



## NUPRC Relaunches ADR Centre: Streamlining Dispute Resolution in Nigeria's Oil & Gas Sector

### Introduction

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) recently relaunched the Alternative Dispute Resolution Centre (ADRC), with plans to expand its reach nationwide to resolve disputes in the upstream oil and gas sector. The initiative aims to create a more efficient and conducive environment for growth and development in the industry, beyond just cost reduction. The ADRC was originally established in 2021 under the Department of Petroleum Resources (DPR) but was dissolved after the enactment of the Petroleum Industry

Act 2021 (PIA), which replaced the DPR with the NUPRC.

### What You Need to Know About the ADRC

- **Legal Basis of the ADRC:** While the PIA does not specifically mention the ADRC or the NUPRC's authority to establish it, the ADRC aligns with the broader objectives of the PIA to create a more effective oil and gas regulatory framework.

- **Alternative to Traditional Court System:** The ADRC offers an alternative to traditional court proceedings, providing a faster, less formal, and



more collaborative environment for resolving disputes in the oil and gas sector.

- **Non-Exclusive Jurisdiction:** The ADRC does not hold exclusive jurisdiction over upstream sector disputes. It is entirely up to the discretion of the parties involved to submit their disputes for resolution at the ADRC.

- **Structure of the ADRC:** The ADRC is managed by two key entities:

(a) The Advisory Council, led by the NUPRC’s chief executive, which oversees the ADRC’s operations.

(b) The Body of Neutrals, a group of experts from the legal and oil and gas sectors, tasked with mediating disputes submitted to the ADRC. Their expertise aims to enhance access to justice and ease the burden on the judicial system.

### Potential Benefits of the ADRC

The ADRC is expected to become the preferred forum for dispute resolution in Nigeria’s upstream oil and gas sector, with key advantages including:

1. **Expertise of Arbitrators:** ADRC disputes are mediated by professionals with in-depth knowledge of the oil and gas industry, offering a nuanced, practical approach to resolving complex disputes.

2. **Timely Dispute Resolution:** Courts are often congested, leading to delays in high-value energy disputes. For individuals and businesses seeking quick dispute resolution, the ADRC, dedicated solely to upstream sector issues, offers an expedited process that helps to mitigate potential commercial losses.

3. **Non-Adversarial Approach:** Unlike traditional litigation, the ADRC adopts a conciliatory and less formal process, which helps preserve business relationships and opens the door to future collaboration between disputing parties.

### What’s Next?

The NUPRC is in the process of developing the procedural rules that will govern the ADRC’s operations. These rules are expected to provide clear guidelines for submitting, mediating, and resolving disputes. Once these rules are implemented, the ADRC is expected to provide an efficient and viable alternative to traditional litigation for stakeholders in the upstream sector.

For more information on how the ADRC will function or for support in approaching the ADRC, please reach out to us at [info@scp-law.com](mailto:info@scp-law.com) or visit our website at [www.scp-law.com](http://www.scp-law.com).