

MINISTRY OF PETROLEUM & NATURAL GAS

Notification

New Delhi, the 13th march, 2002

G.S.R. 204 (E) :- WHEREAS a draft of the Petroleum Rules 2001 was published as required by sub-section (2) and (3) of section 29 of the Petroleum Act 1934 (30 of 1934), by the notification of the Government of India in the Ministry of Petroleum and Natural Gas No. GSR 357(E) dated the 15th May, 2001 in the Gazette of India Extraordinary Part II Section 3 sub-section (i) dated the 15th May, 2001 inviting objections or suggestions from all persons likely to be affected thereby before the expiry of 45 days from the date on which the Notification was made available to the public;

AND WHEREAS, the said notification was made available to the public on the 19th June, 2001;

AND WHEREAS, except certain suggestions, no objection to the draft rules were received by the Central Government;

AND WHEREAS the Central Government have duly considered all the suggestions received by it on the draft rules;

NOW, THEREFORE, in exercise of the powers conferred by sections 4, 5, 14, 21, and 22 and sub-section (1) of Section 29 of the Petroleum Act 1934 (30 of 1934), the Central Government hereby makes the following rules, namely :-

CHAPTER I

PRELIMINARY

PART I – short title and definitions

1. Short title and commencement-

(1) These rules may be called the Petroleum Rules, 2002.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions –

(1) In these rules, unless the context otherwise requires: -

(i) “Act” means the Petroleum Act, 1934 (30 of 1934);

(ii) “Adequate” –

(a) in relation to ventilation, means where the concentration of the inflammable gas in a gas-air mixture does not reach the lower inflammable limit, or

(b) where applied to provision of facilities for fire-fighting, means the facilities so provided are in accordance with the prevalent recognized standards or codes of safety;

(iii) “Approved” -

(a) Where applied to a specification, means that the specification is authorised by the Chief Controller including the following Oil Industry Safety Directorates Standards: OISD -105, OISD-116, OISD-117, OISD-118, OISD-141 and OISD –156;

(b) where applied to an appliance or fitting, means that the appliance or fitting bears a label of a designated testing organization certifying conformity with a specification approved by the Chief Controller or with a laboratory test report accepted by the Chief Controller; or

(c) where applied to any facility for petroleum, means that it conforms to these rules;

(iv) “Chief Controller” means the Chief Controller of Explosives

(v) “Controller” means Controller of Explosives and includes Joint Chief Controller of Explosives, Deputy Chief Controller of Explosives and Deputy Controller of Explosives;

(vi) “Competent person” means a person recognized by the Chief Controller to be a competent person, or a person who holds a certificate of competency for the job in respect of which competency is required from an institution recognized by the Chief Controller in this behalf;

(vii) “Conservator ” includes any person acting under the authority of the officer or body of persons appointed to be Conservator of a port under section 7 of the Indian Ports Act, 1908 (15 of 1908);

(viii) “Container ” means a receptacle for petroleum not exceeding 1,000 litres in capacity;

(ix) "Defence Forces of the Union" includes General Reserve Engineering Forces under the Director-general Border Roads, Assam Rifles, Central Reserve Police Force, Border Security Force and National Security Guard under the Ministry of Home Affairs and Special Security Bureau under the Cabinet Secretariat;

(x) "District Authority " means -----

(a) in towns having a Commissioner of Police, the Commissioner or a Deputy Commissioner of Police;

(b) in any other place, the District Magistrate;

(xi) "District Magistrate" means and includes an Additional District Magistrate and in the States of Punjab and Haryana and in the Karaikal, Mahe and Yenam areas of the Union Territory of Pondicherry, also includes a Sub-divisional Magistrate;

(xii) "Electric Apparatus" includes motors, starters, lamps, switches, junction boxes, fuses, cut-outs or any other appliance, equipment or fitting which operates on electricity;

(xiii) "Form" means a form in the First Schedule;

(xiv) "Hot work" means any work which involves welding, burning, soldering, brazing sand blasting, chipping by spark-producing tools, use of certain power driven tools, non-flame proof electrical equipment or equipment with internal combustion engines and including any other work which is likely to produce sufficient heat, capable of igniting inflammable gases;

(xv) "Inspector" means an officer authorized by the Central government under subsection (1) of section 13 of the Act;

(xvi) "Installation " means any premises wherein any place has been specially prepared for the storage of petroleum in bulk, but does not include a well-head tank or a service station;

(xvii) "OISD" means "Oil Industry Safety Directorate" a technical body assisting the Safety Council constituted under the Ministry of Petroleum and Natural Gas;

(xviii) "OISD Standard" means technical standards formulated by OISD and approved by Safety Council constituted under the Ministry of Petroleum and Natural Gas to ensure safety in Oil and Gas Industry (as amended from time to time).;

(xix) "Petroleum in bulk" means petroleum contained in a tank irrespective of the quantity of petroleum contained therein;

