

DEPARTMENT CIRCULAR NO. DC2024- _____

GUIDELINES FOR THE AWARD OF MULTICLIENT SURVEY CONTRACTS

WHEREAS, Section 2, Article XII of the 1987 Constitution provides that “xxx *The exploration, development, and utilization of natural resources shall be under the full control and supervision of the State;*”

WHEREAS, Section 5(f) of Republic Act (RA) No. 7638, otherwise known as the “*Department of Energy (DOE) Act of 1992,*” as amended by Section 37(g) of RA 9136, otherwise known as the “*Electric Power Industry Act of 2001 (EPIRA)*” mandates the DOE to, among others, “*(E)stablish and administer programs for the exploration, transportation, marketing, distribution, utilization, conservation, stockpiling, and storage of energy resources of all forms, whether conventional or non-conventional;*”

WHEREAS, Section 2 Presidential Decree No. (PD) 87, as amended, otherwise known as the “*Oil Exploration and Development Act of 1972*”, declared it the policy of the State “*to hasten the discovery and production of indigenous petroleum xxx;*”

WHEREAS, on 18 August 2021, the DOE promulgated Department Circular No. DC2021-08-0027 entitled “*Prescribing the Guidelines and Procedures for the Approval and Award of Projects Proposed by Service Providers for the Enhancement, Acquisition, Processing, Interpretation and Marketing of Upstream Petroleum Data in the Philippines*” which provided for the process of selection, evaluation, award and implementation of contracts/agreements with service providers for the enhancement, acquisition, processing interpretation and marketing of upstream petroleum data;

WHEREAS, since the adoption of DC2021-08-0027, no project proposal was received hence no new data was acquired or generated that can be made available to prospective investors;

WHEREAS, exploration activities are data-driven and entail different sets of petroleum data to identify prospective areas for oil and gas;

WHEREAS, the DOE is continuously adopting new mechanisms and strategies to attract more interest in the acquisition and processing of new petroleum data in the Philippines and effectively carry out its plans and programs as mandated under PD 87, as amended;

WHEREAS, the DOE desires to further simplify the process of selection and award of service provider contracts for the acquisition and processing of new petroleum data, which entail no cost to the government and complement its policy on data declassification and free access as provided in DOE Department Circular No. DC2023-10-0028, or the “*Guidelines on Petroleum Data Declassification and Free Data Access*”;

NOW, THEREFORE, in consideration of the foregoing premises, the following policies guidelines, and procedures are hereby adopted and promulgated for compliance of all concerned:

Section 1. Policy on the Acquisition and Processing of New Petroleum Data.

- 1.1. An open, transparent, simple and efficient process of awarding contracts for the acquisition and processing of new petroleum data will encourage the involvement of stakeholders, enhance the discovery of prospective areas, and advance the exploration, development, and utilization of petroleum resources in the country.
- 1.2. All areas are considered open for the acquisition of new petroleum data. Any person found to be legally, technically and financially qualified under this Circular may conduct such activities to acquire and process new petroleum data over its area of interest.
- 1.3. The DOE owns all petroleum data acquired and/or processed pursuant to this Circular, subject to the exclusivity period stated in the Multi-Client Survey Contract. Upon the expiration of such exclusivity period, all data acquired and/or processed shall be declassified pursuant to DOE DC2023-10-0028.

Section 2. Qualifications of Multi-Client Survey Contractors.

Any juridical person organized for the purpose of acquiring and processing of petroleum data may submit a proposal to the DOE under this Circular.

Section 3. Letter of Intent and Payment of Processing Fee.

- 3.1. The proponent shall submit a Letter of Intent (LOI) for the acquisition and/or processing of new petroleum data addressed to the Undersecretary in charge of the ERDB.
- 3.2. The ERDB-PRDD shall prepare a billing statement for the issuance of an Order of Payment (OP) in the amount of Fifty Thousand Pesos (Php 50,000.00), representing a non-refundable processing fee. Such OP shall be sent to the proponent's email address indicated in its LOI and be paid within ten (10) calendar days. Documentary stamps, wire/cable, and other charges shall be for the account of the proponent.
- 3.3. Payments may be made in cash, manager's cheque, direct over-the-counter bank deposit or via wire/bank transfer payable to the "Department of Energy" through the following bank details:

Account Name	:	DOE Trust Fund
Account Number	:	0052-1155-58
Bank Address	:	Land Bank of the Philippines Buendia Branch

Swift Code : TLBPPHMM
Beneficiary : Department of Energy
Energy Center, BGC, Taguig City

Section 4. Submission and Evaluation of Documentary Requirements.

