



Republic of the Philippines  
**DEPARTMENT OF ENERGY**

DEPARTMENT CIRCULAR NO. DC 2012-D2-0003

**SUPPLEMENTAL GUIDELINES IN THE TRANSPARENT AND COMPETITIVE  
SYSTEM OF AWARDING SERVICE AND OPERATING CONTRACTS FOR  
PETROLEUM AND COAL PROSPECTIVE AREAS**

**WHEREAS**, on 01 December 2011, Department Circular No. DC2011-12-0010 entitled "REITERATING A TRANSPARENT AND COMPETITIVE SYSTEM OF AWARDING SERVICE AND OPERATING CONTRACTS FOR PETROLEUM AND COAL PROSPECTIVE AREAS REPEALING FOR THIS PURPOSE DEPARTMENT CIRCULAR NOS. DC2009-04-0004 AND DC2010-03-0005" (the "PECR4 Guidelines") was promulgated by the Department of Energy (DOE) providing for the framework of submission and evaluation of proposals for coal and petroleum exploration, development and utilization;

**WHEREAS**, interested proponents requested the extension of the timelines for submission of pre-qualification documents and proposals, and clarification of certain provisions in the PECR4 Guidelines;

**WHEREAS**, some offered coal contract areas were found to be too large to reasonably complete exploration work within the required two (2) to four (4) years exploration period and would require substantial financial commitment which will limit participation;

**WHEREAS**, in order to guarantee greater participation of interested proponents and to further ensure the transparent and competitive nature of submission and evaluation of proposals, there is a need to extend the timelines for submission, subdivide the previous offered areas, provide additional guidelines and clarify certain provisions in the PECR4 Guidelines;

**NOW, THEREFORE**, in consideration of the aforementioned premises, the following supplemental guidelines shall govern the transparent and competitive system of awarding service and operating contracts for petroleum and coal exploration, development and production.

**Section 1. Annex B-1 (Timeline for Coal) of the PECR4 Guidelines is hereby amended as follows:**

DATE	ACTIVITY
29 February 2012	Last Day of submission of Pre-qualification documents
30 March 2012	Last Day of submission of proposals (11:30 AM Philippine Time)  Opening of proposals (1:30 PM Philippine Time)

Section 2. Section 4.1 of the PECR4 Guidelines is hereby amended as follows:

*"4. 2.b.iv      Submission of PECR Applications*

*xxx      xxx      xxx*

*Payment of Ten Thousand Pesos (Php 10,000.00) as one-time pre-qualification review fee, net of all applicable bank and financial charges."*

**Section 3. Financial Documents.** Audited Financial Statements and other financial requirements, if executed abroad, shall be duly authenticated by the Philippine Consulate in the country where it is registered or where it operates.

**Section 4. Maximum Area for Coal.** No person shall be entitled to more than fifteen (15) blocks of coal lands in any one coal region pursuant to Section 6, Presidential Decree No. 972, as amended.

**Section 5. Amended and Additional Areas Offered for Coal.**

Contract Areas for coal shall be amended as follows:

5.1 Area 18 Bislig & Lingig, Surigao del Sur is sub-divided into three (3) areas, namely:

5.1.a Area 18-A (CB Nos.: 40-L-249, -250 & -290)

5.1.b Area 18-B (CB Nos.: 40-L-251, -252, -253 & -293); and

5.1.c Area 18-C (CB Nos.: 40-L-294 and -295 & -254).

5.2 Area 19 is sub-divided into two (2) areas, namely:

5.2.a Area 19-A (CB Nos.: 40-L-330, -331, -370 & -371); and

5.2.b Area 19-B (CB Nos.: 40-L-332, -333 & -334).

5.3 Area 24 is sub-divided into two (2) areas, namely:

5.3.a Area 24-A (CB Nos.: 46-J-142, -143, -182, -183 & -184); and

5.3.b Area 24-B (CB Nos.: 46-J-224, -225 & -265).

5.4 Area 25 is sub-divided into two (2) areas, namely:

5.4.a Area 25-A (CB Nos.: 46-J-259, -260, -299 & -339); and

5.4.b Area 25-B (CB Nos.: 46-J-341, -342, -343, -344 & -304).

5.5 Area 26 is sub-divided into two (2) areas, namely:

5.5.a. Area 26-A (CB Nos.: 41-H-34, -74 & -75); and

5.5.b Area 26-B. (CB Nos.: 41-H-36, -76, -114, -115 & -116).

5.6 Area 30 is sub-divided into two areas, namely:

5.6.a Area 30-A (CB Nos.: 42-H-38, -78, -79, -80 & 42-I-41); and

5.6.b Area 30-B (CB Nos.: 42-H-117, -118, -119, -120, -156, -157, -158 & -198).

5.7 An additional area is offered designated as Area 31 Siocon, Zamboanga del Norte (CB Nos.: 41-H-294, -332, -333, -334, -372, -373 & -374).

Subdivided areas shall comprise as one (1) Contract Area. Any interested proponent/s shall submit individual proposal for each Contract Area.

**Section 6. Track Record.** Previous service/operating contract holders with cancelled service/operating contracts and/or outstanding obligations with the DOE are not eligible to join the PECR.

**Section 7. Signature Bonus for Operating/Service Contract.** The proposed signature bonus shall not be less than Fifty Thousand U. S. Dollars (US\$ 50,000.00) for petroleum, and One Hundred Fifty Thousand Pesos (Php 150,000.00) for coal. However, proponents may submit proposed signature bonus higher than the minimum amount.

**Section 8. Reconnaissance Permit for Coal.** Interested proponents may apply for non-exclusive reconnaissance permit valid until the deadline for submission of proposals.

**Section 9. Exploration Work Program.** Only the exploration work program in the application for either petroleum service contract or coal operating contract that conforms to the exploration Work Program Documentation as required under the PECR4 Guidelines, shall be accepted.

**Section 10. Separability Clause.** If for any reason, any section or provisions of this Circular is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

**Section 11. Effectivity.** This Circular shall take into effect immediately following its publication in at least two (2) newspapers of general circulation and shall remain in effect until otherwise revoked.

Issued this FEB 20 2012 in Fort Bonifacio, Taguig City, Metro Manila.



JOSE RENE D. ALMENDRAS

Secretary

