or is refunded.

SCHEDULE

Nomenclature in common use in Pakistan	Nomenclature in common use Internationally by the oil industry and as used in Platts Daily Reporting Service.
Aviation Gasoline 115/145	Avgas Grade 115/145
Aviation Gasoline 73 ON w/1	Avgas Grade 73 clear
Aviation Turbine Fuel No. 1.	Turbine Fuel 1 (56F)
Motor Gasoline	79 Octane
Superior Kerosene.	Kerosene
Inferior Kerosene.	No. 2 Fuel
Light Diesel Oil	(90% No. 2 Fuel 10% Bunker "C" Fuel)
High Speed Diesel	48/52 Diesel Index.
Vaporizing Oil	Tractor – Vaporising Oil.
'x'x' Automotive Gasoline 100 Octane.	Automotive Gasoline 100 Octane
@ Lubricating Oils including base oils and lubricating oils reclaimed from used lubricating oils.	MVI, HVI, LVI
¹ Naptha/Solvent Oil	Naptha
² Methyl Tartary Butyl Ether]	(MTBE)

% Inserted and added vide PL-3(128)/76 of 31.12.1968.

@ Inserted by Notification No. PL-3(23)/81 dated 28.7.1981

PAKISTAN PETROLEUM
(REFINING, BLENDING
AND MARKETING)
RULES, 1971

(updated upto 13th March 2006)

MINISTRY OF PETROLEUM
AND NATURAL RESOURCES
GOVERNMENT OF PAKISTAN
ISLAMABAD

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**GOVERNMENT OF PAKISTAN
MINISTRY OF PETROLEUM AND NATURAL RESOURCES**

NOTIFICATION

Islamabad, the 30th September 1971

No.PL-12(2)/71. In exercise of the powers conferred by section 2 of the Regulation of Mines and Oil-Fields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948), read with section 3 thereof, the (Federal Government) is pleased to make the following rules:-

PART I

GENERAL

1. **Short title and commencement.**-(1) These rules may be called the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971.

(2) They shall come into force at once.

2. **Definitions.**- In these rules, unless there is anything Repugnant in the subject or context, -

(a) "AGENT OR DEALER" means a person appointed by a marketing company engaged in the sale, distribution or marketing of petroleum products at the dispensing outlets or filling stations belonging to, or installed or rented out to him by the company;

(b) "AUTHORITY" in relation to, Substituted

(i) rules 7,8,9,10,11,11A,13,20,22,30,30A,30B,31,33A,39 and 43C means the Director General Oil;

(ii) rules 16,16B,17,18,26,27,28,33,35,36,38,40,41,41A and 43 means the Oil and Gas Regulatory Authority; and

(iii) rules 14,24,32,34 and 42 means both Director General Oil and the Oil and Gas Regulatory Authority.

(c) "BLENDING PLANT" means a lubricants blending facility wherein processing, manufacturing or blending is carried on with lubricating oil of the same or different kinds with or without any additives, towards, the completion of a finished product and includes a (brake fluid plant and) grease plant;

(d) "CRUDE OIL" means a mineral oil of petroleum origin, consisting mainly of hydrocarbons;

(e) "FORM" means form set out in Schedule-I;

- (f) "MARKETING COMPANY" means a person other than a blending plant (reclamation plant) or refinery engaged in purchasing or obtaining petroleum products from local refineries or blending plants (or reclamation plants) or through sources abroad for selling, distributing or marketing with the approval of the Authority, directly through his agents or dealers at his dispensing outlets or filling stations;
- (ff) "OGRA" means the Oil and Gas Regulatory Authority established under section 3 of the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002);
- (g) "PERSON" includes any corporation, joint stock company, partnership, association, business trust, organized group of persons whether incorporated or not and the receiver or trustee of any of them;
- (h) "PETROLEUM PRODUCT" means any of the products specified in Schedule - II;
- (hh) "RECLAMATION PLANT" means a reclamation facility wherein reclamation, refining or processing of used lubricating oils (or white oils,) is carried on by any method whatsoever towards the completion of lubricating oil base stock;
- (i) "REFINERY" means a facility wherein refining of crude oil is carried on towards the completion of all types of petroleum products and includes all other ancillary facilities and equipment required for this purpose;
- (j) "WHITE OIL PRODUCTION PLANT" means a facility wherein processing, manufacture or blending is carried on towards the completion of finished white oils.

PART II

REFINING

- | | | |
|----|--|---------|
| 3. | Permission compulsory.- | Omitted |
| 4. | Application for permission.- | Omitted |
| 5. | Authority may grant or refuse permission.- | Omitted |
| 6. | Conditions of permission.- | Omitted |

7. **Submission of production program to authority.-** Every refinery shall not less than one month before the commencement of the first or second half of its financial year, submit to the Authority for its approval the program of production which it proposes to follow in that half year having due regard to the economic interests of the country and its own ability to meet the demands of the market as economically as possible.

8. **Approval of production program.**- The Authority may approve a program of production submitted under rule 7 subject to such modifications, if any, as it may indicate in its order of approval:

Provided that no such modification shall be made without giving the refinery submitting the program, an opportunity of being heard.

9. **Approval necessary for change in production program.**- Every refinery shall carry on its production in accordance with the program of production approved under rule 8 and shall not make any change in, or departure from, the program except with the prior approval in writing of the Authority.

10. **Power to require processing of crude oil.**- (1) The Authority may, by order in writing, require a refinery to process crude oil or feed stock produced in Pakistan or so much of crude oil or feedstocks produced in Pakistan or so much of crude oil produced from concessions abroad in which the Federal Government or an assignee of the Federal Government has acquired proprietary rights as represents that Government's or assignee's share.

(2) While requiring, under sub-rule (1) a refinery to process any crude oil or feedstocks, the Authority shall have due regard to the financial viability or profitability of the refinery its capacity and any existing commitments entered into by the refinery with the approval of the Authority.

(3) No agreement relating to supply,

Omitted

11. **Authority to approve specifications of products.**- Every refinery shall submit to the Authority for its approval the specification of every product it proposes to produce and shall not produce a product the specification of which has not been approved by the Authority.

11A. **Authority to approve specifications of imported petroleum products.**- No authorized importer shall import petroleum products other than the specifications approved and notified by the Authority from time to time.

12. **Permission necessary for refinery to sell.**

Omitted

13. **Authority to specify minimum crude oil stocks.**- Every refinery shall maintain such minimum stocks of crude oil as the Authority may, having due regard to the storage capacity and finances of each individual refinery, by order in writing, require from time to time.

14. **Refinery to submit information.**- Every refinery shall submit to the Authority or an officer specified by it the information required in Form-II (together with any other information, if any, which may be required by the Authority or the officer so specified) not later than the date indicated in that form.

15. **Revocation or amendment of permission.**

Omitted

PART III

BLENDING (AND RECLAMATION)

16. **Registration compulsory.**- Substituted
No blending plant, greases plant, reclamation plant or white oils production plant shall operate unless it is registered with the Authority i.e. OGRA.

16A. **Sale, purchase or storage of used lubricating oil.**- Substituted
No person shall sell, purchase or store used lubricating oil except for supply to a registered reclamation plant or its authorized collection agent.

16B. **Compulsory registration for person importing lubricant greases and white oil.** - No person importing Lube base oil lubricating oil greases white oil shall sell these products unless he is registered with the authority.

16C. **Minimum requirement.**- No blending plant, grease plant or reclamation plant shall be established unless it meets the requirement specified in Forms 1-B and

16D. **Setting up of Vacuum Distillation Units.**- (1) All the existing Reclamation plants approved by, or registered with, the Ministry of Petroleum and Natural Resources shall set up Vacuum Distillation Units within one year from such date as the Federal Government may, by order in writing, specify.

(2) Where a reclamation plant fails to comply with the directions issued under sub-rule (1) the Federal Government may, after giving it an opportunity of being heard, cancel its registration.

17. **Application for registration.**- Substituted
An application for registration of a blending plant, grease plant, reclamation plant or white oils production plant shall be made to the Authority in Form 1-A.

18. **Approval of registration.**- Substituted
Where, after consideration of application made under rule 17 and making such inquiry as the Authority may deem fit, the Authority is satisfied that the sponsor of a blending plant, grease plant, reclamation plant or white oils production plant is financially sound, possesses the requisite facilities and expertise for production, testing and quality control, it may register such plant.

19. **Conditions of permission.**- Omitted

20. **Submission of production plans.**- Substituted
Every blending plant, grease plant, reclamation plant and white oils production plant shall submit its bi-annual production plans including any change or alteration in such plans, to the Authority.

21. Authority may specify [lubricating] oils for blending plants and reclamation plants.- Omitted

21A. Sale of lubricating oil base stock prohibited.- Omitted

22. Authority to lay down products specifications.- Substituted
The Authority shall lay down minimum specifications of finished lubricating oil to be produced by a blending, grease, plant, reclamation and white oils production plant.

23. Authority to specify minimum stocks of base oils and products.- Omitted

24. Blending plant (and reclamation plant) to submit information.- Every blending plant (and reclamation plant) shall submit to the Authority or an officer specified by it the information required in Form-III (together with any other information, if any, which may be required by the Authority or by the officer so specified) not later than the date indicated in that form.

25. Revocation or amendment of permission.- Omitted

PART IV

MARKETING

26. Permission compulsory.- Substituted
No person shall set up a marketing company except with the prior permission in writing of the Authority.

27. Application for permission.- (1) An application for permission to set up (or to continue to function) a marketing company shall be in triplicate and shall be accompanied by a feasibility report containing the information required in Form-1 and a treasury challan for two thousand rupees deposited in a Government Treasury under the Head of Account (1263-Fuel and Power Fee for Petroleum Products) which shall in no case be refunded.

(2) Omitted

(3) Application made under sub-rule (1) Substituted
Application made under sub-rule (1) shall be examined in the light of petroleum policy parameters adopted by the Authority from time to time.

(4) Omitted

(5) Omitted

28. **Authority may grant or refuse permission.-** (1) The authority may grant the permission asked for if it is satisfied that the applicant has past experience and adequate finances or can make financial arrangements to the satisfaction of the Authority: "Provided that the Authority may, in the public interest, refuse to grant such permission," and

"(1A) In case of refusal under the proviso to sub-rule (1) to grant the permission asked for an appeal shall lie against the decision of the Authority to the Federal Government".

(2) No person shall, except with the prior permission of the Authority in writing, make any major alteration in, addition to, or extension of, the marketing company as approved by the Authority.

29. **Conditions of permission.-** A permission granted under rule 28 shall be subject to such conditions, if any, as may be specified therein and may, having due regard to the marketing requirements and financial interests of a marketing company, specify the area of region to which the company should confine its business.

30. **Authority to approve agreements.-** No agreement relating to the supply, purchase, sale, storage or export of any imported petroleum products shall be entered into by any person without the prior approval in writing of the Authority.

30-A. **Authority to specify minimum stocks of petroleum products.-** Every marketing company shall maintain such minimum stocks of petroleum products as the Authority may, having due regard to storage capacity and the finances of such individual marketing company, by order in writing, require from time to time.

30B. **Conditions for import of petroleum products.-** Where the production of petroleum products by the local refineries is found insufficient, the Authority may, subject to such condition as it may impose from time to time, a marketing company may import such products.

31. **Authority may prohibit the sale or disposal of any product.-** If the Authority is of opinion that, for preventing the unauthorized export of petroleum products from Pakistan, it is necessary so to do, the Authority may, by an order in writing, prohibit the sale or disposal otherwise of any petroleum product in any area specified in the order except in such form and manner and to such person as may be so specified.

32. **Marketing company to submit information.-** Every marketing company shall submit to the Authority or an officer specified by it the information required in Form-V (together with any other information, if any, which may be required by the Authority or the officer so specified) not later than the date indicated in that form.

33. **Revocation or amendment of permission.-** Substituted

(1) Where the Authority under these rules is the OGRA, the OGRA may, if in its opinion the public interest so requires, or if the OGRA receives a reference against any person under rule 33A from the Director General Oil in respect of the rules where the Director General Oil is the Authority, revoke a permission;

(2) Where, in the opinion of the Authority, the public interest so requires, the Authority may, instead of revoking a permission under sub-rule (1), permit it to remain in force in relation to the whole or any part of Pakistan with such alterations or amendments in the terms and conditions of the permission as it thinks fit to make, or upon such new terms and conditions as it may impose.

(3) In case of revocation of permission or alterations or amendments in the terms and conditions thereof an appeal shall lie from the decision of the Authority to the Federal Government.

33A. Remedial action.- The Director General Oil, where it is the Authority in respect of these rules, may, in respect of any person who, in the opinion of the Authority and in respect of the said rules:-

- (a) makes wilful and unreasonably prolonged default in doing anything required of him and has been informed in writing to that effect by the Authority;
- (b) violates any of the terms or conditions of the rules and is so informed in writing and does not rectify the violation within the time specified; or
- (c) is unable by reason of his insolvency fully and efficiently to discharge the duties and obligations imposed on him.

In addition to the powers under rule 44, direct the person to take such remedial action as the Director General Oil considers necessary. The Director General Oil may also send a reference against the said person to the OGRA for necessary action under sub-rule (1) of rule 33.

PART V

INSPECTION AND CHECKS

34. Entry, Inspection and Enforcement of the Rules.- Any person authorized in writing by the Authority in this behalf may:-

- (a) make such examination or inquiry as he considers necessary for ensuring that the provisions of these rules or of any order made thereunder are being fully observed by a refinery, a blending plant, (a reclamation plant), a marketing company (or a distribution outlet), and
- (b) with such assistance, if any, as he considers necessary enter, inspect and examine any refinery, blending plant (reclamation plant), marketing company, (distribution outlet), installation, storage or depot or any part thereof at any reasonable time by day or by night but not so as to unreasonably impede or obstruct the working of the refinery, blending plant (reclamation plant), marketing company, (distribution outlet), installation, storage or depot.

35. **Facilities to the Inspecting Officer.**- The owner, manager, proprietor or other person in charge of a refinery, blending plant (reclamation plant), marketing company, (distribution outlet), installation, storage or depot shall afford the person authorized by the Authority under rule 34 (or 36) all reasonable facility for making an examination, inquiry, inspection or measurement or for taking any sample.

PART VI

TESTING OF PETROLEUM PRODUCTS

36. **Authority may take samples.**- Any officer authorized by the Authority in this behalf may take samples of a petroleum product from a refinery, blending plant (reclamation plant), marketing company, installation, storage, depot or distribution outlet.

37. **Samples to be Tested According to Standard Procedures.**- All samples shall be collected and tested in accordance with the American Standard of Testing Materials procedures or, in the absence of such procedures, with the appropriate Institute of Petroleum (U.K.) Procedures.

38. **Procedure of Sampling and Testing.**- (1) An officer taking samples of a petroleum product under these rules shall take the sample of the product in two separate containers in the presence of the person from whose possession the samples are taken (hereinafter referred to as the owner) and shall seal the containers with his own seal and also allow the owner to put his seal to the containers, if he so desires.

(2) The officer shall retain one of the containers with himself, and forward the second for testing and report to one of the laboratories approved for the purpose by the Authority.

(3) If the owner disputes the correctness of the report of the laboratory to whom a sample was forwarded for testing under sub-rule (2), the officer shall forward the container retained by him under that sub-rule to one of the other laboratories approved for the purpose by the Authority for testing and report.

(4) The report of the laboratory by whom a test is conducted under sub-rule (3) shall be final and shall not be called in question.

(5) All samples taken under this rule shall be tested within the time within which the quality of the product concerned is not likely to undergo any change.

PART VII

MISCELLANEOUS

39. **Notice of closure to Authority.-** Every refinery, blending plant, (reclamation plant) and marketing company shall give to the Authority not less than seven days' prior notice in writing of the closure of the refinery, blending plant (reclamation plant) or marketing company or of the stoppage of work therein, together with the reasons for such closure or stoppage and an indication of the period for which it is likely to continue, if such closure or stoppage is likely to effect the overall availability of any of the petroleum products:

Provided that, where such closure or stoppage takes place for any reason beyond the control of the refinery, blending plant, (reclamation plant) or marketing company a notice of the closure or stoppage may be given within four hours of its taking place.

40. **Authority may direct to refrain from closure.-** Where the closure of, or stoppage of work in a refinery, blending plant, (reclamation plant) or marketing company is not for any reason beyond its control and the Authority is satisfied that such closure or stoppage is not in the public interest, the Authority may, by an order in writing, direct the refinery, blending plant, (reclamation plant) or marketing company to refrain from the closure or stoppage or, where it has already started, to bring to an end within the time specified in the order.

41. **Permission necessary for use of Oil Storage Facilities for other Purposes.-** No refinery, blending plant, (reclamation plant) or marketing company shall, without the prior permission in writing of the Authority, rent lease or sublet to any person, or itself, use its oil storage facilities for any purposes other than the storage of petroleum products.

41A. **Permission for Construction and Reconstruction of Storage.-** (1) No refinery, blending plant (reclamation plant) or marketing company shall, without the prior permission in writing of the Authority, construct, reconstruct, dismantle or remove any storage for crude oil or petroleum products.

(2) An application for permission under sub-rule (1) shall be in triplicate in Form-VI.

42. **Protection for acts done in good faith.-** No suit, prosecution or other proceeding shall be initiated against the Authority or his assignee for anything done or purporting to have been done in good faith under the provision of these rules.

43. **Adulteration prohibited.-** (1) No person shall sell, dispose of or market any petroleum product adulterated with any other petroleum product or with any unauthorized substance or mixed in an unauthorized way and shall not indulge in deliberate withholding of supplies to the authorized dealers and the public in any area throughout Pakistan.

(2) The Authority may, from time to time, notify necessary measures such as sealing of storage tanks or use of dyes or prescribe any other procedure necessary to prevent the adulteration of petroleum products.

(3) The Authority may by an order in writing, direct any person or its dealer or agent to comply with the requirements of provisions of sub-rule (2).

43A. Certain powers of exercisable by the District Coordination Officer.

Substituted

In rules 34,35,36,38 and 43, any reference to "Authority" includes a reference to the "District Coordination Officer" of the district in, or in relation to which, any power or function is to be exercised or performed by the Director General Oil or OGRA, as the case may be;

43B. Action by Authority in case of breach of certain rules by a marketing company, its agents or dealers.- A marketing company which, or any agent or dealer of which contravenes any of the provisions of rules 30,31,32,34,35,36,37,38,41,41A or 43 shall be liable to any action which may be taken by the Authority under rule 33 or rule 33A, as applicable; and

43C. Supply of Petroleum products.- The Authority may, if it is of opinion that public interest so requires, by order in writing, direct any refinery, marketing company or its agent or dealer or a blending plant (or reclamation plant) to supply such quantity of any petroleum product to such person as may be specified in the order.

43D. Authority to approve agreements.- (1)

Omitted

43E. Provision of information.- The OGRA shall provide to the Director-General Oil any information which, in the opinion of the Director-General Oil, is required by it for the discharge of its responsibilities as the Authority under these rules.

PART VIII

PENALTIES

44. Penalty for breach of rules.- Any person who contravenes the provisions of any of these rules shall, without prejudice to any other action that may be taken under these rules in relation to the contravention, be punishable for every breach with imprisonment or a term which may extend to three years, or with fine (which shall not be less than fifteen thousand rupees) or with both.

SCHEDULE 1

[See rule 4, 17 and 27 (1)]

FORM I

FORMAT FOR OIL REFINERY, BLENDING PLANT "RECLAMATION PLANT" MARKETING COMPANY FEASIBILITY STUDY

Note 1.- The feasibility report should be prepared by a reputable firm of consultants or such persons who possess technical qualifications as well as experience in oil refining. In the case of blending (reclamation) or marketing projects, this may not be necessary. Paragraphs should be numbered to correspond with those in this questionnaire.

Note 2.- Where the application relates to a particular project e.g. refinery marketing company (blending plant or reclamation plant), then the appropriate information may be furnished.

Note 3.- Name/names of the firm/firms of consultants or the technical personnel/ personnel's responsible for preparing the feasibility report of oil refinery. In respect of blending plant (reclamation plant) or marketing facilities, names technical personnel/personnel's.

Note 4.- The feasibility study should include the information asked for below:-

CHAPTER 1

GENERAL CONSIDERATIONS

1.1. Name and address of the applicant giving details of his commercial interest etc; and past experience in oil industry, if any.

1.2. Capital structure of the proposed company. (No managing agency arrangements should be made).

1.3. Give an approximate indication of the time required to complete the project indicating phasing of work.

1.4. Indicate how the project will be managed. Also indicate if you will be advised by foreign technical consultants.

1.5. Indicate requirements of technical personnel and their availability, and submit an organogram of the proposed organization.

CHAPTER 2

MARKET CONSIDERATIONS

2.1. Give estimates of consumption of all petroleum products including base oils and asphalt for internal as well as export. If the product/products are to be locally consumed indicate present local demand of each products and their production and areas of consumption. Also give the local demand and supply position for subsequent years including the year when the projects is expected to materialize.

2.2. Indicate whether product/products are to be locally consumed or exported. Also indicate disposal of the surplus products.

2.3. If product/products are to be exported, indicate potential export areas and give reasons why exports from Pakistan of such product/products would be preferred. This includes supplies to international concerns, airlines, etc.

2.4. Give estimates of production/sales pattern of the company.

2.5. Phased program, e.g. quantities to be marketed and distribution alongwith sources of supply.

CHAPTER 3

LOCATION

3.1. Location of the new industry/installation.

3.2. Availability of utilities (electricity, water, fuel, etc) at the proposed location. Also indicate the stand-by arrangements.

3.3. Availability of raw materials or products at the proposed location.

3.4. Availability of means of disposal of product/products at the proposed location.

3.5. Availability of means of disposal of waste products at the proposed location.

3.6. Availability of terminal depots and other points/of storage.

CHAPTER 4

DESCRIPTION OF THE PROPOSED PROJECT

4.1. Describe in detail the proposed project and the manufacturing process and give requirements of materials, utilities and other services. Indicate what arrangements are made or are planned to obtain the materials, utilities and other services.

4.2. Indicate in detail the charge and yields of all the units. Indicate also if the refinery units and ancillaries are designed to yield a maximum production of middle distillates.

4.3. Indicate whether the designed capacity of the refinery units have the flexibility to process heavier crudes with high content of sulphur and salt.

4.4. Describe in detail the transportation arrangements of crude oil/base oil/finished petroleum products.

4.5. Indicate the product mix of the refinery assuming that motor spirit 90 RON, JP-1, JP-4, SK, HSD, LDO, base oils and furnace oil would be produced. These products would conform to the specifications currently in force in Pakistan.

4.6. Indicate measures for prevention of air pollution.

4.7. Indicate the cooling arrangements contemplated in the design keeping in view the availability of water in the area. Also indicate if air-cooling will be provided.

CHAPTER 5

USE OF PIPELINES

5.1. If pipeline is used for transportation of crude oil, the following information may be furnished:-

(a)	Pipelines	Local	Foreign	Total
	Cost of pipeline			
	Land			
	Laying of pipeline			
	Pump stations			
	Civil and Erection cost			
	Cathodic protection			
	Pre-operating expenditure			
	Contingency			

- (b) Spares
- (c) Working Capital
- Total investment

5.2. Indicate if the pipeline will also be available to other companies designated by the Government at terms acceptable to the parties concerned and approved by the Government.

CHAPTER 6

ESTIMATED COST OF PROJECT AND PROPOSED MEANS OF FINANCING

6.1. Give an estimate of the cost of the project as follows:-

- | (a) | Plant Cost | Local | Foreign | Total |
|-----|----------------------------------|-------|---------|-------|
| | Building | | | |
| | Equipment and material | | | |
| | Erection | | | |
| | Engineering | | | |
| | Other items | | | |
| | (Please specify) | | | |
| | Total plant erected cost | | | |
| (b) | Spares etc | | | |
| | Spare Parts, Miscellaneous items | | | |
| | Start-up expenses | | | |
| | Total : | | | |
| (c) | Working Capital : | | | |
| (d) | Total Investment | | | |

6.2. How is the cost of project given above proposed to be met. Please define mode of financing of project and the capital structure of the company. Give financial justification of the project.

CHAPTER 7

ECONOMICS OF THE PROJECT

7.1. Give detailed estimates of the estimated profitability of the venture. Following basis is to be used for estimating the profit:-

	Local	Foreign	Total
Estimated sales (give details and show basis of pricing used).			
Less material cost (give details and show basis of pricing used).			
Less operating cost (give details and show basis used).			
Gross Profit :-			
Less Provision for taxes.			
Net Profit			

This projection should be for a period of 5 years.

*Detail case for any tax holiday asked by the industry.

7.2. Please include the latest rates for all items including duties and taxes as currently in force. For purposes of study do not ignore payment of duties and taxes.

CHAPTER 8

MISCELLANEOUS

8.1. The extent of Pakistani participation in the project should be clearly indicated for the various phases viz. designing, engineering, fabrication, construction, maintenance, etc. Pakistan personnel should be associated in all the phases and their extent of participation both in number and money-wise should be clearly indicated.

8.2. Indicate details of any foreign exchange savings.

8.3. Indicate the requirements of Pakistani and expatriate technical personnel with a detailed organization.

8.4. Any other relevant information.

SCHEDULE II

SCHEDULE OF PETROLEUM PRODUCTS

1. Aviation Gasoline 73 Octane
2. Aviation Gasoline 100/130 Octane
3. Aviation Gasoline 115/145 Octane
4. Aviation Turbine Fuel JP-4
5. Aviation Turbine Fuel JP-1
6. High Octane Blending Component
7. Motor Spirit
8. Naptha
9. Vaporizing Oil
10. Superior Kerosene
11. Interior Kerosene
12. High Speed Diesel Oil
13. Light Diesel Oil
14. Jute Batching Oil
15. Furnace Oil
16. Lubricating Oils including base Oils
17. White oils
18. Asphalt/Bitumen
19. Greases
20. Mineral Turpentine
21. Solvent Oils

- 17 -

SCHEDULE I

FORM 1-A

(See rule 17)

**FORMAT FOR SUBMISSION OF APPLICATION FOR REGISTRATION
OF BLENDING PLANT, GREASE PLANT, RECLAMATION PLANT AND
WHITE OILS PRODUCTION PLANT**

- i. Name of the company
- ii. Address of the company
- iii. List of Directors of the company
- iv. Location of the plant
- v. Design and capacity of the plant (metric tons per annum).
- vi. Confirmation that laboratory facility to check and monitor quality of the products has been established for conducting all requisite tests in accordance with the approved specifications.
- vii. Confirmation that all excise bond formalities required under the relevant rules have been completed with the respective Collectorate of Excise and Customs (documentary proof to be attached).

MINIMUM REQUIREMENT FOR SETTING UP OF BLENDING, RECLAMATION AND GREASE PLANTS

BLENDING PLANT	RECLAMATION PLANT	GREASE PLANT
Minimum capacity 7500 M.Tons per annum	Minimum capacity 1000 M.Tons per annum	Minimum capacity 1000 tons per annum
Minimum two blending kettles of capacity of 15 tons each along with all necessary facilities.	Blending kettle minimum 10 tons capacity, along with all necessary facilities. Dehydration, Acid treating, Neutralization, settling kettles and Vacuum Distillation Unit. OR An Internationally renowned processing facility fully capable to reclaim lube oil.	Grease blending kettle of 10 tons capacity along with all necessary facilities.
Base Oil storage tanks to cover minimum 15 days requirement.	Base Oil/Reclaimed Oil storage tanks to cover 7 days requirement.	Base Oil storage to cover 7 days requirement.
Finished products storage tanks to cover 7 days requirement.	Finished products/Reclaimed Oil/Waste Oil storage tanks to cover 7 days requirement.	Finished products storage to cover 7 days requirements.
Boiler 150 PSI	Boiler 150 PSI	Boiler 150 PSI
Furnace Oil Storage Tanks.	Furnace Oil Storage Tanks.	Furnace Oil Storage Tanks
Bulk, Drum and Tin filling machine arrangements.	Bulk, Drum and Tin filling machine arrangements.	Bulk, Drum and Tin filling machine arrangements
-	Filter	-
Labo apparatus for quality Control as under:- i) Kinematic Viscosity bath. ii) Pour Point apparatus. iii) Flash Point apparatus. iv) Centrifuge. v) Furnace. vi) Oven. vii) ASTM D 1500 Colour meter. viii) Silver sun high shear mixer. ix) Potentiometer for T N testing. x) Misc. items test tubes, balance, glassware etc.	Labo apparatus for quality Control as under:- i) Kinematic Viscosity bath. ii) Pour Point apparatus. iii) Flash Point apparatus. iv) Centrifuge. v) Furnace. vi) Oven. vii) ASTM D 1500 Colour meter. viii) Misc. items test tubes, balance, glassware etc. ix) Silver sun high shear mixer. x) Potentiometer for T N testing.	Labo apparatus for quality Control as under:- Stability test apparatus. Dropping point apparatus. Corrosion test apparatus Flash Point apparatus. Penetrometer. Grease worker Hot Plate Oil separator Hydrometer Balance Oven

PART I

Acts, Ordinances, President's Order and Regulations

GOVERNMENT OF PAKISTAN

**MINISTRY OF LAW, JUSTICE, HUMAN RIGHTS AND
PARLIAMENTARY AFFAIRS**

(Law, Justice and Human Rights Division)

Islamabad, the 28th March, 2002

F.No.2(1)/2002-Pub.- The following Ordinance promulgated by the President is hereby published for general information:-

ORDINANCE NO. XVII OF 2002

AN

ORDINANCE

to provide for the establishment of the Oil and Gas Regulatory Authority

✓ WHEREAS it is expedient to foster competition, increase private investment and ownership in the midstream and downstream petroleum industry, protect the public interest while respecting individual rights and provide effective and efficient regulations and for matters connected therewith or incidental thereto;

AND WHEREAS the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of the Proclamation of Emergency of the fourteenth day of October, 1999, and the Provisional Constitution Order No. 1 of 1999, read with the Provisional Constitution (Amendment) Order No.9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance: -

CHAPTER I

GENERAL

1. **Short title, extent and commencement.**-(1) This Ordinance may be called the Oil and Gas Regulatory Authority Ordinance, 2002.

(2) It extends to the whole of Pakistan including the offshore area.

(3) It shall, other than the provisions of sub-section (2)(j) of section 6, sub-section (2) of section 23, sub-section (3) of section 23, sub-section (3)(a) of section 44 and sub-section (3)(b) of section 44, come into force at once and the provisions of sub-section (2)(j) of section 6, sub-section (2) of section 23, sub-section (3) of section 23, sub-section (3)(a) of section 44 and sub-section (3)(b) of section 44 shall come into force together or separately on such date or dates as the Federal Government may, on the advice of the Authority, by order in the Official Gazette, appoint.

2. **Definitions.**-(1) In this Ordinance, unless there is anything repugnant in the subject or context,-

- (i) "Authority" means the Oil and Gas Regulatory Authority established under section 3;
- (ii) "Chairman" means the Member appointed as Chairman of the Authority pursuant to the provisions of this Ordinance and includes the Vice Chairman when acting in substitution thereof;
- (iii) "CNG" means natural gas compressed for vehicular or other mobile use;
- (iv) "consumer" means a retail consumer for natural gas, retail consumer for oil or wholesale consumer;
- (v) "crude oil" means all petroleum other than refined oil products and natural gas, and which at standard atmospheric conditions of pressure and temperature is in a fluid phase, including condensate;
- (vi) "decision" means an order, determination, direction or decision of the Authority made in accordance with this Ordinance, rules and regulations, and "decide" shall mean the action taken by the Authority to arrive at such decision;
- (vii) "distribution" means the activity of transporting natural gas through pipelines and associated facilities at a pressure which would not ordinarily be expected to exceed 300 psig or such pressure as the

Authority may prescribe from time to time but does not include gathering lines situated wholly within the boundaries of an area to which petroleum rights apply;

- (viii) "facility" includes any LPG processing facility or compression facility, natural gas or LPG testing facility, natural gas storage facility or crude oil and refined oil products storage facility (other than storage associated with a refinery);
- (ix) "financial year" means the period beginning on the first day of July in a calendar year and ending on the thirtieth day of June in the next following calendar year;
- (x) "installation" means port facilities used in loading, unloading and reloading of petroleum, including equipment, terminals, storage tanks and pipelines;
- (xi) "licence" means a licence granted under this Ordinance;
- (xii) "licensee" means the grantee or holder of a licence;
- (xiii) "liquefied petroleum gas" or "LPG" means hydrocarbons mainly consisting of propane and butane, mixed or unmixed, whether with or without other gases, which are vapours at room temperature and pressure but can be liquefied on compression;
- (xiv) "LNG" means liquefied natural gas;
- (xv) "marketing of refined oil products" means the activity of purchasing or obtaining refined oil products from refineries in Pakistan, or from or through sources abroad, for selling, distributing or marketing directly or through agents or dealers at dispensing outlets or filling stations;
- (xvi) "Member" means a Member of the Authority, including the Chairman;
- (xvii) "natural gas" means hydrocarbons or mixture of hydrocarbons and other gases which at sixty degrees Fahrenheit and atmospheric pressure are in the gaseous state (including gas from gas wells, gas produced with crude oil and residue gas and products resulting from the processing of gas) consisting primarily of methane, together with any other substance produced with such hydrocarbons;
- (xviii) "NGRA" means the Natural Gas Regulatory Authority established under the NGRA Ordinance.

- (xix) "NGRA Ordinance" means the Natural Gas Regulatory Authority Ordinance, 2009 (I of 2009);
- (xx) "offshore area" means the area which is located completely seaward from the high water mark along the coast of Pakistan and is within the territorial waters, historic waters, Contiguous Zone, Continental Shelf or Exclusive Economic Zone, as these terms are defined in the Territorial Waters and Maritime Zones Act, 1976 (LXXXII of 1976);
- (xxi) "oil" means all types of petroleum with the exception of natural gas, LPG, LNG and CNG;
- (xxii) "person" includes any individual or any legal entity including any partnership, firm, company, trust or corporation;
- (xxiii) "petroleum" means crude oil, refined oil products and natural gas;
- (xxiv) "petroleum rights" means either a permit for the carrying out of a reconnaissance survey or an exclusive petroleum exploration licence or a development and production lease or a mining lease, and any extension thereto as may be granted by the Federal Government under the Regulation of Mines and Mineral Development (Government Control) Act, 1948 (XXIV of 1948);
- (xxv) "pipeline" means any pipe or any system or arrangement of pipes wholly within Pakistan including offshore area, which transports petroleum and includes all equipment of any kind used for the purpose of, or in connection with, or incidental to, the operation of a pipeline in transporting, handling of petroleum;
- (xxvi) "policy guidelines" means policies of the Federal Government covering or related to any or all of the regulated activities which are issued in writing pursuant to a decision of the Cabinet of the Federal Government or any committee thereof;
- (xxvii) "prescribe" means prescribed by the rules or regulations;
- (xxviii) "public emergency" means the occurrence of any natural calamity, or an event which threatens public safety, or the sovereignty, security or integrity of Pakistan and has been so declared by the Federal Government;
- (xxix) "record" includes an account, book, return, statement, report, chart, table, diagram, form, survey, image, invoice, letter, map, agreement, memorandum, plan, voucher, financial and nonfinancial information,

and anything containing information, whether in writing, digital or in electronic form or represented or reproduced by any other means, and recording of details of electronic data processing systems and programs to illustrate what the systems and programmes do and how they operate;

- (xxx) "refined oil products" means products that result from the refining of crude oil and includes, *inter alia*, furnace oil, motor gasoline, diesel, lubricating oils and other blended products, kerosene, jet fuel and LPG;
- (xxxi) "refinery" means an industrial plant where crude oil is processed or refined;
- (xxxii) "regulated activity" means an activity requiring a licence;
- (xxxiii) "regulations" means regulations made under this Ordinance;
- (xxxiv) "retail consumer for natural gas" means a person who purchases or receives natural gas for consumption and not for delivery or resale other than resale for vehicular use or self-consumption by a licensee in connection with its regulated activity;
- (xxxv) "retail consumer for oil" means a person who purchases or receives oil for consumption and not for resale;
- (xxxvi) "rules" means rules made under this Ordinance;
- (xxxvii) "sale" means the sale of natural gas to retail consumers of natural gas but does not include sale of CNG for vehicular use or self-consumption by a licensee in connection with its regulated activity;
- (xxxviii) "strategic petroleum storage" means petroleum stored as fuel reserve in the event of a public emergency;
- (xxxix) "tariff" means subject to policy guidelines, a schedule or rate determined or approved by the Authority in accordance with the rules;
- (xl) "transmission" means the activity of transporting natural gas through pipelines and other facilities at a pressure of not less than 300 psig or such pressure as the Authority may prescribe from time to time except through pipelines situated wholly within the boundaries of an area to which petroleum rights apply and are owned or operated by the holder of a petroleum right; and

- (xli) "transportation" means an activity of transporting oil through pipelines and associated facilities, except where the pipelines are an integral part of a refinery, facility or gathering pipelines situated wholly within the boundaries of an area where petroleum rights apply and are owned or operated by the holder of a petroleum right.

CHAPTER II

ESTABLISHMENT OF OIL AND GAS

REGULATORY AUTHORITY

3. **Establishment of Authority.-** (1) The Federal Government hereby establishes a regulatory authority, which shall be known as the Oil and Gas Regulatory Authority.

(2) Subject to the provisions of this Ordinance, the Authority shall be independent in the performance of its functions. The Authority shall be a body corporate, having perpetual succession and a common seal, with power, subject to the provisions of this Ordinance, to enter into contracts, acquire and hold property, both movable and immovable, and to sue and be sued in its name.

(3) The Authority shall consist of a Chairman and three additional Members out of whom one shall be designated as Member Gas, one Member as Member Oil and one Member as Member Finance.

(4) The Chairman shall be an eminent professional of known integrity and competence with a minimum of twenty years of related experience in law, business, engineering, finance, accounting, economics or petroleum technology.

(5) The Member Oil shall be a person who holds an appropriate degree in the relevant field and is an experienced, eminent professional of known integrity and competence with a minimum of twenty years of related experience in the field of oil, including the transportation thereof.

(6) The Member Gas shall be a person who holds an appropriate degree in the relevant field and is an experienced, eminent professional of known integrity and competence with a minimum of twenty years of related experience in the field of natural gas, including the transmission and distribution thereof.

(7) The Member Finance shall be a person who holds an appropriate degree in the relevant field and is an experienced, eminent professional of known integrity and competence with a minimum of twenty years of related experience in the field of corporate finance or accounting.

(8) Subject to sub-section (9), -

- (a) the Chairman shall be appointed by the Federal Government for an initial term of four years and shall be eligible for reappointment for a similar term;
- (b) the Member Oil and Member Gas shall be appointed by the Federal Government for initial terms of three years and shall be eligible for reappointment for a term of four years;
- (c) the Member Finance shall be appointed by the Federal Government for an initial term of two years shall be eligible for reappointment for a term of four years.

(9) The Chairman and the other Members shall retire on attaining the age of sixty-five years.

(10) In case of a vacancy occurring due to the death, resignation, retirement or removal of any Member, the Federal Government shall appoint another qualified person within a period not exceeding three months from the date the vacancy occurred.

(11) Any Member may resign from his office by writing under his hand addressed to the Federal government. The Federal Government may remove a Member from his office if, on an inquiry by the Federal Public Service Commission, he is found unable, to perform the functions of his office due to mental or physical disability, or to have committed misconduct.

(12) Any Member may serve a maximum of two terms.

(13) The Federal Government shall designate one of the Members as Vice-Chairman, who shall act as Chairman at any time during which the Chairman for any reason is incapable of exercising the Chairman's powers or performing the Chairman's duties and when so acting, the Vice-Chairman shall exercise the power and perform the duties imposed on the Chairman by this Ordinance.

4. Meetings of the Authority.—(1) The Chairman and two other Members shall constitute a quorum for a meeting of the Authority requiring a decision by the Authority.

(2) The decision of the Authority shall be taken by the majority of its Members and in case of a tie, the Member presiding shall have a casting vote.

(3) All decisions of the Authority shall be in writing and identify the decision of the Chairman and other Members separately.

(4) No act, proceeding or decision of the Authority shall be invalid by reason only of the existence of a vacancy in, or defect in the constitution of the Authority.

(5) The Chairman shall call all meetings of the Authority. The Chairman shall also call meetings of the Authority immediately on being requested in writing to do so by at least two Members of the Authority.

(6) Each Member shall have reasonable notice of the time, place of the meeting and matter on which a decision shall be taken.

5. Remuneration and conflict of interest.—(1) The Members shall be paid such remuneration for their respective terms of office as may be determined by the Federal Government in advance of their appointment which remuneration shall not be varied to their disadvantage during their term in office.

(2) No person shall be appointed by the Federal Government as a Member if he has any direct or indirect financial interest in, or has any connection which might reasonably be viewed as giving rise to a conflict of interest with any person involved in any regulated activity. No person appointed as a Member shall during his term in office have or maintain any direct or indirect financial interest in any person involved in any regulated activity. Members shall not at any time during their term of office engage themselves in any other services, business, vocation or employment with any other person.

(3) No Member shall take part in any decision, if such Member is in any way, whether directly or indirectly concerned or interested in the decision, nor shall such member's presence count for the purpose of forming a quorum at the time of any such decision.

(4) Every Member who knowingly contravenes any of the provisions of sub-section (2) and sub-section (3) shall, on inquiry by the Federal Public Service Commission, be guilty of misconduct.

(5) Subject to sub-section (6), it shall not be lawful for any Member, for so long as he holds office and for a period of two years thereafter, to seek or hold any office or employment nor to acquire or purchase (whether in his name or otherwise) any interest in any corporation, partnership, trust, firm or company carrying on-

- (a) business in any regulated activity; or
- (b) the business of providing professional or Advisory services to any person undertaking any regulated activity.

(6) A member may, before the expiration of two years after he has ceased to hold that office, enter into the employment of or accept any professional or Advisory relationship with any corporation, partnership, trust, or company, carrying on business in any phase of a regulated activity, provided he has obtained written approval of the Federal Government which shall not be unduly denied.

(7) A Member shall not be in contravention of sub-sections (2), (3) or (4), if he is receiving any pension benefits, while serving the Authority, due to him from a prior employment with any person.

6. Powers and functions of the Authority.- (1) In addition to such others powers and functions as may be imposed on it or transferred under this Ordinance, the Authority shall be exclusively responsible for granting licences for the carrying out of regulated activities and regulating such activities.

(2) Without prejudice to the generality of the foregoing, the Authority shall-

- (a) in the manner prescribed in the rules, grant, issue, and renew licences, modify, amend, extend, suspend, review, cancel and reissue, revoke or terminate any licence for the undertaking of any regulated activity and to prescribe requirements to be satisfied by applicants for the grant of licence;
- (b) in consultation with licensees, specify, performance and service standards and other conditions for undertaking any regulated activity;
- (c) prescribe a uniform form of accounts and accounting practices to be complied with by licensees;
- (d) administer, enforce and certify standards and other conditions for undertaking any regulated activity specified in clauses (b) and (c);

- (e) in consultation with licensees specify and review standards for the equipment and materials to be used in undertaking any regulated activity;
- (f) promote and ensure the observance of efficient practices, where applicable, in the transmission, distribution, processing, refining, marketing, storage of petroleum and transportation of petroleum by pipelines;
- (g) promote effective competition and efficiency in the activities within its jurisdiction of the Authority;
- (h) monitor and enforce compliance by licensees with the conditions of licences;
- (i) resolve complaints and other claims against licensees for contravention of the provisions of this Ordinance, rules or regulation;
- (j) ensure the provision of open access, common carrier and common operator as may be deemed necessary or expedient by the Authority in the public interest based on an application made by an interested party to the Authority and provided that:
 - (i) the Authority decides excess capacity is available; and
 - (ii) any decision relating to open access, common carrier and common operator adequately compensates the owner of the relevant facility, pipeline or installation;

- (k) resolve disputes between licensees, between licensees and any other person regarding a regulated activity;
- (l) provide for the submission, filing, recording and timely and useful dissemination of information regarding the regulated activities;
- (m) ,subject to section 41, make rules under this Ordinance;
- (n) ,subject to section 42, make regulations pursuant to this Ordinance;
- (o) safeguard the public interest, including the national security interest, of Pakistan in relation to regulated activities in accordance with this Ordinance, rules and regulations;
- (p) prescribe fines for contravention of the provisions of this Ordinance, rules, regulations and terms and conditions of a licence or a decision of the Authority;
- (q) protect the interests of all stakeholders including the consumers and the licensees in accordance with the provisions of this Ordinance and the rules;
- (r) administer or establish prices, for those categories of petroleum for which the Federal Government establishes prices and may delegate the function to the Authority from time to time, subject to-

(i) section 21, and

- (ii) any existing contract or agreement specifying prices:
- (s) prescribe, review, approve and regulate tariffs for regulated activities pertaining to natural gas and operations of the licensees for natural gas and marketing of refined oil products;
- (t) in consultation with the Federal Government and licensees for natural gas determine for each such licensee a reasonable rate which may be earned by such licensees in the undertaking of its regulated activity pertaining to natural gas, keeping in view all the circumstances;
- (u) oversee the capital expenditure to be made by licensees for natural gas in connection with any regulated activity pertaining to natural gas;
- (v) prescribe procedures and standards for investment programmes by licensees for natural gas;
- (w) determine the well-head gas prices for the producers of natural gas in accordance with the relevant agreements or contracts, and notify the same in the official Gazette;
- (x) enforce standards and specifications for refined oil products as notified by the Federal Government;
- (y) perform any other function or exercise power as may be incidental or consequential to the performance of any of its functions or the exercise of any of its power.