(xx) "Protected Area" means the area necessary for the maintenance of the distance required under the conditions of the licence to be kept clear between any installation, service station or storage shed and any protected works;

(xxi) "Protected works" include-

(a) buildings in which persons dwell or assemble, docks, wharves, timber and coal yards, furnace, kiln or chimney and buildings or places used for storing petroleum or for any other purpose but does not include buildings or places forming part of an installation;

(b) any public road or a railway line which is used exclusively as an oil siding; and

(c) overhead high-tension power lines;

(xxii) "Sampling Officer" means an officer authorized by the Central Government under subsection (1) of section 14 of the Act;

(xxiii) "Schedule" means a schedule annexed to these rules;

(xxiv) "Service Station" means any premises specially prepared for the fuelling of motor vehicles and includes such places within the premises which have been specially approved by the licensing authority for the servicing of motor vehicles and for other purposes;

(xxv) "Storage Shed" means a building used for the storage of petroleum other wise than in bulk whether forming part of an installation or not, but does not include a building used for the storage of petroleum exempt from licence under sections 7,8 or 9 of the Act;

(xxvi) "Tank" means a receptacle for petroleum exceeding 1,000 litres in capacity;

(xxvii) "Tank cart" means a hand-drawn or animal-drawn vehicle equipped with a tank;

(xxviii) "Tank semi-trailer" means a tank trailer constructed in such a manner that when it is drawn by a tractor by means of fifth wheel connection, some part of the load rests on the towing vehicle;

(xxix) "Tank trailer" means a vehicle with a tank mounted thereon or built as integral part thereof and constructed in such a manner that it has at least two axles and all its load rests on its own wheels;

(xxx) "Tank truck" means a single self-propelled vehicle with a tank mounted thereon;

(xxxi) "Tank Vehicle" means any vehicle, including a tank wagon with a tank of a capacity exceeding 1,000 litres mounted thereon and also includes refueller used for refuelling of air crafts or onsite fuelling of heavy vehicles/machineries/stationery equipments.

(xxxii) "Tank wagon" means a railway carriage with a tank mounted thereon.

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

(xxxiv) "Vehicle" means all carriages, including animal-drawn carriages for the transportation of petroleum either in bulk or otherwise than in bulk;

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

(2) The words and expressions used in these rules but not defined in sub-rule (1), shall have the respective meanings assigned to them in the Act.

PART II GENERAL PROVISIONS

3. Restriction on delivery and dispatch of petroleum. –

(1) No person, shall deliver or dispatch any petroleum to anyone in India other than the holder of a storage licence issued under these rules or his authorized agent or a port authority or railway administration or a person who is authorized under the Act to store petroleum without a licence.

(2) The petroleum delivered or dispatched under sub-rule (1) shall be of the class, and shall not exceed the quantity, which the person to whom it is delivered or dispatched is authorized to store with or without a licence under the Act.

(3) Notwithstanding anything contained in sub-rule (2), petroleum Class B not exceeding 15,000 litres in quantity packed in sealed airtight approved containers may be dispatched to a person not holding a storage licence 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 sealed packages or such quantity as in excess of 2,500 litres : Provided that a dry chemical powder fire extinguisher as a means of fighting fire in emergency shall be carried in the case of the containers with more than 2,500 litres.

(4) Nothing in sub-rules (1) and (2) shall apply to the delivery or dispatch of petroleum to the Defence Forces of the Union and to the delivery or dispatch of kerosene (petroleum Class B) to the person holding licence in form XVIII for decantation into containers from tank vehicle: Provided that the person dispatching the Kerosene has satisfied himself that prior arrangements have been made by the person to whom the kerosene is dispatched for the immediate disposal into containers in lots of 2,500 litres or less.

4. Approval of containers. –

(1) Containers exceeding one litre in capacity for petroleum Class A and five litres in capacity for petroleum Class B or petroleum class C, shall be of a type approved by the Chief Controller.

(2) Where the approval of the Chief Controller is sought to a type of container not previously approved, an application together with copies of drawings thereof to scale showing the design, materials to be used, the method of construction and capacity of the container together with two samples containers and a fee of **rupees one thousand** for scrutiny shall be submitted to the Chief Controller.

(3) Nothing in sub-rules (1) and (2) shall apply to containers in the possession of the Defence Forces of the Union.

5. Containers for petroleum Class A.-

(1) Containers for petroleum Class A shall be constructed of tinned, galvanized or externally rust proofed sheet iron or steel and be of a type approved by the Chief Controller: Provided that glass bottles of a capacity not exceeding 2.5 litres and of a type approved by Chief Controller can be used as a container for laboratory chemicals classified as petroleum Class "A".

(2) The containers 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 and they shall be kept in proper repair.

