

## **CHAPTER V STORAGE OF PETROLEUM REQUIRING LICENCE**

### **116. Licence for storage. –**

Save as provided in sections 7, 8 and 9 of the Act, no person shall store petroleum except under and in accordance with a licence granted under these rules: Provided that no licence shall be necessary.-

- (i) for the storage of petroleum in well-head tanks; or
- (ii) for the storage of petroleum as transit cargo within the limits of a port subject to such conditions as may be specified by the Conservator.

### **117. Precautions against fire. –**

- (1) No person shall smoke in any installation, storage shed or service station save in places specifically authorized by the licensing authority for the purpose.
- (2) No person shall carry matches, fuses or other appliances capable of producing ignition or explosion in any installation or storage shed, which is used for the storage of petroleum.
- (3) No fire, furnace or other source of heat or light capable of igniting inflammable vapour shall be allowed in any installation, storage shed or service station save in places specially authorized by the licensing authority for the purpose.
- (4) (i) An adequate number of portable dry chemical powder or any other fire extinguisher capable of extinguishing oil fires shall always be kept in every storage shed and small class B or C installations at strategic point and all persons employed at such locations shall be conversant with the use of such fire extinguishers.
- (ii) Scale of fire fighting provided in other areas of installation should be as per the requirement given in OISD Standard -117 for all installations approved by the Chief Controller after publication of the original standard OISD-117. For Installations existing prior to the publication of this standard the fire fighting facilities shall be improved to the extent feasible (keeping this standard in mind) and approved by the Chief Controller.

### **118. Supervision of operations within an installation, service station or storage shed. –**

All operations within an installation, service station or storage shed shall be conducted under supervision of an experienced responsible agent or supervisor who is conversant with the terms and conditions of the licence held for the installation, service station or storage shed as the case may be and those persons should have proper safety training.

### **119. Cleanliness of installation, service station or storage shed. –**

The ground in the interior of an installation or service station and the protected areas surrounding any installation, service station or storage shed shall be kept clean and free from all vegetation, waste material and rubbish.

### **120. Drainage. –**

- (1) All enclosures surrounding above ground tanks in an installation shall be provided with proper drainage facilities in such a way that no water is allowed to accumulate in the enclosures.
- (2) No part of the enclosure referred to in sub-rule (1) shall be below the level of the surrounding ground within the protected area.
- (3) Where drainage is effected by means of a pipe, the pipe shall be fitted with a valve which is capable of being operated from the outside of the enclosure or with any other arrangements approved in writing by the Chief Controller.
- (4) All valves and other opening for draining off water shall be kept closed except when water is being drained off.
- (5) The nature of the drainage arrangements and the position of all openings and valves therein shall be shown in the plan submitted with the application for a licence.

**121. Exclusion of unauthorized persons. –**

(1) The protected area surrounding every installation and storage shed shall be surrounded by a wall or fence of at least 1.8 metres in height.

(2) In case of service station 1.2 metre high boundary wall or fence on sides other than the drive way shall be provided.

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

**122. Petroleum only to be stored. –**

No installation, service station or storage shed shall, without permission in writing from the Chief Controller be used for any purpose other than the storage and distribution of petroleum and for purpose directly connected therewith.

**123. Marking of Capacity of Tanks. –**

The capacity in litres or kilolitres of every above ground tank in an installation shall be conspicuously marked on the tank

**124. Construction of tanks. –**

(1) Every tank or receptacle for the storage of petroleum in bulk other than a well-head tank shall be constructed of iron or steel in accordance with the codes or specification approved by the Indian Standards Institution or any other code or specifications approved in writing by the Chief Controller. Provided that if the properties of petroleum to be stored so required or for any other reason it is necessary to do so, tanks or other receptacles may be built of materials other than iron or steel.

(2) The tanks or other receptacles shall be erected on firm foundations or supports of non-combustible material in accordance with sound engineering practice.

(3) The height of a storage tank shall not exceed one and a half times its diameter or twenty metres, whichever is less.

**Explanation :-** For the purpose of this sub-rule, the height of a tank shall be the height from its bottom to top curb angles .

(4) An air space of not less than five percent of the total capacity of the tank or the space prescribed in the code or specification referred to in sub-rule (1), whichever is less, shall be kept in each tank.