(3) The Authority shall impose and collect such fees and other charges in respect of any of its functions at such rates as may be determined, from time to time, by the Authority in accordance with the rules.

7. Tariff.—(1) Subject to policy guidelines, the Authority shall determine or approve tariff for regulated activities whose licences provide for such determination or such approval or where authorized by this Ordinance.

(2) The criteria for determination, approval, modification and revision of tariffs shall be prescribed in the rules and in the terms and conditions of each licence and shall, inter alia, include ---

- (a) provision for the protection of users of regulated activities and consumers against monopolistic or oligopolistic pricing;
- (b) cost of research, development and capital investment programme;
- (c) provision of reasonable returns to attract investment of the quantitative and qualitative improvements of regulated activities;
- (d) encouragement and reward of efficiency;
- (e) sending of appropriate price signals regarding the relative abundance or scarcity of supply of such regulated activity;
- (f) minimizing economic distortions; and
- (g) keeping in view the costs of alternate or substitute sources of energy.

8. Pricing for retail consumers for natural gas.-(1) The Authority shall determine an estimate of the total revenue requirement of each licensee for natural gas engaged in transmission, distribution and the sale of natural gas to a retail consumer for natural gas, in accordance with the rules, and on that basis advise the Federal Government the prescribed price of natural gas for each category of retail consumer for natural gas.

(2) A licensee for natural gas referred to in sub-section (1), shall submit for review by the Authority its total revenue requirement after incorporating the actual changes in the well-head prices, as notified by the Authority and other relevant factors and the Authority shall advise the Federal Government promptly of the revised prescribed prices for the licensee for natural gas.

(3) The Federal Government shall, within forty days of the advice referred to in sub-sections (1) and (2), advise the Authority of minimum charges and the sale price for each category of retail consumer for natural gas for notification in the official Gazette by the Authority of the prescribed price as determined in sub-sections (1) and (2), the minimum charges and the sale prices for each category of retail consumers for natural gas.

(4) If the Federal Government fails to advise the Authority within the time specified in sub-section (3) and the prescribed price for any category of retail consumer for natural gas determined under sub-sections (1) and (2) is higher than the most recently notified sale price for that category of retail consumers for natural gas, the Authority shall notify in the official Gazette the prescribed price as determined by the Authority under subsections (1) and (2) to be the sale price for the said category of retail consumers for natural gas.

(5) Each licensee for natural gas shall pay to the Federal Government the development surcharge in respect of each unit of natural gas sold during the calendar month within two months of the close of that month and any amount paid by a licensee under this sub-section shall be an expenditure for which allowance shall be made in computing profits or gains under section 23 of the Income Tax Ordinance, 1979 (XXXI of 1979):

Provided that when the Income Tax Ordinance, 2001 (XLIX of 2001), comes into force the provisions of the said Ordinance shall apply for the purposes of this sub-section.

(6) In this section -

- (a) "category of retail consumers for natural gas" means a category of retail consumers for natural gas designated as such by the order of the Federal Government;
- (b) "development surcharge" means the amount payable by each licensee for natural gas and calculated in accordance with the rules and which represent, in respect of each category of retail consumer for natural gas to which it is applicable, the amount, if any, by which the sale price exceeds the prescribed price;
- (c) "licence for natural gas" means a licence for transmission, distribution or sale of natural gas to a retail consumer for natural gas granted pursuant to sub-section (1) of section 23;
- (d) "licensee for natural gas" means a holder of a licence for natural gas;
- (e) "minimum charges" means the amount a licensee for natural gas may charge a retail consumer for natural gas as notified, from time to time, under this section;
- (f) "prescribed price" means the amount under this section, which represents the amount a licensee for natural gas would be entitled to receive from each category of its retail consumers for natural gas in order to achieve its total revenue requirement;
- (g) "sale price" means the price notified under this section at which a licensee for natural gas is authorised under this Ordinance and licence to sell natural gas to that category of retail consumer for natural gas;
- (h) "total revenue requirement" means for each financial year, that total amount of revenue determined by the Authority for each

licensee for natural gas so as to ensure it achieves the rate of return provided in its licence for natural gas.

9. Authority hearing.— (1) Unless otherwise expressly provided in this Ordinance or any rule or regulation, any decision that the Authority has the power to make, may be made on its own motion or initiative after the holding of a meeting of the Authority, and without giving of notice to the public, and without holding a hearing.

Provided that if it appears to the Authority that its decision relating to a regulated activity may directly and adversely affect the rights of a person, the Authority shall, prior to reaching the decision, give the person an opportunity of being heard, including presentation of evidence relevant to the decision.

10. Delegation of powers.— (1) The Authority may, by general or special order, delegate to any officer of the Authority the power to exercise on behalf of the Authority any of its powers, duties or functions under this Ordinance subject to such conditions as it may think fit to impose.

(2) Notwithstanding the provisions of sub-section (1), the powers of the Authority to grant licences (excluding licences for transportation, filling or marketing of LPG, LNG or CNG), determine tariffs and revenue requirement (where applicable) and prescribe rules and regulations shall only be exercised in a meeting of the Authority. The power of the Authority to grant licences for transportation, filling or marketing of LPG, LNG or CNG may only be delegated to a Member of the Authority.

11. Complaints.— (1) Any interested person may file a written complaint with the Authority against the licensee for contravention of any provision of this Ordinance or of any rule or regulation.

(2) The Authority shall, on receipt of a complaint, provide an opportunity to the complainant as well as to the licensee, or any other person against whom such complaint has been made to state its case before taking action thereon.

12. Appeal, etc.—(1) Any person aggrieved by any order or decision of the delegates of a power delegated by the Authority under section 10 may, within thirty days of the receipt of such decision or order, prefer appeal to the Authority and Authority shall hear and decide the appeal within ninety days from the date of its presentation.

(2) In relation to any decision concerning a regulated activity, the High Court may, if it is satisfied that no other adequate remedy is provided, on application of an aggrieved party, make an order-

- (a) directing the Authority to refrain from doing anything it is not permitted by law to do, or to do anything the Authority is required by law to do; or
- (b) declaring that any act done or proceeding taken by the Authority has been done or taken without lawful authority and is of no legal effect.

(3) Where—

- (a) an application is made to a High Court for an order under sub-section (2); and
- (b) the making of an interim order would have the effect of prejudicing or interfering with the carrying out of a public work or of otherwise being harmful to public interest or State property or impeding the assessment or collection of public revenues, the Court shall not make an interim order unless the Attorney-General has been given notice of the application with a copy thereof to the Authority and the Attorney General or any person authorised by him in that behalf has had an opportunity of being heard and the Court, for reasons to be recorded in writing, is satisfied that the interim order—
 - (i) would not have such effect as aforesaid; or
 - (ii) would have the effect of suspending an order or proceeding which on the face of the record is without jurisdiction.

(4) An interim order made by a High Court on an application made to it to question the validity or legal effect of any order, proceeding taken or act done by the Authority shall cease to have effect on expiration of a period of six months following the day on which it is made, unless the case is finally decided, or the interim order is withdrawn, by the Court earlier.

(5) Every case in which, on application under sub-section (2), the High Court has made an interim order shall be disposed of by the High Court on merits within six months from the day on which it is made, unless the High Court is prevented from doing so for sufficient cause to be recorded.

13. Review of Authority decision.— The Authority may review, rescind, change, alter or vary any decision, or may rehear an application before deciding it in the event of a change in circumstances or the discovery of evidence which, in the opinion of the Authority, could not have reasonably been discovered at the time of the decision, or (in the case of a rehearing) at the time of the original hearing if consideration of the change in circumstances or of the new evidence would materially alter the decision.

14. Recruitment of Employee.- (1) The Authority may, from time to time, employ officers, members of its staff, experts, consultants, advisers, and other employees on such terms and conditions as it may deem fit.

(2) The Authority shall prescribe by regulations the procedure for appointment, promotion, termination and other terms and conditions of employment of persons employed under sub-section (1).

15. Chairman, Members, employees, experts consultants and advisers not to be civil servants.— The Chairman, Members, employees of the Authority or experts, consultants or advisers employed by the Authority shall be governed by the terms and conditions of their appointment and shall not be deemed to be civil servants within the meaning of the Civil Servants Act, 1973 (LXXI of 1973).

16. Chairman, etc., to be public servants.- The Chairman, Members, employees, experts, consultants and advisers of the Authority shall, when acting or purporting to act in pursuance of any of the provisions of this Ordinance or the rules or regulations, be deemed to be public servants within the meaning of section 21 of the Pakistan Penal Code (Act XLV of 1960).

17. Budget and accounts.- (1) The Authority, in respect of each financial year, shall prepare its own budget in accordance with prescribed procedure and shall maintain complete and accurate books of accounts of its actual expenses and receipts, and of the Oil and Gas Regulatory Authority Fund.

(2) The budget prepared by the Authority shall be reviewed by a Budget Committee consisting of one representative each of the Authority, the Federal Government and the private sector nominated by the Federal Government. The private sector nominee shall not have any conflict of interest in the Authority's oversight of regulated activities. The Budget Committee shall ensure that the Authority complies with all requirements of this Ordinance, rules and regulations pertaining to the budget. The Budget Committee shall take its decisions by simple majority of its members.

(3) The accounts of the Authority shall be audited annually by the Auditor-General of Pakistan and one or more auditors who are chartered — accountants within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961), appointed by the Authority in consultation with the Auditor-General of Pakistan from a panel of chartered accountants proposed by the Budget Committee.

18. Oil and Gas Regulatory Authority Fund.- (1) There shall be a fund to be known as the Oil and Gas Regulatory Authority Fund which shall vest in the Authority and shall be utilized by the Authority to meet its expenses and charges properly incurred in connection with the carrying out of its functions and duties

imposed or transferred to it under this Ordinance, including without limitation the payment of salaries and other remuneration to the Chairman, Members, employees, experts, consultants and advisers of the Authority.

- (2) The Oil and Gas Regulatory Authority Fund shall consist of-
- (a) charges and fees including licence fees assessed and collected by the Authority to recover the reasonable costs of regulated activities under this Ordinance.
 - (b) fines and other penalties imposed and collected by the Authority as specified under this Ordinance.
 - (c) proceeds received by the Authority from the sale of data, publications, reports, maps, and other information;
 - (d) loans obtained by the Authority. All loans to be obtained by the Authority shall be with the approval of the Budget Committee;
 - (e) grants obtained by the Authority; and
 - (f) proceeds of any investments made by the Authority in utilising any amounts of the Oil and Gas Regulatory Fund which are not required for immediate use. All investments to be made by the Authority shall be with the approval of the Budget Committee.

19. Inspection by public.—(1) Subject to section 38, the Authority shall maintain public files that shall be kept open in convenient form for public inspection and examination during reasonable business hours, on payment of such reasonable fees as the Authority may prescribe.

(2) Subject to procedures and standards for confidentiality prescribed by the Authority, the Authority's files shall include all relevant documents to be maintained and indexed as the Authority deems fit.

20. Submission of yearly report, returns, etc.— (1) The Authority shall submit to the Federal Government, and publish, as soon as possible after the end of every financial year but before the last day of December the next following year-

- (a) a report on the conduct of its affairs for that financial year, including anticipated developments for the following financial year; and
- (b) a report on the state of the petroleum industry in Pakistan, in so far as it relates to regulated activities, identifying the ownership, operation, management, control, efficiency and cost of regulated

activities, amount of production, transportation, transmission and distribution capacity, present and future domestic demand for petroleum and other matters related to regulated activities.

(2) The Federal Government may direct the Authority to supply any return, statement, estimate, statistics or other information regarding any matter under the Authority, and the Authority shall expeditiously comply with such direction.

CHAPTER III

POLICY GUIDELINES

21. **Powers of the Federal Government to issue policy guidelines.-** (1) The Federal Government may, as and when it considers necessary, issue policy guidelines to the Authority on matters of policy not inconsistent with the provisions of this Ordinance or the rules and the Authority shall comply with the policy guidelines in the exercise of its powers and functions and in making decisions.

(2) Without prejudice to the generality of the foregoing, the Federal Government may issue policy guidelines in relation to-

- (a) planning for infrastructure development;
- (b) pricing of petroleum including development surcharge as defined in section 8 and the petroleum development levy as defined in the Petroleum Products (Petroleum Development Levy) Ordinance, 1961 (XXV of 1961)
- (c) standards and specifications for refined oil products;
- (d) supply of natural gas and refined oil products to service new areas and provision of financial incentives in cases where the service is not economically viable;
- (e) establishment and maintenance of the strategic petroleum storage;
- (f) open access, common carrier and common operator;
- (g) marketing of refined oil products; and
- (h) tariff applicable to petroleum.

CHAPTER IV

LICENCES

22. **Exclusive power to grant licences.**—(1) The Authority shall have the exclusive power, to be exercised in the manner prescribed in the rules, to grant, issue, renew, extend, modify, amend, suspend, review, cancel and reissue, revoke or terminate, a licence in respect of any regulated activity.

(2) If a licensee is of the opinion that it is not financially viable for it to supply natural gas to a particular area based on the tariff applicable to it, it shall give reasons to the Authority therefor.

(3) If the Authority agrees with the licensee that it is not financially viable for such licensee to supply natural gas to a particular area based on the tariff applicable to it unless the Federal Government makes special financial arrangements with the licensee, it shall report the matter to the Federal Government and the licensee shall not be obligated to supply natural gas to the said area unless suitable financial arrangements are made by the Federal Government.

(4) On receipt of instructions from the Authority, the licensee shall supply natural gas to the said area within such time as the Authority may specify.

23. **Grant of licences.**— (1) No person shall —

- (a) construct or operate any pipeline for natural gas;
- (b) construct or operate any natural gas testing facility or natural gas storage facility;
- (c) construct or operate any natural gas installation; or
- (d) undertake transmission, distribution or sale of natural gas,

unless a general or specific licence to undertake such activity has been issued and is in full force and effect and the person is the licensee.

(2) No person shall —

- (a) construct or operate any pipeline for LPG;
- (b) construct or operate any LPG or LNG production or processing facility; LNG, LPG or CNG testing facility or LPG, LNG or CNG storage facility;

- (c) construct or operate any installation relating to LPG or LNG; or
- (d) undertake transporting, filling, marketing or distributing of LPG, LNG or CNG,

unless a general or specific licence to undertake such activity has been issued and is in full force and effect and the person is the licensee.

(2) No person shall:

- (a) construct or operate any pipeline for oil;
- (b) construct or operate any oil testing facility; oil storage facility (other than storage associated with a refinery); or oil blending facility;
- (c) construct or operate any installation relating to oil;
- (d) construct or operate any refinery;
- (e) undertake storage of oil; or
- (f) undertake marketing of refined oil products,

unless a general or specific licence to undertake such activity has been issued and is in full force and effect and the person is the licensee.

(4) An application for the licence shall be submitted to the authority on the prescribed form and in accordance with the rules.

(5) An application under sub-section (1), (2) and (3) shall be accompanied by the prescribed fee.

(6) On receiving an application for a licence, the Authority may grant the licence subject to such conditions, restrictions or stipulations as may be set out in, or attached to, the licence.

24. Transfer and assignment of licences.-(1) No licence shall be transferred or assigned without the consent in writing of the Authority. The Authority may without undue delay, consent to the transfer or assignment of a licence subject to such conditions, restrictions and stipulations, as provided in the rules, that the Authority may determine, or the Authority may, for such reasons as may be recorded, and by a decision in writing giving the reasons thereof, refuse to consent to the transfer or assignment of a licence.

(2) An application for the transfer or assignment shall be submitted to the Authority on the prescribed form and in accordance with the regulations.

(3) An application under sub-section (2) shall be accompanied by the prescribed fee, if any.

(4) A transfer or assignment of a licence shall have no effect until the Authority has consented to the transfer or assignment.

CHAPTER V

OFFENCES

25. **Offences.**— (1) Any person who—

- (a) undertakes any regulated activity in contravention of this Ordinance;
- (b) does any act with the intention of interfering, without authorization, with any regulated activity, and thereby causes damage to any facility, plant, equipment or material employed for such regulated activity;
- (c) without lawful excuse, willfully or recklessly undertakes any regulated activity which causes physical damage to the person or property of another; or
- (d) steals petroleum;

shall be guilty of an offence punishable with imprisonment for a term which may extend to two years, or with fine, or with both, for an offence under clause (a) or clause (c) and three years, or with fine, or with both, for an offence under clause (b) or clause (d).

(2) Any person who attempts or aids, abets, counsels or procures the commission of any offence under this Ordinance shall be punishable with the same punishment provided for the offence.

(3) The provisions of sub-sections (1) and (2) shall be in addition to, and not in derogation of, any law for the time being in force.

26. **Cause damage to facility, plant or equipment, etc.**— If any person willfully or recklessly damages any facility, plant, equipment or material employed in any regulated activity, he shall, on a reference by the licensee, be liable to pay such amount as the Authority may determine for making good such damage, and the amount so determined shall be recoverable as arrears of land revenue.

27. **Recovery of the value of petroleum stolen, etc.**—Where any person has stolen, unauthorisedly obtained or otherwise used, petroleum for which he has not paid, such person shall be liable to pay the value of the petroleum stolen, obtained or used as may be determined in accordance with the rules.

28. **Offences by companies, etc.**—Where the person guilty of an offence under this Ordinance is a company, corporation partnership or firm every director, or partner of the company, corporation, partnership or firm as the case may be, shall, unless he proves that the offence was committed without his knowledge or consent, be guilty of the offence.

29. **Cognizance of offences.**—No court shall take cognizance of an offence punishable under the Ordinance except on a complaint in writing made by the Authority or a person authorized by it in this behalf.

CHAPTER VI

MISCELLANEOUS

30. **Power to call for information.**—The Authority may call for any pertinent information required by it for carrying out the purposes of this Ordinance from any person involved, directly or indirectly, in the provision of any regulated activity or any matter incidental or consequential thereto. Any person called upon to provide such information shall do so within the period prescribed by the Authority and his failure so to do shall be punishable by the imposition of such penalty as may be prescribed.

31. **Right of access.**—Subject to the terms of its licence, licensees shall have the right upon not less than twenty-four hours notice and at reasonable times, to enter premises or property for the purposes of inspection, repair and maintenance of all facilities, equipment and apparatus relating to the regulated activities, the collection of payments, lawful disconnection, and the examination of the suitability of property for construction or the installation of facilities, equipment or apparatus relating to the regulated activities.

Provided that no such notice will be required to be given if such entry is necessary to respond to, and remedy, a situation endangering public safety caused by a regulated activity.

32. **Easements.**—(1) Subject to the provisions of sub-section(2), a licensee may lay, place, construct or install on under or over any land such works as may be necessary for such licensee to satisfy its service obligations under the rules and its licence including such other actions as may be necessary to render the work safe and efficient and the licensee shall pay compensation in accordance with rules to any person adversely affected by any disturbance or damage that

may be caused thereby and such compensation may include annual payment for use of land.

(2) Before entering on any land for the purposes specified in sub-section(1)the licensee shall give notice of the intended action to the owner or occupier of the land. The owner or the occupier of any land may file objections with the Authority within thirty days of such notice.

(3) If an objection to the notice required by sub-section (2) is filed, the Authority shall hold an enquiry and provide all interested parties an opportunity of being heard. Upon conclusion of the enquiry, the Authority may, either unconditionally or subject to such terms and conditions as may be deemed in the public interest, by a decision in writing, authorize or prohibit any of the acts specified in the notice.

33. Certification of public purpose for compulsory acquisition of land:- the Authority may, in the manner and on such terms and conditions, as may be prescribed in the rules, on an application by a licensee, certify that the requirement of a licensee to acquire a property is for a public purpose and for the purposes of the Land Acquisition Act, 1894 (1 of 1894). the certificate of the Authority shall be conclusive proof that the proposed acquisition for such licensee is for a public purpose.

34. Technical standards, etc.-(1) The Authority shall, after consulting interested persons and subject to the rules, prescribe by regulations, technical standards of materials, equipment and other resources as may be required for undertaking any of the regulated activities and may prescribe different standards for different classes of equipment and may establish procedures for the testing of any such equipment.

(2) It shall be a mandatory requirement of all licensees that they comply with all relevant technical standards established by the Authority.

35. Records.-(1) The Authority may prescribe, by the regulations, the records that are required to be filed with the Authority by persons who are applicants for licences or who are otherwise involved in the petroleum industry.

(2) Each person who is required by this Ordinance or the rules or the regulations to maintain records shall produce those records at all reasonable times when directed to do so by the Chairman, any Member or by any person authorized by the Authority, and shall afford such person facilities for inspecting the records, making copies of and taking extracts therefrom.

36. Existing agreements. - If on the commencement of this Ordinance there exists an agreement in respect of, or dealing with, a regulated activity to which the Federal Government is a party, in the event of any inconsistency between the

provisions of this Ordinance, the rules or the regulations, the provisions of the agreement shall prevail to the extent of the inconsistency.

37. Recovery of arrears.-(1) All amounts due to the Authority may be recovered as arrears of land revenue.

(2) The Federal Government may prescribe a summary procedure for recovery of sums due to licensees.

38. Confidential information.-(1) Except as provided under the regulations, no person shall communicate, or allow to be communicated, any record or information obtained under this Ordinance to a person not legally entitled to that record or information or allow any person not legally entitled to that record or information to have access to any record obtained under this Ordinance.

(2) A person who knowingly receives records or information obtained under this Ordinance shall hold the record or information subject to the same restrictions under sub-section (1) as apply to the person from whom the records or information were received.

39. Immunity.- Except as expressly provided in this Ordinance, no suit, prosecution or other legal proceedings shall lie against the Authority, the Chairman or any Member, employee, expert, consultant or adviser of the Authority in respect of anything done or intended to be done in good faith under this Ordinance, the rules or regulations.

40. Winding up of the Authority.- No provision of any law relating to the winding up of bodies corporate shall apply to the Authority. The Authority shall only be wound up by an Ordinance or Act of Parliament.

41. Power to make rules.- (1) The Authority may, with the approval of the Federal Government, which approval shall not be unduly delayed or unreasonably withheld, make rules for carrying out the purposes of this Ordinance. On approval of rules by the Federal Government, the Federal Government shall notify the same in the official Gazette.

(2) Without prejudice to the generality of the foregoing powers, such rules may provide for all or any of the following matters, namely:-

- (a) determination (where applicable) of rates and tariff for regulated activities;
- (b) the terms and conditions for the grant, extension, modification, amendment, issuance, renewal, suspension, review, cancellation and

reissue, revocation, termination or transfer of a licence and including provision of information or records;

- (c) provision of fines for contravention of this Ordinance, the rules, the regulations and terms and conditions of licences;
- (d) promoting fair competition;
- (e) inspection and audit of regulated activities;
- (f) review of the decisions of the Authority;
- (g) abandonment of a regulated activity;
- (h) access and inspection by the Authority of the regulated activities and provision of penalties for preventing the Authority to carry out inspection;
- (i) actions the Authority may take in respect of regulated activities in case of public emergency and escape of petroleum from a regulated activity;
- (j) extension of facilities and services to supply natural gas to new areas and persons respectively;
- (k) levy of fees;
- (l) enforcing the terms and conditions of licences and decisions of the Authority;

- (m) determination of prescribed price for retail consumers of natural gas;
- (n) procedure for appointment of the Budget Committee members and rules for operation;
- (o) implementation of policy guidelines;
- (p) open access, common carrier and common operator; and
- (q) any other matter incidental or consequential to the implementation of the purposes of the Ordinance.

(3) The power to make rules conferred by this section, except for the first occasion, shall be subject to the condition of previous publication.

42. Power to make regulations. - (1) The Authority may, by notification in the official Gazette, make regulations, not inconsistent with the provisions of this Ordinance or the rules, for the carrying out of its functions under this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing powers, such regulations may provide for all or any of the following matters, namely:-

- (a) maintenance and submission of records by any person involved directly or indirectly in a regulated activity and the inspection of the records by the Authority;
- (b) establishment of technical standards and their monitoring for the design, construction, testing, operation, maintenance and abandonment of a regulated activity;

- (c) administration of the Oil and Gas Regulatory Authority Fund;
- (d) establishment of terms and conditions of employment and remuneration policies for staff, consultants and advisers of the Authority;
- (e) procedure for resolving disputes amongst the licensees, consumers and licensees, and users of open access facilities;
- (f) procedures, process and practice for carrying out the functions of the Authority;
- (g) procedure for appeal of decision or order made by delegates pursuant to section 10;
- (h) prescription of forms and procedures for an application for a regulated activity and the time for submission; and
- (i) any other matter incidental or consequential to the performance of the functions of the Authority.

43. Ordinance to override other laws. - (1) The provisions of this Ordinance, the rules and the regulations, and any licences issued hereunder shall have effect notwithstanding anything to the contrary contained in any other law, rule or regulation, for the time being in force, and any such law, rule or regulation shall, to the extent of any inconsistency, cease to have any effect on the commencement of this Ordinance and the Authority shall, subject to the provisions of this Ordinance, be exclusively empowered to determine the matters in its jurisdiction as set out in this Ordinance.

(2) Nothing in this ordinance, or any repeal effected thereby, shall affect or be deemed to affect anything done, action taken, proceedings commenced, directions given, instruments executed or orders, rules or regulations issued

under or in pursuance of any law repealed are amended by this Ordinance and any such things, actions, proceedings, directions, instruments or orders shall, if in force on the commencement of this Ordinance, continue to be in force and have effect as if the same were respectively done, taken, commenced, given executed or issued under this Ordinance.

43A. Ordinance not applying to certain petroleum activities — *Nothing in this Ordinance shall apply to upstream petroleum activities and such activities shall not be deemed to be regulated activities.*

Provided that where any holder of petroleum right claims transportation or transmission tariff for pipeline connecting the petroleum field to the point of delivery, the provisions of this Ordinance shall apply.

Explanation:- *for the purposes of this section, the expressions "upstream petroleum activities" means all activities except activities related to LPG and LNG production or LPG and LNG processing facilities, carried out by the holder of any petroleum right prior to delivery of petroleum to any purchaser thereof other than a purchaser who is a retail consumer for natural gas or retail consumer for oil.*

CHAPTER VII

REPEAL AND SAVINGS

44. Repeal and savings.-(1) The Natural Gas Regulatory Authority Ordinance, 2000 (1 of 2000) is hereby repealed.

(2) On the commencement of this Ordinance-

- (a) all properties, assets and liabilities pertaining to the NGRA established under the NGRA Ordinance shall vest in, be and always deemed to have been the properties, assets and liabilities, as the case may be, of the Authority established under this Ordinance;
- (b) notwithstanding the provisions of section 3 and sub-sections (2) and (5) of section 5, the Chairman and Members, employees, experts, consultants or advisers appointed pursuant to the NGRA Ordinance, shall be deemed to be and always deemed to have been appointed under this Ordinance on the same terms and conditions for the unexpired portion of their respective terms to which they were appointed under the NGRA Ordinance;

Inserted vide Oil & Gas Regulatory Authority (Amendment) Ordinance, 2002.

- (c) any agreement, order or determination made by the NGRA or under the NGRA Ordinance shall continue to be in force as though the same has been made by the Oil and Gas Regulatory Authority or under this Ordinance and shall always be deemed to have been so made;
- (d) subject to section 43 any licence issued under the NGRA Ordinance, shall continue to be in force as if the same has been granted under this Ordinance and shall always be deemed to have been so granted;
- (e) if an offence was committed as defined under the NGRA Ordinance prior to the commencement of this Ordinance, the penalty to be imposed upon conviction for that offence shall be the penalty authorized or required to be imposed by this Ordinance; and
- (f) all rules and regulations prescribed or issued under the NGRA Ordinance shall be deemed to have been prescribed or issued under this Ordinance and shall always be deemed to have been so prescribed or issued.

- (3)(a) The definition for "Authority" set out in the rules referred to in clause (b) shall be substituted by the following definition, namely:-

"Authority" means the Oil and Gas Regulatory Authority established pursuant to the Oil and Gas Regulatory Authority Ordinance, 2002.;

- (b) the substitution referred to in clause (a) shall apply to the following rules, namely:-

- (i) the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971;
- (ii) the compressed Natural Gas (Production and Marketing) Rules, 1992; and
- (iii) the Liquefied Petroleum Gas (Production and Distribution) Rules, 2001; and

(c) the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971, the Compressed Natural Gas (Production and Marketing) Rules, 1992, and the Liquefied Petroleum Gas (Production and Distribution) Rules, 2001, shall stand repealed to the extent that any rules promulgated pursuant to this Ordinance provide for the matters relating to-

- (i) refining and blending of petroleum, in the case of the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971;
- (ii) CNG, in the case of the Compressed Natural Gas (Production and Marketing) Rules, 1992; and
- (iii) LPG, in the case of Liquefied Petroleum Gas (Production and Distribution) Rules, 2001.

45. Application to existing operations.- (1) Notwithstanding anything contained in this Ordinance, all persons lawfully carrying on regulated activities immediately before the commencement of this Ordinance shall be deemed to be validly carrying on such regulated activities pursuant to this Ordinance:

1. in case of all persons, other than those undertaking the transmission, distribution or sale of natural gas, on such terms and conditions as were applicable to them on the date of commencement of this Ordinance; and

(b) in case of all persons undertaking the transmission, distribution or sale of natural gas, on such terms and conditions as were applicable to them pursuant to this Ordinance and the relevant rules, on the condition that all such persons shall apply for licences in accordance with the relevant rules.

1. Upon application for issuance of licences being made to the Authority by-

(a) person, other than those undertaking the transmission, distribution or sale of natural gas, such persons shall be issued licences by the Authority, on the terms and conditions applicable to them on the date of commencement of this Ordinance; and

(b) all persons undertaking the transmission, distribution or sale of natural gas shall be issued licences by the Authority on the terms and conditions applicable to them pursuant to this Ordinance and the relevant rules.

46. Validation of natural gas prices, etc.- Notwithstanding anything contained in any other law for the time being in force, notification or any decision of a Court the sale price of natural gas and the minimum charges fixed and all notifications related thereto issued by the Federal Government from time to time after the commencement and before the repeal of the Natural Gas Regulatory Authority Ordinance, 2001 (I of 2000) shall be deemed to have been validly fixed and issued under sub-section (3) of section 19 of the said Ordinance and price of natural gas and the minimum charges so fixed and notified shall be deemed to have been validly fixed and notified and shall have and shall be deemed always to have had, effect accordingly.

47. Removal of difficulties. - If any difficulty arises in giving effect to any provision of this Ordinance, the Federal Government may make such order not inconsistent with the provisions of the Ordinance, as may appear to it to be necessary for the purpose of removing the difficulty:

Provided that no such order shall be made after the expiry of two years from the commencement of this Ordinance.

GENERAL

PERVEZ MUSHARRAF,

President.

MR. JUSTICE

MANSOOR AHMED,

Secretary.

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PART II

Statutory Notifications (S. R. O.)

GOVERNMENT OF PAKISTAN

CABINET SECRETARIAT

(Cabinet Division)

NOTIFICATION

Islamabad, the 22nd January, 2016

S.R.O. 44(I)/2016.—in exercise of the powers conferred by section 41 of the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002), the Oil and Gas Regulatory Authority, with the approval of the Federal Government, is pleased to make the following rules, namely:—

PART - I

GENERAL

1. Short title and commencement.—(1) These rules may be called the Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016.

(2) They shall come into force at once.

2. Definitions.—(1) In these rules, unless there is anything repugnant in the subject or context,—

(173)

[2143(16)Ex. Gaz.]

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- (i) "adulterate" means to produce, prepare, mix or blend any petroleum product with any other substance which reduces its quality below the required specifications and the terms 'adulteration' and 'adulterated' shall be construed accordingly;
- (ii) "agent" means a person so appointed, authorized, empowered, or franchised by another person or company engaged in any one or more of the regulated activities and shall include the activities of reclamation plant, grease plant, or incidental distribution or any other activity connected therewith or incidental thereto for the sale, distribution or marketing of superior kerosene oil, light diesel oil, fuel or furnace oil and lubricants at its approved sale points;
- (iii) "blending" includes the activity of blending of lubricating base oils, lubricating oils or greases of the same or different kinds or grades with additives, to produce lubricants or greases, as the case may be, provided that the blending of petroleum products other than lubricating base oils, lubricating oils or greases shall not constitute the activity of blending under the Ordinance or these rules, provided further that the mixing or blending or dosing or additizing of fuels shall not constitute blending;
- (iv) "blending plant" means an oil blending facility where oil blending is carried out and includes all other facilities and equipment used for the purpose;
- (v) "bulk consumer" means a consumer who for self consumption only receives or purchases petroleum products exceeding one thousand litres, contained in receptacle of appropriate capacity;
- (vi) "common carriage" includes an obligation to transport crude oil or petroleum products through the pipeline on a non-discriminatory basis for a fee or otherwise as approved by the Authority from time to time;
- (vii) "common facility" means the storage of crude oil or petroleum products in an oil storage facility on a non-discriminatory basis for a fee or otherwise as approved by the Authority from time to time;
- (viii) "dealer" means a person appointed, authorized, empowered or franchised by a licensee engaged in marketing or distribution of motor gasoline, diesel, lubricants and greases, at its retail outlets;

- (ix) "District Government or Local Government" means the district government or the local government whichever is applicable, as defined in the respective Law of the Provinces;
- (x) "Environmental Protection Agency" means the Pakistan Environmental Protection Agency established under the Pakistan Environmental Protection Act, 1997 (XXXIV of 1997);
- (xi) "grease plant" means a petroleum grease manufacturing plant licensed under these rules for the purpose of production of various grades of grease;
- (xii) "gross sale" means the total revenue from sales;
- (xiii) "laboratory" means a laboratory, approved by the Authority, for testing of crude oil, petroleum products, lubricating oil and greases;
- (xiv) "lubricant" means finished lubricating oils or greases of laid down specifications produced locally or imported;
- (xv) "lubricant marketing company" means a person other than oil marketing company engaged only in purchase, sale and distribution of lubricant under a licence granted by the Authority;
- (xvi) "oil testing facility" means a laboratory, however called, designated or designed, primarily and substantially engaged for or run on commercial basis for the testing of oil to determine its quality, contents and components;
- (xvii) "open access" means the non-discriminatory access to oil storage and pipeline facilities for a fee or otherwise as approved by the Authority from time to time;
- (xviii) "Ordinance" means the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002);
- (xix) "petroleum products" includes refined oil products, lubricating oils and greases excluding LPG under Schedule-III;
- (xx) "premises", in addition to the places where regulated activities are carried on, includes a place in which any petroleum product is kept, stored or sold and includes a storage terminal or depot, retail outlet, distribution outlet, filling-station, godown, truck depot, railway terminal, shop or any other place used for the like purpose;

- (xxi) "reclamation plant" means a licensed facility engaged in the reclamation, refining or processing of used lubricating oils including transformer oil and turbine oil by any method whatsoever towards the completion of a lubricating oil base stock;
- (xxii) "refining" means a process for the purpose of refining of crude oil to produce refined oil products;
- (xxiii) "retail outlet" means a premises for the distribution of petroleum products owned or operated by an oil marketing company or its dealer for the purpose of selling petroleum products;
- (xxiv) "sample" includes specimen or a quantity of petroleum product, taken or obtained or collected by a person, authorized by the Authority, for inspection, testing or examination as evidence of the quality, quantity, composition or weight of the said product; provided that in the case of a refinery or blending plant, samples shall be taken only of petroleum products which are ready for sale and supply to customers and in respect of which a certificate of quality has been issued by such refinery or blending plant;
- (xxv) "Schedule" means a Schedule to these rules;
- (xxvi) "specifications" means standards and the specifications for petroleum products which the Federal Government may issue as policy guidelines under the Ordinance;
- (xxvii) "storage" includes any oil storage facility or undertaking for storage of oil exceeding five thousand litres; provided that such activity shall not include any retention happening during the ordinary course of transportation;
- (xxviii) "substandard petroleum product" means a petroleum product which, in relation to its composition or quality, falls below the required specifications;
- (xxix) "technical standards" means the standards prescribed by the Authority under the Ordinance in relation to any regulated activity;
- (xxx) "Technical Standard Compliance Report" means the technical audit report issued by third-party inspector, as prescribed by the Authority, certifying that the refinery, blending plant, oil storage facility, pipeline, oil testing facility or retail outlets of an oil marketing company, as the case may be, are in compliance with the technical standards;

- (xxxi) "third party inspector" means local or international company appointed by the Authority as third party inspector, having a minimum ten years' experience in carrying out inspection of relevant regulated activity for the midstream and downstream oil sector for certification of technical standards specified by the Authority; and
- (xxxii) "used lubricating oil" means lubricating oil drained from automobiles, industrial machinery, transformer or turbine and includes all types of discarded or waste lubricating and other oils.

(2) All other words and expressions used but not defined in these rules shall have the same meanings as are assigned to them in the Ordinance.

PART II

REFINING

3. **Licence.**—No person shall construct or operate a refinery without obtaining a licence from the Authority.

4. **Application for licence.**—An application for the grant of a licence to construct or operate a refinery shall be made to the Authority before start of construction or operation thereof on the format set out in Part A of Schedule I.

5. **Criteria for grant of licence for new refinery.**—(1) The Authority may grant a licence for the construction or operation of a new refinery, subject to such terms and conditions as may be specified therein, if it is satisfied that—

- (a) the location, configuration, infrastructure and any other parameters of the refinery meet the requirements of policy guidelines, if any, issued by the Federal Government under the Ordinance;
- (b) the applicant has the possession of site and has obtained the NOC from the concerned Environmental Protection Agency and District Government or the Local Government whichever is applicable;
- (c) the refinery work programme envisages storage capacity, sufficient to meet the designed capacity of the refinery, for a minimum period of fifteen days for crude oil and seven days for refined oil products;
- (d) the applicant has reached the understanding with the relevant agencies for—

- (i) port handling facility for import and storage of crude oil, if applicable, and export of surplus petroleum products;
 - (ii) transportation and supply of petroleum products for local consumption; and
 - (iii) availability of all relevant public utilities including electricity, gas and water;
- (e) the applicant has adequate financing capacity or has arranged adequate financing facility to construct or operate the refinery on the basis of due diligence certificate provided by a scheduled bank or financial institution; and
- (f) the applicant has submitted an affidavit from each and all of its Directors to the effect that—
- (i) he is not disqualified or in-eligible to become or remain a Director of the company under the provisions of the Companies Ordinance, 1984 (XLVII of 1984);
 - (ii) he has not failed to pay any bank advance or loan or any instalment thereof or interest and mark-up thereon;
 - (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan; and
 - (iv) no case is pending against the applicant or its Directors in national or international courts and tribunals or such other forums howsoever called or designated for recovery of bank loan or advance.

(2) The Authority shall initially issue a licence for construction for a period of three years during which the infrastructure as given in the work programme shall be completed in accordance with the laid down technical standards. In case of failure to complete the infrastructure within the stipulated period of the licence, the Authority may refuse the extension of the licence or, depending on the nature of non-compliance and subject to penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory completion of the work programme subject to certification by third party inspector, the Authority shall grant licence for operation of a refinery for a maximum period of thirty years, subject to renewal, from time to

time, on making of fresh application at least two years prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years at a time.

6. **Criteria for grant of licence to refinery under construction or existing refinery in operation.**—(1) Notwithstanding anything contained in rule 5 regarding criteria for grant of licence for new refinery, all persons lawfully carrying on the construction or operation of a refinery immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance, provided that all such persons shall apply, on the format set out in Part B or B I, as the case may be, of Schedule I, for the grant of licences in accordance with these rules within ninety days of the commencement thereof.

(2) Upon the making of applications to the Authority for the grant of licences, such persons shall be granted licences on the terms and conditions applicable to them on the date of the commencement of the Ordinance, provided that if the existing refinery fails to establish or maintain the terms and conditions of its construction or operation as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing refinery shall be valid for a maximum period of thirty years subject to renewal, from time to time, on the making of fresh application at least two years prior to the expiry of the existing licence, accompanied by an inspection report from third party inspector confirming that the refinery complies with the technical standards prescribed therefor. A licence renewed shall be valid for a maximum period of fifteen years at a time.

7. **Production programme.**—Every refinery shall, at least one month before the commencement of every quarter of a calendar year, submit to the Authority for its information the programme of production which it proposes to follow in that quarter. Any change in or departure from the said programme shall also be intimated to the Authority in writing forthwith.

8. **Specifications of petroleum products.**—Every refinery shall produce petroleum products in accordance with the specifications laid down in the policy guidelines issued by the Federal Government under the Ordinance.

9. **Sale of petroleum products.**—No refinery shall sell any of its petroleum products to a person other than an oil marketing company, oil blending plant, grease plant, reclamation plant or bulk consumer except through execution of a contract specifying the quantity, supply schedule, specifications and pricing terms.

PART-III

BLENDING

10. **Licence.**—No person shall construct or operate a blending plant, reclamation plant or grease plant or produce or pack refined lubricating oils or greases for sale without obtaining a licence from the Authority.

11. **Application for licence.**—An application for the grant of licence to construct or operate a blending plant, reclamation plant or grease plant shall be made on the format set out in Part 'C' of Schedule I before the start of construction or operation under these rules.

12. **Criteria for grant of licence to construct or operate new oil blending plant, reclamation plant or grease plant.**—(1) The Authority may grant a licence for construction or operation of a new oil blending plant, reclamation plant or grease plant on such terms and conditions as may be specified therein if it is satisfied that—

- (a) the location, configuration, infrastructure and any other parameters of the oil blending plant, reclamation plant or grease plant meet the requirements of policy guidelines, if any, issued by the Federal Government under the Ordinance;
- (b) the applicant has the possession of the site and has obtained NOC from the concerned Environmental Protection Agency and District Government or the Local Government whichever is applicable;
- (c) the applicant has given an undertaking to the effect that for the construction or operation he meets the minimum requirements as set out in—
 - (i) Part A of Schedule V for the oil blending plant; and
 - (ii) Part B of Schedule V for reclamation plant or grease plant;
- (d) the applicant has adequate financing capacity or has arranged adequate financing facility to construct or operate the regulated activity on the basis of due diligence certificate provided by a scheduled bank or financial institution; and
- (e) the applicant has submitted an affidavit from each and all of its Directors to the effect that—

- (i) he is not disqualified or ineligible to become or remain a Director of the company under the provisions of the Companies Ordinance, 1984 (XLVII of 1984);
- (ii) he has not failed to pay any bank advance or loan or any instalment thereof or interest and mark-up thereon;
- (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan; and
- (iv) no case is pending against the applicant company or its Directors in national or international courts or tribunals or other such forums howsoever called or designated for recovery of bank loan or advance.

(2) The Authority shall initially issue licence for construction for a period of one year during which the infrastructure as given in the work programme shall be completed in accordance with the laid down technical standards. In case of failure to complete the infrastructure within the stipulated period of the licence, the Authority may refuse the extension of the licence or, depending on the nature of non-compliance and subject to penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory completion of the work programme subject to the certification of third party inspector, the Authority shall grant licence for operation of blending plant, reclamation plant or grease plant for a maximum period of twenty years subject to renewal, from time to time, on making of fresh applications at least one year prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of ten years at a time.

13. Criteria for grant of licence to existing blending plant, reclamation plant or grease plant.—(1) Notwithstanding anything contained in rule 12 regarding criteria for grant of licence for blending plant, reclamation plant or grease plant, all persons lawfully carrying on the construction or operation of the aforesaid regulated activity immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance, provided that all such persons shall apply, on the format set out in Part D of Schedule I for the grant of licences in accordance with these rules, within ninety days of the commencement thereof.

(2) Upon the making of applications to the Authority for the grant of licences, such persons shall be granted licences by the Authority on the terms and

conditions applicable to them on the date of the commencement of the Ordinance, provided that if the existing oil blending plant, reclamation plant or grease plant fails to establish or maintain the terms and conditions of its construction or operation, as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing oil blending plant, reclamation plant or grease plant shall be valid for a maximum period of twenty years subject to renewal, from time to time, on the making of fresh application, at least one year prior to the expiry of the existing licence subject to third party certification confirming the compliance of technical standards. A licence renewed shall be valid for a maximum period of ten years at a time.

14. **Production programme.**—Every blending plant, reclamation plant or grease plant shall submit biannually to the Authority for information, its production programme alongwith the information on the consumption of chemicals and additives. Thereafter it shall submit information for the same period on actual production and actual consumption of chemicals and additives.

15. **Sale of base oils.**—No blending plant, reclamation plant or grease plant shall sell except with the prior permission of the Authority in writing or dispose of base oils purchased locally or imported for the purpose of blending or processing.

16. **Product specifications.**—Every blending plant, reclamation plant or grease plant shall produce lubricating oil or greases in accordance with the specifications laid down in the policy guidelines issued by the Federal Government under the Ordinance.

17. **Minimum stocks of base oils and lubricating oils.**—Every blending plant shall maintain such minimum stocks of base oils and lubricating oils as the Authority may, from time to time by order in writing, specify having due regard to its storage capacity.

18. **Supply of lubricating oils.**—No person having licence for the operation of blending plant, reclamation plant or grease plant shall supply or sell refined lubricants to any person other than his authorized dealer or agent or consumer.

19. **Sale, purchase or storage of used lubricating oil.**—No person shall sell, purchase or store used lubricating oil except for supply to a licensed reclamation plant or its authorized agent.

20. **Reclamation of lubricating oil prohibited.**—No person other than a licensed reclamation plant shall reclaim lubricating oil.