(3) The containers shall have well-made filling aperture which shall be fitted with well-fitting and secure airtight screw plugs or screw caps or other caps.

(4) Containers made of sheet iron or steel shall have the following thickness of metal, namely: -

Capacity of Container exclusive of the free space Minimum thickness in mm. Prescribed in sub-rule (6) of sheet iron or steel

Not exceeding 10 litres 0.443(27BG)

Exceeding 10 but not exceeding 25 litres 0.63 (24BG)

Exceeding 25 but not exceeding 50 litres 0.80 (22BG)

Exceeding 50 but not exceeding 200 litres 1.25 (18BG)

Exceeding 200 but not exceeding 300 litres 1.59 (16BG)

(5) The capacity of any container, other than those approved by the Chief Controller for specific purposes, shall not exceed 300 litres.

(6) An air space of not less than 5 percent of its capacity shall be kept in each container.

(7) The container shall bear a stamped, embossed or painted warning exhibiting in conspicuous characters the words "Petrol" or "Motor Spirit" or an equivalent warning of the highly inflammable nature of the petroleum.

(8) Nothing in sub-rules (1), (3), (4), (5), (6) and (7), shall apply to containers in the possession of the Defence Forces of the Union.

6. Containers for petroleum Class B and Class C

(1) Containers for petroleum class B or petroleum class C shall be constructed of steel or iron and be of a type approved by the Chief Controller.

(2) An air space of not less than 5 percent of its capacity shall be kept in each container for petroleum Class B and not less than 3 percent of its capacity in each container for petroleum Class C.

(3) Nothing in this rule shall apply to containers in the possession of the Defence Forces of the Union.

7. Empty receptacles. –

All empty tanks which had petroleum Class A or petroleum Class B and empty containers which had petroleum Class A shall, except when they are opened for the purpose of filling or cleaning and rendering them free from petroleum vapour, be kept securely closed until they have been thoroughly cleaned and freed from petroleum vapour.

8. Repairs to receptacles. –

(1) No person shall cause to be repaired or repair by the use of hot work any tank or container which had petroleum unless it has been thoroughly cleaned and freed from petroleum and petroleum vapour or otherwise prepared for safely carrying out such hot repair and certified, in writing, by a competent person to have been so repaired.

(2) The certificate required under sub-rule (1) shall be preserved by the repairer for a period of atleast three months and produced to an inspector on demand.

9. Prevention of escape of petroleum. –

All due precautions shall be taken at all times to prevent escape of petroleum into any drain, sewer, and harbour, river or watercourse or over any public road or railway line.

10. Prohibition of employment of children and intoxicated persons. –

No child under the age of eighteen years and no person who is in a state of intoxication shall be employed on the loading, unloading or transport of petroleum or in any premises licensed under these rules.

11. Prohibition of smoking, fires, lights, etc..-

Unless expressly provided in these rules, no person shall smoke and no matches, fires, lights or articles or substances capable of causing ignition of petroleum shall be allowed, at any time in

proximity to a place where petroleum is refined, stored or handled or in a vehicle's carriage or vessel in which petroleum is transported.

12. Special precautions against accident. –

(1) No person shall commit or attempt to commit any act, which may tend to cause a fire or explosion in or about any place where petroleum is refined, stored or handled, or any vehicle's carriage or vessel in which petroleum is transported.

(2) Every person storing petroleum and every person in charge of or engaged in the storage, handling or transport of petroleum shall at all time. -

(a) comply with the provisions of these rules and conditions of any licence relating thereto;

(b) observe all precautions for prevention of accident by fire or explosion; and

(c) prevent any person from committing any act referred to in sub-rule (1)

13. Payment of fees. –

(1) All fees payable under these rules to the Chief Controller shall be paid by a crossed bank draft drawn in favour of the Chief Controller of Explosives, Nagpur. The bank draft shall be drawn on any nationalized bank, payable at Nagpur. Fees upto rupees one hundred in each case may be paid in cash at the office of the Chief Controller.

(2) Fees payable to a Controller shall be paid by a crossed bank draft drawn in favour of the Controller of Explosives to whom the payment is made. The bank draft shall be drawn on any nationalized bank payable at the station where the office of the Controller to whom payment is to be made is located. Fees upto rupees one hundred in each case may also be paid in cash at the office of the Controller concerned.

(3) Fees payable to District Authority or any other authority under these rules shall be paid in such a manner as may be specified by that authority.

(4) (i) If an application for the grant, renewal or amendment of the licence is rejected, the fees paid by the applicant shall be refunded to him;

(a) by the licensing authority, if the fee has been paid in cash or by bank draft; or

(b) if the fee has been paid into a treasury, by that treasury on the production of signed order from the licensing authority directing such refund.

(ii) The fees shall be refunded by the licensing authority preferably within six months of the realisation.

(5) Fees payable under these rules for purposes other than the grant, renewal, or amendment of licences shall not be refundable.