4.1 After payment of the processing fee, the proponent shall submit the following documentary requirements to the DOE-Records Section:

4.1.1 Legal Documentation (Digital and hard copy)

- a. SEC certified copy of the Certificate of Registration or Incorporation and Articles of Incorporation (AOI).

In case of foreign corporations, equivalent legal documents issued by the appropriate governing body and duly authenticated by the Philippine Consulate having the appropriate jurisdiction, or apostilled, as may be applicable, and/or SEC certified copy of the License to do Business in the Philippines.

- b. Proof of Authority from the proponent's Board of Directors authorizing a designated representative/s to apply, negotiate, sign any documents, and execute the contract.
- c. Copy of the official receipt as proof of payment of the processing fee.

4.1.2 Technical Documentation (Digital and hard copy)

- a. Project Summary with a general description of the proposed data acquisition and processing activity including technical overview, latest technology to be used and data improvement output, information on the line or square kilometers of data to be acquired, and marketing strategy, among others.
- b. Map and Technical Description of the proposed coverage area in World Geodetic System (WGS) '84 geographic coordinates with the proposed coverage of new petroleum data acquisition & processing.
- c. Particulars of the technical and industrial qualifications, eligibilities, and work-related experiences of the Service Provider and its employees.

4.1.3 Financial Documentation (Digital and hard copy)

- a. Certified true copy of the Audited FS for the last two (2) years from the date of the proposal and the latest Unaudited FS duly signed by the President and/or Chief Finance Officer of the company where the Cash

Balance indicated in the Unaudited FS must be substantiated by Bank Certification.

- b. Financial Statements, both audited and unaudited, must demonstrate the proponent's financial capability to support the proposed data acquisition and processing activities as indicated in the Project Summary.

4.2 The DOE shall evaluate the submissions and may require additional documents to complete or rectify its submitted documents. The failure to submit the required additional documents within the prescribed period in the notice shall result in the termination of the evaluation.

4.3 After evaluation, the DOE shall issue a notice qualifying or disqualifying the applicant. In case the proponent qualifies, the applicant shall be directed to submit its proposed terms for the contract, subject to the minimum terms and conditions under Section 5 hereof.

Failure to submit the proposed terms for the contract within the period prescribed in the notice shall result in the termination of the processing of the application.

Section 5. Minimum Terms and Conditions of the Multi-Client Survey Contract.

5.1 The period to exclusively market the data shall be for ten (10) years, which shall commence six (6) months after demobilization of acquisition equipment from the survey area. Such period may be extended upon mutual agreement of the parties.

5.2 The acquisition and processing of new petroleum data shall be for the sole account of the Multi-Client Survey Contractor and shall not entail any costs to the DOE.

5.3 The Multi-Client Survey Contractor shall remit to the DOE an amount equivalent to five percent (5%) of the gross revenue from each sale of data licenses.

5.4 All petroleum data acquired and processed shall be submitted to the DOE within six (6) months from completion of the processing thereof.

Section 6. Negotiation and Award of Multi-Client Survey Contract

6.1 Upon receipt of the proponent's proposed terms and conditions, the DOE and the proponent's authorized representative/s shall negotiate the terms and conditions of the Multi-Client Survey Contract. Negotiations shall automatically terminate, within sixty (60) calendar days from the commencement of negotiation, unless the parties agree, for reasonable ground, to extend such period.

6.2 Once the parties agree on all the terms and conditions of the contract, the award of a Multi-Client Survey Contract in favor of the proponent shall be endorsed for approval of the Secretary.

Section 7. Separability Clause. If, for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

Section 8. Repealing Clause. DOE Department Circular No. 2021-08-0027 and all other DOE issuances inconsistent with the provisions of this Circular are hereby repealed or amended accordingly.

Section 9. Effectivity. This Circular shall take effect immediately upon its publication in two (2) newspapers of general circulation. A copy of this Circular shall be filed with the University of the Philippines Law Center – Office of the National Administrative Register (UPLC-ONAR).

Issued on _____ 2024 in Taguig City, Metro Manila.

RAPHAEL P.M. LOTILLA
Secretary