21. **Appointment of collection agent for used lubricating oil.**—No reclamation plant shall appoint any person as a collection agent for used lubricating oil unless the credentials of the agent are duly got verified by the licensee through the concerned police station of the area and its record be maintained by the licensee.

PART-IV TRANSPORTATION

22. **License.**—No person shall construct or operate a pipeline for oil transportation or any activity of transporting oil through pipelines and associated facilities except where the pipelines are an integral part of a refinery, facility or gathering pipelines situated wholly within the boundaries of an area where petroleum rights apply and are owned or operated by the holder of a petroleum right without obtaining a licence from the Authority.

23. **Application for licence to construct or operate a new pipeline for the transportation of oil for others.**—An application for the grant of a licence to construct or operate a pipeline for oil shall be made on the format set out in Part E of Schedule I, before the start of construction or operation of the pipeline under these rules.

24. **Procedure for submission of application for new pipeline for oil and its processing by the Authority.**—The procedure for submission of application for new pipeline for oil and its processing by the Authority shall be followed as set out in Schedule IV.

25. **Criteria for grant of licence to construct and operate a new pipeline for the transportation of oil for others.**—(1) The Authority may grant a licence for the construction or operation of a new pipeline subject to such terms and conditions as may be specified therein if it is satisfied that—

- (a) no pipeline exists in the area where the applicant proposes to construct the new pipeline or the existing pipeline does not have the spare capacity to transport the crude oil or petroleum products;
- (b) pipeline route and configuration meet the requirements of policy guidelines, if any, issued by the Federal Government under the Ordinance and the applicant has obtained the NOC from the concerned Environmental Protection Agency and District Government or the Local Government whichever is applicable;
- (c) project financing is based on a maximum debt equity ratio of 70:30;

- (d) the applicant has adequate financing capacity or has arranged adequate financing facility on the basis of due diligence certificate provided by a scheduled bank or financial institution;
- (e) the applicant has submitted an affidavit from each and all of its Directors to the effect that—
 - (i) he is not disqualified or in-eligible to become or remain a Director of the company under the provisions of the Companies Ordinance, 1984 (XLVII of 1984);
 - (ii) he has not failed to pay any bank advance or loan or any installment thereof or interest and mark-up thereon;
 - (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan; and
 - (iv) no case for recovery of bank loan or advances is pending against the applicant or its Directors in national or international courts or tribunals or such other forums howsoever called or designated; and
- (f) an undertaking has been obtained by the applicant from the user of the pipeline to the effect that the pipeline shall be operated on commercial basis and throughput guarantee.

(2) The Authority shall initially issue a licence for construction for a period of three years during which the necessary infrastructure as given in the work programme shall be completed in accordance with the laid down technical standards. In case of failure to complete the necessary infrastructure within the stipulated period of the licence, the Authority may refuse the extension of the licence or depending on the nature of non-compliance and subject to penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory completion of the work programme subject to certification by third party inspector confirming the compliance of technical standards, the Authority shall grant the licence for operation of a pipeline for a maximum period of thirty years subject to renewal, from time to time, on making of fresh application at least two years prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years at a time.

26. Criteria for grant of licence to existing pipelines.—(1) Notwithstanding anything contained in rule 25 regarding criteria for grant of licence

for pipeline for oil, all persons lawfully carrying on the construction or operation of pipelines for oil immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance, provided that all such persons shall apply for the grant of licences, on the format set out in Part F of Schedule I, in accordance with these rules within ninety days of the commencement thereof.

(2) Upon the making of applications to the Authority for the grant of licences, such persons shall be granted licences by the Authority on the terms and conditions applicable to them on the date of the commencement of the Ordinance, provided that if the existing pipeline fails to establish or maintain the terms and conditions of its construction or operation, as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing pipeline shall be valid for a maximum period of thirty years subject to renewal, from time to time, on the making of fresh applications at least two years prior to the expiry of the existing licence subject to the certification by third party inspector confirming compliance of the technical standards. A licence renewed shall be valid for a maximum period of fifteen years at a time.

27. Licence to construct and operate pipeline for the transportation of oil for others to include entire network. Any additional pipeline that is a pipeline in addition to the pipeline proposed in the application for the grant of the licence shall be constructed for removing operational bottlenecks, if any, subject to compliance with the technical standards provided that if the additional pipeline is meant to cater for the requirement for new consumption centre, a separate licence will be required.

PART - V

STORAGE

28. Licence.—(1) No person shall construct or operate any oil storage facility or undertake storage of oil for the purpose of commercial storage of crude oil or petroleum products without obtaining licence from the Authority.

(2) In order to regulate smoothly the activities of construction or operation of oil storage facility and the undertaking of storage of oil in accordance with the laid down technical standards as mentioned in the Ordinance, the Authority may, in its

discretion, grant one or two licences for both the regulated activities jointly and severally.

29. Application for licence to construct or operate an oil storage facility or to store oil.—Application for the grant of licence to construct or operate an oil storage facility or undertake storage of oil in quantities exceeding in the aggregate five thousand litres shall be made on the format set out in Part G of Schedule I, before the start of the construction or the operation as the case may be.

30. Criteria for grant of licence to construct and operate a new oil storage facility or to store oil.—(i) The Authority may grant licence for the construction or operation of a new oil storage facility subject to such terms and conditions as may be specified therein if it is satisfied that—

- (a) the location, configuration, infrastructure and any other parameters of the oil storage facility meet the policy guidelines, if any, issued by the Federal Government under the Ordinance;
- (b) the applicant is in possession of the site and has obtained NOC of the concerned Environmental Protection Agency, District Government or the Local Government whichever is applicable, and Ministry of Defence;
- (c) the applicant has reached the understanding for supply of the crude oil or the petroleum products with a refinery, blending plant, oil marketing company or bulk consumer if so authorized;
- (d) the applicant has adequate financing capacity or has arranged adequate financing facility to construct or operate an oil storage facility on the basis of due diligence certificate provided by a scheduled bank or financial institution;
- (e) the applicant has, where required, reached the understanding with the relevant agencies for—
 - (i) port handling facility, if applicable; and
 - (ii) availability of all utilities, including electricity, gas and water; and
- (f) the applicant has submitted an affidavit from each and all of its Directors to the effect that—
 - (i) he is not disqualified or is-eligible to become or remain a Director of the company under the provisions of the Ordinance, 1984 (XLVII of 1984);

- (ii) he has not failed to pay any bank advance or loan or any installment thereof or interest and mark-up thereon.
- (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan, and
- (iv) no case is pending against the applicant or its Directors in national or international courts or tribunals or such other forums howsoever called or designated for recovery of bank loan or advance.

(2) The Authority shall initially issue a licence for construction for a period of one year during which necessary infrastructure as given in the work programme shall be completed in accordance with the laid down technical standards. In case of failure to complete the necessary infrastructure within the stipulated period of the licence, the Authority may refuse the extension of the licence or, depending on the nature of non-compliance and subject to penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory completion of the work programme subject to the certification of third party inspector confirming the compliance of technical standards, the Authority shall grant licence for operation of the oil storage facility for a maximum period of thirty years subject to renewal, from time to time, on making of fresh applications at least two years prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years at a time.

31. Criteria for grant of licence for existing oil storage facility.—(1) Notwithstanding anything contained in rule 30, all persons lawfully carrying on the construction or operation of an oil storage facility immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance, provided that all such persons shall apply on the format set out in Part H of Schedule I, for the grant of licences in accordance with these rules within ninety days of the commencement thereof.

(2) Upon the making of applications to the Authority for the grant of licences such persons shall be granted licences by the Authority on the terms and conditions applicable to them on the date of the commencement of the Ordinance, provided that, if the existing oil storage facility fails to establish or maintain the terms and conditions of its construction or operation as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing oil storage facility shall be valid for a maximum period of thirty years subject to renewal, from time to time, on the making of fresh applications subject to the certification of third party inspector confirming the compliance of technical standards, at least two years prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years at a time.

32. Criteria for grant of licence for storage of oil in a non-oil storage.—(1) Upon the making application on the format set out in Part I of Schedule I, the Authority may grant licence for undertaking storage of oil in a non-oil storage subject to such terms and conditions as may be specified therein if it is satisfied that—

- (a) the location, configuration, infrastructure and any other parameters of the premises meet the policy guidelines, if any, issued by the Federal Government under the Ordinance;
- (b) the applicant has the possession of the site and has obtained NOC from the concerned Environmental Protection Agency and District Government or the Local Government whichever is applicable;
- (c) the location and the premises to undertake storage of oil in no way affects the safety of any other person or infrastructure;
- (d) the premises meet the applicable health safety and environment standards for undertaking storage of oil;
- (e) the applicant is in possession of the requisite explosive licence for undertaking the storage of oil; and
- (f) the applicant has submitted an affidavit from each and all of its Directors to the effect that—
 - (i) he is not disqualified or in-eligible to become or remain a Director of the company under the provisions of the Companies Ordinance, 1984 (XLVII of 1984);
 - (ii) he has not failed to pay any bank advance or loan or any installment thereof or interest and mark-up thereon;
 - (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan; and
 - (iv) no case is pending against the applicant or its Directors in national or international courts or tribunals or such other forums however called or designated for recovery of bank loan or advance.

(2) A licence granted by the Authority to undertake storage of oil in a non-oil storage shall be valid for a maximum period of ten years subject to renewal, from time to time, on making of fresh applications at least one year prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of five years at a time.

PART-VI MARKETING

33. Licence. No person shall undertake the marketing of petroleum products without obtaining a licence from the Authority.

34. Application for licence.—An application for licence to set up a new oil marketing company to undertake marketing of petroleum products shall be made, on the format set out in Part I of Schedule I, before the start of marketing of petroleum products under these rules.

35. Criteria for the grant of licence to new oil marketing company.—
(1) The Authority may grant a provisional licence for three years for setting up a new oil marketing company, if it is satisfied that,—

- (a) the applicant is a private or public limited company registered under the laws of Pakistan;
- (b) the company is not affiliated in any form with any existing oil marketing company operating in Pakistan;
- (c) the company has a total investment capacity of not less than six billion rupees over an initial period of three years, with minimum upfront equity of three billion rupees supported by a due diligence certificate from a scheduled bank or financial institution;
- (d) the company has submitted an affidavit from each and all of its Directors to the effect that,—
 - (i) he is not disqualified or is-eligible to become or remain a Director of the company under the provisions of the Companies Ordinance, 1984 (XLVII of 1984);
 - (ii) he has not failed to pay any bank advance or loan or any installment thereof or interest and mark-up thereon;
 - (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan; and

- (iv) no case is pending against the company or its Directors in national or international courts or tribunals or such other forums, howsoever called or designated for recovery of bank loan or advance;
- (c) investment plan of the company envisages major investment on infrastructure development of depots, installations etc. and a specific work programme, covering a period of three years, to create minimum storage of twenty days of the proposed sales has been provided; -
- (f) the marketing plan for a period of three years envisages adequate coverage in urban, rural and far-flung areas; and
- (g) an undertaking from the company has been obtained to the effect that it shall first uplift petroleum products produced by the local refineries before opting for import of the same.

(2) The Authority after examining the application made under rule 34 shall initially issue a licence for a period of three years during which the marketing infrastructure i.e. storages, retail outlets and filling stations etc., as given in the work programme, shall be completed in accordance with the laid down technical standards. In case of failure to complete the aforesaid marketing infrastructure within the stipulated period of provisional licence, the Authority may refuse the extension of the licence or, depending on the nature of non-compliance and subject to penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory completion of the work programme subject to the certification by third party inspector confirming the compliance of technical standards the Authority shall grant licence to an oil marketing company for a maximum period of thirty years subject to renewal, from time to time, on making of fresh application at least two years prior to the expiry of the existing licence alongwith the certification by third party inspector confirming the compliance of the technical standards. A licence renewed shall be valid for a maximum period of fifteen years at a time.

36. Criteria for grant of licence to existing oil marketing company.—

(1) Notwithstanding anything contained in rule 35, all oil marketing companies lawfully carrying on the marketing of petroleum products immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance, provided that all such companies shall apply for the grant of licences, on the format set out in Part K of Schedule I, in accordance with these rules within ninety days of the commencement thereof.

(2) Upon the making of application to the Authority, for the grant of licences such oil marketing companies shall be granted licences by the Authority on the terms and conditions applicable to them on the date of the commencement of the Ordinance, provided that if the existing oil marketing company fails to establish or maintain the terms and conditions of the marketing of petroleum products as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing oil marketing company shall be valid for a maximum period of thirty years subject to renewal, from time to time, on the making of fresh application at least two years prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years at a time.

37. **Minimum stocks of petroleum products.**—Every oil marketing company shall maintain such minimum stocks of petroleum products as the Federal Government may, from time to time, by order in writing specify.

38. **Supply of petroleum products.**—Every oil marketing company shall supply the petroleum products to its retail outlets and its authorized agent, dealer or bulk consumer having licensed premises for storage of the petroleum products subject to the condition that the petroleum products supplied shall in no case, exceed the storage capacity of the agent, dealer or bulk consumer as the case may be.

39. **Quality and quantity measurement.**—(1) Every oil marketing company shall be responsible to ensure correct measurement and supply of petroleum products of the laid down specifications at its retail outlets and shall maintain quarterly profile of such checks for the examination of the Authority as and when called for.

(2) If the Authority is satisfied that a retail outlet of an oil marketing company is supplying substandard petroleum product or is failing to supply correct quantities of the petroleum products, the Authority may, by order in writing, direct the oil marketing company concerned to suspend supplies of the petroleum products to such retail outlet and thereupon such oil marketing company shall suspend supplies of the petroleum products to such retail outlet except as directed in such order or any subsequent order.

(3) The Authority may also take action against oil marketing company if it is established that the company has delayed implementation of its order or failed to implement the decision of the Authority.

40. **Maintenance of complaint register.**—Every oil marketing company shall maintain consumer complaint register and shall display prominently complaint redressal procedure at its retail outlets.

41. **Display of prices.**—Every oil marketing company shall ensure that maximum sale prices of petroleum products are prominently displayed at its retail outlets for the information and convenience of consumers.

42. **Import of petroleum products.**—No oil marketing company or authorized importer shall import petroleum products of a quality other than the laid down specifications. Each imported consignment of petroleum products shall be subject to quality clearance from the approved laboratory in accordance with the procedure and testing charges as prescribed by the Authority from time to time.

PART - VII

LUBRICANT MARKETING

43. **Licence.**—No person shall undertake lubricant marketing without obtaining a licence from the Authority.

44. **Application for licence to undertake lubricant marketing.**—An application for the grant of a licence to set up a new lubricant marketing company to undertake the lubricant marketing shall be made to the Authority before the start of marketing operations on the format set out in Part L of Schedule I.

45. **Criteria for the grant of licence to new lubricant marketing companies.**—(1) The Authority may grant a licence for the setting up or operation of a new lubricant marketing company to undertake lubricant marketing, on such terms and conditions as may be specified therein if it is satisfied that—

- (i) the applicant company is a private or public limited company registered under the laws of Pakistan;
- (ii) the company is not affiliated in any form with any existing oil marketing company operating in Pakistan; and
- (iii) the applicant company has submitted a complete investment plan on construction of storages, warehouses, distribution outlets and sources of supply.

(2) The Authority shall initially issue licence for lubricant marketing for a period of three years during which the investment plan as given by the company shall be completed. In case of failure to implement the investment plan within the stipulated period of the licence, the Authority may refuse the extension of the licence or, depending on the nature of the non-compliance and subject to the penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory implementation of the investment plan, the Authority shall grant licence to operate as a lubricant marketing company for a maximum period of thirty years subject to renewal, from time to time and, at least one year prior to the expiry of the existing licence, on making a fresh application alongwith an inspection report from a third party inspector appointed by the Authority, confirming that the infrastructure of the company including any distribution outlets, depots and operations comply with the laid down technical standards. A licence renewed shall be valid for a maximum period of fifteen years at a time.

46. **Criteria for the grant of licence to existing lubricant marketing companies.**—(1) Notwithstanding anything contained in rule 45 regarding criteria for grant of licence to new lubricant marketing companies, all persons lawfully carrying on operation of the aforesaid regulated activity immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance provided that all such persons shall apply, on the format set out in Part-M of Schedule I for the grant of licences in accordance with these rules, within ninety days of the commencement thereof.

(2) Upon making the applications to the Authority for the grant of licences, such persons may be granted licences by the Authority on the terms and conditions applicable to them on the date of the commencement of the Ordinance provided that if the existing lubricant marketing company fails to establish or maintain the terms and conditions of its operation, as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing lubricant marketing company shall be valid for a maximum period of thirty years subject to renewal, from time to time, on the making of a fresh application alongwith an inspection report from a third party inspector appointed by the Authority, confirming that the infrastructure of the company including any distribution outlets, depots and operations comply with the laid down technical standards, at least one year prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years.

47. **Import of lubricants and greases and restrictions on use of lubricating base oils and lubricating oils.**—No person shall import for sale in Pakistan lubricant or greases which do not conform to the specifications prescribed therefor.

PART-VIII

OIL TESTING FACILITY

48. **Licence.**—No person shall establish or operate an oil testing facility without obtaining a licence from the Authority.

49. **Application for licence to establish or operate an oil testing facility.**—An application, for the grant of licence to establish or operate an oil testing facility shall be made on the format set out in Part-N of Schedule I before the start of the construction or operation.

50. **Criteria for grant of licence to establish or operate an oil testing facility.**—The Authority may grant licence for the establishment or operation of an oil testing facility subject to such terms and conditions as may be specified therein and on the satisfaction of such criteria as the Authority may deem appropriate for ensuring quality control of petroleum products and according to the laid down specifications. A licence granted by the Authority for establishment or operation of an oil testing facility shall be valid for a maximum period of twenty years subject to renewal, from time to time, and at least two years prior to the expiry of the existing licence on the making of fresh application, accompanied with an inspection report from a third party inspector confirming that the oil testing facility complies with the standards prescribed therefor. A licence renewed shall be valid for a maximum period of ten years at a time.

51. **Criteria for grant of licence to existing oil testing facility.**—(1) Notwithstanding anything contained in rule 50, all persons lawfully carrying on the construction or operation of an oil testing facility or otherwise lawfully testing oil immediately before the commencement of the Ordinance, shall be deemed to be validly carrying on such construction or operation under the Ordinance and on such terms and conditions as were applicable to such persons on the date of commencement of the Ordinance, provided that such persons, for the grant of licences in accordance with these rules, shall within ninety days of the commencement thereof apply, on the format set out in Part-N of Schedule-I.

(2) Upon making of the application under sub-rule (1) to the Authority, such persons shall be granted licences on the terms and conditions applicable to them on the date of the commencement of the Ordinance, provided that if the existing oil testing facility fails to establish or maintain the terms and conditions of its construction or operation as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to existing oil testing facility shall be valid for a maximum period of twenty years subject to renewal, from time to time and at least two years prior to the expiry of the existing licence, on the making of fresh application accompanied with an inspection report from a third party inspector confirming that the oil testing facility complies with the standards prescribed therefor. A licence renewed shall be valid for maximum period of ten years at a time.

52. **Approved Laboratory.**—(1) Upon the grant of licence, the Authority may declare the oil testing facility as an approved laboratory.

(2) The Authority may declare as many laboratories, as it deems fit, to be approved laboratories and specify local limits within which each one of them shall operate or perform its functions.

PART-IX

LICENCE CONDITIONS

53. **Licence conditions.**—All licensees, in relation to their regulated activity, shall—

- (i) comply with all laws, rules and regulations relevant to the undertaking of the regulated activity for which a licence is granted to it;
- (ii) supply petroleum products of the laid down specifications;
- (iii) refrain from exercising discrimination against or showing undue preference towards any licensee or any class of consumers;
- (iv) enter into proper commercial contract with other licensee or class of consumers to discharge its obligations;
- (v) supply petroleum products to such far-flung areas as may be specified by the Authority keeping in view the policy guidelines issued by the Federal Government under the Ordinance;
- (vi) provide to the Authority or an authorized officer such information in respect of its business activities, expansion programmes and any other matter relevant for the exercising of any of its powers by the Authority in such form, and within such time as the Authority may in writing, reasonably require in accordance with the provisions of its licences;
- (vii) enter into all contracts on an arm's length basis and not to enter into any contract or other arrangement with any of its associated companies except with the prior written approval of the Authority;

- (vi) carry out regulated activity in accordance with the technical standards applicable to the midstream and downstream petroleum industry or prescribed by the Authority, from time to time, in consultation with all stakeholders;
- (ix) strictly follow the requirements of the Pakistan Environmental Protection Act, 1997 (XXXIV of 1997) and applicable laws;
- (x) not to abandon any regulated activity, as a part or whole, resulting into discontinuation of supply of petroleum products or its sale in any area without the prior written consent of the Authority;
- (xi) ensure prudence, cost effective and economic efficiency in operation of the regulated activity and cost effective supplies to the consumer;
- (xii) obtain and maintain insurance cover against any accident causing loss of life and property;
- (xiii) maintain planned programme for maintenance and obtain prior approval of the Authority for temporary closure of any operation of the regulated activity;
- (xiv) maintain minimum stocks of crude oil or petroleum products as directed by the Authority having due regard to the storage capacity of the licensee;
- (xv) comply with any other condition which the Authority may impose at the time of grant of the licence; and
- (xvi) be responsible to take all the measures for the benefit of the local labourers as well as welfare of the people and area of the concerned Provinces to give social boost to the region.

PART-X

MISCELLANEOUS

54. **Entry and Inspection.**—(1) Any person including any District Coordination Officer authorized in writing by the Authority (hereinafter called "Inspection Officer") may at any reasonable time—

- (a) enter, inspect and examine any premises, facility or installations, owned or operated by an oil marketing company, refinery, blending plant, reclamation plant or grease plant;
- (b) take sample free of any charge or check specifications of oil, produced locally or imported, and for the time being in the possession, custody or control of a person engaged in any regulated activity; and
- (c) make such examination or inquiry, as he considers necessary, for ensuring that the provisions of these rules, or any order made thereunder, are being fully observed.

(2) Notwithstanding the provisions of sub-rule (1), all members of the Authority shall be deemed to have the authorization and powers of Inspection Officer.

55. **Authorization of the Authority.**—The Inspection Officer may further check and satisfy himself that the provisions of the Ordinance and these rules and the decisions made by the Authority are complied with in letter and spirit by all and sundry, provided that such Inspection Officer may take any action in accordance with the Ordinance and these rules and the decisions made by the Authority, in emergency and on the spot, if he considers such action on his part is necessary and thereafter report forthwith to the Chairman and as soon as possible to the Authority for ratification unless the Chairman issues appropriate orders or directions or does not consider it necessary to submit the matter to the Authority.

56. **Facilities to the Inspection Officer.**—The owner, manager, proprietor or other person-in-charge of the premises, facility or installation of oil marketing company, refinery, oil storage, blending plant, reclamation plant or grease plant shall afford the Inspection Officer all necessary facilities for making an examination, inquiry, inspection, measurement or for taking any samples.

57. **Authorization to take samples.**—The Authority or Inspection Officer may take samples of a petroleum product from a refinery, blending plant, reclamation plant, grease plant, oil marketing company, installation, storage, depot, or retail outlet.

58. **Procedure for sampling and testing.**—(1) All samples shall be taken, handled, stored and tested in accordance with the American Standard of Testing Material procedures or, in the absence of such procedures, with the appropriate institute of petroleum United Kingdom procedure, or the American Petroleum Institute procedures.

(2) The Inspection Officer shall divide the sample into two parts and put each of them in separate containers in the presence of the person from whose possession, custody or control the sample is taken and shall seal each container in such a manner as the nature of the petroleum product may require with his own seal and shall also permit the person from whose possession, custody or control the sample is taken, if such person so desires, to affix his own seal or mark on each container.

(3) The Inspection Officer shall deposit one of the containers with the Authority and send the second to the approved laboratory for analysis of the sample.

(4) The approved laboratory, upon receiving the sample from the Inspection Officer, shall, within three days thereof or within such period as the Authority may extend from time to time, analyze the same and furnish to the Authority a certificate in the approved form, showing the result of the analysis.

(5) If the person, from whose possession, custody or control the sample was taken, disputes the correctness of the report of the approved laboratory, the Authority shall send the retained sample to another approved laboratory for analysis and furnishing report thereof to the Authority. The result of the second report shall be treated as final and shall not be called in question except before the Authority.

59. **Spot testing.**—The Inspection Officer may, in accordance with the method and scheme approved by the Authority, take samples of any motor gasoline and diesel to conduct the spot test in the presence of the representative of the oil marketing company or its agent or dealer and may send the sample to the approved laboratory for confirmation of the result of the spot test. The results of the spot test and the subsequent approved laboratory test shall be forwarded to the Authority and the person concerned on both occasions forthwith. The result of the approved laboratory test shall be treated as final and shall not be called in question, except before the Authority.

60. **Analysis of samples on request.**—Any person may make an application in writing to the Authority for instructing an Inspection Officer to take a sample of such petroleum product from such person as may be indicated in the application and to send samples to the approved laboratory for analysis. The costs of such sampling and testing shall be borne by the person making the application and the same shall be deposited in advance with the Authority.

61. **Prohibition of adulteration of petroleum products.**—No person shall produce, prepare, mix or blend any petroleum product with any other substance,

whether or not it is a by-product of petroleum, which reduces its quality or efficacy below the laid down specifications without prior permission of the Authority.

62. **Prohibition of possession of adulterated petroleum products.**—No person shall possess any adulterated or substandard petroleum product except for scientific or industrial purposes and in the manner and subject to such conditions as may be approved by the Authority. However, a refinery, oil marketing company or oil blending facility shall use such product, if any, only for reprocessing or reworking in order to meet the laid down specifications of that product.

63. **Prohibition of sale of adulterated petroleum products.**—No person shall, either himself or through any other person including an agent or dealer, sell or offer for sale or otherwise dispose of any adulterated or substandard petroleum product except to the persons, for the purposes and on the conditions, as approved by the Authority.

64. **Transfer and assignment of licences.**—(1) A licence shall not be transferred, assigned or sublet in any manner whatsoever without prior approval in writing of the Authority.

(2) As soon as an application is made for transfer, assignment or subletting of the licence, the Authority shall, without undue delay, grant or refuse its consent for transfer, assignment or subletting of the licence by taking into consideration the following factors, namely:—

- (a) the application is *bonafide* and has been made for the purposes of the Ordinance, rules, the decisions of the Authority and the terms and conditions of the licence; and
- (b) the Authority is satisfied of the *bonafides*, genuineness, capacity and capability of the transferee, assignee or sublettee as the case may be.

(3) Transfer, assignment or subletting of a licence may be made on the imposition of such additional terms and conditions and for such period as the Authority may decide.

(4) Transfer, assignment or subletting of a licence shall be subject to undertaking, supported by affidavits from the transferor, assignor or subletter together with affidavits from the transferee, assignee or sublettee to the effect that, notwithstanding the transfer, assignment or subletting both parties shall remain bound to the terms and conditions of the licence and other obligations attached therewith.

(5) In case the consent is not granted or is withheld or delayed for transfer, assignment or subletting of licence the Authority shall record reasons therefor and communicate the same to both the parties.

65. Amendment of licences.—(1) If a licensee, for any sufficient cause, requires an amendment in the terms and conditions of the licence, he may make an application to the Authority alongwith depositing the fee as prescribed in Schedule-II. The Authority may, in its discretion, consider the amendment, as proposed or otherwise, and grant the same if it is in public interest.

(2) The Authority may *suo moto* take up the process of amendment in the terms and conditions of a licence without the request of the licensee, for reasons to be recorded in writing after giving right of hearing to the licensee, on the main ground that it is in public interest to do so.

66. Revocation or suspension of licences.—(1) Where the Authority contemplates revocation of any licence, it may proceed with the matter, after giving an opportunity of show cause to the licensee, to revoke the licence in accordance with law.

(2) Where the circumstances of the case warrant urgent action, the Authority may, without giving prior opportunity of show cause to the licensee, suspend the licence forthwith and thereafter proceed with the matter in accordance with the provisions of sub-rule (1).

(3) The Authority may revoke the licence where it is of the opinion that—

- (a) the licensee has committed or continues to commit a wilful and prolonged contravention of these rules or terms and conditions of the licence;
- (b) the licensee, in the opinion of the Authority, is unable or is likely to be unable, to discharge the obligations imposed on it under these rules or by the licence;
- (c) services provided by the licensee are interrupted without any reasonable explanation or authorization of the Authority;
- (d) the licensee has wilfully failed, neglected or unreasonably prolonged the start or completion of the construction;

- (e) the licensee has failed, neglected or unreasonably delayed to operate fully or substantially the regulated facility; or
- (f) there appears to be grounds that the licensee is not serious or lacks financial, physical or administrative capabilities to utilize the licence in its letter and spirit;

Provided that, if it is in the public interest to do so, instead of revoking the licence, the Authority may permit the licence to remain in force with such amendments or such terms and conditions as it deems appropriate.

67. **Relocation of facilities.**—The Authority may order, on its own or on an application by a licensee accompanied by the fee as prescribed in Schedule II, to relocate any facility or pipeline if, in its opinion, it is in the public interest to do so:

Provided that, save in a public emergency, prior to making such an order, the Authority shall provide all affected parties an opportunity of filing motions in support of, or in opposition to, the proposed order.

68. **Fee.**—(1) An applicant shall be required to pay the fee for the grant, renewal, extension, assignment, review, transfer, amendment, re-location or re-issuance of a licence as specified in Schedule II.

(2) Every licensee shall, within thirty days of the issuance of the licence under these rules, pay an annual fee as prescribed in Schedule II.

PART-XI

PENALTIES

69. **Penalty.**—(1) Subject to sub-rule (2), a person, who contravenes any provisions of the Ordinance, these rules, terms and conditions of the licence, or the decisions of the Authority shall be punishable with fine which may extend to ten million rupees and in case of a continuing contravention with a further fine which may extend to one million rupees for every day during which such contravention continues.

(2) In imposing any fine under these rules, the Authority shall keep in view the principle of proportionality of the fine to the gravity of the contravention. Prior to imposing the fine, the Authority shall, in writing, require the person liable to be affected to show cause in writing as to why the fine may not be imposed.

SCHEDULE 1

PART A

[See rule 4]

APPLICATION FOR GRANT OF LICENCE FOR CONSTRUCTION
AND OPERATION OF NEW OIL REFINERY

1. Name of the Company and address of its registered office:_____
2. Name and address of the Directors (Attach details)._____
3. Certificate of Registration with Reg. Com. of Companies alongwith memorandum and articles of association_____
4. Location of the refinery and designed nameplate, capacity in barrels/day and million tons/year_____
5. EPA clearance certificate (attach certificate)_____
6. Source of supply of crude oil_____
7. Refinery configuration giving broad details of main units, crude and product storage capacities alongwith proposed production slate, based on 100% designed capacity for a given crude_____
8. Estimated cost of the project: \$million
 Equity \$million
 Loan \$million
 (attach due diligence certificate from a scheduled bank as per rule 5(e))
9. Status of availability of utilities at site (electricity, water, gas etc.)_____
10. Status of availability of port facility/terminal storage etc._____
11. Proposed arrangements for receipt of crude oil (i.e. mode of transportation from port/ local source)_____
12. Proposed arrangements for disposal of products for local consumption and export._____
13. Proposed arrangements for disposal of refinery: solid, liquid and gaseous wastes in accordance with National Environment Quality standards (NEQS)_____
14. Details of work programme and schedule of completion._____
15. Proposed details of emergency response system at terminals/storages;_____
16. Details of HSE arrangements to be adopted._____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I

PART II

(See rule 6(1) c)

APPLICATION FOR GRANT OF LICENCE TO EXISTING REFINERY

1. Name of the refinery: _____
2. Location: _____
3. Corporate structure of the company (attach last annual report) _____
4. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association _____
5. Year of construction and commissioning _____
6. Details of expansion or up-gradation already undertaken after commissioning _____
7. Present designed nameplate capacity:- Barrels/ day and Metric tons/ annum _____
8. Configuration/details of main units and crude/ product storage capacities _____
9. Details of HSE arrangements: _____
10. Details of emergency response system _____
11. International certification on various operational activities _____
12. Sources of supply of crude oil and details of arrangements of its receipt: _____
13. Details of arrangements for disposal of products for local consumption and export: _____
14. Details of arrangements for disposal of refinery solid, liquid and gaseous wastes in accordance with National Environment and quality standards (NEQS): _____
15. Details of latest Environment and safety audit conducted if any and measures taken to remove deficiencies if applicable (attach reports): _____
16. Details of previous permission/terms and conditions applicable on the date of commencement of the OGRA Ordinance i.e. 28th March, 2002, and subsequent change, if any (attach documents): _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

Part II

APPLICATION FOR GRANT OF LICENCE FOR AN OIL REFINERY ALREADY UNDER CONSTRUCTION

1. Name of refinery: _____
2. Name and address of the Directors (Attach details) _____
3. Location of the refinery and designed nameplate capacity in barrels/day and million tons/year: _____
4. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association: _____
5. EPA clearance certificate (attached certificate): _____
6. Year of construction: _____
7. Source of supply of crude oil: _____
8. Configuration/details of main units and crude/products storage capacities: _____
9. Estimated cost of the project: \$ Million

Equity	\$ Million
Loan	\$ Million
10. Status of availability of utilities at site (electricity, water, gas etc.) _____
11. Status of availability of port facility/terminal storage etc: _____
12. Proposed arrangements for receipt of crude oil (i.e., mode of transportation from port/local source): _____
13. Proposed arrangements for disposal of products for local consumption and export _____
14. Proposed arrangements for disposal of refinery: solid, liquid and gaseous wastes in accordance with National Environment Quality Standards (NEQS): _____
15. Details of work programme and schedule of completion: _____
16. Details of HSE arrangements to be adopted: _____
17. Proposed details of emergency response system at terminal/storage: _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and Signatures of the authorized signatory

Date and place.

SCHEDULE I

PART C

[See rule 11]

**APPLICATION FOR GRANT OF LICENCE FOR CONSTRUCTION
AND OPERATION OF NEW OIL BLENDING PLANT,
RECLAMATION PLANT OR GREASE PLANT**

Type of application (Tick one)

- ☐ BLENDING PLANT
☐ RECLAMATION PLANT
☐ GREASE PLANT

1. Name and address of the company/ individual _____
2. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association or partnership deed _____
3. Location of the plant _____
4. Estimated cost of the project _____
5. Financial arrangements for the project:
 Equity _____
 Loan _____
6. Financial due diligence certification
 (attach due diligence certification from bank/financial institution.)
 OR
 Details of Income tax paid during the last five years in case of self-financing _____ *(attach details)*
7. Copy of Environmental Protection Agency (EPA) clearance *(attach NOC)* _____
8. Capacity of the plant and details of various units conforming to requirements prescribed or laid in part A of Schedule V: _____
9. Proposed construction / completion schedule: _____
10. Proposed sources of lube base oil supplies: _____ *(Attach documents)*
11. Proposed organogram to operate the plant (Technical and managerial personnel alongwith their qualification and experience) _____
12. Details of HSE arrangements to be adopted _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I

PART D

[See rule 13(1)]

APPLICATION FOR GRANT OF LICENCE TO OPERATE EXISTING
OIL BLENDING PLANT, RECLAMATION PLANT OR GREASE
PLANT*Type of application (Tick one)*

- ☐ BLENDING PLANT
☐ RECLAMATION PLANT
☐ GREASE PLANT

1. Name and address of the company/ individual _____
2. Certificate of Registration with Registrar of Companies along with memorandum and articles of association or partnership deed _____
3. Exact location of the plant _____
4. Capacity of the plant (Metric Tons/annum) _____
5. Layout of the plant and details of various units: _____
6. Sources of supply of lube base oil: _____
7. Details of laboratory equipment: _____
8. Organogram details (Existing personnel along with their qualification and experience) _____
9. Details of production and sale. (Figure in 000 tons) _____
 Actual last five years production (year wise)

Automotive engine oil automotive gear oil others

12. Details of sales tax paid during the last five years (year-wise) _____
 Details of Excise duty paid during the last five years (year-wise) _____
13. Details of existing authorized dealers along with their addresses _____
14. Details of terms and conditions applicable on the date of commencement of the OGRA Ordinance i.e. 28th March, 2002:—(Attach documents) _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and Place.

SCHEDULE I

PART E

[See rule 23]

APPLICATION FOR GRANT OF LICENCE FOR CONSTRUCTION
AND OPERATION OF NEW OIL PIPELINE

1. Name of the company and address of its registered office _____
2. Name of the Directors and their addresses, nationality: _____
3. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association: _____
4. Estimated cost of the project:

Cost	\$	
Equity	\$	
Debt	\$	
4. Financial due diligence certification _____
(attach bank certificate)
5. Proposed route of the oil pipeline _____
(To be shown on a map issued or certified by survey of Pakistan and drawn to an appropriate scale)
6. Capacity of the proposed oil pipeline _____
7. Proposed construction / completion schedule: _____
8. Name of the products to be transported _____
9. Economic feasibility alongwith details of per unit cost of transporting different products from terminal point to delivery point: _____
10. Details of terminals, storages, pumping stations and their location _____
11. Main design features of the pipeline including ancillary facilities alongwith specifications for the material _____
12. Operating parameters of the pipeline _____
13. Throughput commitment with the users _____
14. Details of HSE arrangements to be adopted: _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require; including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

Signature of the signatory

SCHEDULE I**PART F**

(See rule 26(1))

**APPLICATION FOR GRANT OF LICENCE TO OPERATE EXISTING
OR UNDER CONSTRUCTION OIL PIPELINE**

1. Name of the company and address of its registered office _____
2. Name of the Directors and their addresses, nationality, _____
3. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association _____
4. Year of commencement of construction _____
5. Year of commencement of operation _____
6. Pipeline when constructed and commissioned: _____
7. Per unit cost of transporting different products from terminal point to delivery point _____
8. Route of the oil pipeline _____
(To be shown on a map issued or certified by survey of Pakistan and drawn to an appropriate scale)
9. Names of the products being transported _____
10. Details of terminals, storages, pumping stations and their location _____
11. Throughput commitment, if any _____
12. Details of HSE arrangements _____
13. Details of emergency response system _____
14. International certification for the operational activities _____
15. Details of previous permission/terms and conditions applicable on the date of commencement of the OGRA Ordinance i.e. 28th March, 2002, and subsequent change, if any: (attach documents).

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I

Part C

[See rule 29]

APPLICATION PROFORMA FOR GRANT OF LICENCE FOR
CONSTRUCTION OR OPERATION OF NEW OIL STORAGE

1. Name of the company and address of its registered office _____
2. Name of the Directors and their addresses, nationality, _____
3. Certificate of Registration with Registrar of Companies alongwith
memorandum and articles of association _____
4. Estimated cost of the project: in Rs. million
Equity Rs. million
Loan Rs. million
5. Details of storage facilities/ capacities in 000 tons indicating precise location
and capacities province-wise including Northern/FATA area and AJK:—

6. Copy of Environmental Protection Agency (EPA) clearance (attach
NOC) _____
7. Names of products to be stored _____
8. Source of the product to be stored (attach documents) _____
9. Conceptual engineering design of the storage facility and specifications of
material _____
10. Economic or financial feasibility of the project alongwith details of per unit
cost of storing the product: _____
11. Proposed construction / completion schedule: _____
12. Mode of transportation of the product _____
(In/out of storage)
13. Undertaking that the storage will not be used for purpose other than storage
of petroleum products _____
14. Details of HSE arrangements to be adopted _____
15. Details of proposed emergency response system _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I

Part H

[See rule 31(1)]

APPLICATION PROFORMA FOR GRANT OF LICENCE TO
CONTINUE OPERATION OF EXISTING OIL STORAGE OR UNDER
CONSTRUCTION

1. Name of the company and address of its registered office _____
2. Name of the Directors and their addresses, nationality _____
3. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association _____
4. Details of storage facilities/ capacities in 000 tons indicating precise location and capacities province-wise including Northern area, FATA and AJK:—

5. Year of commencement of construction _____
6. Year of commencement of operation _____
7. Year of up gradation and details thereof _____
8. Names of products being stored _____
9. Per unit cost of storing the product: _____
10. Mode of transportation of product (In/out of storage) _____
11. Undertaking that the storage is not being used for purpose other than storage of petroleum products _____
12. Details of HSE arrangements _____
13. Details of emergency response system _____
14. International certification for the operational activities (if any) _____
15. Details of previous permission/terms and conditions applicable on the date of commencement of the OGRA Ordinance i.e. 28th March, 2002, and subsequent change, if any (attach documents) _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE 1**Part I**

[See rule 32(1)]

**APPLICATION PROFORMA FOR GRANT OF LICENCE TO
UNDERTAKE STORAGE OF OIL-IN NON-OIL STORAGE**

1. Name of the company and address of its registered office _____
2. Name of the Directors and their addresses, nationality _____
3. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association _____
4. Details of storage facilities/ capacities in 000 tons indicating precise location. _____
5. Copy of Environmental Protection Agency (EPA) clearance (attach NOC) _____
6. Explosive license No. and date (attach copy) _____
7. Names of products to be stored _____
8. Source of the product to be stored (attach documents) _____
9. Mode of transportation of the product _____
(In/out of storage)
10. Details of HSE arrangements to be adopted _____
11. Details of emergency response system _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I

Part I

[See rule 34]

APPLICATION FOR GRANT OF LICENCE TO THE NEW
OIL MARKETING COMPANY

Name of the company

Address of the company

Name of the Directors of the Company	Nationality	Share holding
1.		
2.		
3.		
4.		
5.		
6.		

ATTACHMENTS

PRE-REQUISITES OF THE COMPANY

Certificate of incorporation of the company under Companies Ordinance, 1984 (XLVII of 1984), provided that Articles of Association of the Company must indicate that the prospective company will not be affiliated in any manner with the existing oil marketing company operating in Pakistan.

Proof of the financial competence from a scheduled bank that company can invest to the amount as decided by Federal Government from time to time, during initial three years period for developing infrastructure for oil marketing and has upfront equity to the amount as decided by Federal Government from time to time, to finance the proposed oil marketing company.

Proof of the technical competence of the company (i.e. Profiles of personals of the company having experience of oil marketing from national and international industry). Proof of technical collaboration/franchise agreement with the national/ international oil industry, other than the existing oil marketing companies in Pakistan, if any.

INVESTMENT & MARKETING PLAN OVER A PERIOD OF THREE YEARS

Details of the proposed marketing plan i.e. estimated sales (M.tons) product wise/province wise. Details of infrastructure to be developed i.e. oil storages & retail outlets (urban & rural area wise) with provincial break up over a period of three years.

Storage capacity to provide minimum of twenty days cover of proposed sale. Province wise break up.

Detailed transport plan (commensurate with Marketing plan for transportation of Petroleum products from source of supply i.e. by road, rail and pipeline).

An affidavit confirming that:

- None of the sponsors / Directors / relatives of sponsors / Directors of the company are involved in any criminal case and or bank / loan and direct and indirect federal taxes default.
- No case is pending in National or International Courts for recovery of loans / tax frauds etc. against the company and its Directors/sponsors.

(Bank default/criminal proceedings shall apply to sponsors/directors and other persons in accordance with the relevant law).

Signature of authorized signatory (applicant)_____

Date and place_____

SCHEDULE I**PART K**

[See rule 16(1)]

**APPLICATION FOR GRANT OF LICENCE TO THE EXISTING OIL
MARKETING COMPANY**

1. Name of the Company and address of its registered office: _____
2. Name of the Chief Executive and Directors: _____
(Attach last annual report)
3. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association _____
4. Year of commencement of operation _____
5. Details of sources of supply of petroleum products and their mode of transportation (i.e. rail, road, pipeline) _____
6. Details of—
 - (a) Terminal/storage facilities indicating precise location and capacities:—
 - (b) Number of retail outlets with urban and rural split province-wise including Northern/FATA area and AJK:—
 - (c) Pipelines with details of their routes and capacities:—
7. Details of Quality Control procedure adopted by the Company both for local and imported products at oil terminals/storage facilities and at retail outlets:— _____
8. Details of HSE arrangements _____
9. Details of emergency response system at terminals/ storages facilities _____
10. International certification for various operational activities (if any) _____
11. Details of petroleum products marketed during the last five years (year-wise) _____
12. Details of terms and conditions of the licence applicable at the time of commencement of the OGRA Ordinance (i.e. March 28, 2002) and subsequent changes, if any:— (attach documents).

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE-I

Part I.

[See rule 44]

APPLICATION FOR GRANT OF LICENCE TO THE NEW
LUBRICANTS MARKETING COMPANY

Name of the Company

Address of the Company

Name of the Directors of
the Company

Nationality

Share-Holding

1
2
3
4
5
6

ATTACHMENTS

PRE-REQUISITES OF THE COMPANY

Certificate of incorporation of the company under Companies Ordinance, 1984, provided that Articles of Association of the Company must indicate that the prospective company will not be affiliated in any manner with the existing oil marketing company operating in Pakistan.

INVESTMENT PLAN OVER A PERIOD OF THREE YEARS

Location	Storage 000 tons	Warehouses	Distribution outlets	1st Year	2nd Year	3rd Year

An affidavit confirming that:

- None of the sponsors / Directors / relatives of sponsors / Directors of the company are involved in any criminal case and or bank / loan and direct and indirect federal taxes default.
- No case is pending in National or International Courts for recovery of loans / tax frauds etc. against the company and its Directors/sponsors.