**125. Protection against corrosion. –**

All tanks or other receptacles for the storage of petroleum in bulk, other than well-head tanks installed on the ground or below the ground, shall be protected against corrosion by the use of protective coatings or cathodic protection or by any other means approved by the licensing authority.

**126. Testing of tanks. –**

(1) Storage tanks or other receptacles for the storage of petroleum-in bulk, other than well-head tanks, after being installed and secured in the final position or after undergoing re-installation or any major repair, shall, before being put into use, be tested by water pressure by a competent person.

(2) The water used for testing shall be free from petroleum and shall not be passed through any pipe or pump 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 conveyance of petroleum, he may permit use of a petroleum pipe or pump for the conveyance of water subject to such conditions as he may impose.

(3) The competent person carrying out the test as required under sub-rules (1) shall issue a certificate in the proforma given below; the certificate so issued shall be submitted to the licensing authority along with the application for the grant or amendment of a licence, or, in the case of any major repair, after each repair.

**Proforma of Certificate of Tank Testing**  
**[See Rule 126]**

In respect of .....of size..... (number of tanks)  
(diameter and height or length of each tank)..... and capacity  
..... respectively, installed with in the installation service station of  
..... (delete words not applicable) (full name of occupier of  
installation/service station as the case may be) ..... at.....  
..... (Name of place, police station, District State) covered by licence No.  
..... (To be filled in the case of amendment of licence or repair of tank)  
Certified that I have in accordance with rule 126 of the Petroleum Rules, 2002, tested the tanks  
described above by water pressure after they had been installed and secured in the final  
position/repared and found them free from leak and suitable for the storage of Petroleum(delete  
words not applicable) Date of test Full signature of the competent person issuing the certificate  
..... His recognized qualification..... His full name and postal  
address .....

**127. Earthing of tank. –**

(1) Every tank or other receptacle for the storage of Petroleum in bulk, other than a well head tank or tanks of less than 50,000 litres capacity containing petroleum Class C shall be electrically connected with the earth in an efficient manner by not less than two separate and distinct connections placed at the opposite extremities of such tank or receptacle. 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.

(2) The connections and contacts required under sub-rule (1) shall have a few joints as possible. All joints shall be riveted, welded or bolted and also soldered to ensure both mechanical and electrical soundness.

(3) The resistance to earth shall not exceed 7 ohms and the resistance to any part of the fitting to the earth plate or to any other part of fitting shall not exceed 2 ohms.

**128. Testing of earth connections. –**

(1) The connections and contacts of the tank or receptacle required under rule 127 shall be inspected and tested by a competent person at least once in every twelve months by means of a direct reading instrument, such as a Megar.

(2) The testing instrument referred to in sub-rule (1), if capable of producing a spark, shall be so shielded as to be incapable of igniting petroleum vapour.

(3) A record of such inspections and tests shall be maintained by the licensee in the licensed premises and shall be produced on demand by any inspector.

**129. Night working. –**

No installation 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 lights conforming to the provisions of Chapter IV are exclusively used.

**130. Certificate of safety. –**

(1) A certificate of safety in the proforma given below this rule and signed by a competent person shall be furnished to the licensing authority before any petroleum is stored in an installation or a service station for the first time or whenever any additions or alterations to the enclosure walls and embankments are carried out or when any tank is installed or its position shifted.

**Proforma of Certificate of Safety**  
**[See Rule 130]**

I ....., hereby certify that I have inspected the petroleum service station/installation described below on ... ..(date) and it has been constructed as per plan

approved by Chief Controller/Controller, vide letter No. .... dated ..... and the service station/installation, in my opinion is safe for storage of petroleum.

1. Name & Address of occupier .....
2. Location of the service station/installation ..... (Plot No. , Village/Town, District, State)
3. Description of facilities of the service station/installation.

**(A) Tanks :-**

**(i) Aboveground tanks :-**

- (a) identification No., size, capacity, product, class of petroleum
- (b) whether enclosure walls provided –if so, nature of enclosure walls its capacity, provision of drain pipe and valve
- (c) nature and description of fittings provided.