(Bank default/criminal proceedings shall apply to sponsors/directors and other persons in accordance with the relevant law)

Signature of authorized signatory (applicant)-----

Date and place -----

SCHEDULE-1

Part M

[See rule 46(1)]

**APPLICATION FOR GRANT OF LICENCE TO THE EXISTING
LUBRICANTS MARKETING COMPANY**_____
Name of the Company_____
Address of the Company

Name of the Directors of the Company	Nationality	Share-Holding
1.		
2.		
3.		
4.		
5.		
6.		

Year of commencement of operation_____
Details of source of supply and their
mode of transportation (i.e. rail and road)_____
Details of:—

Storages 000 tons	Warehouses	Distribution outlets	Location

ATTACHMENTS

Certificate of incorporation of the company under Companies Ordinance, 1984, alongwith memorandum and articles of association.

An affidavit to the effect that:

The company shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Signature of authorized signatory (applicant)_____

Date and place_____

SCHEDULE-I

Part X,

[See rules 49 and 51]

**APPLICATION PROFORMA FOR GRANT OF LICENCE TO
ESTABLISH OR OPERATE AN OIL TESTING FACILITY**

1. Name of the Company and address of its registered office _____
2. Name of the Directors and their addresses, Nationality, _____
3. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association or other legal instrument _____
4. Details of testing facilities/ capacities indicating precise location. —

5. ISO certification if any (attach certificate) _____
6. Names of petroleum products which can be tested _____
7. Technical expertise alongwith details of testing equipment (location-wise) _____
8. Details of HSE and security arrangements to be adopted. _____
9. Details of tests which can be conducted _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE-II

SCHEDULE OF FEE

(See rules 65, 67 and 68)

1. The following, non-refundable, fee shall be payable, through pay order or demand draft drawn on scheduled bank in favour of Oil and Gas Regulatory Authority, for the application for grant, renewal, modification, extension, assignment, review, transfer, amendment, relocation or re-issuance of a licence:

(a) licence fee, payable at the time of filing of application, for:-

i. a refinery licence:	Rs. 2.0 million;
ii. an oil blending plant, reclamation plant or grease plant	Rs. 50,000/-
iii. an oil marketing company	Rs. 2.0 million;
iv. lubricant marketing company	Rs. 1.0 million;
v. an oil pipeline	Rs. 2.0 million;
vi. a storage facility (other than oil storage associated with a refinery or oil marketing company)	Rs. 100,000/-
vii. an oil testing facility	Rs. 500,000/-
viii. renewal of licence to operate refinery, blending, plant reclamation plant or grease plant, an oil marketing company, oil pipeline, oil storage, oil testing facility.	To be determined by the Authority at time of renewal
ix. modification/extension/assignment/review/transfer/amendment/relocation or re-issuance of licence for refinery, blending plant, oil marketing company, oil pipeline, oil storage facility, storage of oil, or oil testing facility.	50% of the licence fee.

(b) annual fees, payable in advance, for the first year and escalated with Government of Pakistan's CPI in the subsequent years, for,—

I. a refinery:	0.005% of the gross sales
II. oil blending facility, grease or reclamation plant	Rs. 100,000/-
III. an oil marketing company	0.005% of the gross sales
IV. lubricant marketing company	0.005% of the gross sales
V. an oil pipeline	0.005% of the gross sales
VI. a storage facility	Rs. 100,000/-
VII. storage of oil	Rs. 100,000/-
VIII. oil testing facility	Rs. 500,000/-

2. The Authority may, with the approval of the budget committee as provided in section 17 of the Ordinance, review the fees specified in Page-I keeping in view the budgetary requirements and if it is in the public interest.

SCHEDULE -III

[See rule 2(1) (xix)]

PETROLEUM PRODUCTS

- (1) Aviation Gasoline 100/130 Octane.
- (2) Aviation Gasoline 115/145 Octane
- (3) Aviation Turbine Fuel JP-4
- (4) Aviation Turbine Fuel JP-1
- (5) Aviation Turbine Fuel JP-8
- (6) High Octane Blending Component
- (7) Motor Spirit
- (8) Naphtha.
- (9) Superior Kerosene
- (10) High Speed Diesel Oil
- (11) Light Diesel Oil
- (12) Late Batching Oil
- (13) Furnace Oil / Fuel Oil
- (14) Lubricating Oils including base oils.
- (15) Asphalt/Bitumen
- (16) Greases
- (17) Mineral Turpentine
- (18) Solvent Oil.

SCHEDULE -IV

[See rule 24]

Procedure for submission of application for new oil pipeline and its processing by the Authority

1. Application for a licence.—(1) Any company incorporated inside or outside Pakistan may submit an application to the Authority on the prescribed format mentioned against the relevant rule for obtaining a licence for construction or operation of oil pipeline, by filing it with the Registrar alongwith such fees as prescribed by the Authority in Schedule-II clearly specifying the information required therein.

(2) The Registrar shall examine the contents of the application in order to satisfy himself as to the conformity thereof with the provisions of these rules and where the application is found —

- (a) to be in conformity with the requirements of these rules, he shall accept the application and endorse thereon a stamp acknowledging the filing alongwith the number given thereto in the register; or
- (b) not to be in conformity with the requirements of these rules, he shall as soon as may be, but not later than seven days of filing thereof, return the application to the applicant with directions to amend and resubmit the application in accordance with the provisions of these rules.

Provided that where an application is re-submitted by the applicant and the Registrar is not satisfied of the conformity thereof with the requirements of these rules, he shall place the application before the Authority for such directions as it may deem necessary, not later than seven days of the date of re-submission thereof by the applicant. The Authority shall not reject an application on the grounds of any defect therein without giving the applicant an opportunity of rectifying the defect within the time specified for the purpose by the Authority.

(3) Any communications filed by a person in connection with the proceedings shall contain his or its, name and address, the subject matter of the communication and the title of the proceedings, and shall be filed with the Registrar who shall acknowledge receipt thereof either on a copy of the communication or through a written receipt in a format to be determined by the Authority and shall also endorse on the filing receipt the number of the application in connection with which the communication is filed and the number assigned to the communication on the register.

(4) All applications shall be deemed to be filed on the date of acceptance thereof by the Registrar, and where re-submitted in accordance with the provisions of sub-para (8), on the date the Registrar or the Authority, as the case may be, accepts the filing thereof and a communication shall be deemed to be filed on the date on which it is filed with the Registrar.

(5) The contents of any communication shall pertain to a single application in respect of which it is filed.

(6) An application or communication shall be signed by the communicator or by one or more of the applicant's or communicator's authorized representatives in their individual names on behalf of the applicant or the communicator.

(7) Any application or communication, wherein any statement of fact or opinion is made by the applicant or the communicator, shall be verified by an affidavit, drawn up in the first person stating the full name, age, occupation and address of the deponent and the capacity in which he is signing, indicating that the statement made therein is true to the best of the knowledge of the deponent, information received by the deponent and belief of the deponent, and shall be signed and sworn before a person lawfully authorized to take and receive affidavits.

Provided that a communication filed during the course of a hearing may be affirmed in person before the Authority by the person filing the same and where any statement in an affidavit is stated to be true according to the information received by the deponent, the affidavit shall also disclose the source of such information.

(8) An application or communication shall be filed with such number of copies as the Authority may, from time to time, determine.

(9) An application or communication shall be filed for registration during office hours at the principal office of the Authority, or such other office as may be directed by the Authority. An application or communication may be forwarded to the Authority through registered post or courier service. If an authorized agent files an application or communication on behalf of any party, the document authorizing the agent to do so shall be filed along with the application or communication, if not already filed in the record of the case.

2. **Admission of application.**—(1) As soon as may be, but not later than fourteen days of the date of filing of the application, an application shall be placed before the Authority for appropriate action.

(2) The Authority may call for submission by the applicant of any further supporting communication for the purposes of evaluation of the application for

admission, within such time as it may specify. The Authority shall not be required to ascertain or admit any application until such supporting communication is furnished.

(3) The Authority may, if a *prima facie* case for evaluation exists, admit the application for consideration without requiring attendance of the applicant. The Authority shall not pass an order refusing admission without giving the applicant an opportunity of being heard or making a written representation.

(4) In case the Authority admits the application, it may give such orders and directions for the service of notices as it deems appropriate to,—

- (a) all persons affected by or interested in the application who in the opinion of the Authority are likely to be affected or interested; and
- (b) persons who, by reason of their calling or expertise, may be of assistance to the Authority in arriving at a just and informed decision of the proceedings.

(5) The Authority may, if it deems appropriate, direct the advertisement by publication of the title and brief description of the application in any one or more newspapers specified for the purpose by the Authority. Such publication at the cost of the applicant shall also contain a notice of the availability of a copy of the application at the office of the Authority on payment of the fee determined for the purpose by the Authority.

3. **Publication and service of notices.**—(1) A notice or process issued on the directions of the Authority may be served by the Registrar or the party concerned as the Authority may direct, and the Authority may direct the service to be effected through any one or more of the following modes of service, namely:—

- (a) by hand delivery through a messenger;
- (b) by registered post acknowledgment due ; or
- (c) by publication in a national daily newspapers in the English language and two national daily newspapers in the Urdu language and by advertisement in the electronic media in cases where the Authority is satisfied that it is not reasonably practicable to serve notices in any other manner.

(2) Every notice or process required to be served on, or delivered to, any person may be sent to the person at the address furnished by him for service or at the place where the person or his agent ordinarily resides or conducts business or

personally works for gain and where a person is to be served during the course of the proceedings and such person has authorized an agent or representative to represent him in the proceedings, such agent or representative shall be considered duly authorized to accept service of a notice and process on behalf of the person concerned.

(3) In case an applicant does not fulfill any of the requirements of these rules or directions of the Authority regarding service or publication, the Authority may either reject the application or give such further directions, as it deems fit and proper on such terms and conditions as it may specify.

(4) No service or publication shall be deemed invalid by reason only of any defect in the name or description of a person if the Authority is satisfied that such service or publication is in all other respects sufficient.

4. **Intervention.**—(1) Any interested person who desires to participate in the proceedings may file an intervention request for leave to intervene alongwith the fee determined for the purpose by the Authority in the form of a bank draft or pay order in the like amount in favour of the Authority.

(2) The intervention request shall state the name and address of the person filing the same and shall describe the manner in which such person is or is likely to be substantially and specifically affected by any decision in the proceedings. The intervention request shall state the contention of the person making the same, the relief sought and brief particulars of the evidence such person intends to adduce during the course of the proceedings.

(3) The Authority may grant leave to intervene, subject to such conditions, if any, as it may deem appropriate, and it may grant leave to intervene without requiring attendance of the intervener.

(4) The Authority shall not pass an order refusing to grant leave to intervene without giving the intervener an opportunity of being heard or making a written representation. The Authority, while refusing leave to intervene, may direct the person making the intervention request to file such particulars before the Authority as may have been referred to in the intervention request, and such particulars may be taken into account by the Authority in accordance with paragraph 9 which shall, *mutatis mutandis*, be applicable to such communications.

(5) No intervention request may be filed or acted upon during a hearing unless permitted by the Authority after providing an opportunity for all parties to object thereto, which may be made orally or in writing, as the Authority may direct. If no objection is made, the Authority may decide to accept or reject the intervention request based on the procedural and substantive merits of the intervention request.

(6) No intervention request may be filed or acted upon after the close of hearing in the proceedings.

5. Reply and rejoinder.—(1) Each person to whom a notice of the filing of an application is issued pursuant to clause (b) of sub-paragraph (4) of paragraph 2 or any person whose intervention request has been accepted by the Authority, who desires to oppose or support the application may file a reply within fifteen days of the date of service of notice or the date of acceptance of the intervention request, as the case may be, with such number of copies as may be directed by the Authority.

(2) In the event a person referred to in sub-paragraph (1) does not file a reply, the Authority may decide the application on the basis of the documents and evidence submitted by the applicant.

(3) In the reply, the person filing the same shall specifically admit, deny or explain the facts stated in the application and may also state additional facts which are relevant and necessary for reaching a just and informed decision in the proceedings. The reply shall be signed, verified and supported by means of an affidavit in the same manner as in the case of the application.

(4) The person filing a reply shall serve a copy of the reply duly attested to be true copy on the applicant or its authorized representative and file proof of such service with the Registrar at the time of filing the reply.

(5) Where the person filing a reply states additional facts, data or reports, the Authority may allow the applicant to file a rejoinder to the reply within fourteen days of the order of the Authority to this effect.

(6) The procedure specified in this rule for filing of the reply shall also apply to the filing of rejoinder.

6. Comments and participation.—(1) A person, other than an intervener or a person to whom a notice pursuant to clause (b) of sub-paragraph (4) of paragraph 2 has been issued, who intends to file any comments in relation to those proceedings before the Authority, shall deliver to the Registrar a statement of comments.

(2) The Authority may permit such a person to participate in the proceedings, if the Authority considers that the participation of such a person shall facilitate the proceedings and the Authority's decision in the matter. The person filing the statement of comments pursuant to sub-paragraph (1) shall not be entitled as of right to participate in the proceedings.

(3) The Authority shall take into account the contents of any statement of comments filed pursuant to sub-paragraph (1) in the final decision. If the Authority deems fit, it may invite written representations by the parties to the proceedings in response to the statement of comments.

7. **Hearings by the Authority.**—(1) After the filing of the pleadings, the Authority shall examine the same and determine whether a hearing is required to arrive at a just and informed decision. For the purposes of determining the same, the Authority may administer discoveries and interrogatories to any person and may,—

(a) issue direction for supply of further or better particulars or information; or

(b) require appearance of any person before it.

(2) If the Authority orders a hearing, it shall fix the date of hearing for the parties to present written or oral arguments on the basis of the pleadings. The Authority may also frame the issues over which the parties may be allowed to address arguments and present evidence before the Authority. In framing the issues, the Authority may exclude one or more issues or matters raised or stated in the pleadings and may include additional issues or matters not raised in the pleadings.

(3) If the Authority decides not to hold a hearing, it shall inform the parties of its decision not later than seven days of such decision. The parties shall, not later than ten days of receiving such notice, file with the Registrar the detailed evidence referred to in the pleadings.

(4) Notice of the commencement of a hearing shall be given at least fourteen days prior thereto, unless the Authority determines, for reasons to be recorded in writing, which a shorter period of notice is in the public interest:

Provided that, once hearing of the proceedings has commenced, notice of the next date of hearing may be of any period determined by the Authority and may be announced by the Authority at the time of adjournment of the hearing or by notice to the parties in accordance with sub-paragraph (1) of paragraph 6.

(5) The Authority shall maintain a public listing of all proceedings set for hearing at a place accessible to the general public.

(6) All hearings shall be at the principal office of the Authority at Islamabad unless a different location or place or city is designated in the notice for hearing.

(7) Where, on a date fixed for hearing, any of the parties does not appear, the Authority may either dismiss the application for default of appearance of the applicants or proceed against the party in default *ex parte* and hear and decide the application provided that if all parties are absent without prior intimation, the proceedings may be dropped or closed as dismissed.

(8) Where an application has been dismissed or decided in default of appearance of a party, the person aggrieved may file a motion, within ten days of the date of such dismissal or decision, seeking a recall of the order passed. The Authority may recall the order on such terms as it considers fit, if it is satisfied that there was sufficient cause for non-appearance of the party.

(9) The Authority shall declare close of evidence following the submission of all the evidence by the parties. A party shall not present additional evidence after it has closed its evidence nor may any hearing be reopened after having been closed, except upon motion and the showing of good cause. The Authority shall give notice to all parties of its ruling upon such motion.

(10) Where the Authority decides not to hold a hearing, the evidence shall be deemed to have been closed thirty days prior to the expiry of the time prescribed under these rules.

(11) Notwithstanding the close of evidence in the proceedings, for the purposes of arriving at its final decision, the Authority may administer discoveries and interrogatories to any person and may:-

- (a) issue direction for supply of further information; or
- (b) require any person to appear before it.

(12) Where the Authority decides not to hold a hearing, it shall render its final determination in the proceedings on the basis of the pleadings, the evidence filed by the parties and the communications filed by any person.

8. **Discovery.**—(1) At any stage of the proceedings, the Authority may require any person to produce such documentary or other evidence as the Authority may consider necessary for the purpose of enabling it to conduct a fair hearing or to arrive at a just and informed decision:

Provided that such evidence shall only be used for the purposes of the hearing and shall be kept confidential by the Authority if the person providing the

evidence proves, to the satisfaction of the Authority, that it would be detrimental to such person's interests if the evidence is disclosed.

(2) A party to any proceedings may, at any time before the close of evidence, make a motion to the Authority for discovery of any document or other information from any party to the proceedings or from any other person. The motion for discovery shall specify the nature and content of the discovery sought and its relevance to the issues in the proceedings. The Authority may,—

- (a) after giving an opportunity of responding orally or in writing, within the time limit specified by it for the purpose, to the party by whom the discovery is sought, reject the motion for discovery if deemed by the Authority to be irrelevant or unnecessary for the purposes of the proceedings or unlikely to be of assistance to the Authority in its decision; or
- (b) after giving an opportunity of responding orally or in writing, as deemed fit by the Authority, within the time-limit specified by it for the purpose, to the party against whom the discovery is sought, accept the same subject to any amendments to the contents or extent of the discovery requested in the motion.

(3) Upon the acceptance of a motion for discovery, the Authority shall direct the person from whom the discovery is sought to produce the required documents or information before the Authority within the time-limit directed by the Authority and, upon production as aforesaid, the Authority shall provide a copy thereof to the party making the motion for discovery.

(4) Where the directions for discovery made by the Authority on the motion of a party are not complied with within the time-limit determined for the purpose, the party making the motion for discovery shall immediately bring such failure of discovery to the notice of the Authority. Failure of a party to file a motion to compel discovery in a timely manner may result in a waiver of its right to compel the discovery.

(5) A party which has produced any document, or information in response to a direction for discovery, shall be under a continuing duty to bring to the notice of the Authority any changes rendering the contents and meaning of any documents or information inaccurate or incomplete and shall amend such documents or information in accordance with the directions of the Authority.

9. **Interrogatories.**—(1) The Authority may, whether by itself or on a motion made by any party and granted by the Authority, on such terms as it may

deem fit, administer written interrogatories to any person. The interrogatories shall state the questions whose answers are sought by the Authority or any party to the proceedings. The Authority shall ensure that the questions stated in the interrogatories are relevant to the issues in the proceedings.

(2) A person to whom interrogatories are administered shall respond thereto within the time-limit specified by the Authority. The response to interrogatories shall be made in writing and shall be filed with the Registrar.

(3) Where interrogatories administered on the motion of a party are not responded to within the time-limit specified for the purpose by the Authority, the party making the motion for interrogatories shall immediately bring such failure of response to the notice of the Authority. Failure of a party to make a motion to compel response to the interrogatories in a timely manner may result in a waiver of its right to compel the response.

10. **Transcripts.**—(1) The Authority may on its own and shall on a request made by any party in writing at least seven days before the date of a hearing, arrange that the proceedings at the hearing be officially transcribed.

(2) If the hearings are transcribed pursuant to sub-paragraph (1), a party requesting a copy of the transcript shall pay to the Authority the reasonable cost of preparing the copy.

(3) A correction in the official transcript may be made only to make it conform to the evidence presented at the hearing. A correction in the official transcript agreed to by the parties may be incorporated into the record, if and when approved by the Authority, at any time during the hearing or after the close of evidence:

Provided that no correction in the official transcript shall be incorporated later than ten days from the date of receipt of the transcript by the party seeking the correction.

11. **Tentative opinions.**—(1) At any stage in a proceeding, the Authority may record, in writing its tentative opinion on the application or any particular issue therein. The purpose of recording such tentative opinion shall be to afford the applicant an opportunity to appraise the prospects of its application and accordingly to consider withdrawal or modification of its application or the evidence adduced by it. The tentative opinion shall contain a statement of reasons and a decision of each issue relevant to such opinion.

(2) Neither the Authority nor the applicant shall be bound, or in any manner be restricted, by a tentative opinion rendered pursuant to sub-paragraph (1) and nothing recorded in a tentative opinion shall be used in any manner prejudicial to the interests of the Authority or an applicant.

12. Decisions of the Authority.—(1) All orders, determinations and decisions of the Authority shall be taken in writing and shall identify the decision of the Chairman and each member.

(2) The Authority shall decide an application within six months of the date of filing of the application:

Provided that the Authority may, only for causes beyond its control, extend the said one year period by a further period of one year, provided further that, the Authority shall not extend the time for its final decision in a proceeding beyond an aggregate period of two years. The reasons for such extension in time shall be recorded in writing.

(3) Copies of all orders and decisions made or issued by the Authority, shall be certified under the signature of the Registrar and the seal of the Authority and shall be made available to any person on payment of such fees as the Authority may, from time to time, determine. Copies of all such orders and decisions shall be available at the principal office at Islamabad for public inspection free of cost.

(4) Within thirty days of the final decision in the proceedings by the Authority, a party may file an application for review of the final decision. An application for review shall specify the grounds on which review is sought by the party. Parties to the proceedings shall be afforded a reasonable opportunity to respond to a motion for review, orally or in writing as deemed fit by the Authority. The Authority may, in its discretion, convene a conference or hearing to discuss the case. The Authority shall take action on an application for review within fourteen days of receipt of such application unless it gives notice to the parties, in writing, that a longer period of time will be required and specifies the additional period of time necessary to consider the motion.

13. Seal of the Authority.—(1) There shall be a seal of the Authority which shall remain in the custody of the Registrar.

(2) The seal of the Authority shall be affixed by the Registrar on all licences, orders, decisions or communications made, notices issued or certified copies granted by the Authority.

SCHEDULE-V

PART A

[See rule 12(1)(c)]

Requirement of Lube Oil Blending Plant of 7500
Tons/Annum Capacity

Sr. No.	Facility	Requirement
1.	Land	4000 sq. yards with adequate facility for truck and container movements.
2.	Storage tanks of 15 days capacity 350,000 liters as per marketing plan	Operational requirement.
3.	Blending kettle with agitator, heating coil, level gauge minimum 2x15 tons and 2x5 ton capacity	Operational requirement
4.	Pumps, pipes and fitting as per requirement	Operational requirement
5.	Additive drum heating facility	Ease of mixing
6.	Decanting trough with heating coil	Operational requirement
7.	Boiler or suitable hot oil system of heat rating of 150 PSI steam or equivalent	Operational requirement
8.	Measuring facilities for base oil and additives	Operational requirement
9.	Inkjet or laser printer	Batch identification and tracing
10.	Fully or semi-automatic filling machines for weight/ volume control, shrink wrapping/ carton sealing, strapping etc.	Operational requirement
11.	Finished oil storage tanks 7 days storage	Operational requirement
12.	Furnace oil storage for 7 days use or Natural gas connection	Operational requirement

LABORATORY REQUIREMENT FOR LUBE OIL BLENDING PLANT

Sr. No.	Facility	Requirement
1.	Kinematic Viscosity bath:	
	Kinematic viscosity for 40C	ASTM- D 445
	Kinematic viscosity for 100C	
	Setting accuracy: +0.01 C	
	Temperature range: From ambient to 150 C	
	Thermometer: ASTM 120C/IP92C for 40 C	
	Calibrated Viscometers: ASTM 121C/IP 32 for 100 C	
2.	Pour point apparatus with refrigeration up to -20 C	ASTM-D 97
3.	Flash point apparatus:	ASTM-D 93
	Cleveland open cup apparatus complete set	
4.	Furnace: to operate up to 1000 C.	
5.	Oven: to operate up to 200 C.	
6.	Colour comparator with tubes	ASTM-D 1500
7.	Potentiometer for determination of total acid number and total base number (TAN & TBN)	ASTM-D 664 ASTM-D 2896
8.	Balance electronics:	
	Weighing accuracy ± 0.0001 gm	
9.	Atomic absorption spectrophotometer to determine metal content Ca, Zn, and Mg.	IP-288
10.	Hydrometers, jars and thermo meter to determine density and specific gravity	ASTM-D 1298
11.	Apparatus for determination of foaming characteristics of lubricating oil complete unit.	ASTM-D 892
12.	Cold cranking simulator to determine apparent viscosities of multi grade oils at low temperature -10C -15 c and -25 c. (if producing multi grade lubricants.)	

SCHEDULE-V**PART B**

[See rule 12(1) (c)]

Requirement of Lube Oil Reclamation or Grease Plant**Lube Oil Reclamation Plant:**

Sl. No. (1)	Facility (2)	Requirement (3)
1.	Used Oil storage minimum.	50 Tons.
2.	Used Oil filtration minimum.	100 Mesh.
3.	Distillation facility of temperature rating 200 C., at 100 mm vacuum to obtain requisite flash point for removal of contaminated fuel and water minimum.	10 ton.
4.	Acid treatment kettle minimum.	10 ton.
5.	Settling tank minimum.	12x2 ton.
6.	Sludge storage tanks, fully covered, with necessary facility for sludge removal minimum.	25 tons.
7.	Neutralization kettle minimum.	10 ton.
8.	Filter press, plate and frame type or equivalent.	10 ton/ day.
9.	Finished product storage tank minimum.	70 tons.
10.	Boiler: 200 Psig or hot oil system of equivalent capacity.	Operational requirement.

Grease Plant:

Sl. No. (1)	Facility (2)	Requirement (3)
1.	Grease Blending Kettle along with all necessary facilities	10 Tons
2.	Base Oil Storage Tanks	To cover 7 days requirements
3.	Finished Products Storage Tanks	To cover 7 days requirements
4.	Boiler: 150 Psig	Operational requirement
5.	Furnace Oil Storage Tank	If natural gas not available
6.	Bulk, Drum and Tin filling arrangements	10 Tons per day

LABORATORY REQUIREMENT FOR LUBE OIL RECLAMATION OR GREASE PLANT

Lube Oil Reclamation Plant:

Sr. No.	Facility	Requirement
1.	Kinematic baths: Kinematic viscosity for 40C Kinematic viscosity for 100C Setting accuracy $\pm 0.01^\circ\text{C}$ - Temperature range: From ambient to 150 C Thermometer: ASTM 120C/IP92C for 40 C Calibrated Viscometers: ASTM 121C/ IP 32 for 100 C	ASTM- D 445
2.	Pour point apparatus with refrigeration up to -20°C	ASTM-D 97
3.	Flash point apparatus: Cleveland open cup apparatus complete set	ASTM-D 92
4.	Copper strip corrosion apparatus	ASTM-D 130
5.	Conradson carbon apparatus.	ASTM-D 189
6.	Furnace: to operate up to 1000°C .	
7.	Oven: to operate up to 200°C .	
8.	Colour comparator with tubes	ASTM-D 1500
9.	Potentiometer for determination of total acid number and total base number (TAN & TBN)	ASTM-D 664 ASTM-D 2896
10.	Balance electronics: Weighing accuracy $\pm 0.0001\text{gm}$	
11.	Atomic absorption spectrophotometer to determine metal content Si and Al.	IP-288
12.	Hydrometers, jars and thermometer to determine density and specific gravity.	ASTM D-1298
13.	Apparatus for determination of foaming characteristics of lubricating oil complete unit.	ASTM D-892
14.	Saponification No.	ASTM D-94
15.	Pentane insoluble.	ASTM D-893

Grease Plant:

Sr. No.	Facility	Requirement
1.	Stability Test Apparatus	ASTM D-942
2.	Drooping Point Apparatus	ASTM D-566
3.	Corrosion Test Apparatus	ASTM D-130
4.	Flash Point Apparatus	ASTM D-92
5.	Oven	ASTM D-972
6.	Penetrometer, Grease Hot Plate	ASTM D-217
7.	Oil Separator	ASTM D-1742
8.	Hydrometer / Pycnometer	ASTM D 1298 / D 70
9.	Balance	

[F. No. 1/4/2003 RA-II/OGRA.]

SHAHID AHMED,
Section Officer (RA-II).

FROM :

FORM NO. : 9261776

REF: TT 2006 11/20TH P1

TO BE PUBLISHED IN THE NEXT
ISSUE OF THE GAZETTE OF PAKISTAN

5/1/2001-RA-II-OGRA
Statutory Notification (S.R.O.)
GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
(Cabinet Division)

Issued, the 15th March, 2006

NOTIFICATION

S.R.O. 236 (I)/2006. In exercise of the powers conferred by sub-section (3) of section 1 of the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002), the Federal Government, on the advice of the Oil and Gas Regulatory Authority, is pleased to appoint the 15th March, 2006 to be the date on which the provisions of-

- (i) clause (j) of sub-section (2) of section 6 will be applicable to the extent of Natural Gas only until Policy Guidelines in respect of Oil are issued by Ministry of Petroleum and Natural Resources;
- (ii) sub-section (3) of section 23; and
- (iii) clauses (a) and (b) of sub-section (3) of section 44 to the extent and manner specified in Notification No. S.R.O. 236 (I)/2006, dated the 13th March, 2006,

of the said Ordinance shall come into force.

(ABDUL MALIK USMANI)
Deputy Secretary

KASHMIR AFFAIRS AND NORTHERN AREAS DIVISION

NOTIFICATIONS

Islamabad, the 7th March, 2006

S. R. O. 233(I)/2006.—In pursuance of entry 3 of serial No. 18 of Schedule II to the Rules of Business, 1973, the Government of Pakistan has been pleased to grant the status of Speaker AJK Assembly to the Speaker of the Northern Areas Legislative Council for the purpose of Salary, allowances and privileges with effect from 23rd February, 2006.

S. R. O. 234(I)/2006.—In pursuance of entry 3 of serial No. 18 of Schedule II to the Rules of Business, 1973, the Government of Pakistan has been pleased to grant the status of Deputy Speaker AJK Assembly to the Deputy Speaker of the Northern Areas Legislative Council for the purpose of Salary, allowances and privileges with effect from 23rd February, 2006.

S. R. O. 235(I)/2006.—In pursuance of entry 3 of serial No. 18 of Schedule II to the Rules of Business, 1973, the Government of Pakistan has been pleased to grant the status of Members of AJK Assembly to the Members of the Northern Areas Legislative Council for the purpose of Salaries, allowances and privileges with effect from 23rd February, 2006.

[No. F. 3(3)/2003-NA-4.]

Sd/-

MUHAMMAD AKHTAR KHAN,
Deputy Secretary (NA).

MINISTRY OF PETROLEUM AND NATURAL RESOURCES

Islamabad, the 13th March, 2006

PAKISTAN PETROLEUM (REFINING, BLENDING AND MARKETING) RULES, 1971

✓ S. R. O. 236 (I)/2006.—In exercise of the powers conferred by section 2 of the Regulation of Mines and Oil-Fields and Mineral Development (Government Control) Act, 1948, read with section 3 thereof, the Federal Government is pleased to direct that the following amendments shall be made in the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971, namely:—

In the aforesaid Rules:—

(1) in rule 2,—

(a) for clause (b), the following shall be substituted, namely:—

"(b) 'AUTHORITY' in relation to,—

(i) rules 7, 8, 9, 10, 11, 11A, 13, 20, 22, 30A, 30B, 31, 33A, 39 and ~~33~~ means the ~~Director General Oil~~ and

(ii) rules 16, 16B, 17, 18, 26, 27, 28, 33, 35, 36, 38, 40, 41, 41A and 43 means the Oil and Gas Regulatory Authority; and

(iii) rules 14, 24, 32, 34 and 42 means both Director General Oil and the Oil and Gas Regulatory Authority."

(b) after clause (f), the following shall be inserted, namely:—

"(ff) 'OGRA' means the Oil and Gas Regulatory Authority established under section 3 of the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002);

(2) in rule 16, for the words "Director General Oil" the words "OGRA" shall be substituted.

(3) in rule 33, for sub rule (1), the following shall be substituted, namely:—

"(1) Where the Authority under these rules is the OGRA, the OGRA may, if in its opinion the public interest so requires, or if the OGRA receives a reference against any person under rule 33A from the Director General Oil in respect of the rules where the Director General Oil is the Authority, revoke a permission."

(4) after rule 33, a new rule 33A shall be inserted, namely:—

"33A Remedial action.—The Director General Oil, where it is the Authority in respect of these rules, may, in respect of any

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33A

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person who, in the opinion of the Authority and in respect of the said rules:—

- (a) makes willful and unreasonably prolonged default in doing anything required of him and has been informed in writing to that effect by the Authority;
- (b) violates any of the terms or conditions of the rules and is so informed in writing and does not rectify the violation within the time specified; or
- (c) is unable by reason of his insolvency fully and efficiently to discharge the duties and obligations imposed on him.

In addition to the powers under rules 44, direct the person to take such remedial action as the Director-General Oil considers necessary. The Director-General Oil may also send a reference against the said person to the OGRA for necessary action under sub-rule (1) of rule 33.”

- (5) for rule 43A, the following shall be substituted, namely:—

“43A *Certain powers exercisable by the District Coordination Officer.*— In rules 34, 35, 36, 38 and 43, any reference to ‘Authority’ includes a reference to the ‘District Coordination Officer’ of the district in, or in relation to which, any power or function is to be exercised or performed by the Director-General Oil in OGRA, as the case may be.”

- (6) in rule 43B, after the figure “33” the words and figures “or rule 33A, as applicable” shall be added; and

- (7) after rule 43D, the following new rule shall be inserted, namely:—

“43E *Provision of information.*— The OGRA shall provide to the Director-General Oil any information which, in the opinion of the Director-General Oil, is required by it for the discharge of its responsibilities as the Authority under these rules.”

Sd/-

SABAR PRISAIN,
Director General (Oil)

FAX NO. : 3261775

REF: TP 2006 11:20PM PL

TO BE PUBLISHED IN THE NEXT
ISSUE OF THE GAZETTE OF PAKISTAN

5/1/2001-RA-II-OGRA
Statutory Notification (S.R.O.)
GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
(Cabinet Division)

Islamabad, the 13th March, 2006

NOTIFICATION

S.R.O. (I)/2006. In exercise of the powers conferred by sub-section (3) of section 1 of the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002), the Federal Government, on the advice of the Oil and Gas Regulatory Authority, is pleased to appoint the 13th March, 2006 to be the date on which the provisions of

- (i) clause (b) of sub-section (2) of section 6 will be applicable to the extent of Natural Gas only until Policy Guidelines in respect of Oil are issued by Ministry of Petroleum and Natural Resources;
- (ii) sub-section (3) of section 23; and
- (iii) clauses (a) and (b) of sub-section (3) of section 44 to the extent and manner specified in Notification No. S.R.O. 236 (I)/2006, dated the 13th March, 2006;

of the said Ordinance shall come into force.

(ABDUL MALIK USMANI)
Deputy Secretary

3.10

JUDGMENT SHEET
IN THE LAHORE HIGH COURT LAHORE
JUDICIAL DEPARTMENT

Writ Petition No. 22981 of 2011

Petro Oil (Pvt) Limited

Versus

The Federation of Pakistan & others

J U D G M E N T

Date of Hearing.	05.01.2015
PETITIONERS BY:	Mr. Muhammad Shahid Balg, Advocate.
RESPONDENTS BY:	Mr. Shaukat Umar Pirzada, Advocate and Mr. Nasar Ahmad Deputy Attorney General for Pakistan.

Shahid Karim J: - A synoptical resumption of facts in this petition is that the petitioner company wrote a letter dated 5.8.2011 to the Chairman, Oil & Gas Regulatory Authority (OGRA) respondent No.2 to issue application form relating to rules, regulation and investigation criteria for setting up Oil Marketing Company (OMC) which was accordingly issued by respondent No.2 vide letter dated 19.8.2011 wherein the petitioner was required to submit an application as per new policy/criteria of Government of Pakistan, approved by ECC of the cabinet vide its decision No.10 ECC-107/9/2003 dated 25.10.2003 and letter dated 23.7.2010 issued by the Director (L&M) Ministry of Petroleum and Natural Resources, for issuance of license for establishing OMC.

2. The petition lays a challenge to the said criteria issued by the respondents and in particular para I and VI(a) of the criteria for issuance of Petroleum Products Marketing License Policy (policy). This policy has been issued in pursuance of the ECC decision dated 25.10.2003. The para I and VI(a) of

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the policy, which has given rise to the cause of action in this petition are reproduced as under: -

Para-1

"...However, the prospective company should not be affiliated, in any manner, with existing oil marketing company operating in Pakistan."

Para VI(a)

The prospective company shall submit an affidavit confirming that:

"None of the Sponsors/Directors/ Relatives of Sponsors/Directors is involved in any criminal case, and or bankruptcy and direct and indirect Federal taxes default."

3. The learned counsel for the petitioner submits that these two criteria of the policy are ultra-vires Article 18 and 25 of the Constitution of Islamic Republic of Pakistan, 1973 (Constitution). According to him, these conditions were unreasonable and would be tantamount to deny the right of the petitioner to carry on trade and business which is an inalienable right conferred by the Constitution under Article 18. The stance of the respondents, on the other hand, is couched in the parawise comments filed by respondent No.1 as well as respondents No.2 and 3. The reply to paragraph No.3 (c) and 4 by Federal Government, respondent No.1, should be sufficient to bring forth the stance of the respondents which replicates in material particulars the grounds of support for the policy urged by respondent No.2, OGRA. The learned counsel for respondent No.2-OGRA has passionately defended the contours of the policy under challenge as being the fundamental sinew of the policy for grant of an OMC. It has been submitted by the said respondent that:

"(c) Sub para (c) with regard to the criteria for establishing new oil marketing companies in the country is by no means contrary to the spirit of the constitution. The last two lines of para-1 of the criteria provides only to eliminate inefficient

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practices in oil marketing sector so that no company undertakes any business under the guise of facilities and goodwill of other companies. Rather, they establish and introduce their own infrastructure, finance, facilities etc.

Similarly, para VII(a) of the said criteria is also not contrary to the Articles of the constitution of Pakistan in its entirety. It provides for transparency in business activities. The said para ensures that no criminal element and illegal practices is present in commercial activities. For ready reference, para-II(a) is reproduced as under: -

"None of the Sponsors/Directors/Relatives of Sponsors/Directors is involved in any criminal case, and or bankruptcy and direct and indirect Federal taxes default."

4. Government have attempted through the application of para VII(a) of the criteria to block the way of entry to the unwanted criminal and defaulting elements in the business activities like "relatives of sponsors/directors". As such, the policy matters which are formulated in the national interest are not open for judicial review."

4. The learned counsel for the petitioner has, in the above context, submitted that the impugned criteria would serve as a roadblock in the way of the petitioner company in obtaining the license. He submits that one of the relatives of the directors of the petitioner company namely Shehzad Anjum is a Director of an existing OMC, namely Askar Oil Services (Pvt.) Ltd. and one of the relatives of the director of the petitioner company viz Ch. Zulfiqar Ahmed is facing a trial before the Accountability Court No.V in connection with reference No.21/2001 filed by the NAB. However, none of the Directors/Promoters of the petitioner company is directly or indirectly involved in any existing business of OMC nor is involved in any criminal case.

Mr. Nasir Ahmad, learned Deputy Attorney General, based his arguments on the comments filed by respondent No.1. He sought to bolster his arguments by reference to section 2(2) of the Companies Ordinance, 1984 which defines what an affiliate of a company is. He submitted that OGRA as a regulator has the power and authority to objectively

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Policy and its responsibility to challenges

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1. In *Dr. Abdur Hassan Khan and others v. Federation of Pakistan and others* (2012 SCMR 455) it was held as under:

"Though its policies sometimes may be open to criticism but that is for the concerned economists in the government"

Authority in the government has taken a decision backed by law, it would not be in consonance with the well established norms of judicial review to interfere in policy making domain of the executive authority."

21. In *Tata Cellular v. Union of India* (36/1994) 4 SCC 551, the Court while dilating on the parameters of judicial review in matters of awarding of contract by the Government candidly laid down as follows:-

"71. The duty of the court is to confine itself to the question of legality. Its concern should be:

- (1) whether a decision-making authority exceeded its powers?
- (2) committed an error of law,
- (3) committed a breach of the rules of natural justice,
- (4) reached a decision which no reasonable tribunal would have reached or,
- (5) abused its powers.

Therefore, it is not for the court to determine whether a particular policy or particular decision taken in the fulfillment of that policy is fair. It is only concerned with the manner in which these decisions have been taken. The extent of the duty to act fairly will be a vary from case to case. Shortly put, the grounds upon which an administrative action is subject to control by judicial review can be classified as under:-

- (i) *Illegality*: This means the decision-maker must understand correctly the law that regulates his decision-making power and must give effect to it.
 - (ii) *Irrationality*, namely, *Wednesbury unreasonableness*.
 - (iii) *Procedural impropriety*.
- The above are only the broad grounds but it does not rule out addition of further grounds in course of time."

ii. In *Watan Parry and another v. Federation Of Pakistan and others* (PLD 2013 Supreme Court 147), the Hon'ble Supreme Court of Pakistan had this to say on the subject of policy:

"From the bare reading of the Constitution, particularly, Articles 29 and 38 of Chapter 2, Part-II, relating to the principles of policy, it is evident that policies are to be made by the respective Federal and Provincial Governments and all decision regarding their implementation are also to be taken by them on the basis of determined priorities of different projects and availability of financial resources at their disposal. Obviously, this exercise cannot be ordinarily interfered with by this Court by invoking its jurisdiction under Article 184(3) of the Constitution, unless shown to be mala fide or in violation of the fundamental rights guaranteed under the Constitution to every citizen of this Country, thereby affecting the interest of public at large."

In the Indian jurisdiction the question has been the

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would suffice to refer to M.P. Oil Extraction and another v. State of M.P. and others (1997) 7 Supreme Court Cases 592), Premier Granite and another v. State of Tamil Nadu and others (1994) 1 SCR 579 and Narmada Bachao Andolan etc. etc. v. Union of India and others (AIR 2000 Supreme Court 3751).

7. A detailed analysis of the case law has recently been undertaken by the Hon'ble Supreme Court of Pakistan in Dosani Travels Pvt. Ltd. and others v. Messrs Travels Shop (Pvt) Ltd. And others (PLD 2014 Supreme Court 1) and upon such analysis it has been held in that judgment that:

"28. A comparative analysis of the constitutional law from various jurisdictions would indicate that the Courts have deferred to the decisions of the administrative bodies and those entrusted with the policy making functions of the Executive if there was no violation of law."

The interference with policy matters can only be made on the parameters laid down by the superior courts and not beyond that. There is very limited scope of interference with the policy matters yet this Court is not denied of the power to interfere in case of:

- (i) illegality;
- (ii) irrationality namely Wednesbury unreasonableness;
- and
- (iii) procedural impropriety.

With this in view, I will now proceed to deal with the challenge to the policy of 25.10.2003 relating to criteria for issuance of petroleum products marketing license.

Para 1 of the policy:

The petitioner is aggrieved of the condition that the company should not be affiliated in any manner with existing

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25/10/2003
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Hon'ble High Court, Lahore

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OMC operating in Pakistan. Affiliation has not been defined in the said policy and has a broad connotation and could include multiple scenarios within it. However, the learned counsel for the petitioner has referred to the comments filed by respondents No.2 and 3 where the concept of affiliation has been sought to be explained by the said respondents. It is being reproduced as under:

"that no company undertakes any business under the guise of facilities and goodwill of other companies. Rather, they establish and introduce their own infrastructure, finance, facilities etc."

3. The learned counsel for the petitioner submits that this is a fair elucidation of the term 'affiliated' and truly brings forth the intent underlying of the term affiliated as used in para 1. It seems that the word "affiliated" used in para 1 has to have a meaning which is structured and which cannot be so broadly read as to leave it to the whims and discretion of the officers dealing with the grant of license. It cannot be like the chancellor's foot to mean that it moves with the foot of the officer deciding upon the said application according to the license. In my opinion the explanation to the term given in para 3 (c) of the comments filed by respondent No.1 truly bring forth the underlying criteria which should serve as the standard for seeing whether the condition under para 1 of the policy has been fulfilled by the applicant or not. The learned counsel for the petitioner submits that certainly he has no objection to such criteria being laid down and that it is for the Authority to satisfy itself that the company is not applying for license under the guise of facilities and goodwill of other companies. This will lend fairness and reasonableness to the

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30/11/2017
Cust. Manager
Lahore 100 Cantonment

entire process. I would, therefore, hold that so far as para 1 of the policy is concerned, the term 'affiliated' should be taken to mean that the company applying for license should commence and operate its business on the basis of its own facilities, infrastructure etc. Surely, it is not difficult for OGRA to analyse the application and to satisfy itself on these matters. If a company is investing rupees 500 million or more, then the facilities and structures cannot be in the air and have to be on the ground and in full view. OGRA has the means and skill to determine whether these facilities exist independently or not. The said determination should be made on objective criteria and a check list can be developed for the purpose. The purpose seems clearly to be for the applying company to stand on its merit without reference to any other company. I should think that the word 'affiliation' ought to be understood in the ordinary dictionary meaning as having no connection with any existing OMC. In laying this criteria and by the use of the term 'affiliated', it is legitimate to think that the Federal Government had the concept of an 'associated company' as defined in section 2(2) of the Companies Ordinance, 1984, in its contemplation, as argued by the learned D.A.G. Yet that, in my opinion, will be unduly restricting the criteria set by the Federal Government. It will bear emphasis that the purpose here is the existence of the applicant company's own infrastructure etc. to enable it to set up and operate an OMC and for that it should not be dependent on another company. Simply put, the purpose of the term 'affiliated' as used in para 1 of the policy. I will not go into the question whether an applicant company could be

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30/11/2011
Sd/-
Joint Secretary
to the Government
of Punjab

an associated company of another company and will it be caught in the mischief of the policy for another day as that question is a moot question in this petition.

Para VI (a)

9. The petitioner takes offence to the requirement of an affidavit to be procured from the relatives of sponsors to the effect that they are not involved in any criminal case or bank loan and direct and indirect federal taxes default. This criteria has wide sweep and on the face of it is irrational. As brought forth above on the basis of case law, that irrationality and unreasonableness is one of the grounds on which the policy can be challenged. OGRA is a core public Authority and should lay down rules and policies which are reasonable and can be fairly applied. It would be relevant to pause here to consider three concepts of Administrative Law on the basis of which a policy can be impugned. The first is *Wednesbury unreasonableness*. This is a formulation by Lord Greene M.R. in Associated Provincial Picture Houses Limited v. Wednesbury Corporation (1948) 1 KB 223 to the effect that the courts can only interfere if a decision "is so unreasonable that no reasonable authority could ever come to it". It has been recognized that official decisions may be held unreasonable when they are unduly oppressive. Here I would refer to a passage from De Smith's Judicial Review (seventh edition) at page 622:

"Official decisions may be held unreasonable when they are unduly oppressive because they subject the complainant to an excessive hardship or an unnecessarily onerous infringement of his rights or interests. As we shall see, the principle of proportionality directs itself to the evaluation of the permitted degree of infringements of rights or interests."

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[Signature]
[Date]

10. The next principle which will be attracted in this case is the principle of irrationality on the touchstone of which this policy could be analyzed to see if it can be sustained. The concept of rule of law requires that policies must be rational and not contrary to constitutional rights. The adoption of a policy creates a legitimate expectation and the adoption of an irrational policy as to how a discretion will be exercised unlawfully fetters that discretion.

11. The third principle which is fast gaining currency is the ground of proportionality. Here again, in order to illustrate the concept of proportionality I would draw from De Smith's Judicial Review 7th Edition at page 629:

"Insofar as the general concept of proportionality is a test requiring the decision-maker to achieve a fair balance, it provides an implicit explanation for some of the existing judicial interventions on the ground of unreasonableness, particularly under two of the categories of unreasonableness we have identified above, namely, those held invalid because they manifestly failed to balance one or more (relevant) considerations, and those where the decision was held to be unreasonably onerous or oppressive under the first of these, the courts evaluate whether manifestly disproportionate weight has been attached to one or other considerations relevant to the decision. Under the second, the courts consider whether there has been a disproportionate interference with the claimants' rights or interest. Their will of course always be an examination of rationality in its narrow sense of logical connection between ends and means. In these instances, it makes little difference whether the term employed to describe the administrative wrong is 'unreasonable' or 'disproportionate' although the latter describes more accurately why the decision is unacceptable. The principle difference between this kind of proportionality and the structured test is that the burden of asserting the disproportion is normally on the claimant rather than the decision-maker."

12. Analysing para VI(a) of the policy on the touchstone of reasonableness, rationality and proportionality, I am convinced that the requirement of an affidavit to be submitted of the relative of sponsors is unduly oppressive requirement and offends the principle of proportionality and

reasonableness. The learned counsel for the petitioner certainly has no evil with submitting an affidavit of sponsors/directors that they are not involved in any criminal case etc. However, he submits that the term relative is of wide amplitude and it would be irrational to expect a prospective applicant to submit the affidavits of all the relatives and extended family of the sponsors and directors. Beside being irrational the said requirement would give a wide discretion in the hands of the Authority and its officials to play with this term and to use it at their own sweet will. This cannot be permitted to be done on the basic principle that discretion has to be structured and cannot be unfettered. The learned counsel for the petitioner submits that a reasonable interpretation would be that the directors and sponsors are required to give the affidavits of their spouse and dependents and not other relatives in the extended family. The basis for this is firstly that all persons being independent, a person applying for a license will not be concerned with or connected with the activities of his close relatives or even of his siblings. Certainly, it is unreasonable to expect him to have enough influence on his entire lot of relatives to compel them to give an affidavit to this effect. Surely, any of his relatives may be involved in a criminal case etc. yet such misdemeanor of any of the relatives cannot be burdened on the applicant and he cannot be debarred for life on this account. I would, therefore, hold the policy to the extent of paragraph VI(a), which requires an affidavit to be filed of the relatives of sponsors/directors, to be irrational and unreasonable.

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Clerk of Court
JAMES HUGH COURT, LONDON

term relatives as the spouse and dependents of the sponsors/directors. The interpretative tool of reading down is now well entrenched in our jurisprudence. This is resorted to in order to resolve a conflict and also with the object of saving a provision. The Supreme Court of India in Delhi Transport Corporation v. D.T.C. Mazdoor Congress and others (AIR 1991 Supreme Court 181) held as under:

"The doctrine of reading down or of recasting the statute can be applied in limited situations. It is essentially used, firstly, for saving a statute from being struck down on account of its unconstitutionality. It is an extension of the principle that when two interpretations are possible- one rendering it constitutional and the other making it constitutional the former should be preferred. The unconstitutionality may spring from either the incompetence of the legislature to enact the statute or from its violation of any of the provisions of the Constitution."

To the same effect, is another judgment of the Indian Supreme Court viz Calcutta Gujarat Education Society and another v. Calcutta Municipal Corporation and others (AIR 2003 Supreme Court 4278). The rule has found expression in our jurisprudence in Messrs Elahi Cotton Mills Ltd. and others v. Federation of Pakistan through Secretary M/o Finance, Islamabad and 6 others (PLD 1997 Supreme Court 582), Indus Jute Mills Ltd. through Chief Executive v. Federation of Pakistan through Secretary Finance, Islamabad and 3 others (2009 PTD 1473) and lastly by my learned brother (Syed Masoor Ali Shah J.) in Lane Cold Storage, Lahore v. Revenue Officers, Lahore Electric Power Co. and others (2013 PTD 2503).

15. Applying the rule of reading down, I would hold that the expression 'relatives' of sponsors/directors found in para VI(a) of the policy should be read as only referring to the spouse and dependents of those sponsors/directors. This is a

ATTESTED
10/09/2013

file and pragmatic manner in which para VI(a) of the policy can be read.

16. In view of the above discussion, this petition is accepted in the above terms.

[Signature]
(Shahid Karim)
Judge

Announced in open Court on 06.01.2015.
Sd. Shahid Karim
JUDGE

Approved for reporting.
Sd. Shahid Karim
JUDGE

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①
IN THE LAHORE HIGH COURT, LAHORE

22981
Writ Petition No. of 2011

PETRO OIL (Pvt) LIMITED
28, Block-H- Model Town, Lahore.
through its Chief Executive Mr. Hassan Iqbal

.....PETITIONER

VERSUS

1. The Federation of Islamic Republic of Pakistan
through the Secretary, petroleum and Natural Resources of Pakistan.
2. The Chairman, Oil and Gas Regulatory Authority (OGRA),
54-B, Fazaal-e-Haq Road, Blue Area, Islamabad.
3. The Assistant Executive Director (Oil),
Oil and Gas Regulatory Authority, 54-B, Fazaal-e-Haq Road, Blue Area,
Islamabad.

.....RESPONDENT

WRIT PETITION UNDER ARTICLE 199 OF THE CONSTITUTION

ISLAMIC REPUBLIC OF PAKISTAN, 1971

Respectfully Sheweth:

1. That the petitioner is a private Limited Company registered under the Companies Ordinance, 1984, having its Head Office at the address given above. This petition is being filed through its chief executive, Mr. Hassan



APPROVED
22/10/2011
Mr. Hassan Iqbal
Chief Executive
Petro Oil (Pvt) Ltd.

being inconsistent with the rights conferred by the Chapter-I of the Constitution of Pakistan viz., Fundamental Rights are void and liable to be struck down to the extent of inconsistency. For the sake of clarity and ready reference, the related paras of the impugned criteria which are void, being inconsistent with the constitution, are reproduced again as hereunder:

1. ".....However, the prospective company should not be affiliated in any manner with existing oil marketing company operating in Pakistan"
2. "The prospective company shall submit an affidavit confirming that-
 - a) None of the sponsors/directors/relatives of sponsors/directors is involved in any criminal case and or bankruptcy and direct and indirect Federal taxes default."

Prayer

In view of the above mentioned facts, circumstances and assertions, it is most respectfully prayed that the instant petition may kindly be accepted and a writ be issued and the conditions laid down in Para I and VI(a) of the impugned criteria, as reproduced above, may kindly be expunged and declared void ab initio to the extent of its inconsistency with the constitution of Pakistan and the principles of natural justice.

FILED
1/11/2011
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JUDICIAL
MAGISTRATE
JALANDHAR




Further the petitioner may kindly be declared competent and qualified to obtain license for petroleum products marketing without having to file affidavit alongwith application to obtain license, notwithstanding conditions of Para I and VI(a) of the impugned criteria.

Any other relief that the Honorable Court thinks fit and proper in the circumstances of the case may also be awarded to the petitioner.


Petitioner

Through:


(Muhammad Shahid Baig)
LL.M. London
Advocate High Court
CC No. 19937

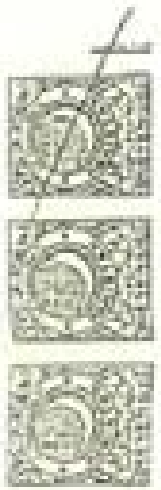

(Ch. Shahid Perwaiz)
Advocate High Court
CC NO. 40896


(M. Bilal Pervaiz Awan)
Advocate High Court
CC NO. 42403
F-09-12, 1st Floor, C.M. Centre
1-Masrur Road, Lahore

15/11/16

CERTIFICATE

Certified, as per instructions of the client, that this is the first writ petition on the subject before the Honorable Court.



ATTESTED
13/11/16
Court Secretary
Advocate High Court, Lahore


Advocate

OIL AND GAS REGULATORY AUTHORITY
54-B, Faisal-e-Haq Road, Blue Area, Islamabad

3 11

August 24, 2017

No. OGRA-12/02/2017-SUB

Subject: - DECISION TAKEN BY THE AUTHORITY IN ITS
REGULATORY MEETING NO. 02 OF 2017, HELD ON
AUGUST 04, 2017

The Authority, in its Regulatory Meeting No. 02 of 2017, held on August 04, 2017, considered the following agenda item and took the decision as under:-

Agenda No. 09

Setting up of Criteria for Establishment of Retail Outlets by the Oil Marketing Companies (OMCs).

Decision

1. The Authority, in its Regulatory Meeting No. 02 of 2017, held on August 4, 2017, considered the subject agenda and after detailed deliberations approved to take 2.0 MT/day (petrol) as average sale benchmark for construction of maximum number of retail outlets by all OMCs corresponding to their available back up storage infrastructure, province wise.

2. Oil Department to communicate the instant decision to the concerned within one day of receipt of the subject decision.

Executive Director (Oil)

Date 24/8/17 Time 12:30

Sarmad Aslam
(Sarmad Aslam)
Secretary

~~ED (Oil)~~

for necessary action please

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st/p/s

DLO-1 (Oil) / DLO-2 (Oil)

CRITERIA FOR ISSUANCE OF PETROLEUM PRODUCTS MARKETING LICENSE

Summary Date: 14th October, 2003
ECG Decision No. ECG-107/9/2003 Dated 29th October, 2003

i) Corporate Structure of the Company.

Corporate structure is important from the point of view of protection against leakage in Government revenues i.e. duties, taxes and sale tax. Therefore, the prospective company shall be a Private / Public Limited Company quoted on the Stock Exchange or unquoted Private/Public Limited Company registered in Pakistan. However, the prospective company should not be affiliated in any manner with existing oil marketing company operating in Pakistan.

ii) Experience in Oil Marketing

The prospective company should have experienced personnel in oil marketing from national and international oil industry. Moreover, technical collaboration / franchise agreement within the national / international oil industry other than the oil marketing companies operating in Pakistan shall have an added advantage.

iii) Marketing Plan

The Marketing Plan of the prospective candidate shall constitute the following provisions:-

- a) The plan shall highlight the supply arrangements and it shall be incumbent on the new company to first uplift local refinery product and only deficit volumes as determined by OCAC shall be imported.

- b) A specific plan for setting up retail outlets over a period of 3 years should be given. The number of retail outlets to be setup during the interim period of three years shall commensurate with the Marketing Plan being submitted by the prospective applicant. The plan shall further specify the cities/locations where the retail sites are to be set up. The Marketing Plan should provide coverage both in urban/rural areas and also in far flung area.

UNIQUE PETROLEUM
Private Limited
Secretary, ECG

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- c) Compliance with the laid down standards of Retail Operations, including environmental and safety standards.
- d) A transport plan should be included as part of the marketing plan which shall include a commitment that road transport used will meet safety and petroleum products transport standards.
- e) The company should have to comply with the depot operations standards and maintain adequate stocks.
- f) Marketing License should be provisional for 3 years till the marketing plan is executed / implemented. In case of failure to comply with the above condition, the Licensing Authority will not renew the marketing license. Depending on the nature of the non-compliance, the Licensing Authority may also impose a penalty in such circumstances.

IV) Plan for Investment in Infrastructure

- a) A new company should develop storages at locations and capacities corresponding to their business strategy, estimated business volumes and associated economics.
- b) Investment Plan of the company should concentrate on:
 - i. Infrastructure development of depots, installations etc.
 - ii. The new company must create minimum storage of 20 days of their proposed sales as infrastructure prior to beginning sales in the country. A specific plan to this effect over a period of 3 years shall also be provided.

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V) Financial Capability

- a) Equity investment should commensurate with the marketing plan being submitted by the new company. However, the prospective company shall have investment capability of Rs.500 million or more over a period of 3 years with a minimum upfront equity of Rs.100 million. Equity investment should however, be based on the criteria of 60:40 debt / equity ratio. The group sponsoring the company should be of repute having adequate financial resources to manage the new entrant in the initial period.
- b) The company should have capability to raise funding from commercial banks/financial institutions. A letter of support from banks / financial institutions must be provided with the application.

VI) Bank Default / Criminal Proceedings

The prospective company shall submit an affidavit confirming that:-

- a) None of the Sponsors / Directors / Relatives of sponsors / Directors is involved in any criminal case and or bank / loan and direct and indirect Federal taxes default.
- b) No case is pending in National or International courts for recovery of loans / tax frauds etc.
- c) All exercise formalities completed as per rules and regulation prescribed by the CBR prior to start of commercial operation.

Bank default / criminal proceedings shall apply to Sponsors / Directors and other persons in accordance with the relevant law.


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VII) The products to be marketed should conform to the GOP approved specifications.

VIII) The company should take all necessary steps in advance, for protection of environment as per applicable rules.

IX) Validity of License

The company will operate in accordance with the terms and conditions of the license as prescribed by the Licensing Authority under the Rules.

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ANNEX-1

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GOVERNMENT OF PAKISTAN
MINISTRY OF LAW AND JUSTICE
(LAW SECTION)

Subject: - PROMULGATION OF PAKISTAN OIL REFINING, BLENDING, TRANSPORTATION, STORAGE AND MARKETING RULES, 2016 - IMPACT ON THE PAKISTAN PETROLEUM REFINING, BLENDING AND MARKETING RULES, 1971.

Reference Ministry of Petroleum & Natural Resources,
U.O.No.PL-9(SR)/2015, dated 2.6/2015 on the subject cited above.

2. A copy of the views/comments of this Ministry in the matter is enclosed herewith.

8227
16/11/16


(ANSHAD ALI SIDDIQUI)
Section Officer (Law-I)
PL 051-9203841

Ministry of Petroleum and Natural Resources, (Mr. Muf Hussain Anwar),
Deputy Director (M. Directorate General of Oil), Islamabad.
Ministry of Law and Justice, U.O.No.359/2016-L&J-I dated 1.8.2016.

Checked by: 20/01/16
Date: 20-1-16

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Government of Pakistan
Ministry of Law and Justice
(Law-I Section)

10. Paras 1-4 would recall the case.

11. It seems pertinent to point out that section 43 of the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002) says that the Ordinance shall override other laws. Sub-section (1) of section 43 reads as follows:-

"43. Ordinance to override other laws.-(1) The provisions of this Ordinance, the rules and the regulations and any other licences issued hereunder shall have effect notwithstanding anything to the contrary contained in any other law, rule or regulation, for the time being in force, and any such law, rule or regulation shall, to the extent of any inconsistency, cease to have any effect on the commencement of this Ordinance and the Authority shall, subject to the provisions of this Ordinance, be exclusively empowered to determine the matters in its jurisdiction as set out in this Ordinance."

12. Section 44 deals with repeal and savings. Sub-section (3) reads as follows:-

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"(3)(a) the definition for "Authority" set out in the rules referred to in clause (b) shall be substituted by the following definition, namely:-

"Authority" means the Oil and Gas Regulatory Authority established pursuant to the Oil and Gas Regulatory Authority Ordinance, 2002

(b) The substitution referred to in clause (a) shall apply to the following rules, namely:-

(i) the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971;

(ii) the Compressed Natural Gas (Production and Marketing) Rules, 1992;

(iii) the Liquefied Petroleum Gas (Production and Distribution) Rules, 2001; and

(c) the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971, the Compressed Natural Gas (Production and Marketing) Rules, 1992 and the Liquefied Petroleum Gas (Production and Distribution) Rules, 2001.

repealed to the extent that any rules promulgated pursuant to this Ordinance provide for the matters relating to -

- (i) refining and blending of petroleum, in the case of Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971;
- (ii) CNG, in the case of the Compressed Natural Gas (Production and Marketing) Rules, 1992; and
- (iii) LPG in the case of Liquefied Petroleum Gas (Production and Distribution) Rules, 2001.

13. It would, therefore, appear that the definition of "Authority" in the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971 which shall mean the Oil and Gas Regulatory Authority established under the Oil and Gas Regulatory Authority Ordinance, 2002. It has also been provided that the Rules of 1971 *inter alia* stand repealed to the extent that any rules promulgated pursuant to this Ordinance provide for matters relating to refining and blending

14. The Oil and Gas Regulatory Authority, with the approval of the Federal Government, has made Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016. The area covered by 1971 Rules has been covered by the Pakistan

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Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016, 1971 Rules to the extent of inconsistency stand repealed by virtue of the provisions of sub-section (1) of section 43 *ibid*.

15. In view of the aforesaid the issues raised are answered as follows:-

- (a) As regards issue at (a) the Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016 override the Pakistan Oil (Refining, Blending and Marketing) Rules, 1971.
- (b) As regards issue at (b) it is pointed out that repeal clause may not be considered in isolation it should be considered along with section 43 which provides that the rules made under this Ordinance, shall have effect notwithstanding anything to the contrary contained in any other law, rule or regulation.
- (c) As regards issue at (c) this issue stands answered at (b) because the Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016 have overriding effect. As pointed out earlier by virtue of clauses (a), (b) and (ii) of sub-section (3) of section 44 *ibid* the Authority for the purpose of the Pakistan Oil (Refining, Blending and Marketing) Rules, 2016.

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Marketing) Rules, 1971 is the Oil and Gas Regulatory Authority. Therefore, any rule provided for joint authority of Director General Oil and OGRA cannot override the provisions of the Ordinance because the rule is subordinate legislation it cannot override the Ordinance.




(Muhammad Azam Varrach)
Legislative Advisor
7th June, 2016

St. Legislative Advisor

Copy


MANGSHAM KHAM
The Legislative Advisor
Ministry of Petroleum & Natural Gas
Islamabad, Pakistan


9-6-2016
HYLA QURESHI
Acting Secretary

Government of Pakistan
Ministry of Petroleum & Natural Resources
Directorate General of Oil

Subject: Promulgation of Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016 - Impact on the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971

Reference Ministry of Law and Justice U.O. No. 359/2016-Law-1 dated 11th August, 2016 on the above subject (copy attached for ready reference as Annex-I).

2. In view of the legal opinion of the Law Division, Ministry of Petroleum & Natural Resources presumes that the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971 shall stand repealed, in its entirety, based on the premise that the area covered by these rules has been covered by the Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016.

3. However, that is not the case with regard to the rules under exclusive Authority of Director General (Oil) as provided in Rule-2 (b) (i) of the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971 particularly because these functions relate to policy formulation and are not covered in the Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016. A synopsis of the Rules under exclusive Authority of Director General (Oil), which are not covered in the Pakistan Oil Rules, 2016 is attached as Annex-II.

4. It may not be out of place to mention that in order to separate the regulatory functions from policy functions in downstream oil & gas sector, the Oil and Gas Regulatory Authority (OGRA) was created under the OGRA Ordinance, 2002. The objective was that Government of Pakistan would be responsible for policy formulation and OGRA for implementation of the policy through regulation in terms of Section 21 and Section 23 of the OGRA Ordinance respectively.

5. Law & Justice Division is therefore, again requested for legal advice as to whether repeal clauses of the OGRA Ordinance, 2002 shall still apply on the rules under exclusive Authority of Director General (Oil) even if the functions/areas thereof are not covered in the Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016.

(KELTAP HUSSAIN ANSARI)
DEPUTY DIRECTOR (M)
PH: 8201504

Mr. Arshad Ali Siddiqui, Section Officer (Law-1),
Law & Justice Division, Government of Pakistan, Islamabad
D.G. (Oil)'s U. O. No: PL-5(538)/2016 dated 15th Feb, 2017

Cc:

SPS to Secretary, Petroleum & Natural Resources, Islamabad


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GOVERNMENT OF PAKISTAN
LAW AND JUSTICE DIVISION

Subject: PROMULGATION OF PAKISTAN OIL (REFINING, BLENDING, TRANSPORTATION, STORAGE AND MARKETING) RULES, 2016-IMPACT ON THE PAKISTAN PETROLEUM (REFINING, BLENDING AND MARKETING) RULES, 1971.

Reference Ministry of ^{36/101} Petroleum and Natural Resources, U.O. No. JL-9(538)/2016, dated 18.2.2017 on the subject noted above.

2. The provision of sections 43 and 44 of the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002) are crystal clear and admitted of no ambiguity. It is settled law that rules being subordinate legislation cannot override the statute. In the rules titled Pakistan Petroleum (Refining, Blending and Marketing Rules, 1971) the expression "authority" has been changed and means the Oil and Gas Regulatory Authority established under Ordinance (XVII of 2002). Therefore, the advice rendered by this Ministry vide this Division's U.O.No.359/2016, dated 11th August, 2016 is reiterated and reconfirmed.


(ARSHAD ALI SIDDIQUE)
Section Officer (Law-2)
Ph: 051-9205841

Ministry of Petroleum and Natural Resources, (Mr. Iqbal Hussain Ansari, Deputy Director (M), Directorate General of Oil, Government of Pakistan, Islamabad).

Law and Justice Division's U.O.No.359/2016-Law-1, dated 7.3.2017

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Government of Pakistan
Ministry of Petroleum & Natural Resources
Directorate General of Oil

Subject: Promulgation of Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016 - Impact on the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971

Reference Ministry of Law and Justice U.O No. 359/2016-Law-I dated 11th August, 2016 and 7th March, 2017 on the above subject (copies attached for ready reference to Annex-I).

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2. Based on the legal advice rendered by the Law & Justice Division, OGRA was requested for undertaking those regulatory functions of Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971 which have not been covered in the Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules 2016. OGRA was also requested to amend Pakistan Oil Rules, 2016 for incorporating the same appropriately (Annex-II).

3. OGRA has however, referred to the Federal Government notification vide S.R.O. 368(I)/2006 dated 15th March 2006, issued by the Cabinet Division, whereby the provisions of clause (a) and (b) of sub-section (3) of section 44 of the OGRA Ordinance, 2002 were effected to the extent and manner specified in S.R.O. 368(I)/2006 dated the 15th March, 2006. OGRA has therefore, opined that until the S.R.O. 368(I)/2006 is in field, OGRA cannot exercise powers relating to regulatory functions under the authority of O. G (O). Copies of OGRA's letter dated 14th April, 2017 along with the two SRGs are enclosed as Annex-III.

4. Law & Justice Division is therefore, again requested for legal advice in light of S.R.O. 368(I)/2006 dated 15th March 2006 and Repeal Clauses of the OGRA Ordinance, 2002 with regard to the rules under exclusive Authority of Director General (OG) in Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971.

End: Amabona

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(ILTAJ HUSSAIN ANSARI)
DEPUTY DIRECTOR (M)
PH: 9201504

Mr. Arshad Ali Siddiqui, Section Officer (Law-2),
Law & Justice Division, Government of Pakistan, Islamabad
D.G. (OII)'s U. O. No: PL-9(538)/2017 dated 17th April, 2017

Cc/

1. Chairperson, Oil & Gas Regulatory Authority, Islamabad
2. SPS to Secretary, Petroleum & Natural Resources, Islamabad

GOVERNMENT OF PAKISTAN
LAW AND JUSTICE DIVISION


(12)
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Subject: PROMULGATION OF PAKISTAN OIL (REFINING, BLENDING, TRANSPORTATION, STORAGE AND MARKETING) RULES, 2016-IMPACT ON THE PAKISTAN PETROLEUM (REFINING, BLENDING AND MARKETING) RULES, 1971. 97/00

Reference Ministry of Petroleum and Natural Resources

U.O.No.FL-P(538)/2017, dated 17.4.2017 on the subject noted above.

2. With regards to paragraph 4 attention of the referring Ministry is invited to sections 43 and 44 of the Oil and Regulatory Authority Ordinance, 2002 (XVII of 2002) which admit no ambiguity and are crystal clear. It is settled law that the rules being subordinate legislation cannot over-ride statutes. This position has been further clarified in this Division's note (enclosed) which is referred to for necessary guidance in the matter.


(ARSHAD ALI SIDDIQUI)
Section Officer (Law-II)
Ph: 051-9205841

Ministry of Petroleum and Natural Resources (Mr. Irfan Hussain Ansari,
Deputy Director (MIL), Islamabad.
Law and Justice Division's U.O.No.353/20 16-Law-I, dated 21.4.2017

Copy of U.O. No. 353/20 16-Law-I
dated 21.4.2017
is being forwarded
to the Ministry of Petroleum and Natural Resources
for their information.

Islamabad, the 29th October, 2020

OFFICE MEMORANDUM

Subject: **LEGAL ADVICE ON REPEAL OF PAKISTAN PETROLEUM (REFINING, BLENDING & MARKETING) RULES, 1971.**

The undersigned has been directed to refer to the Ministry of Energy (Petroleum Division), letter No. PL-9(573)/2019 dated 24-06-2020 on the subject and to state that queries at para 8 of the reference are responded as:

(a) In reply to the query at (a), it is pointed out that in terms of section 44(3)(c) of the Oil and Gas Regulatory Authority Ordinance, 2002 (hereafter "the Ordinance"), the Pakistan Petroleum (Refining, Blending and Marketing) Rules, 1971 stand repealed to the extent of matters provided in Pakistan Oil Rules, 2016 made under section 41 of the Ordinance. However, for matters which are provided in 1971 Rules and are not covered under the 2016 Rules, the 1971 Rules are still applicable.

(b) As regards query at (b), it may be noted that under section 44(3)(a) and (b) of the Ordinance, there could only be one authority under the 1971 Rules, which is Oil and Gas Regulatory Authority and bifurcation of functions between two authorities i.e. OGRA and DG Oil is not in line with the Ordinance.

(c) For query at (c), it is stated that in order for OGRA to perform functions available in the 1971 Rules, necessary amendments are required to be made in 1971 Rules as well as in SRO 268(I)2006 dated 15th March, 2006.


(J. R. SULTAN)
Section Officer (Law-I)

11/11/20
Mr. MIAN ASAD HAYAUD DIN,
Secretary,

Ministry of Energy
(Petroleum Division),
Islamabad.

3.14

REGISTERED NO. L-7648

The Gazette of Pakistan

EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, FRIDAY, JULY 3, 2009

PART II

Statutory Notifications (S.R.O)

GOVERNMENT OF PAKISTAN

OIL AND GAS REGULATORY AUTHORITY

NOTIFICATION

Islamabad, the 2nd July, 2009

S.R.O. 624(I)/2009.- In exercise of the powers conferred by Section 42 of Oil and Gas Regulatory Authority Ordinance, 2002 (Ordinance XVII of 2002) the Oil and Gas Regulatory Authority is pleased to make the following regulations namely:-

1. **Short title and Commencement:** (1) These Regulations may be called the Technical Standards for the Petroleum Industry (Depots for the Storage of Petroleum Products)
- (2) They shall, come in force at once.
2. **Applicability:-** These regulations shall be applicable to all such licensees undertaking the regulated activity for storage of petroleum products .

CHAPTER 1 - GLOSSARY

3 Definition of General terms

For the purpose of this standard, the following terms shall be defined as follows:-

3.1 Articulated Vehicle

A truck and trailer attached to each other.

3.2 Boiling Point

The temperature at which the vapour pressure of a liquid equals the surrounding pressure. For purposes of defining the boiling point, atmospheric pressure shall be considered to be 14,7 psia (760 mm of Hg). For mixtures that do not have a constant boiling point, the 20 percent evaporated point of a distillation performed in accordance with ASTM D 86, Standard Method of Test for Distillation of Petroleum Products, shall be considered to be the boiling point.

3.3 Bulk Plant depot or Terminal

That portion of a property where Flammable Liquids or Combustible Liquids are received by tank trucks, tank wagons or pipeline and are stored or blended in bulk for the purpose of distributing such liquids by tank trucks, tank wagons, pipeline, portable tank, or container

3.4 Classification of Fire

3.4.1 Class A Fires

Fires in ordinary combustible materials, such as wood, cloth, paper, rubber, and many plastics.

3.4.2 Class B Fires

Fires in flammable liquids, combustible liquids, petroleum greases, tars, oils, oil-based paints, solvents, lacquers, alcohols, and flammable gases.

3.4.3 Class C Fires

Fires that involve energized electrical equipment where the electrical non-conductivity of the extinguishing media is of importance. (When electrical equipment is de-energized/ out off from electrical circuit, fire extinguishers for Class A or Class B fires can be used safely.)

3.4.4 Class D Fires

Fires in combustible metals, such as magnesium, titanium, zirconium, sodium, lithium, and potassium.

3.4.5 Class K Fires

Fires in cooking appliances that involve combustible cooking media (vegetable or animal oils and fats).

3.5 Classification of Liquids

Any liquid within the scope of this standard and subject to the requirements of this standard shall be known generally either as a flammable liquid or as a combustible liquid, and shall be defined and classified in accordance with this sub-regulation.

3.5.1 Flammable Liquid

Any liquid that has a closed-cup flash point below 100°F (37.8°C), as determined by the test procedures and apparatus as in ASTM D 56, Standard Method of Test for Flash Point by the Tag Closed Cup Tester, ASTM D 93, Standard Test Method for Flash Point by the Pensky Martens Closed Tester, ASTM D 3278, Standard Method for Flash Point by Setflash Closed Tester and ASTM D 3828, Standard Test for Flash Point by Small Scale Closed Tester. Flammable liquids shall comprise of Class I, that is, any liquid that has a closed-cup flash point below 100°F (37.8°C) and a Reid vapour pressure not exceeding 40 psia (2068.6 mm Hg) at 100°F (37.8°C), and includes:

(i) Class IA liquids:

Liquids that have flash points below 73°F (22.8°C) and boiling points below 100°F (37.8°C).

(ii) Class IB liquids:

Liquids that have flash points below 73°F (22.8°C) and boiling points at or above 100°F (37.8°C).

(iii) Class IC liquids:

Liquids that have flash points at or above 73°F (22.8°C), and below 100°F (37.8°C).

3.5.2 Combustible Liquid

Any liquid that has a closed-cup flash point at or above 100°F (37.8°C) as determined by the test procedures set forth in ASTM D 56, Standard Method of Test for Flash Point by the Tag Closed Cup Tester, ASTM D 93, Standard Test Method for Flash Point by the Pensky Martens Closed Tester, ASTM D 3278, Standard Method for Flash Point by Setflash Closed Tester and ASTM D 3828, Standard Test for Flash Point by Small Scale Closed Tester. Combustible liquids shall comprise of Class-II and Class-III liquids, that is:

(i) Class-II liquid:

Liquids that have flash points at or above 100°F (37.8°C) and below 140°F (60°C).

(ii) Class-IIIA liquid:

Liquids that have flash points at or above 140°F (60°C), and below 200°F (93°C).

(iii) Class-IIIB liquid:

Liquids that have flash points at or above 200°F (93°C)

3.6 Emergency Relief Venting

An opening, construction method, or device to prevent excessive vapour pressure rise in the event of an external fire

3.7 Foam Application Systems

3.7.1 Fixed Systems

A complete installation in which foam is supplied through piping system from a central foam station, discharging through fixed delivery outlets directly to the hazard locations, which is to be protected.

3.7.2 Semi-fixed Systems

An installation in which Foam lines runs from outside the tank bund to the tank inlet(s) & is fixes with suitable valves & an inlet manifold to which the foam generators can be connected, when needed.

3.7.3 Mobile Systems

A foam-producing unit that is mounted on wheels and that is self-propelled or towed by a vehicle.

3.7.4 Portable Systems

A foam-producing unit that is transported by hand.

3.8 Foam Concentrate

Foam concentrate is the foam in concentrated liquid form as received from the manufacturer. For the purpose of this standard, "foam concentrate" and "concentrate" are used interchangeably.

3.9 Foam Classification

Foams are classified (by expansion) into the following three groups:

(i) Low-expansion foam:

Expansion up to 20 times foam to solution volume

- (i) Medium-expansion foam:

Expansion from 20 to 200 times foam to solution volume.

- (ii) High-expansion foam:

Expansion from 200 to 1000 times foam to solution volume.

3.10 Flash Point

The minimum temperature of a liquid at which sufficient vapour is given off to form an ignitable mixture with the air, near the surface of the liquid or within the vessel used, as determined by the appropriate test procedure and apparatus specified in ASTM D 56, Standard Method of Test for Flash Point by the Tag Closed Cup Tester, ASTM D 93, Standard Test Method for Flash Point by the Pensky Martens Closed Tester, ASTM D 3278, Standard Method for Flash Point by Setaflash Closed Tester and ASTM D 3828, Standard Test for Flash Point by Small Scale Closed Tester.

3.11 General - Purpose Warehouse

A separate, detached building or portion of a building used only for items other than petroleum/chemical products

3.12 Hazardous Area Classification

3.12.1 Classes of Locations

- (i) Class I:

Locations in which flammable gases or vapours are or may be present.

- (ii) Class II:

Locations which are hazardous because of the presence of combustible dust.

- (iii) Class III:

Locations where hazardous conditions exist because of the presence of ignitable fibers or suspended particles.

3.12.2 Divisions

Within each location class, two divisions are recognized. This standard addresses only Class I locations. The divisions within Class I are:

(i) Division 1:

An environment where flammable gases, vapours, liquids, combustible dust or ignitable fibres & flyings are likely to exist under normal operating conditions.

Installations for Division 1 locations require explosion proof equipment.

(ii) Division 2:

An environment where flammable gases, vapours, liquids, combustible dust or ignitable fibres & flyings are not likely to exist under normal operating conditions, such as those resulting from the failure or rupture of equipment from human error in operation.

Installations for Division 2 locations require that operation of the electrical system (including arcing and similar devices) may occur without providing a source of ignition under normal conditions.

(iii) Non-classified:

Locations, which need not be classified as Division 1 or 2, are non-classified.

3.12.3 Classifications of Locations

(i) Class 1, Division 1 Locations:

An environment where ignitable concentration of flammable gases, vapours or liquids can exist all of the time or some of the time under normal operating conditions. For instance, the presence of flammable gases in the vicinity of open-dome loading of gasoline tank trucks is normal and requires a Division 1 classification. However, "normal" does not necessarily mean the situation that prevails when everything is working properly. For instance, a process procedure might be so sensitive to control that relief valves frequently open. This can be considered normal. If these valves release flammable liquids or gases to the atmosphere (highly unlikely with today's environmental constraints) the location adjacent to the point of release is classified Division 1. However, if the operation of the relief valves occurs infrequently under unusual conditions, it is not to be considered normal.

Zone 0: Where ignitable concentrations of flammable gases, vapours or liquids can exist all of the time or for long periods of time under normal operating conditions.

Example – Vapour space of closed process vessel, container or storage tank.

Zone 1: Where ignitable concentrations of flammable gases, vapours or liquids can exist some of the time under normal operating conditions.

Example – Vehicle/rail tank wagon loading gantries around open manholes; Class I product container filling around fill nozzles; pits, trenches or low spots closed to filling operations; unventilated building containing Class I, II(2), III(2) products; vents for Class I, II(2), III(2) products.

(i) Class I, Division 2 Location:

An environment where ignitable concentration of flammable gases, vapours or liquids are not likely to exist all of the time or some of the time under normal operating conditions.

Zone 2: Where ignitable concentrations of flammable gases, vapours or liquids are not likely to exist under normal operating conditions.

Example: Vicinity of broken/leaking pump seals, valve pipes; overfill of bulk vehicles, rail tank wagons, containers.

The term abnormal is used here in a limited sense. It is intended to cover the type of accident for which there is practicable projection. It does not include a major catastrophe of the type against which protection is impracticable.

As an example, consider a process vessel containing hydrocarbons that releases flammable material only under abnormal conditions. In this case, there is no division I location because the vessel is normally tight. To release a gas, the vessel would have to leak, and that would not be normal. Thus, the vessel is surrounded by a Division 2 zone. Everything outside that zone is non-classified.

(ii) Non-classified Locations:

Experience has shown that the occurrence of flammable material liberation from some operations and apparatus is so infrequent that it is not necessary to classify the surrounding locations. For example, it has not been found generally necessary to classify the following areas surrounding locations where flammable petroleum gases and volatile liquids are processed, stored, or handled:

- (a) Adequately ventilated locations where flammable substances are contained in suitable, well-maintained, closed piping systems that include only the pipe, valves, fittings, flanges and meters.
 - (b) Locations that are not adequately ventilated where flammable substances are contained in piping systems without valves, fittings, flanges and similar accessories.
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- (c) Locations where the flammable liquids or gases are stored in suitable containers.

Equipment for Use in Hazardous Areas:

In addition to operational measures required to eliminate explosive hazards, certain constructional features are necessary to render equipment suitable for use in a hazardous area. Apart from the national or local regulations which must be adhered to, the following serves as a guide in selecting suitable equipment:

Zone 0: Only intrinsically safe certified apparatus and circuits.

Zone 1:

Intrinsically safe certified apparatus and circuits.

Flameproof equipment (Flameproof (explosion proof) electrical equipment is NOT normally weatherproof by design, and must therefore be provided with protection from rain and snow)

Zone 2:

Special selected industrial, non sparking or restricted breathing (venting) equipment.

All types of equipment specified for use in Zone 0 and Zone 1.

In addition, equipment with special protection classification may be used in a zone (or less hazardous zone) for which it is approved.

3.13 Inside Liquid Storage Area

A room or building used for the storage of liquids in containers or portable tanks, separated from other types of occupancies. Such areas include:

3.13.1 Inside Room

A room totally enclosed within a building and having no exterior walls.

3.13.2 Cut-off Room

A room within a building and having at least one exterior wall.

3.13.3 Attached Building

A building having only one common wall with another building having other types of occupancies.

3.13.4 Liquid Warehouse

A separate, detached building or attached building used for storing petroleum products.

3.14 Types Of Foam Concentrates

3.14.1 Protein-Foam Concentrates

Protein-foam concentrates consist primarily of products from a protein hydrolysate, plus stabilizing additives and inhibitors to protect against freezing, to prevent corrosion of equipment and containers, to resist bacterial decomposition, to control viscosity, and to otherwise ensure readiness for use under emergency conditions. They are diluted with water to form 3 percent to 6 percent solutions depending on the type. These concentrates are compatible with certain dry chemicals.

3.14.2 Fluoroprotein-Foam Concentrates

Fluoroprotein-foam concentrates are very similar to protein-foam concentrates but have a synthetic fluorinated surfactant additive. In addition to an air-excluding foam blanket, they also can deposit a vaporization-preventing film on the surface of a liquid fuel. They are diluted with water to form 3 percent to 6 percent solutions depending on the type. These concentrates are compatible with certain dry chemicals.

Fluoroprotein-foam has largely replaced standard protein foam for fighting hydrocarbon fires because of its better performance, higher fluidity & greater resistance to fuel entrainment – particularly valuable for sub-surface injection into storage tanks, for which standard protein foam is unsuitable. Fluoroprotein foam can be used with fresh or sea water.

3.14.3 Aqueous Film-Forming Foam (AFFF) Concentrates

Because of its high fluidity, AFFF gives a rapid knock down of fires. These concentrates are based on fluorinated surfactants plus foam stabilizers and usually are diluted with water to a 1 percent, 3 percent, or 6 percent solution. The foam formed acts as a barrier both to exclude air or oxygen and to develop an aqueous film on the fuel surface that is capable of suppressing the evolution of fuel vapours. The foam produced with AFFF concentrate is dry chemical compatible and thus is suitable for combined use with dry chemicals.

For high risk areas such as vehicle loading bays, the use of AFFF provides both rapid knock down and a sealing layer. AFFF is effective for covering a spillage to prevent a fire from occurring. It can be used for sub-surface injection in the same way as fluoroprotein foam, it can be used with fresh or sea water.

3.14.4 Film-Forming Fluoroprotein (FFFP) Foam Concentrates

These concentrates use fluorinated surfactants to produce a fluid aqueous film for suppressing hydrocarbon fuel vapours. This type of foam utilizes a protein base plus stabilizing additives and inhibitors to protect against freezing, corrosion, and bacterial decomposition, and it also resists fuel pickup. The foam is usually diluted with water to a 3 percent or 6 percent solution and is dry chemical compatible.

3.14.5 Alcohol-Resistant Foam Concentrates

These concentrates are used for fighting fires on water-soluble materials and other fuels destructive to regular, AFFF, or FFFP foams, as well as for fires involving hydrocarbons. There are three general types:

- (i) Water-soluble natural polymers, such as protein or fluoroprotein concentrates, containing alcohol-insoluble materials that precipitate as an insoluble barrier in the bubble structure.
- (ii) Synthetic concentrates containing a gelling agent that surrounds the foam bubbles and forms a protective raft on the surface of water-soluble fuels; these foams may also have film-forming characteristics on hydrocarbon fuels.
- (iii) Water-soluble natural polymers, such as fluoroprotein, containing a gelling agent that protects the foam from water-soluble fuels; these foams may also have film-forming and fluoroprotein characteristics on hydrocarbon fuels.

3.15 Portable Fire Extinguisher

A Portable device carried manually or on wheels and operated by hand, containing an extinguishing agent that can be expelled under pressure for the purpose of suppressing or extinguishing fire.

3.16 Stable Liquid

Any liquid other than unstable liquids.

3.17 Storage Tank

Any vessel having a liquid capacity that exceeds 60 gal (227 L), is intended for fixed installation, and is not used for processing.

3.18 Tanks

3.18.1 Aboveground Tanks

A tank that is installed above grade, at grade or below grade without backfill.

3.18.2 Atmospheric Tank

"A storage tank that has been designed to operate at pressures from atmospheric through 0.5psig (760mmHg through 786mmHg) measured at the top of the tank."

3.18.3 Low-Pressure Tank

A storage tank designed to withstand an internal pressure above 1.0 psig (6.9 KPa) but not more than 15 psig (103.4 KPa) measured at the top of the tank.

3.19 Unstable Liquid

A liquid that mixes in all proportions with water without the use of chemical additives, such as emulsifying agents.

3.20 Vapour Pressure

The pressure measured in pounds per square inch, absolute (psia), exerted by a liquid, as determined by ASTM D 323 *Standard Method of Test for Vapor Pressure of Petroleum Products (Reid Method)*.

CHAPTER 2 - SCOPE

4 Scope of this Standard

- 4.1 These Standards prescribe the technical standards relating to the design, materials, construction, testing and lay out of bulk plant depots and terminals used for the storage of petroleum products, and also includes safety distances and standards for product storage systems, fire fighting systems, plant/equipment layout, and electrical systems required for such storage plants and terminals.
- 4.2 All existing bulk plant depots and terminals used for the storage of petroleum products shall be up-graded to conform with the requirements of these Standards within 05 years from the date on which these Standards are made effective. These Standards shall however be applicable to all bulk plant depots and terminals put into use for the storage of petroleum products after the date on which these Standards are made effective.
- 4.3 These Standards do not apply to bulk plants or terminals used for the storage of Liquid Petroleum Gas (LPG), Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG) or chemicals. Also, these Standards are not applicable to storage units connected with motor fuel dispensing facilities.