**(ii) Underground tanks :-**

- (a) identification No., size, capacity, product, class of petroleum
- (b) nature of pit, soil cover, fastening arrangement
- (c) nature of top cover (whether soil/RCC)
- (d) nature and description of fittings provided.

**(B) Filling /storage shed :-**

Whether provided as per approved plan

**(C) Tank lorry and/or Tank wagon loading/unloading:-**

- (i) Number of bays and points provided
- (ii) Type of loading & unloading facilities:-

**(D) Pipelines :-**

- (i) Size and specification of pipeline(s)
- (ii) Test pressure of pipeline ..... kg/cm<sup>2</sup>  
(Tested by .....on .....)

**(E) Electrical fittings/equipment's:-**

- (i) Pumps (specification, make and CCE approval reference for each)
- (ii) Starters
- (iii) Junction Box
- (iv) Switches
- (v) Light fittings
- (vi) Others

**(F) Earthing, bonding and electrical continuity:-**

- (i) Earthing of tanks, pumps, bulk loading/unloading facilities
- (ii) Bonding of pipeline joints
- (iii) Earthing resistance at each point

**(G) Nature of Fencing/boundary wall:-**

**(H) Description of fire fighting facilities provided:-**

**4. Remarks :**

**Place :**

**Date : Signature of the competent person**

Particulars of recognition by Chief Controller (2)

(i) Anybody intending to be recognized as competent person shall possess the qualification and experience prescribed in para (A) of Form- XX and shall submit to the Chief Controller an application in the form prescribed in para (B) of the same form. Every application shall be accompanied by a scrutiny fee of rupees five hundred. The Chief Controller shall register such application and within a period of sixty days of the date of receipt of the application, and after having satisfied himself with regard to competence and professional ethics either recognize the applicant as a competent person or reject the application specifying the reason therefor.

(ii) The Chief Controller may after giving an opportunity to such person to be heard revoke the recognition-

(a) if he has reason to believe that such person has violated any condition stipulated in the letter of recognition or has not carried out a test, examination and inspection or has acted, in a manner inconsistent with the intent for the purpose of these rules: or

(b) for any other reason to be recovered in writing.

**131. Prior approval of specifications and plans of premises proposed to be licensed . –**

(1) Every person desiring to obtain a licence to import and store petroleum in Form XIV, Form XV, Form XVI or in Special Form, as the case may be, shall submit to the licensing authority an application along with.-

(a) specification and plans drawn to scale, in duplicate, clearly indicating.-

(i) the manner in which the provisions prescribed in these rules will be complied with;

(ii) the premises proposed to be licensed, the area of which shall be distinctly coloured or otherwise marked.

(iii) The surroundings and all protected works lying within 100 metres of the edge of all facilities which are proposed to be licensed;

(iv) The position, capacity, materials of construction and ground and elevation view of all storage tanks, enclosures around tanks, all valves, filling and discharge points, vent pipes, dip pipes, storage and filling sheds, pumps, fire-fighting and all other building and facilities forming part of the premises proposed to be licensed;

(v) The areas reserved for different class of petroleum including petroleum exempted under section 11 of the Act; and

(b) a scrutiny fee of rupees four hundred paid in the manner specified in rule 13.

(2) If the Chief Controller, after scrutiny of the specification and plans and after making such enquiries as he deems fit, is satisfied that petroleum may be stored in the premises proposed to be licensed, he shall return to the applicant one copy each of the specifications and plans signed by him conveying his sanction subject to such conditions as he may specify.

**132. Pumping. –**

No internal combustion engine or electric motor in an installation shall be used for driving pumps for pumping petroleum save in a pump house or pumping area specially constructed for the purpose and approved by the Chief Controller.

**133. Identification mark on licensed premises. –**

Every installation, storage shed or service station under these rules shall have prominently marked thereon the number of the licence held for it.

**134. Posting up of rules and conditions .**

-An extract of rules 3 to 12, 102 to 115, 116 to 134 and rules 146 to 148 and 152 to 160 and of the conditions of the licence shall be exhibited in a conspicuous place in every licensed installation, service station or storage shed.

**135. Petroleum in the possession of Defence Forces of the Union. –**

Nothing in rules 116, 121, 122, 125, 126, 127, 128, 130, 131, 133 and 134 shall apply to petroleum in the possession of the Defence Forces of the Union.