5 Measurements & Reference to International Standards and codes

5.1 In this Standard the following terms of measurement and other technical terms have been used:

AFFF	Aqueous Film Forming Foam
ANSI	American National Standards Institute
API	American Petroleum Institute
ASME	American Society for Mechanical Engineers
ASTM	American Society for Testing and Materials
bars	unit of pressure
bbl	barrels
cm	centimeter
C	Centigrade
F	Fahrenheit
FFFP	Film Forming Fluoroprotein
FM	Factory Mutual
ft	feet
ft ²	square feet
f/sec	feet per second
gpm	gallons per minute
in	inch
KPa	Kilo Pascals
L	Liters
L/min	Liters per minute
L/min/m ²	Liters per minute per square meter
m	meters
m ²	square meters
mm	millimeters
m/sec	meters per second
NFPA	National Fire Protection Association
psig	pounds per square inch (gauge)
psia	pounds per square inch (absolute)
UL	Underwriter's Laboratory

5.2 In this standard the following International Standards and Codes have been referred to and apply as mentioned:

API RI 1515	Installation of Underground Petroleum Storage System
API Standard 2000	Venting Atmospheric and low-pressure Storage Tanks
API 620	Design and Construction of Large, Welded, Low Pressure Storage Tanks
API Specification 12 B	Bolted Tank for Storage of Production Liquids
API Specification 12 D	Field Welded Tanks for Storage of Production Liquids
API Specification 12 F	Shop Welded Tanks for Storage of Production Liquids
API 650	Welded Steel Tanks for Oil Storage.
API 650	Welded Steel Tanks for Oil Storage , Appendix H, "Internal Floating Roofs"
ASME B 31	Code for pressure piping
NFPA-10	Standard for Portable Fire.
NFPA 13	Standard for the Installation of Sprinkler Systems.
NFPA 14	Standard for the Installation of Standpipe and Hose Systems
	Standard for Water Spray
NFPA 15	Standard for Water Spray Fixed Systems for Fire Protection
NFPA 16	Standard for the Installation of Foam-Water Sprinkler and Foam-Water Spray Systems
NFPA 20	Standard for Centrifugal fire pumps
NFPA 30	Flammable and Combustible Code
NFPA 45	Standard on Fire Protection for Laboratories.
NFPA 51B	Standard for Fire Prevention in Use of Cutting and Welding Processes.
NFPA 70	National Electrical Code (NEC)

CHAPTER 3- PLANT LAYOUT

6 Road System

- 6.1 The roadway system should be arranged to form a complete ring around the entire site area, with branch roads crossing through the various areas. This makes all parts of the site accessible from more than one direction.
- 6.2 The roads should have minimum width of 10 ft to permit easy maneuvering of vehicles, with corner radii to suit the turning circle of the largest vehicle (i.e. fire trucks, product tank trucks or any specialist vehicles carrying special loads applicable to the plant.)
- 6.3 Pedestrian pathways adjacent to roads should be allowed in areas of high personnel concentration and traffic movement only.
- 6.4 There should be adequate parking space for vehicles to load or unload, or to receive clearance to enter or leave the site. Car parks for personnel and visitors should be in a safe area (minimum 50 feet from product handling/loading areas) The installation/ depot shall have sufficient space for maneuvering/face out parking of vehicles for easy exit in case of an emergency situation.

7 Loading/ Unloading System

7.1 Product Tank Trucks Loading/Unloading System

- 7.1.1 For product loading and unloading, the required area will consist of the platform and associated equipment, plus the area for parking the tankers. Also adequate parking space should be provided for vehicles waiting to be loaded. It should be noted that access platforms are required for loading the product in tank trucks.
 - 7.1.2 A loading or unloading facility shall have the canopy or roof that does not limit the dissipation of heat or dispersion of flammable vapors and also does not restrict fire-fighting access and control.
 - 7.1.3 The loading facilities for Tank Trucks filling shall be provided with loading arms. Moreover suitable metering equipment shall be used for measuring the quantity of product to be filled or decanted.
 - 7.1.4 The loading gantries / unloading points shall be so arranged that vehicles enter from one side and leave from the other without any need for reversing/ repositioning.
 - 7.1.5 Front end (Driver end) of tank truck shall be faced to main exit so that in case of any emergency, vehicle shall drive out of the installation. The corner radii should have the minimum value of 12.5 meters to suit
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turning circle of the fixed/ articulated vehicles having length of about 15 meters.

7.1.6 Loading area should be fully paved, curbed and drained so that all spills from trucks and equipment would flow quickly to adequately sized and suitably located catch pits and drains. These catch pits and drains shall be connected with oily/water drains system

7.1.7 Loading and un-loading facilities shall be provided with a means for electrically bonding to protect against static electricity hazards.

7.2 Railway Wagons Loading System

7.2.1 Loading area should be paved, curbed and drained so that all spills from railway wagons and equipment would flow quickly to adequately sized and suitably located catch pits and drains. These catch pits and drains shall be connected with oily/water drains system.

7.2.2 Minimum headroom clearance to be:

Over roadways	6,000 mm (19.6 ft)
Over access-ways/ pipe racks	5,000 mm (16.4 ft)

7.2.3 Loading facilities shall be provided with a means for electrically bonding to protect against static electricity hazards.

8 Buildings and Protective Boundaries

8.1 The major plant buildings administration, central workshops, warehouse etc, should be located as per minimum spacing requirements. The installation/ depot shall be protected on all sides by concrete/ brick wall having a minimum height of 7 ft. The wall should also have 3 ft high barbed wire fencing on the top. The administration building should be separated from the product storage and handling areas through fencing etc.

CHAPTER 4 - DIKING AROUND TANK(S)

9 Diking around Tanks

9.1 Diking Requirements

The diking around tanks is required to protect the adjoining property or waterways from accidental oil spills. Such systems shall comply with the following:

- (i) A slope of not less than 1 percent away from the tank shall be provided for at least 50 ft (15 m) or to the dike base, whichever is less.
- (ii) The volumetric capacity of the diked area shall not be less than the greatest amount of liquid that can be released from the largest tank

within the diked area assuming a full tank. To allow for volume occupied by tanks, the capacity of the diked area enclosing more than one tank shall be calculated after deducting the volume of the tanks, other than the largest tank, below the height of the dike.

- (iii) To permit access, the outside base of the dike, at ground level, shall be no closer than 10 ft (3 m) to any property line that is or can be built upon.
 - (iv) Walls of the diked area shall be of earth, steel, concrete, or solid masonry designed to be liquid tight and to withstand a full hydrostatic head. Earthen wall 3 ft (0.9 m) or more in height shall have a flat section at the top not less than 2 ft (0.6 m) wide. The slope of an earthen wall shall be consistent with the angle of repose of the material of which the wall is constructed.
 - (v) The walls of the diked area shall be restricted to an average interior height of 6 ft (1.8 m) above interior grade. Dikes shall be permitted to exceed this height where provisions are made for normal access and necessary emergency access to tanks, valves, and other equipment, and safe egress from the diked enclosure and where the following requirements are met:
 - (a) Where the average height of the dike containing Class I liquids is over 12 ft (3.6 m) high, measured from interior grade, or where the distance between any tank and the top inside edge of the dike wall is less than the height of the dike wall, provisions shall be made for normal operation of valves and for access to tank roof(s) without entering below the top of the dike. These provisions shall be permitted to be met through the use of remote-operated valves, elevated walkways, or similar arrangements.
 - (b) Piping passing through dike walls shall be liquid tight and be designed to prevent excessive stresses (e.g. pipe supports etc.) as a result of settlement or fire exposure.
 - (c) The minimum distance between tanks and toe of the interior dike walls shall be 5 ft (1.5 m).
 - (vi) Each diked area containing two or more tanks shall be subdivided, preferably by drainage channels or at least by intermediate dikes, in order to prevent spills from endangering adjacent tanks within the diked area as follows:
 - (a) One subdivision for each group of tanks having an aggregate capacity not exceeding 15,000 bbl (2,385,000 L).
 - (b) Where storing normally stable liquids in tanks not covered in regulation 9.1(vi)(a) above, one subdivision for each tank
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greater than 2380 bbl (378,500 L) capacity. In addition, one subdivision for each group of tanks [no tank exceeding 2380 bbl (378,500 L) capacity] having an aggregate capacity not exceeding 3570 bbl (567,750 L).

- (c) Whenever two or more tanks storing Class I liquids, any one of which is over 150 ft (45 m) in diameter, are located in a common diked area, intermediate dikes shall be provided between adjacent tanks to hold at least 10 percent of the capacity of the tank so enclosed, not including the volume displaced by the tank.
- (d) The drainage channels or intermediate dikes shall be located between tanks so as to take full advantage of the available space with due regard for the individual tank capacities. Intermediate dikes, where used, shall be not less than 18 in. (45 cm) in height.
- (vi) The provision for draining water from diked areas shall be controlled to prevent flammable or combustible liquids from entering natural watercourses, public sewers, or public drains. Control of drainage through block valves shall be accessible under fire conditions from outside the dike.
- (vii) Storage of combustible materials, empty or full drums, or barrels, shall not be permitted within the diked area.

CHAPTER 5 - INSTALLATION OF UNDERGROUND TANKS

10 Installation of Underground Tanks

10.1 Location

Excavation for underground storage tanks shall be made with due care to avoid undermining of foundations of existing structures. Underground tanks shall be so located with respect to existing building foundations and supports that the loads carried by the latter cannot be transmitted to the tank. The distance from any part of tank storing Class I liquids to the nearest wall of any basement or pit shall not be less than 1 ft (0.3 m), and to any property line that can be built upon, not less than 3 ft (0.9 m). The distance from any part of a tank storing Class II or Class III liquids to the nearest wall of any basement, pit, or property line shall not be less than 1 ft (0.3 m).

10.2 Burial Depth and Cover

10.2.1 All underground tanks shall be installed in accordance with the manufacturer's/designer's instruction, where available, and shall be set on firm foundations, concrete/sand pad as required by soil condition, and surrounded with at least 6 in. (15 cm) of noncorrosive inert material such as clean sand or gravel well tamped in place. The tank shall be placed in the

hole with care, since dropping or rolling the tank into the hole can break a weld, puncture or damage the tank, or scrape off the protective coating of coated tanks.

10.2.2 Underground tanks shall be covered with not less than 2 ft (0.6 m) of earth, or with not less than 1 ft (0.3 m) of earth on top of which shall be placed a slab of reinforced concrete not less than 4 in. (10 cm) thick. Where they are, or are likely to be, subjected to traffic, they shall be protected against damage from vehicles passing over them by at least 3 ft (0.9 m) of earth cover, or 18 in. (450 mm) of well tamped earth plus 6 in. (150 mm) of reinforced concrete or 8 in. (200 mm) of asphaltic concrete. When asphaltic or reinforced concrete paving is used as part of the protection, it shall extend at least 1 ft (0.3 m) horizontally beyond the outline of the tank in all directions.

10.2.3 When the depth of cover is greater than the diameter of the tank, or if the pressure at the bottom of the tank can exceed 10 psig (69Kpa), the designer/recognized consultant should be consulted to determine if reinforcement of the tank is required. The specific gravity of the liquid to be stored shall be a design factor.

10.3 Other Applicable Standard

API Rd 1615 *Installation of Underground Petroleum Storage System* should be used for the installation of underground tanks.

CHAPTER 6 - VENTING REQUIREMENTS

11 Venting Requirements

Venting for above ground Storage Vessel:

11.1 Venting of Atmospheric Storage Tanks

Atmospheric storage tanks shall be adequately vented to prevent the development of vacuum or pressure sufficient to distort the roof of a cone roof tank or exceeding the design pressure in the case of other atmospheric tanks, as a result of filling or emptying, and atmospheric temperature changes.

11.2 Sizing of Vents

Normal vents/ambient emergency vents shall be sized in accordance with API Standard 2000, *Venting Atmospheric and low-pressure Storage Tanks*.

11.3 Venting of Low-pressure and pressure Vessels

Low-pressure tanks and pressure vessels shall be adequately vented to prevent the development of pressure or vacuum that exceeds the design pressure of the tank or vessel when filling or emptying the tank or vessel or because of atmospheric temperature changes. Means shall also be provided to prevent overpressure from any pump discharging into the tank or vessel

when the pump discharge pressure can exceed the design pressure of the tank or vessel.

11.4 Venting of Class IA liquids Storage Vessels

Tanks and pressure vessels storing Class IA liquids shall be equipped with venting devices that shall be normally closed except when venting to pressure or vacuum conditions. Tanks and pressure vessels storing Class IB Liquids and Class IC liquids shall be equipped with venting devices or with flame arrestors. When used, vent devices shall be normally closed except when venting under pressure or vacuum conditions. Tanks of 3000 bbl (476,910 L) capacity or less containing crude petroleum in crude-producing areas, and outside aboveground atmospheric tanks under 23.8 bbl (3785 L) capacity containing other than Class IA liquids, shall be permitted to have open vents. (See exception to Regulation 11.6).

11.5 Class IB liquids and Class IC liquids Storage Vessels

Flame arrestors or venting devices required in Regulation 9.4 above may be omitted for Class IB liquids and Class IC liquids where conditions are such that their use can, in case of obstruction, result in tank damage.

11.6 Emergency Relief Venting of above ground storage vessels²

Except as provided in Regulation 11.7 below, every aboveground storage tank storing Class I liquids and Class II liquids shall have emergency relief venting in the form of construction or a device or devices that will relieve excessive internal pressure caused by the effects of an adjacent fire (exposure fire). This requirement shall also apply to each compartment of a compartmented tank, the interstitial space (annulus) of a secondary containment-type tank, and the enclosed space of tanks of closed top dike construction. This requirement shall also apply to spaces or enclosed volumes, such as those intended for insulation, membranes or weather shields, that can contain liquid because of a leak from the primary vessel and can inhibit venting during fire exposure. The insulation, membrane, or weather shield shall not interfere with emergency venting.

11.7 Large Vessels for Class IIIB Liquids do not require venting

Tanks larger than 285 bbl (45,306 L) capacity storing Class IIIB liquids and not within the diked area or the drainage path of Class I liquids or Class II liquids shall not require emergency relief venting.

11.8 Vertical Tank Construction

In a vertical tank, the construction referred to in Regulation 11.6 shall be a floating roof, a lifter roof or a weak roof-to-shell seam. The weak roof-to-shell seam shall be constructed to fail preferential to any other seam. Design methods that will provide a weak roof to shell seam construction are contained in API 650, *Welded Steel Tanks for Oil Storage*.

Venting for Underground Storage Vessel:

11.9 Normal Venting for Underground Storage Tanks

Tank venting systems shall be provided with sufficient capacity to prevent blowback of vapour or liquid at the fill opening while the tank is being filled. Vent pipes shall be sized according to design methods contained in NFPA 30, Flammable and Combustible Liquid Code.

CHAPTER 7 - PREVENTION OF OVERFILLING OF TANKS

12 Prevention of Overfilling of Tanks

12.1 Aboveground Storage Tank

Aboveground storage tanks receiving Class I liquids from mainline pipelines or marine vessels shall utilize one of the following methods of protection to prevent overfilling of tanks:

- (i) Tanks gauged at frequent intervals by personnel continuously on the premises during product receipt with two way communication maintained with the supplier so that product in-flow in a tank can be promptly shut down or diverted
- (ii) Tanks equipped with a high level detection device (alarms etc.) that is independent of any tank gauging equipment. Alarms shall be located where personnel who are on duty throughout product transfer can promptly arrange for flow stoppage or diversion;
- (iii) Tanks equipped with an independent high-level detection and control system that will automatically shut down or divert flow when the pre-defined high level limit is reached.

12.2 Underground Storage Tank

An underground storage tank shall be equipped with overfill prevention equipment that will:

- (i) Automatically shut off the flow of liquid into the tank when the tank is no more than 95 percent full; or
 - (ii) Alert the transfer operator when the tank is no more than 90 percent full by restricting the flow of liquid into the tank and triggering a high-level alarm.
 - (iii) Tanks gauged at frequent intervals by personnel continuously on the premises during product receipt with two way communication maintained with the supplier so that product in-flow in a tank can be promptly shut down or diverted.
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CHAPTER 8 - FIRE FIGHTING SYSTEM

13 Fire Fighting - Water System

13.1 Single Fire Concept

In a hydrocarbon processing and handling facility, the capacity and extent of the fire fighting equipment to be provided is based on the assumption that only one major fire will occur at any one time. Thus the requirements of the largest single fire possibility shall govern the design of the major fire fighting facilities.

13.2 Application Rates for Water and Foam

The rates of application of fire fighting agents given below shall be used in conjunction with equipment spacing mentioned in section 4.3 of NFPA 30, *Flammable and Combustible Code*. Tables 2A to 2F specifying spacing distances are attached as appendix A.

13.2.1 Equipment Protection

Minimum recommended water spray application rates for fire fighting at petroleum installations are as follows:

(i) Uninsulated Equipment Enveloped in Flame:

Vessels, equipment, structural steel, pipe racks, fin-fan coolers etc.	10 L/min/m ²
Pumps handling flammable liquids in isolated areas	10 L/min/m ²
Pumps handling flammable liquids adjacent to cable runs, fin-fans, pressure equipment, pipe racks etc.	20 L/min/m ²
Compressors handling flammable gases	10 L/min/m ²
Electrical and instrument cable trays, transformers, switchgear etc.	10 L/min/m ²

Reference 1

*per square meter of horizontal area extending 0.6 m from the pump and driver's periphery.

Note: The above rates are not additional to any water which may be applied to the equipment for extinguishment or control. The rates assume a 25% loss of water due to wind deflection, splash etc. The above rates may be increased if there is a possibility of jet flame impingement.

(ii) Equipment Not Enveloped in Flame:

Equipment close to and exposed to radiation from a fire, and tanks or vessels within two tank diameters distance downwind of a tank fire, or one tank diameter distance in the other directions, shall be protected

by application of water spray at minimum recommended rates shown in the table below:

Miscellaneous process equipment	2 L/min/m ²
Fixed and floating roof tanks containing Class I liquids, Class II liquids and Class III liquids	2 L/min/m ²
Pressurized tanks (general)	5-12 L/min/m ²
Buildings such as warehouses, offices and laboratories	2 L/min/m ²

Reference 2

Water spray shall not be applied to the roof of a floating roof tank.

Structure may be protected from fire radiation by the application of fire proof coating.

13.2.2 Storage Areas

In the event of fire, water protection shall be applied to crude oil and product storage tanks exposed to radiation as follows:

- (i) To tanks downwind of the fire and within 2 tank diameters separation distance.
- (ii) To other tanks within one tank diameter separation distance.

Only the surfaces exposed to radiation need to be protected.

13.2.2.1 Tank Fires

A primary aim of fire fighting in storage areas is to prevent the spread of fire from the tank which is being controlled to adjacent tanks or the neighbourhood.

13.2.2.2 Floating Roof Rim Fires

With this type of fire the outside of the tank heated by flames may be cooled with water whilst attempts are made to achieve and maintain an effective foam blanket, and to avoid re-ignition from hot surfaces. The recommended application rate of water is 10 L/min/m² of vertical tank surface in contact with the fire. For the calculation of water requirements, the area should be assumed to be that based on a nominal half of the vertical height of the tank. Water shall not be applied to the tank roof but foam shall be used at a rate specified in this regulation.

13.2.2.3 Tank on Fire

For the fixed roof tank on fire, water shall be available for vertical or inclined surfaces at the rate of 10 L/min/m² of exposed un-insulated surface. For planning water requirements it shall be assumed that half the vertical height of the tank is exposed. Water may be applied at a similar rate to the shells of floating roof tanks on fire.

13.2.2.4 Adjacent Tank

For adjacent tank cooling, the flow of water required is dependent on the distance from the fire, the wind direction, the area exposed to radiation, the type of tank (e.g. fixed or floating roof) and the intensity of the fire.

Any tank or similar structure shall be considered to require cooling if it is within one tank diameter distance from the burning tank, or 30 m whichever is the greater.

The area of the adjacent tank used in the water provision calculation is as follows:

$$(\text{shell area} \times 0.25) + (\text{roof area} \times 0.4) \text{ m}^2$$

Provision shall be made for water application at the rate of preferably not less than 2 L/min/m² of this area, especially with close separations. Rates higher than 2 L/min/ m² do not provide a proportionate increase in protection.

13.2.3 Water Capacity and Fire Pump Flow Rates

The total water capacity and fire pump flow rate for extinguishing the major fire must be adequate for the highest combination of both the foam making requirements and the cooling of tanks or other structures and it shall depend upon the capacity of the facilities to be protected.

13.2.4 Maximum Total Demand to be Determined

It must be noted that the highest foam demand for the tank fire may not coincide with the highest cooling demand for adjacent tanks. Therefore, the overall design will be based on the maximum total demand, which shall be determined by calculating the combination of tank foam plus adjacent cooling.

13.2.5 Vertical Atmospheric Fixed-Roof Tanks

A fire extinguishing system shall be provided or be available for vertical atmospheric fixed-roof storage tanks larger than 50,000 gal (189,250 L) capacity, storing Class I liquids. Fixed-roof tanks storing Class II liquids or Class III liquids at temperatures below their flash points and floating roof tanks storing any liquids generally shall not require protection when installed in compliance with section 4.3 of NFPA 30 *Flammable and Combustible Code*. Tables 2A to 2F specifying spacing/ distances are attached as appendix A.

The tank vehicle and tank car loading and un-loading facilities shall be separated from above ground tanks, warehouses, or plant buildings, or the nearest property line of adjoining property that can be build upon by a distance of 25 ft (7.6m) for Class I liquids and at least 15 ft (4.6 m) for Class

II liquids and Class III liquids, measured from nearest spout or transfer connection.

13.2.6 No Shut-Off Valve

There shall be no shut off valve in the fire department connection. An approved straightway check valve shall be installed in each fire department connection, located as near as practicable to the point where it joins the system.

13.2.7 Size of Fire Mains

Fire mains shall be of ample size, in no case smaller than 6 in. (152 mm).

13.2.8 Block Valves

All block valves shall be indicating type valves.

13.2.9 Hydrants

Each fire main shall be provided with a suitable number of hydrants spaced at appropriate distances and sized to give adequate cover to the appropriate area or process unit. Hydrants shall be sited in accessible positions, usually adjacent to fire roads. A typical spacing will be 50 m-100 m, giving maximum hose lengths from hydrant to nozzle of 30-60 m. Normally there shall be at least two hydrants per bund area. Each hydrant shall have at least two outlets. In planning the locations of hydrants, consideration should be given to permitting approach from two sides thus enabling approach to be made upwind of the incident. In addition, the siting should ideally facilitate tackling fires or giving protection in adjacent areas.

If a hydrant is in close proximity to a potentially hazardous area, provide a heat and blast protection shield, such as brick or concrete wall.

13.2.10 Sectional Block Valves

Fire main systems shall have sectional block valves in order to permit sectionalizing the system in the event of a break, or for the making of repairs or extensions.

13.2.11 Check Valves

Where there is more than one source of water supply, a check valve shall be installed in each connection.

13.2.12 Size of Connection to Hydrants

Hydrants shall be of standard design and shall not have less than a 4-in. (100 mm) diameter connection with the main fire water circuit. A valve shall be installed in the hydrant connection.

13.2.13 Height of Hose Outlet

The centre of a hose outlet shall not be less than 18 in. (457 mm) above final grade, or when located in a hose house, 12 in. (305 mm) above the floor.

13.2.14 Standard for Hose

Hose shall conform to NFPA 1961, *Standard for Fire Hose*.

13.2.15 Standard for Hose Coupling

Hose coupling threads shall conform to the NH standard threads, as specified in NFPA 1963, *Standard for Fire Hose Connection*.

13.2.16 Testing of Fire Service Mains

All new fire service mains shall be tested hydrostatically at not less than 200 psi (13.8 bars) pressure for two hours, or at 50 psi (3.4 bars) in excess of the maximum static pressure when the maximum static pressure is in excess of 150 psi (10.3 bars)

13.2.17 Minimum Supply Requirements

A minimum of 2 hours supply should be provided based on the potential use of water for extinguishment, cooling and foam production in a design-basis fire assumed for the site Fire Plan, if no source for water replenishment is available. Consideration should be given to contingency arrangements in the event of the site supply being exhausted before the fire is under control. Water containment and its recycling are options, which might also be considered.

13.2.18 Electrical Equipment Fires

In general, water and foams should not be used on fires involving live electrical equipment. For such applications, electrically non-conductive media including carbon dioxide and dry chemical powders shall be used.

14 Fire Fighting - Foam System

14.1 Operation of System

Systems can be actuated automatically or manually. All systems shall have provisions for manual actuation.

14.2 Foam Application System Design

This regulation covers design information for the use of foam to protect the following outdoor storage tanks, interior flammable liquid hazards, loading racks, diked areas, and non-diked spill areas.

14.2.1 Outdoor-Fixed Roof (Cone/ Dome) Tanks

Fixed cone roof/ dome tanks are defined as vertical and cylindrical tanks with a fixed roof designed as a conical section, and they comply with the requirements set forth in NFPA-30, *Flammable and Combustible Code*, API 650, *Welded Steel Tanks for Oil Storage* and API 620 *Design and Construction of Large, Welded, Low Pressure Storage Tanks*.

14.2.1.1 System Design

System design shall be based on protecting the tank (primary protection) requiring the largest foam solution flow, including supplementary hose streams.

(i) Method of Primary Protection

The following methods for protecting exterior fixed-roof tanks are included within this regulation:

- (a) Surface application with fixed foam discharge outlets
- (b) Subsurface application
- (c) Foam monitors and hand-lines

(ii) Supplementary Protection

In addition to the primary means of protection, there shall be provisions for supplementary protection in accordance with the requirements in Regulation 14.2.8.

14.2.1.2 Details of Primary Protection Methods

(i) Surface Application with Fixed Foam Discharge Outlets

- (a) Design Criteria for Surface Application with Fixed Foam Discharge Outlet:

Discharge outlets shall be attached to the tank, in case of protection of a flammable liquid contained in a vertical tank. Where two or more discharge outlets are required, the outlets shall be spaced equally around the tank periphery, and each outlet shall be sized to deliver foam at approximately the same rate. Fixed foam discharge outlets shall be attached securely at the top of the shell and shall be located or connected such that

there is no possibility of the tank contents overflowing into the foam lines. In order to prevent entrance of vapors into foam outlets and pipelines, fixed foam discharge outlets shall be provided with an effective and durable seal, frangible under low pressure. Fixed foam discharge outlets shall be provided with suitable inspection means to permit proper maintenance and for inspection and replacement of vapour seals.

(b) Foam Discharge Outlets

Fixed-roof (cone) tanks shall be provided with fixed foam discharge outlets as indicated in Table-14(1).

Table – 14(1)

(Number of Fixed Foam Discharge Outlets for Fixed-Roof Tanks Containing Hydrocarbons or Flammable and Combustible Liquids)

Tank Diameter (or equivalent area)		Minimum Number of Discharge Outlets
ft	m	
Up to 60	Up to 24	1
Over 60 to 120	Over 24 to 36	2
Over 120 to 140	Over 36 to 42	3
Over 140 to 160	Over 42 to 48	4
Over 160 to 180	Over 48 to 54	5
Over 180 to 200	Over 54 to 60	6

Reference 2

It is recommended that, for tanks greater than 200 ft (60 m) in diameter, at least one additional discharge outlet should be added for each additional 5,000 ft² (465 m²) of liquid surface or fractional part thereof.

(c) Minimum Discharge Times and Application Rates

When fixed foam discharge outlets are used for fixed-roof (cone) tanks containing hydrocarbons, Table-14(2) below shall be used for the minimum discharge times and application rates.

Table – 14(2)

(Minimum Discharge Times and Application Rate for Fixed Foam Discharge Outlets on Fixed-Roof (Cone) Storage Tanks Containing Hydrocarbons and Flammable & Combustible Liquid Requiring Alcohol-Resistant Foams)

Hydrocarbon Type	Minimum Application Rate		Min Discharge Time (min)
	(gpm/ft ²)	(l./min/m ²)	
Flash point between 100.F and 140.F (37.8.C and 60.3.C)	0.10	4.1	30

Flash point below 100°F (37.8°C) or liquids heated above their flash points	0.10	4.1	65
Crude petroleum	0.10	4.1	55
For Flammable & Combustible Liquids requiring Alcohol-Resistant Foams <i>Referenced</i>	Consult Manufacturer for listings on specific products		55

(ii) Subsurface Application Design Criteria

(a) Subsurface Application Design Criteria

Subsurface foam injection systems are appropriate for protection of liquid hydrocarbons in vertical fixed-roof atmospheric storage tanks. Subsurface injection systems shall not be used for protection of Class I hydrocarbon liquids or for the protection of alcohols, esters, ketones, aldehydes, anhydrides, or other products requiring the use of alcohol-resistant foams. The expansion ratios of Fluoroprotein foam, AFFF, and FFFP for subsurface injection shall be between 2 and 4.

(b) Foam Discharge Outlets

The discharge outlet into the tank can be the open end of a foam delivery line or product line. Outlets shall be sized so that foam generator discharge pressure does not exceed the design capacity for the generator. The foam velocity at the point of discharge into the tank contents shall not exceed 10 ft/sec (3 m/sec) for Class I liquids or 20 ft/sec (6 m/sec) for other classes of liquids. Where two or more outlets are required, they shall be located so that the foam travel on the surface cannot exceed 100 ft (30 m). Each outlet shall be sized to deliver foam at approximately the same rate. To provide even distribution of foam, outlets can be shell connections or can be fed through a pipe manifold within the tank from a single shell connection. Shell connections for foam discharge outlets can be made in man-way covers to prevent installing additional tank nozzles. Tanks shall be provided with subsurface foam discharge outlets as shown in Table-14(3).

Table - 14(3)

(Minimum Number of Subsurface Foam Discharge Outlets
for Fixed-Roof Tanks Containing Hydrocarbons)

Tank Diameter		Minimum Number of Discharge Outlets	
ft	m	Flash Point Below 100°F (37.8°C)	Flash Point 100°F (37.8°C) or Higher
Up to 80	Up to 24	1	1
Over 80 upto 120	Over 24 upto 36	2	1
Over 120 upto 140	Over 36 upto 42	3	2
Over 140 upto 160	Over 42 upto 48	4	2
Over 160 upto 180	Over 48 upto 54	5	2
Over 180 upto 200	Over 54 upto 60	6	3
Over 200	Over 60	6	3
		Plus 1 outlet for each Additional 5000 ft ² (465 m ²)	Plus 1 outlet for each additional 7500 ft ² (697 m ²)

Reference 8

Note: The elevation of foam discharge outlets shall be such that the foam does not discharge into a water bottom. For this purpose, the outlets shall be located at least 1 ft (0.3 m) above the highest water level to prevent destruction of the foam.

(c) Minimum Discharge Times and Application Rates

The minimum discharge times and application rates for subsurface application on fixed-roof storage tanks shall be in accordance with Table-14(4).

Table – 14(4)

(Minimum Discharge Times and Application Rates for Subsurface
Application on Fixed-Roof Storage Tanks)

Hydrocarbon Type	Minimum Discharge Time	Minimum Application Rate	
	(min)	(gpm/ft)	(L/min/m)
Flash point between 100.F and 140.F (37.8.C and 60.3.C)	30	0.1	4.1
Flash point below 100.F (37.8.C) or liquids heated above their flash points	55	0.1	4.1
Crude petroleum Reference 8	55	0.1	4.1

(II) Foam Monitors and Hand-lines

(a) Design Criteria for Foam Monitors and Hand-lines

Monitor nozzles shall not be considered as the primary means of protection for fixed-roof tanks over 60 ft (18 m) in diameter. Foam hand-lines shall not be considered as the primary means of protection for fixed-roof tanks over 30 ft (9 m) in diameter or those over 20 ft (6 m) in height.

(b) Minimum Discharge Time and Application Rates

The design parameters for the use of monitors and handline nozzles to protect tanks containing hydrocarbons shall be in accordance with Table-14(5).

(c) Tanks Containing Flammable and Combustible Liquids Requiring Alcohol-Resistant Foams

In general, alcohol-resistant foams can be effectively applied through foam monitor or foam hose streams to spill fires of these liquids when the liquid depth does not exceed 1 in. (25.4 mm). For liquids of greater depth, monitor and foam hose streams shall be limited for use with special alcohol-resistant foams designed for the purpose.

Where monitors and hand-line nozzles are used to protect tanks containing flammable and combustible liquids requiring alcohol-resistant foams, the operation time shall be 65 minutes at listed application rates.

Table - 14(5)

(Foam Hand-line and Monitor Protection for Fixed-Roof Storage Tanks Containing Hydrocarbons)

Hydrocarbon Type	Minimum Application Rate		Minimum Discharge Time
	(gpm/ft ²)	(L/min/m ²)	(min)
Flash point between 100°F and 140°F (37.8°C and 59.3°C)	0.16	6.5	60
Flash point below 100°F (37.8°C) or liquids heated above their flash points	0.16	6.5	65
Crude petroleum	0.16	6.5	65

Reference 7

Note 1: Included in this table are gasoline and unleaded gasoline containing no more than 10 percent oxygenated additives by volume. Where oxygenated additives content exceeds 10 percent by volume, protection is normally in accordance with regulation 14.2.1.2 (ii) c. Certain non-alcohol-resistant foams

might be suitable for use with fuels containing oxygenated additives of more than 10 percent by volume. The manufacturer should be consulted for specific listings or approvals.

Note 2: Flammable liquids having a boiling point of less than 100°F (37.8°C) might require higher rates of application. Suitable rates of application should be determined by test. Flammable liquids with a wide range of boiling points might develop a heat layer after prolonged burning and then can require application rates of 0.2 gpm/ft² (8.1 L/min/m²) or more.

Note 3: Care should be taken in applying portable foam streams to high-viscosity materials heated above 200°F (93.3°C), such as hot oils, burning asphalts, or burning liquids that have a boiling point above the boiling point of water. Although the comparatively low water content for foams can beneficially cool such fuels at a slow rate, it can also cause violent frothing and "stop over" of the tank's contents.

14.2.2 Outdoor Open-Top (External) Floating Roof Tanks

Vertical cylindrical tanks without fixed-roofs that have double-deck or pontoon-type floating roofs are known as open-top floating roof tanks and are constructed in accordance with the requirement of API 650, (*Appendix C*), *Welded Steel Tanks for Oil Storage* and NFPA 30, *Flammable and Combustible Liquids Code*. The seal can be a mechanical shoe seal or tube seal. The tube seal can be equipped with a metal weather shield. Secondary seals of combustible or non-combustible materials can also be installed.

14.2.2.1 System Design

System design shall be based on protecting the tank (primary protection) requiring the largest foam solution flow, including supplementary hose streams.

(i) Method of Primary (Seal Fire) Protection

The basis of system design shall be to protect the tank requiring the largest foam solution flow, including supplementary hose streams.

The only method used for fire protection of seals in open-top floating roof tanks is the "Fixed Discharge Outlets" Method.

(ii) Supplementary Protection

In addition to the primary means of protection, there shall be provisions for supplementary protection in accordance with the requirements of Regulation 14.2.8

(iii) Types of Fires anticipated

Two distinct types of fires can occur in open-top floating roof tanks:

- (a) a seal fire.
- (b) full surface area fire (as a result of the floating roof sinking).

Experience indicates that the most frequent type of fire involves only the seal of the floating roof tank.

14.2.2.2 Details of Fixed Discharge Outlets for Seal Area Protection (Top of the Seal Method)

- (i) Fixed foam discharge outlets located above a mechanical shoe seal, above a tube seal, weather shield, or above a secondary seal shall be used in conjunction with a foam dam. See Regulation 14.2.2.3 for foam dam design criteria. The following arrangement can be employed when utilizing fixed foam discharge outlets:

- Fixed foam discharge outlets mounted above the top of the tank shell.
- Fixed foam discharge outlets mounted on the periphery of the floating roof.

- (ii) Design Criteria for Top-of-Seal Method with Foam Dam

The design parameters for the application of fixed foam discharge outlets on top of the seal to protect open-top floating roof tanks shall be in accordance with Table-14(6). The requirements specified in the table apply to tanks containing hydrocarbons or flammable and combustible materials requiring a alcohol-resistant foams. The required minimum application rates specified in Table-14(6) apply, unless listings for specific products require higher application rates where fixed foam discharge outlets are used.

Table - 14(6)

(Top-of-Seal Fixed Foam Discharge Protection for Open Top Floating Roof Tanks)

Seal Type	Minimum Application Rate		Minimum Discharge Time	Minimum Spacing Between Discharge Outlets with	
				12-in. (305-mm) Foam-Dam	36-in. (914-mm) Foam-Dam
	gpm/ft ²	l/min/m ²	min	ft (m)	ft (m)
Mechanical shoe Seal	0.3	12.2	20	40 (12.2)	80 (24.4)
Tube seal with Metal Weather Shield	0.3	12.2	20	40 (12.2)	80 (24.4)

Fully or partly combustible Secondary Seal	0.3	12.2	20	40 (12.2)	80 (24.4)
All metal Secondary Seal <i>Reference 1</i>	0.3	12.2	20	40 (12.2)	80 (24.4)

Note: Where the fixed foam discharge outlets are mounted above the top of the tank shell, a foam splashboard is necessary due to the effect of winds.

(iii) Foam Dam

A foam dam shall be installed if a tube seal is used and the top of the tube seal is less than 6 in. (152 mm) below the top of the pontoon.

(iv) Minimum Discharge Times and application Rates

If the application rate is higher than the minimum rate specified in Table-6, the discharge time can be reduced proportionately, but not less than 70 percent of the minimum discharge times specified.

14.2.2.3 Foam Dam Design Criteria

The foam dam shall be circular and constructed of at least No. 10 U.S. standard gauge thickness [0.134-in. (3.4-mm)] steel plate.

The foam dam shall be welded or otherwise securely fastened to the floating roof.

The foam dam shall be designed to retain foam at the seal area while causing the foam to flow laterally to the point of seal rupture. Dam height shall be at least 12 in. (305 mm). The dam shall extend at least 2 in. (51 mm) above a metal secondary seal or a combustible secondary seal using a plastic-foam log. Dam height shall be at least 2 in. (51 mm) higher than any turnout panels in metal secondary seals.

The foam dam shall be at least 1 ft (0.3 m), but not more than 2 ft (0.6 m), from the tank shell.

To allow drainage of rain water, the foam dam bottom shall be slotted on the basis of 0.04 in.² of slot area per ft² of dammed area (278 mm² of slot area per m² of dammed area) restricting drain slots to a maximum 3/8 in. (9.5 mm) in height. Additional openings for drainage shall be avoided to prevent loss of foam through the drainage slots.

14.2.3 Outdoor Covered (Internal) Floating Roof Tanks

Covered (internal) floating roof tanks are defined as vertical cylindrical tanks with a fixed metal roof (cone or geodesic dome) equipped with ventilation at the top and containing a metal double-deck or pontoon-type floating roof or a

metal floating cover supported by liquid-tight metal flotation devices, constructed in accordance with the requirements of NFPA 30, *Flammable and Combustible Liquids Code* and API 650 (Appendix-H), *Welded Steel Tanks for Oil Storage*.

14.2.3.1 System Design

System design shall be based on protecting the tank requiring the largest foam water solution flow, including supplementary hose streams.

(i) Method of Primary Protection

The following methods for protecting internal floating roof tanks are included within this regulation:

- (a) Full Surface Area Fire.
- (b) Seal Area Fire.

(ii) Supplementary Protection

In addition to the primary means of protection, there shall be provisions for supplementary protection in accordance with the requirements of Regulation 14.2.8.

14.2.3.2 Details of Methods for Primary Protection

(i) Design for Full Surface Fire

Where the basis for design is a full surface fire (Class I liquids), the covered (internal) floating roof tank shall be considered as equivalent to a fixed-roof (cone) tank of the same diameter for the purpose of foam system design. For a full surface fire, the foam facilities shall be designed in accordance with Regulation 14.2.1 and Regulation 14.2.8, except that separately valved laterals for each foam discharge shall not be required. For this application, fixed foam discharge outlets shall not be fitted with a frangible vapour seal device.

(ii) Design for Seal Area Fire

For a seal fire design system, the covered (internal) floating roof tank shall be considered as equivalent to an open-top floating roof tank of the same diameter for the purpose of foam system design. For a seal fire, the foam discharge system shall be designed in accordance with the requirements specified in Table -14(6) utilizing fixed foam discharge outlets.

The following types of roof construction shall be considered suitable for seal area protection systems:

- (a) Steel double deck.
- (b) Steel pontoon.
- (c) Full liquid surface contact closed cell honeycomb, of metal construction conforming to API 650, *Welded Steel Tanks for Oil Storage*, Appendix H, "Internal Floating Roofs" requirements.

All other types of roof construction shall require full surface protection.

Note: Subsurface and semi-subsurface injection shall not be used because of the possibility of improper distribution of foam.

(iii) Minimum Discharge Time and application Rate

If the application rate is higher than the minimum rate specified in Table-2, the discharge time shall be permitted to be reduced proportionately, but shall not be less than 70 percent of the minimum discharge times specified.

14.2.4 Indoor Hazards

This regulation deals with foam fire-extinguishing systems, which are intended to protect indoor storage tanks that have liquid surface areas of 400 ft² (37.2 m²) or greater.

14.2.4.1 Design Criteria for Indoor Storage Tanks Containing Flammable or Combustible Liquids Requiring Alcohol-Resistant Foams

Water-soluble and certain flammable and combustible liquids and polar solvents that are destructive to non-alcohol-resistant foams require the use of alcohol-resistant foams. Systems using these foams require special engineering consideration. In all cases, the manufacturers of the foam concentrate and of the foam-making equipment shall be consulted as to limitations and for recommendations based on listings or specific fire tests.

(i) Discharge Outlets

Tanks for storing liquid hydrocarbons shall be fitted with tank-mounted fixed foam discharge outlets as specified in Table-14(1).

(ii) Minimum Discharge Time and Application Rates

The minimum application rate for indoor hydrocarbon storage tanks shall be 0.16 gpm/ft² (6.5 L/min×m²) of liquid surface area. Minimum discharge time shall be as specified in Table-14(2) for fixed foam discharge outlets.

If the application rate is higher than the minimum rate specified above, the discharge time can be reduced proportionately, but not less than 70 percent of the minimum discharge times indicated.

14.2.5 Loading/Unloading Gantry

Loading racks are defined as truck or rail car types for the purpose of loading or unloading product. When designing a loading rack foam system, the total rack size, flammable or combustible products involved, proximity of other hazards and exposures, drainage facilities, wind conditions, ambient temperatures, and available staff all shall be considered.

14.2.5.1 Methods of Protection

The following are two acceptable methods of protecting loading racks:

- (i) Foam-water sprinkler application utilizing air-aspirating foam-water sprinklers or nozzles or non-air-aspirating standard sprinklers.
- (ii) Foam monitors (Fixed/ Portable).

14.2.5.2 Design Criteria for Foam-Water Sprinkler Systems

(For design criteria for sprinkler systems, see NFPA 15, *Standard for the Installation of Deluge Foam-Water Sprinkler and Foam-Water Spray Systems*.)

14.2.5.3 Design Criteria for Foam Monitor Protection Systems

- (i) Areas to Be Protected by Monitor Nozzles

Monitor nozzle system design shall be based on the total ground area. The intent of the design shall be to protect the canopy, pumps, meters, vehicles, and miscellaneous equipment associated with the loading and unloading operation in the event of a spill fire. Systems shall be designed to protect the canopy area as well as total curbed area around the loading gantry or the entire length of the truck or rail car.

- (ii) Minimum Application Rates and Discharge Times

Minimum foam application rates and discharge times for loading gantry protected by monitor nozzles shall be as specified in Table-14(7).

Table – 14(7)

(Minimum Application Rates and Discharge Times for Loading Racks
Protected by Foam Monitor Nozzle Systems)

Foam Type	Minimum Application Rate		Minimum Discharge Time	Product Being Loaded
	(gpm/ft ²)	(L/min/m ²)	(min)	
Protein and Isoprotein	0.16	6.5	15	Hydrocarbons
FFFF, FFFP, and alcohol-resistant AFFF or FFFP Alcohol-resistant foams	0.10*	4.1*	15	Hydrocarbons
	Consult manufacturer for listings on specific products		15	Flammable and Combustible liquids requiring alcohol-resistant foam

Reference B

- * If a fuel depth of more than 1 in. (25.4 mm) can accumulate within the protected area, the application rate shall be increased to 0.16 gpm/ft² (6.5 L/min/m²).

14.2.6 Diked Areas - Outdoor

Diked areas are areas bounded by contours of land or physical barriers that retain a fuel to a depth greater than 1 in. (25.4 mm). For protection of these areas, fixed discharge outlets, fixed or portable monitors, or foam hose-lines should be employed.

In order to obtain maximum flexibility due to the uncertainty of location and the extent of a possible spill in process areas and tank farms, portable or trailer-mounted monitors are more practical than fixed foam systems in covering the area involved. The procedure for fighting diked area spill fires is to extinguish and secure one area and then move on to extinguish the next section within the dike. This technique should be continued until the complete dike area has been extinguished.

14.2.6.1 Methods of Application

Where foam protection is considered for a diked area, it can be accomplished by any of the following methods:

- Low-level foam discharge outlets.
- Foam monitors or foam hose-lines.
- Foam-water sprinklers or nozzles.

14.2.6.2 Minimum Application Rates and Discharge Times for Fixed Discharge Outlets on Diked Areas Involving Liquid Hydrocarbons

The minimum application rates and discharge times for fixed foam application on diked areas shall be as specified in Table-14(8).

Table – 14(8)
(Minimum Application Rates and Discharge Times for Fixed Foam Application on Diked Areas Involving Hydrocarbon Liquids)

Type of Foam Discharge Outlets	Minimum Application Rate		Minimum Discharge Time (min)	
	(gpm/ft ²)	(L/min/m ²)	Class I BC	Class II BC
Low-level foam discharge outlets	0.10	4.1	30	20
Foam monitors	0.16	6.5	30	20

Reference 10

To keep the total design solution within practical limits, large dike areas shall be permitted to be subdivided

14.2.6.3 Fixed Foam Discharge Outlets

Fixed foam discharge outlets vary considerably in capacity and range area of coverage. Fixed foam discharge outlets shall be sized and located to apply foam uniformly over the dike area at the application rate specified in Table-14(8). Large dike areas shall be permitted to be subdivided to keep the total design solution within practical limits

14.2.6.4 Fixed Foam-Water Sprinklers or Nozzles

NFPA 16, *Standard for the Installation of Foam-Water Sprinkler and Foam-Water Spray Systems* shall be used for the design of systems where fixed foam-water sprinklers or nozzles are used.

14.2.6.5 Fixed Low-Level Foam Discharge Outlets

These outlets shall be permitted to be open pipe fittings or directional flow nozzles designed to discharge a compact, low-velocity foam stream onto the inner wall of the dike or where necessary directly onto the dike floor. They shall be located around the dike wall, and where necessary inside the dike area, to apply foam uniformly over the dike area. Where fixed discharge outlets installed at a low level are used as the primary protection, they shall be located so that no point in the dike area is more than 30 ft (9 m) from a discharge outlet where the discharge per outlet is 60 gpm (225 L/min) or less. For outlets having discharge rates higher than 60 gpm (225 L/min) the maximum distance between discharge outlets shall be 60 ft (18 m). Low-level foam discharge outlets might need supplementary overhead foam spray

application to provide coverage or cooling for overhead structures or for tank surfaces.

14.2.6.6 Foam Monitors or Foam Hose-lines

Where monitors are used to discharge foam in the diked area, they shall be located outside the dike area. Application rates and discharge times shall be as specified in Table 14(8).

14.2.6.7 Diked Areas Involving Flammable or Combustible Liquids Requiring Alcohol-Resistant Foams

Water-soluble and certain flammable and combustible liquids and polar solvents that are destructive to non-alcohol-resistant foams require the use of alcohol-resistant foams. Systems using these foams require special engineering consideration.

14.2.6.8 Design Criteria for Diked Areas Involving Flammable or Combustible Liquids Requiring Alcohol-Resistant Foams

The design criteria shall be as follows:

- (i) Methods of fixed protection shall be the same as those described in Regulation 14.2.6.3 for hydrocarbon hazards.
- (ii) Application rates shall be in accordance with manufacturer recommendations for specific products and corresponding foam-making devices.
- (iii) The minimum discharge time shall be 30 minutes.

14.2.7 Non-diked Spill Areas

Non-diked spill areas are areas where a flammable or combustible liquid spill might occur, uncontained by curbing, dike walls, or walls of a room or building. In such cases it is assumed that any fire would be classified as a spill fire (i.e., one in which the flammable liquid spill has an average depth not exceeding 1 in. (25.4 mm) and is bounded only by the contour of the surface on which it is lying).

14.2.7.1 Design Criteria for Protection of Spill Fires Involving Hydrocarbons or Flammable and Combustible Liquids Requiring Alcohol-Resistant Foams

To determine protection for spill fires, it is necessary to estimate the potential spill area. Once this has been determined, Table-14(9) shall be used to calculate requirements to be used as design criteria for portable nozzles or monitors.

Table - 14(9)

(Minimum Application Rate and Discharge Times for Non-flamed Spill Fire Protection
Using Portable Foam Nozzles or Monitors)

Foam Type	Min. Application Rate Min.		Discharge Time min	Anticipated Product Spill
	(gpm/ft ²)	(L/min/m ²)		
Protein and Acroprotein	0.10	6.5	15	Hydrocarbon
AFFF, FFFP, and alcohol-resistant AFFF or FFFP	0.10	4.1	15	Hydrocarbon
Alcohol-resistant foams	Consult manufacturer for listings on specific products		15	Flammable and combustible liquids requiring alcohol- resistant foam

Reference 11

14.2.8 Supplementary Protection

Besides the primary means of protection, some types of hazards require provisions for supplemental means of protection as well. The supplemental protection requirements are described in this regulation.

14.2.8.1 Supplemental Foam Hose Stream Requirements

In addition to tank foam installations, approved foam hose stream equipment shall be provided, as supplementary protection for small spill fires. The minimum number of fixed or portable hose streams required shall be as specified in Table-14(10) and shall be available to provide protection to the area. The equipment for producing each foam stream shall have a solution application rate of at least 50 gpm (189 L/min), with the minimum number of hose streams shown in Table-14(10).

Table - 14(10)

(Supplemental Foam Hose Stream Requirements)

Diameter of Largest Tank	Minimum Number of Hose Streams Required
Up to 65 ft (19.5 m)	1
Over 65 to 120 ft (19.5 to 36 m)	2
Over 120 ft (36 m)	3

Reference 12

14.2.8.2

Additional foam-producing materials shall be provided to permit operation of the hose stream equipment simultaneously with tank foam installations as specified in Table-14(11).

Table – 14(11)

(Hose Stream Operating Times, Supplementing Tank Foam Insulations)

Diameter of Largest Tank	Minimum Operating Time*
Up to 35 ft (10.6 m)	10 min
Over 35 to 95 ft (10.6 to 28.9 m)	20 min
Over 95 ft (28.9 m)	30 min

Reference 3

- * Based on simultaneous operation of the required minimum number of hose streams discharging at a rate of 50 gpm (189 L/min).

14.3 Reserve Supply of Foam Concentrate

There shall be a readily available reserve supply of foam concentrate sufficient to meet design requirements in order to put the system back into service after operation. This supply can be in separate tanks or compartments, in drums or cans on the premises, or available from an approved outside source within 24 hours.

15 Testing

15.1 Pressure Tests

All piping, except piping handling expanded foam for other than subsurface application, shall be subject to a 2-hour hydrostatic pressure gauge test at 200 psi (1379 kPa) or 50 psi (345 kPa) in excess of the maximum pressure anticipated, whichever is greater, in accordance with NFPA 13, Standard for the Installation of Sprinkler Systems. All normally dry horizontal piping shall be inspected for drainage pitch.

15.2 Operating Tests

Before approval, all operating devices and equipment shall be tested for proper function.

16 Fire Water Pumps

16.1 General

16.1.1 Pumps and Drivers

Centrifugal fire pumps shall be designed as per NFPA 20.

16.1.2 Water Supplies

The water storage requirement shall be as per regulation 13.2.17.

16.1.3 Pressure Gauges

16.1.3.1 Pressure Gauge

A pressure gauge having a dial not less than 3 1/2 in. (89 mm) in diameter shall be connected near the discharge casting with a 1/4-in. (6.25-mm) gauge valve. The dial shall indicate pressure to at least twice the rated working pressure of the pump but not less than 200 psi (13.8 bars). The face of the dial shall read in pounds per square inch or bars or both with the manufacturer's standard graduations.

16.1.3.2 Compound Pressure and Vacuum Gauge

A compound pressure and vacuum gauge having a dial not less than 3 1/2 in. (89 mm) in diameter shall be connected to the suction pipe near the pump with a 1/4-in. (6.25-mm) gauge valve. Provision of compound gauge and vacuum gauge shall not be required for vertical shaft turbine-type pumps taking suction from a well or open wet pit.

The face of the dial shall read in inches (mm) of mercury (Hg) or pounds per square inch (bars) for the suction range. The gauge shall have a pressure range two times the rated maximum suction pressure of the pump, but not less than 100 psi (7 bars).

16.1.4 Circulation Relief Valve

Each pump(s) shall have an automatic relief valve listed for the fire pump service installed and set below the shutoff pressure at minimum expected suction pressure.

Provisions shall be made for discharge to a drain. Circulating relief valves shall not be tied in with the packing box or drip rim drains. Minimum size of the automatic relief valve shall be 3/4 in. (19.0 mm) for pumps with a rated capacity not exceeding 2500 gpm (9462 L/min), and 1 in. (25.4 mm) for pumps with a rated capacity of 3000 to 5000 gpm (11,355 to 18,925 L/min).

16.1.5 Pipe and Fittings

16.1.5.1 Placement of Steel Pipes

Steel pipe shall be used aboveground except for connection to underground suction and underground discharge piping. Where corrosive water conditions exist, steel suction pipe shall be galvanized or painted on the inside prior to installation with a paint recommended for submerged surfaces. Thick bituminous linings shall not be used.

16.1.5.2 Joining of Steel Pipes

Sections of steel piping shall be joined by means of screwed, flanged (flanges welded to pipe are preferred), mechanical grooved joints.

16.1.5.3 Standard for Welded Pipe

All provisions for welded pipe shall be in accordance with NFPA 13, *Standard for the Installation of Sprinkler Systems*.

16.1.5.4 Standard for Torch-Cutting and Welding in Pump House

Torch-cutting or welding in the pump house shall be permitted as a means of modifying or repairing pump house piping when it is performed in accordance with NFPA 51B, *Standard for Fire Prevention in Use of Cutting and Welding Processes*.

16.2 Types of Fire Water Pumps

16.2.1 Horizontal and In-Line Pumps

16.2.1.1 Types

Horizontal pumps shall be of the split-case, end-suction, or in-line design.

16.2.1.2 Application

The horizontal split-case pump in horizontal or vertical position, and end-suction and in-line pumps shall not be used where a static suction lift is involved.

16.2.1.3 Characteristics

Pumps shall furnish not less than 150 percent (150%) of rated capacity at not less than 65 percent (65%) of total rated head. The shutoff head shall not exceed 140 percent (140%) of rated head for any type pump.

16.2.2 Vertical Shaft Turbine-Type Pumps

16.2.2.1 Suitability

The vertical shaft turbine-type pump is particularly suitable for fire pump service where the water source is located below ground and where it would be difficult to install any other type of pump below the minimum water level.

16.2.2.2 Characteristics

Pumps shall furnish not less than 150 percent (150%) of rated capacity at a total head of not less than 65 percent of the rated head. The total shut-off head shall not exceed 140 percent (140%) of the total rated head on vertical turbine pumps.

16.3 Standby arrangement

There should be at least two fire pumps of similar capacity installed at the location, one acting as the main fire pump and other as the backup.

17 Personnel Protection

Use PPE's (Personnel Protective Equipments) such as helmet, safety shoes, goggles, dangri, face shield, safety belt, mask, dust mask, rubber shoes, gloves (cotton, rubber, leather), ear plugs and ear muffs where required.

17.1 Breathing Apparatus

Self-contained breathing apparatus should be available for fire fighting and rescue. Arrangements should be made for a supply of cylinders sufficient for the scale and duration of incidents that may be envisaged. The use of breathing apparatus at an incident shall be strictly controlled.

17.2 Protective Clothing

Fire fighting personnel shall be provided with appropriate clothing to counter the effects of radiant heat and water. Synthetic materials such as nylon shall not be worn. Details may be obtained from NFPA 45 *Standard on Fire Protection for Laboratories*.

Special clothing and equipment may be necessary for dealing with certain specific hazards on the plant in an emergency (e.g., Acids and hydrogen fluoride).

17.3 Wind Socks

Wind Socks shall be provided at appropriate locations inside installation.

18 Fire Extinguishers

18.1 Standard for Fire Extinguishers

Fire extinguisher selection/distribution shall conform to NFPA-10, *Standard for Portable Fire*.

18.2 Fire Extinguishers Installation

Fire extinguishers having a gross weight not exceeding 40 lb (18.14 kg) shall be installed so that the top of the fire extinguisher is not more than 5 ft (1.53 m) above the floor. Fire extinguishers having a gross weight greater than 40 lb (18.14 kg) (except wheeled types) shall be so installed that the top of the fire extinguisher is not more than 3 1/2 ft (1.07 m) above the floor. In no case shall the clearance between the bottom of the fire extinguisher and the floor be less than 4 in. (10.2 cm).

18.3 Selection of Fire Extinguisher

The selection of fire extinguishers for a given situation shall be determined by the character of the fires anticipated, the construction and occupancy of the individual property, the vehicle or hazard to be protected, ambient-temperature conditions, and other factors like horizontal range, time of discharge, etc. The number, size, placement, and limitations of use of fire extinguishers required shall meet the requirements as specified in NFPA-10, *Standard for Portable Fire*.

Fire extinguishers shall be selected for the classes of hazards to be protected in accordance with the following subdivisions.

Fire extinguishers for protecting Class A hazards shall be selected from the following:

- (i) Water type,
- (ii) Multipurpose dry chemical type and wet chemical type.

Fire extinguishers for protection of Class B hazards shall be selected from the following:

- (i) Aqueous film-forming foam (AFFF).
- (ii) Film-forming fluoroprotein foam (FFFP).
- (iii) Carbon dioxide.
- (iv) Dry chemical type.

Fire extinguishers for protection of Class C hazards shall be selected from types that are designated for use on Class C hazards.

NOTE: Carbon dioxide fire extinguishers equipped with metal horns are not considered safe for use on fires in energized electrical equipment and, therefore, are not classified for use on Class C hazards.

Fire extinguishers and extinguishing agents for the protection of Class D hazards shall be of types designated for use on the specific combustible-metal hazard.

Fire extinguishers and extinguishing agents for the protection of Class K hazards shall be selected from either a wet chemical type or dry chemical type.

Periodic inspection and maintenance of fire fighting extinguishers to be carried out.

19 Plant Building Protection

19.1 Standard for Protection of Other Buildings and Structures

Plant Buildings like warehouse, container storage, workshops, administration blocks, etc. shall be protected with smoke detectors/water sprinkler system (automatic/manual) or hose reel system or both, based on the nature of structure/material/equipment to be protected. The water sprinkler/hose reel system shall be designed as per NFPA 30, *Flammable and Combustible Liquids Code*, NFPA 14, *Standard for the Installation of Standpipe and Hose Systems*, NFPA 15, *Standard for Water Spray Fixed Systems for Fire Protection*, NFPA 13, *Standard for the Installation of Sprinkler Systems*.

CHAPTER 9 - TANKAGE SYSTEM

20 Tankage System

The storage of flammable and combustible liquids shall be stored in fixed aboveground, underground and mounded tanks

Tanks shall be permitted to be of any shape, size, or type consistent with sound engineering design standard.

All tanks shall be provided with a means for electrically bonding to protect against static electricity hazards.

20.1 Design Standards for Atmospheric Tanks

20.1.1 Standard for Atmospheric Vessels

Atmospheric tanks, including those incorporating secondary containment, shall be designed and constructed in accordance with the following engineering design standards:

- (i) API Specification 12 B, *Bolted Tank for Storage of Production Liquids*
- (ii) API Specification 12 D, *Field Welded Tanks for Storage of Production Liquids*
- (iii) API Specification 12 F, *Shop Welded Tanks for Storage of Production Liquids*
- (iv) API Standard 650, *Welded Steel Tanks for Oil Storage*.
- (v) EEMUA Publication for Mounded Tanks

20.1.2 Standard for Construction of Atmospheric Vessels

Atmospheric tanks designed and constructed in accordance with Appendix F of API Standard 650, *Welded Steel Tanks for Oil Storage*, shall be permitted to operate at pressures from atmospheric to 1.0 psig (gauge pressure of 6.9

KPa). All other tanks shall be limited to operation from atmospheric to 0.5 psig (gauge pressure of 3.5 KPa).

20.1.3 Use of Welded Steel Vessels

Atmospheric tanks that are not designed and constructed in accordance with Appendix F of API Standard 650, *Welded Steel Tanks for Oil Storage*, shall be permitted to operate at pressures from atmospheric to 1.0 psig (gauge pressure of 6.9 KPa) only if an engineering analysis determines that the tank can withstand the elevated pressure.

20.1.4 Horizontal Cylindrical and Rectangular Vessels

Horizontal cylindrical and rectangular tanks built according to any of the standards specified above shall be permitted to operate at pressures from atmospheric to 1 psig (gauge pressure of 6.9 KPa) and shall be limited to 2.5 psig (gauge pressure of 17.2 KPa) under emergency venting conditions.

20.1.5 Use of Low-Pressure and Pressure Vessels as Atmospheric Vessels

Low-pressure tanks and pressure vessels shall be permitted to be used as atmospheric tanks.

20.1.6 Temperature of liquids in Atmospheric Vessels

Atmospheric tanks shall not be used to store a liquid at a temperature at or above its boiling point.

20.1.7 Height of Vertical Tanks

The height of the vertical tanks shall not exceed 64 ft.

20.2 Design Standards for Low-Pressure Tanks

20.2.1 Standard for Low-Pressure Vessels

Low-pressure tanks shall be designed and constructed in accordance with engineering design standard API 620, *Design and Construction of Large, Welded, Low Pressure Storage Tanks*.

20.2.2 Operation of Low-Pressure Vessels

Low Pressure Vessels shall not be operated above their design pressure.

20.2.3 Use of Pressure Vessels as Low-Pressure Vessels

Pressure Vessels shall be permitted to be used as low-pressure tanks.

20.2.4 Height of Vertical Vessels

The height of the vertical tanks shall not exceed 64 ft (from bottom to top of curb angle).

CHAPTER 10 – PIPING

21 Piping

21.1 Standard for Piping

The design, fabrication, assembly, test and inspection of piping systems shall be suitable for the expected working pressures and structural stresses and must follow the applicable sections of ASME B 31, *Code for pressure piping*.

21.2 Standard for Materials used in Pipes, Valves, etc.

Pipe, valves, faucets, couplings, fittings and other pressure containing parts shall meet the material specifications and pressure and temperature limitations of ASME B 31, *Code for pressure piping*.

21.3 Protection of Above-Ground Piping

Above ground piping systems shall be protected against external corrosion by application of paints/ epoxies, whereas Underground systems shall be protected against corrosion by using protective coatings or cathodic protection systems.

CHAPTER 11 – EFFLUENT

22 Effluent

22.1 Effluent Discharge

Effluent Discharge City-Water must run in closed sewers wherever possible. Gravity sewers should have adequate gradient for self-clearing. They should be interconnected by means of sewer boxes or manholes, each having a liquid seal to prevent transmission of hazardous gases from one sewer box to another. In cases where gases could collect, sewer box covers should be sealed and sewer box vented to a safe location. These vents should terminate a minimum of 3 meters above grade, 5 meters from operating platforms and 15 meters from furnaces.

22.2 Collection of City Water

Effluent, i.e., city water collection system shall run through the entire operations area covering tank farms, loading and un-loading facilities, pump house, etc.

22.3 Design of Drainage System

Drainage system shall be designed to minimize fire exposure to other tanks and adjacent properties or waterways. A facility shall be designed and operated to prevent the normal discharge of flammable or combustible liquids to public waterways, public sewers, or adjoining property.

22.4 Emergency Drains

Emergency drainage systems if connected to public sewers or discharged into public waterways shall be equipped with traps.

22.5 Treatment of Oily Water

All the oily water mixture should be collected at a single location and processed through a suitable system before discharging the same through any means. Requirements specified in the National Environment Quality Standards (NEQS) for Municipals & Liquid Industrial Effluent shall be followed.

22.6 Combustible Waste

Combustible waste material in operating areas shall be kept to a minimum, stored in covered metal containers and disposed of at proper location as soon as possible.

22.7 Drainage of Diked Area

Each diked area must be graded so as to avoid collection of rain water. All gravity flow is directed towards the catch basin. Coming from the catch basin a line (minimum size 6 inch dia.) is routed through the dike to a block valve which is normally closed. This valve discharges to the storm drain system. The valve is kept closed to contain the oil within the diked area in case of tank leak/rupture. Operator must ensure that oil or any oil traces shall not go to storm water drain. If oil or oil traces are present in the drain, it must go to oil/water separator for treatment.

CHAPTER 12 – ELECTRICAL

23 Electrical Equipment and Operations

Any electrical equipment provided should not constitute a source of ignition for the flammable vapour that might be present under normal operation or during a spill. This includes all areas where Class I liquids, Class II liquids or Class III liquids are stored or handled at or above their flash points.

All electrical equipment and wiring shall be of a type specified by and installed in accordance with any internationally accredited standard.

APPENDIX A – TABLES

Table 1 – Electrical Area Classifications

(The area classifications listed in this Table are based on the premise that the installation shall meet the applicable requirements in all respects.)

[SI units: 1 in. = 25.4 mm; 1 ft = 0.3048 m]

Location	NEC Class I		Extent of Classified Area
	Division	Zone	
Indoor equipment installed in accordance with Section 5.3 of NFPA 30, Edition 2000, (i.e. Facility Design) where flammable vapour-air mixtures can exist under normal operation	1	0	The entire area associated with such equipment where flammable gases or vapours are present continuously or for long periods of time
	1	1	Area within 5 ft of any edge of such equipment, extending in all directions
	2	2	Area between 5 ft and 8 ft of any edge of such equipment, extending in all directions; also, space up to 3 ft above floor or grade level within 5 ft to 25 ft horizontally from any edge of such equipment
Outdoor equipment of the type covered in Section 5.3 of NFPA 30, Edition 2000, (i.e. Facility Design) where flammable vapour-air mixtures can exist under normal operation	1	0	The entire area associated with such equipment where flammable gases or vapours are present continuously or for long periods of time
	1	1	Area within 3 ft of any edge of such equipment, extending in all directions
	2	2	Area between 3 ft and 8 ft of any edge of such equipment, extending in all directions; also, space up to 3 ft above floor or grade level within 3 ft to 10 ft horizontally from any edge of such equipment
Tank storage installations inside buildings	1	1	All equipment located below grade level
	2	2	Any equipment located at or above grade level
Tank - aboveground	1	0	Inside fixed-roof tank

[†] The release of Class I liquids can generate vapours to the extent that the entire building, and possibly an area surrounding it, should be considered a Class I, Division 2, or Zone 2 location.

Location	NEC Class I		Extent of Classified Area
	Division	Zone	
	1	1	Area inside dike where dike height is greater than the distance from the tank to the dike for more than 50 percent of the tank circumference
Shell, ends, or roof and dike area	2	2	Within 10 ft from shell, ends, or roof of tank; also, area inside dikes to level of top of tank
Vent	1	0	Area inside of vent piping or opening
	1	1	Within 5 ft of open end of vent, extending in all directions
	2	2	Area between 5 ft and 10 ft from open end of vent, extending in all directions
Floating roof With fixed outer roof	1	0	Area between the floating and fixed-roof sections and within the shell
With no fixed outer roof	1	1	Area above the floating roof and within the shell
Underground tank fill opening	1	1	Any pit, box, or space below grade level, if any part is within a Division 1 or 2 or Zone 1 or 2 classified location
	2	2	Up to 18 in. above grade level within a horizontal radius of 10 ft from a loose fill connection and within a horizontal radius of 5 ft from a tight fill connection
Vent - discharging upward	1	0	Area inside of vent piping or opening
	1	1	Within 3 ft of open end of vent, extending in all directions
	2	2	Up to 18 in. above grade level within a horizontal radius of 10 ft from a loose fill connection and within a horizontal radius of 5 ft from a tight fill connection
Drum and container filling- outdoors or indoors	1	0	Area inside the drum or container
	1	1	Within 3 ft of vent and fill openings, extending in all directions
	2	2	Area between 3 ft and 5 ft from vent or fill opening, extending in all directions; also, up to 18 in. above floor or grade level within a horizontal radius of 10 ft from vent or fill opening
Pumps, bleeders, withdrawal fittings Indoor	2	2	Within 5 ft of any edge of such devices, extending in all directions; also, up to 3

Location	NFPA Class 1		Extent of Classified Area
	Division	Zone	
			ft above floor or grade level within 25 ft horizontally from any edge of such devices
Outdoor	2	2	Within 3 ft of any edge of such devices, extending in all directions; also, up to 18 in. above grade level within 10 ft horizontally from any edge of such devices
Pits and sumps:			
Without mechanical ventilation	1	1	Entire area within a pit or sump if any part is within a Division 1 or 2 or Zone 1 or 2 classified location
With adequate mechanical ventilation	2	2	Entire area within a pit or sump if any part is within a Division 1 or 2 or Zone 1 or 2 classified location
Containing valves, fittings, or piping, and not within a Division 1 or 2 or Zone 1 or 2 classified location	2	2	Entire pit or sump
Drainage ditches, separators, impounding basins:			
Outdoor	2	2	Area up to 18 in. above ditch, separator or basin; also, area up to 18 in. above grade within 15 ft horizontally from any edge
Indoor			Same classified area as pits
Tank vehicle and tank car ⁸ loading through open dome	1	0	Area inside of the tank
	1	1	Within 3 ft of edge of dome, extending in all directions
	2	2	Area between 3 ft and 15 ft from edge of dome, extending in all directions
Loading through bottom connections with atmospheric venting	1	0	Area inside of the tank
	1	1	Within 3 ft of point of venting to atmosphere, extending in all directions
	2	2	Area between 3 ft and 15 ft from point of venting to atmosphere, extending in all directions; also, up to 18 in. above

⁸ When classifying extent of area, consideration shall be given to the fact that tank cars or tank vehicles can be spotted at varying points. Therefore, the extremes of the loading or unloading positions shall be used.

Location	NEC Class I		Extent of Classified Area
	Division	Zone	
			grade within a horizontal radius of 10 ft from point of loading connection
Office and rest rooms	Ordinary		If there is any opening to these rooms within the extent of an indoor classified location, the room shall be classified the same as if the wall, curb, or partition did not exist
Loading through closed dome with atmospheric venting	1	1	Within 3 ft of open end of vent, extending in all directions
	2	2	Area between 3 ft and 15 ft from open end of vent, extending in all directions; also, within 3 ft of edge of dome, extending in all directions
Loading through closed dome with vapour control	2	2	Within 3 ft of point of connection of both fill and vapour lines, extending in all directions
Bottom loading with vapour control or any bottom unloading	2	2	Within 3 ft of point of connections, extending in all directions; also, up to 18 in. above grade within a horizontal radius of 10 ft from point of connections
Storage and repair garage for tank vehicles	1	1	All pits or spaces below floor level
	2	2	Area up to 18 in. above floor or grade level for entire storage or repair garage
Garages for other than tank vehicles	Ordinary		If there is any opening to these rooms within the extent of an outdoor classified location, the entire room shall be classified the same as the area classification at the point of the opening
Outdoor drum storage	Ordinary		
Inside rooms or storage lockers used for the storage of Class I liquids	2	2	Entire room
Indoor warehousing where there is no flammable liquid transfer	Ordinary		If there is any opening to these rooms within the extent of an indoor classified location, the room shall be classified the same as the wall, curb, or partition did not exist

Reference 20

Table 2A - Stable Liquids Minimum Tank Spacing (Operating Pressure 2.5 psig (17.2 Kpa) or less)

[Tank Shell to Property Line/Nearest Building or Public Way]

[SI units: 1 ft = 0.3 m]

S. No.	Type of Tank	Protection	Minimum Distance (Feet) from property Line That is or Can be Built On, Including the opposite Side of a Public Way and shall be not less than 5 ft	Minimum Distance (Feet) from Nearest Side of Any Public Way or from Nearest Important Building on Same Property and shall be not less than 5 ft.
1	Floating Roof	Protection for exposures ¹	1/3 times diameter of tank	1/3 times diameter of tank
		No Protection	Diameter of tank but need not exceed 175 ft.	1/3 times diameter of tank
2	Vertical with weak roof to shell seam	Approved foam or inerting system on tanks not exceeding 150 ft. in diameter ²	1/3 times diameter of tank	1/3 times diameter of tank
		Protection for exposures	Diameter of tank	1/3 times diameter of tank
		No Protection	Twice diameter of tank but need not exceed 350 ft.	1/3 times diameter of tank
		Approved inerting system on the tank or approved foam system on vertical tanks	1/3 times Table 2D	1/3 times Table 2D
3	Horizontal and vertical with emergency relief venting to limit pressures to 2.5 psig (gauge pressure of 17.2 Kpa)	Protection for exposures ³	Table 2D	Table 2D
		No Protection	Twice Table 2D	Table 2D

Reference 14

¹ Fire protection for structures on property adjacent to liquid storage. Fire protection for such structures shall be acceptable when located either within the jurisdiction of any public fire department or adjacent to plants having private fire brigades capable of providing cooling water streams on structures on property adjacent to liquid storage.

² For tanks over 150 ft. in diameter, use "Protection for Exposures" or "No Protection" as applicable.

³ Fire protection for structures on property adjacent to liquid storage. Fire protection for such structures shall be acceptable when located either within the jurisdiction of any public fire department or adjacent to plants having private fire brigades capable of providing cooling water streams on structures on property adjacent to liquid storage.

Table 2B - Stable Liquids Minimum Tank Spacing (Operating Pressure greater than 2.5 psig (17.2 Kpa))

(Tank Shell to Property Line/Nearest Building or Public Way)

(Units: 1 ft = 0.3 m)

S. No.	Type of Tank	Protection	Minimum Distance (Feet) from property Line That is or Can be Built On, including the opposite Side of a Public Way	Minimum Distance (Feet) from Nearest Side of Any Public Way or from Nearest Important Building on Same Property
1	Any Type	Protection for exposures ^a	1½ times Table 2D but shall not be less than 25 ft.	1½ times Table 2D but not less than 25 ft.
		No Protection	3 times Table 2D but not less than 50 ft.	1½ times Table 2D but not less than 25 ft.

Reference 12

^a Fire protection for structures on property adjacent to liquid storage. Fire protection for such structures shall be acceptable when located either within the jurisdiction of any public fire department or adjacent to plants having private fire brigades capable of providing cooling water streams on structures on property adjacent to liquid storage.

Table 2C - Unstable Liquids Minimum Tank Spacing

[Tank Shell to Property Line/Nearest Building or Public Way]

[SI units: 1 ft = 0.3 m]

S. No.	Type of Tank	Protection	Minimum Distance (Feet) from property Line That is or Can Be Built On, Including the opposite Side of a Public Way	Minimum Distance (Feet) from Nearest Side of Any Public Way or from Nearest Important Building on Same Property
1	Horizontal and vertical tanks with emergency relief venting to permit pressures not exceed of 2.5 psig (gauge pressure of 17.2 KPa)	Tank protected with any one of the following: Approved water spray, Approved inerting, Approved insulation and refrigeration, Approved barricade	Table 2D but not less than 25 ft.	Not less than 25 ft.
		Protection for exposures ⁵	2½ times Table 2D but not less than 50 ft.	Not less than 50 ft.
		No Protection	5 times Table 2D but not less than 100 ft.	Not less than 100 ft.
2	Horizontal and vertical tanks with emergency relief venting to permit pressures over 2.5 psig (gauge pressure of 17.2 KPa)	Tank protected with any one of the following: Approved water spray, Approved inerting, Approved insulation and refrigeration, Approved barricade	2 times Table 2D but not less than 50 ft.	Not less than 50 ft.
		Protection for exposures ⁵	4 times Table 2D but not less than 100 ft.	Not less than 100 ft.
		No Protection	8 times Table 2D but not less than 150 ft.	Not less than 150 ft.

Reference 11

⁵ Fire protection for structures on property adjacent to liquid storage. Fire protection for such structures shall be acceptable when located either within the jurisdiction of any public fire department or adjacent to plants having private fire brigades capable of providing cooling water streams on structures on property adjacent to liquid storage.

Table 2D – References for use in Tables 2A to 2C Minimum Tank Spacing

[Tank Shell to Property Line/Nearest Building or Public Way]

[SI units: 1 ft = 0.3 m; 1 gal = 3.8L]

S. No.	Tank Capacity (gal)	Minimum Distance (feet) from property line That is or Can be Built On, Including the opposite Side of a Public Way	Minimum Distance (feet) from Nearest Side of Any Public Way or from Nearest Important Building on Same Property
1	275 or less	5	5
2	276 to 750	10	5
3	751 to 12,000	15	5
4	12,001 to 30,000	20	5
5	30,001 to 50,000	30	10
6	50,001 to 100,000	50	15
7	100,001 to 500,000	80	25
8	500,001 to 1,000,000	100	35
9	1,000,000 to 2,000,000	125	45
10	2,000,001 to 3,000,000	165	55
11	3,000,001 or more	175	60

Reference 17

Table 2E – Class IIIB Liquids Minimum Tank Spacing

(Tank Shell to Property Line/Nearest Building or Public Way)

(SI units: 1 ft = 0.3 m; 1 gal = 3.8L)

S. No.	Tank Capacity (gal)	Minimum Distance (feet) from property Line That is or Can be Built On, Including the opposite Side of a Public Way	Minimum Distance (feet) from Nearest Side of Any Public Way or from Nearest Important Building on Same Property
1	12,000 or less	5	5
2	12,001 to 30,000	10	5
3	30,001 to 50,000	10	10
4	50,001 to 100,000	15	10
5	100,001 or more	15	15

Reference 18

Table 2F – Minimum Tank Spacing (Shell to Shell)

(1)

[SI units: 1 ft = 3.3 m]

S. No.	Tank Size	Floating Roof Tanks	Fixed or Horizontal Tanks	
			Class I or Class II Liquids	Class IIIA Liquids
1	All tanks not over 150 ft in diameter	1/6 sum of adjacent tank diameters but not less than 3 ft	1/6 sum of adjacent tank diameters but not less than 3 ft	1/6 sum of adjacent tank diameters but not less than 3 ft
2	Tanks larger than 150 ft in diameter, if impounding is around tanks as foot note no. (1)	1/4 sum of adjacent tank diameters	1/3 sum of adjacent tank diameters	1/4 sum of adjacent tank diameters

(1) Tanks used only for storing Class III liquids shall be permitted to be spaced no less than 3ft (0.9m) apart unless within a diked area or drainage path for a tank storing a Class I or II liquid, in which case the provisions of above table shall apply.

Reference 19

APPENDIX – B
(LIST OF DRAWINGS/ DOCUMENTS)

Following drawings/ documents shall be readily available at depots/ terminals:

1. Plot Plan
2. safety manual
3. Operating & Maintenance Manual
4. Training Documents
5. Piping & Equipment Drawings
6. Piping & Equipment inspection and Testing documents/certificates
7. Oil Storage Tank Drawings
8. Oil Storage Tank inspection and Testing documents/certificates
9. Electrical layout of the Installation
10. Hazardous area classification drawing
11. Layout locations of Fire Alarm Panel, Hooter/Alarm
12. Electrical and instrumentation equipment list and data sheets/specifications
13. Earth resistance test reports
14. Instrumentation calibration Test Certificates

REFERENCES

Reference 1	P Code Oct. 1993, Table A-2.2.2.1
Reference 2	P Code Oct. 1993, Table A-2.2.2.2
Reference 3	NFPA 11, 2002 Edition, Table 5.2.5.2.1
Reference 4	NFPA 11, 2002 Edition, Table 5.2.5.3.4 & 5.2.5.2.2
Reference 5	NFPA 11, 2002 Edition, Table 5.2.6.2.8
Reference 6	NFPA 11, 2002 Edition, Table 5.2.6.5.1
Reference 7	NFPA 11, 2002 Edition, Table 5.2.4.2.2
Reference 8	NFPA 11, 2002 Edition, Table 5.3.5.3.1
Reference 9	NFPA 11, 2002 Edition, Table 5.6.5.3
Reference 10	NFPA 11, 2002 Edition, Table 5.7.3.1
Reference 11	NFPA 11, 2002 Edition, Table 5.8.1.2
Reference 12	NFPA 11, 2002 Edition, Table 5.9.1.2
Reference 13	NFPA 11, 2002 Edition, Table 5.9.1.4
Reference 14	NFPA 30, 2003 Edition, Table 4.3.2.1.1
Reference 15	NFPA 30, 2003 Edition, Table 4.3.2.1.2
Reference 16	NFPA 30, 2003 Edition, Table 4.3.2.1.4
Reference 17	NFPA 30, 2003 Edition, Table 4.3.2.1.1(b)
Reference 18	NFPA 30, 2003 Edition, Table 4.3.2.1.5
Reference 19	NFPA 30, 2003 Edition, Table 4.3.2.2.1
Reference 20	NFPA 30, 2003 Edition, Table 8.2.2

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Acting Chairman

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PART II

Statutory Notifications (S.R.O)

GOVERNMENT OF PAKISTAN

OIL AND GAS REGULATORY AUTHORITY

NOTIFICATION

Islamabad, the 19th October, 2009

S.R.O.900(I)/2009. - in exercise of the powers conferred by Section 42 of Oil and Gas Regulatory Authority Ordinance, 2002 (Ordinance XVII of 2002) the Oil and Gas Regulatory Authority is pleased to make the following regulations namely:-

1 **Short title and Commencement-** (1) These Regulations may be called the Technical Standards for the Petroleum Industry (Road Transport Vehicles, Containers and Equipment Used for the Transportation of Petroleum Products)

(2) They shall, come into force at once.

2 **Applicability-** These regulations shall be applicable to all road transport vehicles, containers and equipment used for the transportation of petroleum products by the Oil Marketing Companies.

Chapter-1

3 **Definitions:-** (1) In these regulations, unless there is anything repugnant in the subject or context:-

(i) "articulated vehicle" means a truck and trailer attached to each other.

- (i) "compatible" in the context of semi-trailers and drawbar trailers means such design as would facilitate the attachment of trailer to the prime mover vehicle.
 - (ii) "D value" means value of king pin with built in safety factor (shearing value in kilo newton).
 - (iv) "DIN" means the German National Standards.
 - (v) "drawbar vehicle" means a trailer attached to a rigid vehicle.
 - (vi) "EEC" means EEC standards for European communities (Motor vehicles type approval) Regulations.
 - (vii) "Fire-screen" means a screen after the drivers cabin for protection.
 - (viii) "GCW" means gross combination weight.
 - (ix) "GVW" means gross vehicle weight.
 - (x) "NEQS" National Environmental Quality Standards prescribed by the Environmental Protection Agency of Pakistan
 - (xi) "NHA" means the National Highway Authority.
 - (xii) "rigid vehicle" means a tank put on top of a truck chassis.
 - (xiii) "vehicle" or "vehicle outfit" or "outfit" means the entire truck/trailer or the prime mover and tanker. This can also be termed as "Complete Combination" instead of "vehicle outfit".
 - (xiv) ADR – Association of Dangerous goods road transportation
- (2) In this Standard the following terms of measurements have been used:
- (i) "g" denotes acceleration due to gravity and is measured in m/sec^2 .
 - (ii) "hp" means horsepower.
 - (iii) "kph" means kilometres per hour.
 - (iv) "kw" means kilo watts.
 - (v) "mm" means millimetres.
 - (vi) "mph" means miles per hour.
 - (vii) " m/sec^2 " means metre per seconds squared.

- (vii) Self-locking differential unit, such as the ZF or No Spin Types: means a differential unit with anti-rollback provision.
- (ix) Type A, B & C Class Fire Extinguisher means a unit with the capability to extinguish fires involving Ordinary Combustible materials (Class A) such as Paper, wood etc, Flammable Liquids & Gases (Class B) and electrical fires (Class C).

Chapter-2

Scope

4 Scope of this Standard

- (1) These technical standards for road transport vehicles and containers and equipment used for the transportation of petroleum products. Petroleum products include petrochemicals, aviation fuels, petroleum spirits including petrol and motor gasoline, kerosene oil including paraffin and gas oil including distillate and diesel.
- (2) These standards do not apply to vehicles or containers used for the road transport of petroleum products where the container's volumetric capacity is less than 5,000 litres.
- (3) These standards do not apply to vehicles or containers carrying petroleum for generating its own motive power.
- (4) These standards do not apply to any receptacles or containers of petroleum products which are immovable.
- (5) These RT standards also apply to transport tankers & equipment used for the transportation of furnace oil (fuel oil). Complete Bottom Loading system for fuel oil tankers is not a requirement & can be omitted for Fuel Oil tankers. The tank shell design must be such that the vehicle may be converted to meet all the requirements of the Bottom Loading System at a later date without welding or applying heat to the tank.
- (6) These do not apply to finished lubricants, asphalt/ bitumen, acids, synthetic chemicals that are highly corrosive or radioactive, or gases.
- (7) All existing road transport vehicles, containers and equipment used for the transportation of petroleum products shall be up-graded to conform with the requirements of these standards within 05years from the date on which these standards are made effective.

5 Removal of Difficulty:-

- (1) The industry may refer any problem faced by them in implementing these technical standards to the Authority for its consideration. The Authority's decision on the referred issues would be final.

Chapter-3 Chassis Cab and Trailer Running Gear

6 Overall Configuration

- (1) The Configuration of the vehicle (e.g. 4x2 articulated, 6x2 rigid, 8x4 drawbar) is not covered under this standard.
- (2) At least 25% of the total outfit (complete combination) weight will be carried on the drive axles.
- (3) For the semi-trailers (articulated vehicle), the complete vehicle must be compatible with the tractor unit to which it is to be mounted, in particular in the areas of:
 - (i) Fifth wheel coupling imposed load, D Value.
 - (ii) Fifth wheel size and type (ISO 2", ISO 3.5").
 - (iii) Fifth Wheel height (the semi-trailer tank should be level to 20 tail down in the laden condition).
 - (iv) Swing clearance, front of trailer/tank to back of cab, cab gantry etc., at least 50 mm swing clearance is required in the worst condition of corner swing and $\pm 7^\circ$ vertical articulation.
 - (v) Swing clearance, trailer-landing legs to rear of chassis and tractor mounted equipment.
 - (vi) Vertical Prime Mover/trailer clearance. The Prime Mover and trailer must be able to articulate $\pm 7^\circ$ in a vertical plane without any foul occurring.
 - (vii) In the case of the drawbar vehicle, the completed vehicle must be compatible with the drawbar tractor unit. In particular in the areas of:
- (4) Drawbar vehicle to trailer swing clearance. A clearance of 50 mm must be maintained in the worst condition of corner-to-corner positioning and $\pm 7^\circ$ vertical articulation.
- (5) Drawbar vehicle and trailer vertical clearance. The drawbar vehicle and trailer must be able to articulate $\pm 7^\circ$ in a vertical plane without any foul occurring.
- (6) Trailer coupling D Value.

7 Legislation

- (1) The vehicle will comply with all vehicle legislation and regulations applicable in Pakistan, including the National Highway Authorities Axle Load Limits.

8 Weights and Dimensions

- (1) The total vehicle will have a maximum length of 18.3 metres (60.0 feet).
- (2) The vehicle will have a maximum width of 2.5 metres (8.5 feet), excluding tyre bulge and wing mirrors.
- (3) The vehicle will have a maximum height of 4.0 metres (13.0 feet).
- (4) The distance between the outer road contact points of the tyre tread on the rear axles will be greater than 90% of the height of the centre of gravity of the fully laden vehicle, with all payloads that may be carried.
- (5) The total vehicle weight shall be calculated from a certified weighbridge measurement of the un-laden vehicle complete with full fuel tank, water, batteries, spare wheel, tools, and all other equipment normally carried, plus an allowance of 130 Kg for the vehicle crew, plus the payload weight.
- (6) The total weight of the vehicle, calculated as above (Regulation 8(5)), shall be less than or equal to the maximum allowable GVW and GCW as defined by the chassis or trailer manufacturer. The loading on any axle shall be less than or equal to the maximum allowable axle loading for that axle as defined by the chassis or trailer manufacturer or as prescribed by NHA, whichever is less.
- (7) The total loading on any axle shall not exceed the maximum allowable loading on that axle as defined by the tyre manufacturer, for the maximum nominal speed rating of the tyre, the calculated loading, and the inflation pressures as defined by the Axle Loadings prescribed by NHA.

9 Vehicle Modifications

- (1) The only modifications allowed to the vehicle, are those required to mount the tank body, and to comply with the requirements of this standard. Modifications to increase the carrying capacity of the vehicle are specifically not allowed. All modifications must be carried out in line with the chassis or trailer manufacturer's recommendations. (Not exceeding the limits as defined by the Body Building Manual, Body Builder's drawing or through an authorized inspection agency.)

10 Performance

- (1) The vehicle shall have a power to weight ratio of at least 6 hp/tonne (4.48 kw/tonne). Power shall be DIN 70 020 Net, and weight shall be the total vehicle weight as per Regulation 8(5).

- (2) The vehicle shall have a calculated rolling gradeability of at least 20% (See Appendix A for calculation methodology); the minimum rolling gradeability shall not be not less than 12%.
- (3) The vehicle shall have a geared top speed of at least 80 kph (48 mph). (See Appendix A for calculation methodology).

11 Engines, Engine Services, Retarders

- (1) The vehicle shall be powered by a compression ignition (diesel) engine running on high-speed diesel fuel. The engine may be turbocharged and after cooled if required. Gasoline and CNG engines may also be used.
- (2) National Environmental Quality Standards (NEQS) shall be complied by its following maximum permissible limit.
 - (i) Smoke: 40% or 2 on the Ringelmann Scale or equivalent smoke number at end of exhaust pipe during engine acceleration mode.
 - (ii) Carbon Monoxide: Emission standard for:
 - New vehicle 4.5%
 - Used vehicle 6%
(10 year or older model)
 - (iii) Noise: 85 dB (A)

(The above values are subjected to change as per revision in NEQS.)

- (3) The vehicle shall be fitted with an engine exhaust brake, or a separate retarder, under driver control. Any retarder fitted aft of the firescreen if any, or under the haulage compartment shall be adequately shielded if any exposed part reaches a temperature sufficient to cause auto-ignition of the products being carried.
- (4) The vehicle is to be fitted with a fuel tank of capacity of 200 litres or more. The fuel line is to incorporate a fuel filter, water separator and a fuel line heater. The cap is to be lockable and retained by a chain.
- (5) A paper element air cleaner is to be fitted.
- (6) Vehicles having a geared speed above 100 kph (60 mph) are to be fitted with a speed limiting device set to 100 kph (60 mph) or less.
- (7) The engine cooling system shall be such that at full engine power the top tank temperature does not exceed 100°C at an ambient temperature of 45°C, and with a vehicle air-on velocity of 15 kph or less.
- (8) The overflow vent from the radiator pressure cap shall be led downwards by a pipe, discharging within 350 mm of the road surface, forward of the fire-screen. The pipe shall be situated so that any escaping liquid cannot contact the exhaust system, brake drum or other hot part of the vehicle.

- (9) Vehicles shall be fitted with a cold start system capable of giving reliable engine starts after an 8-hour soak at a temperature of -20°C . If the cold starting system uses volatile fluid injection (such as the start pilot system), all components of this system shall be situated forward of the fire-screen if any.
- (10) Exhaust System. The exhaust system shall be so situated so that any spit or leaking product cannot contact the hot parts of the exhaust system. This condition shall be as taken as complied with, if any of the following conditions are met:
- (i) The exhaust system and outlet are fully forward of the fire-screen if any.
 - (ii) The exhaust system and outlet are forward of the piping or tank.
 - (iii) The exhaust system is fully protected by a metallic shield in all areas aft of the fire-screen, and that the surface temperature of this shield is at a safe level to prevent auto ignition of the products to be carried. In addition, the exhaust outlet shall be within 100 mm of the outside edge of the vehicle, measured in plan view. The exhaust outlet shall be directed outwards and downwards towards the road surface, with the last 150mm of the tailpipe inclined downwards by at least 150mm .
 - (iv) Vertical stack exhausts are to be forward of the fire-screen if any and the exhaust outlet is directed to the side of the vehicle.

12 Gearbox and Clutch

- (1) The vehicle shall be fitted with a multi-speed all synchromesh gearbox, or with an automatic gearbox. If the gearbox is of the range change type, an inhibitor shall be fitted to protect against low range selection at an excessive road speed.
- (2) In the case of a manual gearbox vehicle the clutch lining is to be non-asbestos.

13 Drive Axles

- (1) The drive axle(s) will be fitted with a cross lock device. A dashboard light will be fitted to indicate that the cross lock is engaged. An alternative to this is a self-locking differential unit, such as the ZF or no-spin types.
- (2) In the case of a vehicle fitted with multiple drive axles (such as a 6x4) the inter-axle drive will incorporate a differential unit, which will also be capable of being locked. A dashboard light will be fitted to indicate that the differential is locked.
- (3) In the case of a vehicle fitted with a drive-steer axle (such as a 4x4), no cross lock shall be fitted to the steered axle.

14 Suspension

- (1) Vehicle roll stiffness shall be such that at a lateral acceleration of 0.25g, the vehicle roll will be less than or equal to 50mm. Product sideways-slip may be ignored for calculation purposes. In the case of an articulated or drawbar outfit, all parts of the vehicle will meet the above criteria.

15 Steering

- (1) All vehicles having a load on the steered axles of more than 4.5 tonnes shall be fitted with a hydraulic power assisted steering system.

16 Wheels and Tyres

- (1) All vehicles having an axle load above 6.0 tonnes shall be fitted with ISO standard wheel fitting of 10 studs 22 mm diameter or as specified by NHA.
- (2) All vehicles will carry at least one spare wheel and tyre, and the tools necessary to change it. On articulated vehicles, the spare wheel may be carried on the semi-trailer.
- (3) Tyre valves to be easily accessible for pressure checking.
- (4) All tyre valves to be fitted with metal hexagon caps.
- (5) In service remoulded tyres may not be used on any steered axle.
- (6) Bias ply and radial ply shall not be mixed on the same vehicle. The entire vehicle must be either fitted with bias ply tyres, or with radial ply tyres, and the spare wheel(s) shall also be of the same type. This applies also to articulated and drawbar vehicles.

17 Brake System

- (1) All vehicles above 12 tonnes total weight are to be fitted with a full air brake system, dual circuit.
- (2) The park brake is to be a spring brake type acting on the rear axles.
- (3) All linings fitted in brake systems shall be non-Asbestos linings.
- (4) Brake system to include an air drier unit.
- (5) All piping is to be nylon type suitable for brake systems, except the pipe immediately out of the compressor, which shall be steel with a high temperature hose.
- (6) On a dry road the service brake system should have the capability of stopping the vehicle from 30 to 35 kph in a distance of 15.5 metres from the point of application of the brake.

- (7) The vehicle must meet the wheel lockup/tyre-ground coefficient of friction requirements of EEC 71/320.
- (8) The requirements of Regulation 17(7) shall not be required for a vehicle fitted with antilock braking systems (ABS) on all axes.
- (9) The vehicle park brake must be capable of holding the fully laden vehicle on a 10% slope.
- (10) The vehicle will be fitted with air system connections in the area of the front towing pintle, allowing the vehicle brakes to be operated by the air system of a recovery vehicle in the event of recovery towing.
- (11) The vehicle shall be fitted with a low air pressure warning buzzer, set to operate at 50% of normal air system maximum pressure or less.
- (12) With the engine on low idle, the system shall have sufficient air capacity to allow for seven service brake applications with a 5 second spacing, without the air buzzer operating.
- (13) In the case of articulated and drawbar outfits the tractor unit shall be fitted with a dual circuit trailer control valve. A single relay valve is not acceptable. All trailers and semi-trailers to be fitted with a Relay Emergency Valve, operating the trailer or semi-trailer service brakes if the air pressure falls below a pre-set level. This pre-set level shall be at a pressure lower than the warning buzzer operating pressure.

18 Electrical System

- (1) The system voltage shall be a nominal 24 volts.
- (2) Only chassis earth points as defined by the vehicle manufacturer shall be used for the connection of any electrical components earth aft of the cab or fire-screen if any. If additional earthing points on the chassis are required, these shall be of a minimum 6 mm diameter, and shall use a stainless steel bolt. The chassis will have the paint removed locally, and the chassis shall be locally "tinned" with solder. All earthing terminals shall be ring type (not U type). The earthing bolt shall be secured either by tapping the chassis and adding a lock nut, or by using a nut and lock nut.
- (3) Batteries situated aft of the fire-screen if any shall be fitted in a box, suitably vented for the escape of any gas. If the box cover is metallic, it shall be rigid enough to withstand the weight of a standing man, without deflecting enough to touch the battery terminals. Battery terminals shall be insulated.
- (4) The vehicle shall be fitted with a dual pole master switch, fitted in the rear of cab area, forward of the fire-screen if any, provided that until 31 December 2012 single pole master switch may be used. The master switch shall be operable from the drivers cab, and from a position at the rear of the cab on

the vehicle opposite side, by means of remote operation buttons. If the master switch is fitted inside a box then easy access must be provided so that the switch may be accessed quickly in an emergency. The switch must be operable:

- (i) From inside the cab;
- (ii) Externally in the area of the back of cab, on the RHS;
- (iii) Externally in the area of the back of cab, on the LHS.

The in-cab master switch remote control shall be placed in a position easily accessed by a driver wearing a seat belt, and recessed in a shroud to prevent inadvertent operation. The master switch must disconnect all electrical circuits from the batteries except GPS monitoring system.

- (5) The wiring shall be single pole (earth return type). All wiring is to be PVC insulated and of suitable gauge for the current carried as specified by manufacturers' wiring diagrams. All wiring aft of the fire-screen if any is to be additionally enclosed in rigid non-conducting polyamide conduit of approved make, including all junctions.
- (6) The vehicle shall be fitted with a jump-start plug situated forward of the fire-screen if any, and must carry jump-start cables at least 5 metres long. These shall be fitted with insulated battery connections at the other end, so that they may be directly attached to the batteries of another vehicle. Jump-start cables with spring loaded clamp connectors must not be carried.
- (7) Where wiring passes through any chassis member, or through any sheet metal components, it must use bulkhead connectors. Cable and connectors must be crimped and/or soldered to the cables. End terminals using clamping screws must not be used.
- (8) All electrical circuits, with the exception of those listed below, must be protected by circuit breakers or fuses of suitable load capacity as specified by manufacturer, and these shall be placed in an easily accessible box placed forward of the fire-screen if any or in the cab. All circuit breakers or fuses shall be suitably marked. Circuits that do not require fuses or circuit breakers are:
 - (i) Battery to cold start and engine stop.
 - (ii) Battery to alternator.
 - (iii) Alternator to fuse box or circuit breakers.
 - (iv) Battery to starter motor.
 - (v) Battery to power control of electrical endurance braking system (if fitted).

(9) The following items of additional electrical equipment are to be fitted, unless already included in the standard vehicle build:

- (i) Two high intensity rear fog lamps, with an indicator lamp in the cab to show that they are switched on.
- (ii) Reverse audible warning, actuated when reverse gear is selected.
- (iii) Two front fog lamps.
- (iv) In the case of an articulated vehicle a rear of cab light.

19 Chassis Equipment

- (1) The fuel tank and battery carrier shall be protected from side impacts by a side shield with sufficient strength to ensure that the fuel tank and battery carrier is not damaged in case of a collision. Vehicles shall also be fitted with side guards to give as much protection as possible to cyclists and pedestrians, so that they cannot go under the vehicle in the event of an accident.
- (2) All vehicles shall be fitted with robust metallic front bumpers and rear under-ride protection. If front bumpers are extended forward this shall be by less than 500 mm from the original design condition, and this must be done in a manner, which avoids any sharp edges, or protrusions that can cause increased damage to other vehicles or pedestrians in accidents. The rear bumper and under-ride protection must be of robust construction to protect the tank and contents in a rear collision. The bumper/under-ride protection system must be positioned at least 150 mm behind the rearmost part of the tank, or of any piping or valve that may be fitted with product in normal road transportation.
- (3) All vehicles will be fitted with a front towing pintle, which is strong enough for vehicle recovery towing. If the vehicle or front pintle is not suitable for suspended towing this must be clearly marked adjacent to the pintle.
- (4) The vehicle must carry two wheel chocks, in an accessible place.
- (5) The vehicle must be fitted with mud wings on all axles.
- (6) The vehicle must be fitted with a metallic fire-screen if any, which is the full width of tank or cab, whichever is the greater. The material shall be a minimum of 1.2 mm thick sheet steel or 2 mm thick aluminium. In height, the fire-screen shall extend from the highest point in the cab, to the top of the chassis frame. The fire-screen may be made in several parts to allow removal for service access, but these must be connected overlapping at least 25 mm (1.0 inch) to avoid gaps. In the case of a vehicle fitted with a metallic cab, the cab itself may comprise the upper portion of the fire-screen, but additional lower portions will be required. Any cab rear screen will be replaced either by a metallic panel or by wired glass at least 6 mm in

thickness. If wired glass is used it must be retained in place by a fire resisting mounting (i.e. not solely by the rubber glazing gasket).

- (7) In the case of an articulated vehicle the tractor unit will be fitted with a 2" or 3.5" Fifth Wheel unit having suitable D value for the outfit. Tractor/semi-trailer brake connections will be by flexible pneumatic hoses (two or three line systems) fitted with quick release couplings at both ends. Electrical connections will be by SAE 7 pin plug and sockets, either one or two. If two are fitted these shall be clearly differentiated. Tractor-trailer connection cables will be 7 core double insulated cables. Loose wires taped together are not acceptable.
- (8) In the case of a drawbar vehicle the tractor unit shall be fitted with a drawbar towing coupling of suitable strength for the outfit. Tractor-trailer brake connections will be by flexible pneumatic hoses (two or three line systems) fitted with quick release couplings at both ends. Electrical connections will be by SAE 7 pin plug and sockets, either one or two. If two are fitted these shall be clearly differentiated. Tractor-trailer connection cables will be 7 core double insulated cables. Loose wires taped together are not acceptable.
- (9) Articulated semi-trailers will be fitted with two speed-landing legs of suitable capacity (laden), and with side-to-side and fore and aft bracing.

20 Driver's Cab

- (1) The cab may be forward control (cab over engine) type or bonneted.
- (2) The cab is to be sleeper type, having at least one bunk, 1.8 metres long, 0.5 metres wide at the head end, and 0.3 metres wide at the feet end. The bunk must be useable when the vehicle is being driven, without restricting the fore-aft adjustment of the driver's seat.
- (3) The cab may be air-conditioned.
- (4) The cab must have seating for at least the driver and one passenger.
- (5) All seats must be fitted with inertia reel three points safety belts.
- (6) The vehicle shall be fitted with a GPS positioning system, which transmits data on the vehicles speed and position to a base station. If a GPS positioning system is fitted, the data shall be recorded and stored for at least 6 months. If a tachograph is fitted, this shall be lockable by key, which is not accessible to the driver, and the card will be of sufficient duration to cover the proposed journeys. Cards will be fitted for each trip, and stored by the operator for 6 months.
- (7) The vehicle will not be fitted with a hand accelerator control, cigarette lighter or any additional electrical point.

- (8) Radio/cassette player or any other communication device, if fitted, shall be of minimum 12V rating. Power supply shall be through fused wiring directly from the fuse box.
- (9) The front screen will be of laminated glass. The side screens will be either laminated or toughened glass.
- (10) The cab will be fitted with external rear view mirrors and a kerb view mirror.
- (11) The cab will carry a first aid kit comprising of the following minimum:
 - (i) Eye Wash Bottle, small bundle of cotton, Band Aid, Splint.
 - (ii) Bandages 2", 4" & 6", crepe bandage, Gauze, A Pair of Scissors, Anti Septic Application e.g. Dettol, Tincture Eenzoin, Mercurochrome Lotion.
 - (iii) First Aid Medicines for burns, anti bacterial ointment, pain relievers.
- (12) The cab shall carry at minimum 01 fire extinguisher of 1 to 2 KG DCP (dry chemical powder) or CO₂ fire extinguisher(s) in working condition of type ABC (different classes of fire).

Chapter-4

Cargo Tank and Equipment (Bottom / Top Loading Vehicles)

21 Legislation and Standards

- (1) The tank and equipment will meet all the applicable legislation and regulations on petroleum product carriage in Pakistan, e.g. Department of Explosives, Excise & Taxation Rules, Weights & Measures Rules, NHA Regulations.
- (2) The tank and equipment will meet the standards of European ADR (ADR - transportation of dangerous goods by road), except as modified by this standard.

22 Overall Design

- (1) Any tank compartment in excess of a total volume of 8,000 litres shall have internal baffles or stiffeners sub-dividing the compartment into volumes of 8,000 litres or less.
- (2) An additional allowance of at least 5% of individual compartment capacities shall be allowed to obtain the "gross water capacity" of each compartment.
- (3) The overall width of the tank must not exceed the width of the rear axle(s) measured over the tyre sidewalls.
- (4) In the case of a trailer or semitrailer tank, the design may be either:
 - (i) Chassis type, where the tank is mounted to a robust chassis.

- (ii) Integral type, where the tank itself acts as a stressed member.

In either case the structural strength should be designed in such a manner as to withstand all normal running loads experienced by the vehicle in service.

- (5) No specific tank maximum size is defined, apart from those resulting from axle loading, overall vehicle size constraints, and stability considerations.
- (6) Thru GPRS Trackers system this can be locked upon all manlids, outlet valves and other points where entry may be gained to the tank must either be fitted with a tamper-proof evident sealing system giving a clear visual indication if the tank has been opened outside the loading or unloading depots. Fittings where access can be gained to the tank contents only by removal of threaded fasteners are not considered providing adequate security.

23 Tank Construction Materials

- (1) The tank is to be made of mild steel plates or aluminium plates.
- (2) Steel to be of classification Paksteel HR 275 (PS 1020) or equivalent, which corresponds to ISO 4995. The entire tank shell, bulkheads, baffles, dish ends, saddles, cradles, etc. to be a minimum of 4 mm thickness. Tanks that have had their capacity increased by cutting and addition of a spacing steel strip are not acceptable.
- (3) Steel tanks to be free of any significant corrosion internally and externally. Maximum allowable depth of any corrosion pitting is 0.5 mm.
- (4) Aluminium tanks to be made of aluminium plate to classification 5083. The entire tank shell, bulkheads, baffles, dish ends, saddles, cradles etc. to be a minimum of 6 mm thickness.
- (5) The tank, including all valves and fittings, to be suitable for handling all white oil products in the range petroleum spirit (petrol/motor gasoline) kerosene (paraffin) and gas oil (distillate/diesel).
- (6) In the case of a tank carrying Jet fuel (aviation kerosene), no component of the tank which may come into contact with the product may contain copper, or any alloy containing more than 35% copper. Internal painting for aviation fuel tankers must be carried out by reputable workshops.
- (7) All seals and gasket materials are to be resistant to petroleum products.

24 Tank Design and Construction

- (1) The tank cross-sectional shape shall have maximum radius of curvature of the side panels 2.0 metres, and a maximum radius of curvature of 3.0 metres for the top and bottom panels.

- (2) The tank may vary in depth along its length. The maximum rate of change of section shall be 300 in side elevation. Localised recesses allowing wheel intrusions are permitted in the tank shell, but they must be sufficiently reinforced, and a maximum of 250 mm deep from the normal tank profile.
- (3) All welds to be left in the as welded condition, and must not be filled, so that the welding may be visually inspected both internally and externally.
- (4) Tank to chassis mountings may be either bracket or fishplate. U Bolt mounting is not acceptable.
- (5) All tank mounting must comply with the chassis or trailer manufacturer's instructions as laid down in the Bodybuilder's Manual Bodybuilder's Drawing or otherwise. It is the tank manufacturer's responsibility to ensure that approval is obtained from the chassis manufacturer or his agent.
- (6) Cradles or bearers must be of generous dimensions to avoid high stress concentrations on the tank shell.
- (7) Cradles and bearers should wherever possible be located at the longitudinal positions of the tank baffles or bulkheads, otherwise the tank should be strengthened by providing internal or external gussets or stiffeners.
- (8) All bolts used for tank attachment shall be of Carbon Steel Grade 8.8.
- (9) Bracket mountings should have lips, which contact the top flange of the frame so that the fixing bolts are relieved of high shear stress.
- (10) All divisions between compartments must be single thickness.
- (11) Baffles are to be provided with cut outs at 6 and 12 o'clock position of 300 mm diameter, and at 3 and 9 o'clock of 75 mm diameter, to allow complete drainage of the tank/compartment in any situation, including overturned. Each baffle is also to be provided with a centre hole of 500 mm diameter in order to permit access from chamber to chamber within the tank. Reinforcement can be provided if required.
- (12) Baffles and partitions may be either singly curved (in plan view) or doubly curved (in both plan and side elevations - "dished"). Baffles must have a maximum radius of curvature of 3 m in plan view. All baffles and partitions (divisions) to be flanged with at least 20 mm flat portions of the flange. Welding between the baffle or partition and the tank skin should be at the flange end only.
- (13) Ends may similarly be either singly or doubly curved, with the same radius limitation as above. Ends must also be flanged with a 20 mm flat portion. Welding on the ends should be carried out on both the flange edge and the end edge of the skinsection

- (14) Coamings / valances are to be fitted to the tank top to provide protection to the tank top fittings in the event of a rollover. They are to be made of flanged profiles in 2 mm thick steel sheets, or 4 mm thick aluminium sheets, and will be at least 50 mm high above the highest fitting. Closing plates are to be welded transversely between the coamings front and rear. One of the coamings is to be used as a vapour collection manifold for Bottom Loading System.
- (15) Drain tubes of a minimum internal diameter of 25 mm (1.0 inch) are to be provided either internally, or preferably, externally. These are to drain and water collected in the tank top area. The outlets from such drain tubes are to be directed away from any sensitive equipment, electrical equipment or hot area of the vehicle.
- (16) Drain tubes are not to be used for any other function.
- (17) Service tubes are to be provided (air, electrical and overspill protection system). These can be internal or external. The design must be such that neither water, nor product spill in a top loading operation can enter the tube; this can be done by raising the service tube inlet above the immediate level of the tank top, and incorporating an 180 degree bend. The service tube must have at least 5 mm wall thickness if installed through the tank. Care must be taken that no chafing can occur between the services running through the tube and the edge of the tube. This can be done by rubber grommets, clamping, or preferably by both methods. (Basically service tubes are required for Bottom Loading Systems and must not be allowed through the tank.)
- (18) Any attachments to the tank shell are to be with doubler plates or L shaped brackets.
- (19) Pipe-work (product or vapour) supports are not be used for any other purpose, or for attaching any other component.
- (20) A sump is to be provided in each compartment with a minimum slope of 1 in 20.
- (21) Vapour collection vent valve and pipe-work will be fitted to each compartment. All pipes and manifolds should have a minimum cross-sectional area of 7,800 sq. mm (equivalent to a 100 mm pipe). At the rear of the coaming a pneumatically operated central vent valve (dump valve) will be fitted. The dump valve shall be capable of being connected to the vapour recovery system of the filling equipment. If no vapour recovery system is fitted at the filling station the dump valve shall exhaust to the open atmosphere.
- (22) Run off pipes, from each foot valve to its associated outlet valve, are to have a continuous minimum slope of 1 in 20.
- (23) A deflector plate will be fitted above the foot valve in each compartment to prevent jetting of the product being loaded inside the compartment. If a

suitable deflector plate is incorporated into the foot valve an additional plate is not required.

- (24) The tank shell design must be such that the vehicle may be converted to meet all the requirements of the Bottom Loading System at a later date without welding or applying heat to the tank.

25 Tank Equipment General

- (1) Each item of tank equipment must be installed to ensure electrical continuity of 10 ohms or less (for metallic components) exists between it and the tank shell, and any earthing pin or bar fitted.
- (2) A pressure switch shall be included and connected into the overload protection system so that a non-permissive signal is given when the system pressure is insufficient/ excessive to operate the valves. This Regulation applies only to Bottom Loading Systems.

26 Manlids and Fill Covers

- (1) Each separate compartment isolated by partitions shall be equipped with a manlid of diameter ranging more than 450 - 500 mm (18 - 20 inches) minimum.
- (2) Manlids are to be positioned on the tank top to take into account the requirements of other equipment such as foot valve access, dip tube location, and attachment of other equipment, such as vapour venting and high level probes.
- (3) A suitable dip tube mandrel shall be fitted to each compartment made of 1.5 inch (38 mm) diameter schedule 40 pipes with a perforation of 24 holes of 12 mm diameter of pitch of 130 mm. One hole must be above the product level in the full condition. At the top of the mandrel a screwed cap with proper sealing arrangement to be provided. A corrosion resistant dipstick, graduated in millimetres to be provided in each mandrel.
- (4) A fire engulfment relief valve is to be included in the man lid. Opening pressure set to 210 mbar. At least one manlid incorporating a fire engulfment valve shall be fitted to each compartment, not exceeding 16 KL capacity.
- (5) A pressure/vacuum vapour vent valve, with settings of +70 mbar pressure, and -20 mbar vacuum is to be fitted in each manlid.

27 Foot Valves

- (1) The foot-valves shall be pneumatic pressure operated, with interlocks as described in Regulation 29. They shall be non-pressure balanced.
- (2) Foot-valves are to be a minimum of 100 mm nominal size.

- (3) Foot-valves with wire mesh strainers to handle different petroleum products as specified by manufacturer to be fitted.

28 Outlet Valves / Loading Adapters

- (1) Outlet valves are to be open-and-shut adapters conforming to the API 4 inch standard or 2 1/2 inch threaded NPT to 4 inch flange. They are to be provided with a suitable cap to be secured over the outlet, attached by a chain or wire.
- (2) The outlet valves are to be situated together in a steel or aluminium cabinet with a lockable door. The door shall be guarded by a pneumatic switch with interlocking (see Regulation 29).
- (3) The operation of the discharge valves shall be mechanical. An external indication of the position of the internal poppet valve must be provided when this is not evident from the valve operation.
- (4) Outlet valves are to be mounted with the coupling face substantially vertical.
- (5) Outlet valves are to be mounted on the vehicle left hand side. They are to be positioned at least 300 mm apart horizontally, and at a convenient working height above the ground (0.6 to 1.2 metres).

29 Outlet and Loading Valve protection, anti-drive away interlock

- (1) The discharge cover must provide protection for the valves, ensure that unauthorised removal of the valve caps cannot occur, and provide an interlock to stop the vehicle being driven away with any hose or cable still connected. Alternatives to an interlocked cover may be considered if they achieve the same functionality.
- (2) The system must be interlocked with the vehicle's braking system in a manner approved by the chassis manufacturer, such that the vehicle cannot be driven with the discharge cabinet cover not in the safe position.
- (3) If this system uses pressure applied service brakes to achieve this function, the system must also incorporate a clear visual or audible warning, external to the cab, that shall function if the service brake pressure drops to 50% of its normal operating pressure and if the cabinet door is open.
- (4) The visual or audible warning shall not be electrically operated so that it remains effective even if the vehicle master switch is open.

30 Vapour Vent Valves for Bottom Loading Systems

- (1) In the case of Bottom Loading Systems:

- (i) Vapour vent valves shall be fitted to the tank top, for each compartment, in such a way that they are protected in a vehicle rollover.
- (ii) The tank equipment control system shall ensure that the vapour vent valves are all open before loading can commence so as to ensure that vapour is directed to the vapour collection manifold and from there to the central vent (dump) valve. This is to be achieved by a sequential pneumatic control system which requires each vapour vent valve to be opened before a permissive signal can be given by the overfill protection signal.

31 Overfill Protection System for Bottom Loading Systems

(1) In the case of Bottom Loading Systems:

- (i) A self-checking fail-safe overfill protection system is to be fitted in accordance with the manufacturer's recommendations. The system type is to be five wires with optic sensors, and pneumatic pressure switch.
- (ii) The probes are to be set 25 mm above the nominal compartment full level, to avoid false non-permissive signals. Sensor protection shrouds are to be fitted and they are to be perforated to the top of the shroud to allow full entry of overfilling product through the shroud.
- (iii) A socket is to be provided in the discharge cabinet and adjacent to, and rearwards, of the outlet valves for connection of the plug and cable of the gantry based overfill protection system.

32 Pneumatic System

- (1) The vehicle is to be provided with a pneumatic system that controls and monitors the various pneumatic components, such as foot valves, vent valves, emergency push buttons etc. This system is to be mounted in a "Control Cabinet/API Box" on the left side of the vehicle, and shall consist of:
 - (i) A system protection valve so that any failure of the system does not impact the vehicle's braking ability.
 - (ii) A pressure protection valve to protect the tank pneumatic system from excessive pressure from the vehicle's air reservoir.
 - (iii) A 40-micron filter with automatic drain, capable of removing solid and liquid contaminants. A regulator and pressure gauge so that the tank system pressure may be set to the optimum pressure of 5 bar.

- (iv) Parking brakes interlock allowing operation only when the vehicles parking brakes are applied. This should also become effective if the park brake is released during the loading or unloading process.
 - (v) Cabinet door interlock, closing all the foot valves and shutting off the air supply when the cabinet door is closed.
 - (vi) Control switches/valves, one for each compartment foot valve.
 - (vii) 4 inch Bottom Loading API adapter. This is a dry break connection to connect the gantry loading arm to the vehicle. It is fitted with a product indicator giving a visual check of the presence of product in the pipework. It is fitted with a quick release dust cap.
 - (viii) Pressure switch and optic multipoint receptacle. This is connected to the overfill sensor by a pneumatic nylon tube, and further connected to the "Optic Multi-pin Receptacles" on either side with the electrical wires.
 - (ix) Emergency push buttons will be fitted, one inside the cabinet and one placed on the tank right hand side near the front of the tank.
- (2) Provided that Regulations 32(1)(v), 32(1)(vi) and 32(1)(viii) above shall not apply to top loading vehicles.

33 Electrical System

- (1) Any additional wiring shall be PVC insulated and of suitable gauge for the current carried. It shall be enclosed in non-conducting polyamide conduit including all junctions.

34 Other Equipment

- (1) Suitable discharge hoses are shall be carried in containers with a lid and locking arrangement.
- (2) One Fire extinguisher Min Capacity 9 Kg DCP of type ABC in working condition shall be mounted on each side of the tanker. Access and operation of the extinguisher shall be unimpeded.
- (3) Kemlar or HAZCHEM plates with product code shall be fitted, one each side. Orange plates shall be fitted at front and rear of the vehicle as per requirement of the organization it is representing.
- (4) Compartment number and capacity plates shall be permanently marked on the left hand side of the tank coaming and on a steel plate above each outlet valve. These plates shall show the product identification tags.

35 Tank top access

- (1) A tank top walkway shall be fitted between the tank top coamings. Non-slip material shall be attached to the tank top in all areas where an operator may require access.
- (2) A ladder shall be provided as per design of the tanker from an approved workshop giving easy access to the tank top area.

36 Painting and Livery

- (1) The vehicle shall be painted with paints of quality & scheme as specified by individual organization it is representing and shall be fitted with appropriate decals as defined by individual organization it is representing.

37 Calibration and Testing

- (1) Each compartment shall be calibrated to the liquid full condition, and to the ullage marker, dipstick or other contents measurement. The Manual of Petroleum Measurement Standard API-254 Calibration for Tank Cars shall be applicable.
- (2) In the case of Bottom Loading Systems, the ullage space between the point at which the overflow protection probe is triggered by overflowed product, and the mounting pad for the conventional vapour vent valve shall also be calibrated and shall be a minimum of 150 litres.
- (3) Complete tank and individual compartments thereof shall be pressure tested to 350 mbar at new build, and shall be periodically retested at regular intervals (not exceeding 12 months) to 200 mbar. Tank must be visually inspected for leakage during testing, and deflections of compartment dividers must be measured during testing.

Appendix A- Rolling Gradeability Requirements

The requirement for a rolling gradeability shall be taken as met provided that the following relationship is demonstrated by calculation:

$$\frac{T \times A \times G}{(RC) \times (GW)} \geq K1$$

Where:

T is the maximum engine torque in Kgf. Metres to DIN Standard 70 020 Net.

A is the axle numerical ratio. G is the lowest gear ratio.

RC is the tyre rolling circumference in millimetres, and may be taken from:

9.00 R 20	3105	0.00 R 20	3209
11.00 R 20	3300	2.00 R 20	3422

(For other tyres, the published rolling circumference from the tyre makers' technical data shall be used).

GW is the total vehicle weight in tonnes (GVW, GCW or GTW as applicable).

For a 20% grade K1 = 0.0372. For a 15% grade K1 = 0.0256. For a 12% grade K1 = 0.0216

The requirement for a certain vehicle-gear speed shall be taken as met if the following relationship is demonstrated by calculation.

$$\frac{(\text{Max. RPM}) \times (RC) \times 60}{A \times G1 \times 1,000,000} \geq K2$$

Where:

Max. RPM is the Engine Rated Speed.

RC is the tyre-rolling circumference as above.

A is the axle numerical ratio.

G1 is the top gear ratio.

K2 is the geared speed in kph.

[File NO. OGRA-5-6(1)/2009]

ANWAR ALI SHEIKH
Executive Director(Admin)

3-15

REGISTERED No. ^{M-302}
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EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, TUESDAY, JUNE 24, 2009

PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 20th June, 2009

No. F. 12(11)/2009-Legis.—The following Act of Majlis-e-Shoora (Parliament) received the assent of the President on the 30th June, 2009 and is hereby published for general information:—

Act No. 1 of 2009

An Act to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2009, and to amend certain laws

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2009, and to amend certain laws for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Finance Act, 2009.

(2) It extends to the whole of Pakistan.

(3) It shall, unless otherwise provided, come into force on the first day of July, 2009.

(93)

[616(2009)/Ex. Gaz.]

Price : Rs. 48.00

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The Gazette of Pakistan

EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, TUESDAY, JUNE 30, 2009

PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

(Islamabad, the 30th June, 2009)

No. F. 12(11)/2009-Legit.—The following Act of Majlis-e-Shoora (Parliament) received the assent of the President on the 30th June, 2009 and is hereby published for general information:—

Act No. 1 of 2009

An Act to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2009, and to amend certain laws

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2009, and to amend certain laws for the purposes hereinafter appearing:

It is hereby enacted as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Finance Act, 2009.

(2) It extends to the whole of Pakistan.

(3) It shall, unless otherwise provided, come into force on the first day of July, 2009.

(3)

[610(2009)/Ex. Gaz.]

Price : Rs. 40.00

(b) in Table II, in column (1),—

(i) after serial number 2, and entries relating thereto in columns (2), (3) and (4), the following shall be inserted, namely:—

*2A.	Advertisements in newspapers and periodicals (excluding classified advertisements), and on hoarding boards, pole signs and sign boards.	9802.4000	Sixteen per cent of the charges;
		9102.9000	

(ii) against serial number 6, in column (4), for the words and hyphen "Twenty-one", the word "nineteen and a half" shall be substituted;

(iii) against serial number 7 in column (4), for the word "ten", wherever occurring, the word "sixteen" shall be substituted;

(iv) against serial number 8,—

(a) in column (2), the word "non-fund" shall be omitted;

(b) in column (4), for the word "ten", the word "sixteen" shall be substituted; and

(v) after serial number 12, and the corresponding entries relating thereto in columns (2), (3) and (4), the following shall be inserted, namely:—

*13.	Services provided or rendered by stockbrokers.	9819.1000	Sixteen per cent of the charges.
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14.	Services provided or rendered by port and terminal operators in relation to imports excluding warehousing services.	9819.9090	Sixteen per cent of the charges."
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7. Amendment of Ordinance XXV of 1961.—(In the Petroleum Products (Petroleum Development Levy) Ordinance, 1961 (XXV of 1961), the following further amendments shall be made, namely:—

(1) in the long title and the preamble, for the words "a petroleum development levy", the word "surcharge" shall be substituted;

(2) for the words "petroleum development levy", wherever occurring, the word "surcharge" shall be substituted;

- (3) in section 1, in sub-section (1), for the brackets and words "(Petroleum Development Levy)", the brackets and word "(Surcharge)" shall be substituted;
- (4) in section 2,—
- (a) the clause (4Ba) shall be omitted; and
- (b) after clause (4C), the following new clause shall be added, namely:—
- (4D) "surcharge" means the carbon surcharge payable under section 3;
- (5) in section 3,—
- (a) for sub-section (1), the following shall be substituted, namely:—
- "(1) Subject to the provisions of this Ordinance, every refinery and every company shall pay to the Federal Government a carbon surcharge on such rates and on such petroleum products, produced by a refinery or purchased by a company for resale, as specified in the Fifth Schedule."; and
- (ii) the sub-section (1A) shall be omitted;
- (6) in section 7, for the word "The" occurring for the first time, the words and comma "Except for the Fifth Schedule, the" shall be inserted; and
- (7) after the Fourth Schedule, the following schedule shall be added, namely:—

THE FIFTH SCHEDULE
Rates of Carbon Surcharge
 [See sections 2 and 6]

S. No.	Petroleum Products	Carbon Surcharge Rate(Rupees/litre)
(1)	(2)	(3)
1	High Speed Diesel Oil (HSDO)	8
2	Motor Spirit (MS)	10
3	SKSO	6
4	Light Diesel Oil (LDO)	3
5	HOBC	14

[As Passed by the National Assembly]

A

BILL

to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2010, and to amend certain laws

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2010, and to amend certain laws for the purposes hereinafter appearing,

It is hereby enacted as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Finance Act, 2010.

(2) It extends to the whole of Pakistan.

(3) It shall, unless otherwise provided, come into force on the first day of July, 2010.

2. Amendment of Ordinance XXV of 1961.—In the Petroleum Products (Surcharge) Ordinance, 1961 (XXV of 1961), the following amendments shall be made, namely:—

(1) in the long title and preamble, for the word "surcharge", the words "petroleum levy" shall be substituted;

(2) in section 1, in sub-section (1), for the word "Surcharge", the words "Petroleum Levy" shall be substituted;

(3) in section 2,—

(a) in clause (4Ba), the word "development" shall be omitted; and

(b) clause (4D) shall be omitted;

(4) in section 3,—

(a) in the marginal note, for the words "Development Surcharge", the words "Petroleum Levy" shall be substituted;

(7) in section 6, in sub-section (2), in clause (aaa), for the words "development surcharge", the words "petroleum levy" shall be substituted;

(8) in section 8,—

(a) the words "or Secretary of Oil Companies Advisory Committee or his duly authorized nominee" shall be omitted; and

(b) the Explanation shall be omitted;

(9) after section 8, the following new section shall be added, namely:—

"9. **Validation.**—Notwithstanding anything contained in any law, rule or judgment of a Court, the petroleum development levy levied and collected from a company during the period from the 1st day of March, 2010, to the 30th June, 2010, shall be deemed to have been validly and lawfully levied and collected and shall not be refunded. So much of such levy as has not been paid, collected or realized during the said period shall be recoverable in accordance with the provisions of this Ordinance and the rules made thereunder." and

(10) for the Fifth Schedule, the following shall be substituted, namely:—

"THE FIFTH SCHEDULE

Rates of Petroleum Levy

[See section 3(1)]

S. No.	Petroleum products	Petroleum Levy Rate (Rupees per litre)
1	2	3
1.	High Speed Diesel Oil (HSDO)	8
2.	Motor Gasoline 87 ROM	10
3.	SKO	6
4.	Light Diesel Oil (LDO)	3
5.	HQBC	14
6.	E-10 Gasoline	9".

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The Gazette of Pakistan

EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, THURSDAY, DECEMBER 15, 2011

PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 15th December, 2011

No. F. 22 (21)/2011-Legh.—The following Act of Majlis-e-Shoora (Parliament) received the assent of the President on the 13th December, 2011, and is hereby published for general information:—

ACT No. XXII OF 2011

*An Act further to amend the Petroleum Products (Petroleum Levy)
Ordinance, 1961*

WHEREAS it is expedient further to amend the Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961) for the purposes hereinafter appearing;

It is hereby enacted as follows:

1. Short title and commencement.—(1) This Act may be called the Petroleum Products (Petroleum Levy) (Amendment) Act, 2011.

(473)

Price Rs. 02.00

(2) It shall come into force at once.

2. Amendment of section 3, Ordinance XXV of 1961.— In the Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961), hereinafter referred to as the said Ordinance, in section 3, for sub-sections (1) and (1A), the following shall be substituted, namely:—

"(1) Every company, refinery and licensee shall pay to the Federal Government, a petroleum levy on petroleum products at such rate as may be notified by the Federal Government in the official Gazette, from time to time."

3. Amendment of section 3-A, Ordinance XXV of 1961.— In the said Ordinance, in section 3-A,—

- (a) in the marginal note, for the word "surcharge", the words "Petroleum Levy" shall be substituted; and
- (b) in sub-section (1), after the word refinery, occurring twice, the comma and word ", licensee" shall be inserted.

4. Amendment of section 9, Ordinance XXV of 1961.— in the said Ordinance, in section 9, for the words, comma and figures "to the 30th June, 2010", the words, brackets, commas and figures "to the coming into force of the Petroleum Products (Petroleum Levy) (Amendment), Act, 2011 (XXII of 2011)" shall be substituted.

5. Amendment of the Fifth Schedule, Ordinance XXV of 1961.— In the said Ordinance, in the Fifth Schedule, after serial No. 6, the following new serial No. 7 and entries relating thereto, shall be inserted, namely:—

"7. Liquefied Petroleum Gas 11,486"

KARAMAT HUSSAIN NIAZI,
Secretary.

REGISTERED No. M-302
L-7646

The Gazette of Pakistan

EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, WEDNESDAY, JUNE 27, 2012

PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 27th June, 2012

No. F.22(14)/2012-Legis. —The following Act of Majlis-e-Shoora (Parliament) received the assent of the President on the 26th June, 2012 and is hereby published for general information:—

Act No. XVII of 2012

An Act to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2012 and to amend certain laws

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2012 and to amend certain laws for the purposes hereinafter appearing:

It is hereby enacted as follows:—

(399)

[2704(2012) Ex. Gaz.]

Price Rs. 487.00

1. Short title, extent and commencement. — (1) This Act may be called the Finance Act, 2012.

(2) It extends to the whole of Pakistan.

(3) It shall, unless otherwise provided, come into force on the first day of July, 2012.

2. Amendment of Ordinance XXV of 1961.— In the Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961), for the Fifth Schedule, the following shall be substituted, namely:—

THE FIFTH SCHEDULE
[See sections 3(1) and 7]

S. No.	Petroleum Products	Unit	Maximum Petroleum Levy Rate (Rupees per unit)
(1)	(2)	(3)	(4)
1.	High Speed Diesel Oil (HSDO)	Lite	8
2.	Motor Gasoline 87 ROM	Lite	10
3.	SKO	Lite	6
4.	Light Diesel Oil (LDO)	Lite	3
5.	HOSCO	Lite	14
6.	E - 10 Gasoline	Lite	9
7.	Liquefied Petroleum Gas (produced/ extracted in Pakistan)	Metric Ton	11,488

3. Amendment of Ordinance I of 1967.— In the Natural Gas (Development Surcharge) Ordinance, 1967 (I of 1967), in section 3,—

(a) in sub-section (1), after the word "shall" the words "collect and" shall be inserted; and

(b) in sub-section (3), in the proviso,—

(i) for the words "one-time", the word "two-time" shall be substituted; and

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L-7646

The Gazette of Pakistan

EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, THURSDAY, MAY 24, 2018

PART I

Acts, Ordinances, President's Orders and Regulations

GOVERNMENT OF PAKISTAN

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 23rd May, 2018

No. F. 22(11)/2018-Legis.—The following Act of *Majlis-e-Shoora* (Parliament) received the assent of the President on the 22nd May, 2018 is hereby published for general information:—

ACT NO. XXX OF 2018

An Act to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2018, and to amend certain laws

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2018, and to amend certain laws for the purposes hereinafter appearing;

(433)

Price: Rs. 126.00

It is hereby enacted as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Finance Act, 2018.

(2) It extends to the whole of Pakistan.

(3) It shall come into force on the first day of July, 2018 except clauses 3(2), 3(3), 3(18), 3(19), 3(21) and 9(11)(A) which shall have effect on the next day of assent given to this Act by the President of Islamic Republic of Pakistan.

2. Amendment of Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961).— In the Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961), for the Fifth Schedule, the following shall be substituted, namely:—

"The Fifth Schedule
[See sections 3(1) and 7]

S.No.	Petroleum Products	Unit	Maximum Petroleum Levy Rate (Rupees per Unit)
(1)	(2)	(3)	(4)
1.	High Speed Diesel Oil (HSDO)	Litre	30
2.	Motor Gasoline	Litre	30
3.	Superior Kerosene Oil (SKO)	Litre	30
4.	Light Diesel Oil (LDO)	Litre	30
5.	High Octane Blending Component (HOBC)	Litre	30
6.	E-10 Gasoline	Litre	30
7.	Liquefied Petroleum Gas (produced/extracted in Pakistan)	Metric Ton	20,000".

3. Amendments of Customs Act, 1969 (IV of 1969).—In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:—

(1) in section 2,—

(a) in clause (p), for the word "twelve", the words "twenty-four" shall be substituted; and

(b) in clause (pa), after the word "includes", the words and comma "a local manufacturer," shall be inserted;

Government of Pakistan
Finance Division
(Budget Wing)

F.No.4(26)/BR-II/580(D.S)/18

Islamabad, the 12th June 2018

OFFICE MEMORANDUM

Subject: REVISION OF RATES OF PETROLEUM LEVY THROUGH THE FINANCE ACT 2018

The undersigned is directed to refer to the above subject and to say that rates of Petroleum Levy have been revised by the Federal Government vide Clause 2 of the Finance Act 2018. As per clause 1(3) of the Finance Act 2018, it shall come into force on the first day of July 2018.

2. It is therefore requested that further necessary action may please be taken accordingly.

(Sajjad Athar)
Deputy Secretary (BR-II)
051-9209346

The Secretary
Ministry of Energy
(Petroleum Division)
Islamabad

AS(P)

19/6/18
AC: (S) [Signature]
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A.I./M.K. [Signature]
"Clause of Finance Act"
20/6
SP

[AS PASSED BY THE NATIONAL ASSEMBLY]

AN

ACT

to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2018, and to amend certain laws

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2018, and to amend certain laws for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. Short title, extent and commencement. — (1) This Act may be called the Finance Act, 2018.

(2) It extends to the whole of Pakistan.

(3) It shall come into force on the first day of July, 2018 except clauses 3(2), 3(3), 3(16), 3(19), 3(21) and 9(11)(A) which shall have effect on the next day of assent given to this Act by the President of Islamic Republic of Pakistan.

2. Amendment of Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961). — In the Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961), for the Fifth Schedule, the following shall be substituted, namely:—

The Fifth Schedule

[See sections 3(1) and 7]

S.No.	Petroleum Products	Unit	Maximum Petroleum Levy Rate (Rupees per Unit)
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(1)	(2)	(3)	(4)
1.	High Speed Diesel Oil (HSDO)	Libre	30
2.	Motor Gasoline	Libre	30
3.	Superior Kerosene Oil (SKO)	Libre	30
4.	Light Diesel Oil (LDO)	Libre	30
5.	High Octane Blending Component (HOBC)	Libre	30
6.	E-10 Gasoline	Libre	30
7.	Liquefied Petroleum Gas (proc. and extracted in Pakistan)	Metric Ton	20,000

3. Amendments of Customs Act, 1969 (IV of 1969). — In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:-

(1) In section 2,-

- (a) in clause (p), for the word "twelve", the words "twenty-four" shall be substituted; and
- (b) in clause (pa), after the word "includes", the words and comma "a local manufacturer," shall be inserted;

(2) In section 19,-

- (a) in sub-section (3), for the expression "Board, with approval of the Federal Minister-in-charge", the words "Federal Government" shall be substituted; and

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it is hereby enacted as follows:-

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(2) It extends to the whole of Pakistan.

(3) It shall come into force on the first day of July, 2018 except clauses 3(2), 3(3), 3(18), 3(19), 3(21) and 9(11)(A) which shall have effect on the next day of assent given to this Act by the President of Islamic Republic of Pakistan.

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4.	Light Diesel Oil (LDO)	litre	30
5.	High Octane Blending Component (HOBC)	litre	30
6.	E-10 Gasoline	litre	30
7.	Liquefied Petroleum Gas (produced/extracted in Pakistan)	Metric Ton	20,000.

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- (a) in clause (p), for the word "twelve", the words "twenty-four" shall be substituted; and
- (b) in clause (pa), after the word "includes", the words and comma "a local manufacturer," shall be inserted;

(2) in section 18,-

- (a) in sub-section (3), for the expression "Board, with approval of the Federal Minister-in-charge", the words "Federal Government" shall be substituted; and