

DEPARTMENT CIRCULAR NO. DC2024- \_\_\_\_\_

**PROVIDING GUIDELINES AND PROCEDURES FOR THE AWARD OF SERVICE PROVIDER CONTRACT FOR THE ACQUISITION AND PROCESSING OF NEW PETROLEUM DATA IN THE PHILIPPINES**

**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. Scope.** This Circular shall govern the submission of proposals and the award of Service Provider Contracts (SPC) for the acquisition and processing of new petroleum data.

**Section 2. Policy on the Acquisition and Processing of New Petroleum Data.**

- 2.1. 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.
- 2.2. 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.
- 2.3. The DOE owns all petroleum data acquired and/or processed pursuant to this Circular, subject to the exclusivity period stated in the SPC. Upon the expiration of such exclusivity period, all data acquired and/or processed shall be declassified pursuant to DOE DC2023-10-0028.

**Section 3. Qualifications of Service Providers.**

Any juridical person organized for the purpose of providing services relating to the acquisition and processing of petroleum data may submit a proposal to acquire and/or process new petroleum data under this Circular.

**Section 4. Documentary Requirements for Submission of Proposal.**

4.1. Legal Documentation (Digital and hard copy)

- 4.1.1. 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.



4.1.2. 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.

4.1.3. Copy of the official receipt as proof of payment of the processing fee.

#### 4.2. Technical Documentation (Digital and hard copy)

4.2.1. 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;

4.2.2. 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;

4.2.3. Particulars of the technical and industrial qualifications, eligibilities, and work-related experiences of the Service Provider and its employees.

#### 4.3. Financial Documentation (Digital and hard copy)

4.3.1. Certified true copy of the Annual Report or 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;

4.3.2 Three-Year Projected Cash Flow Statement.

### **Section 5. Submission of Letter of Intent.**

5.1. 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.

5.2. The ERDB-PRDD shall prepare a billing statement for the issuance of an Order of Payment, which shall be emailed to the proponent's email address indicated in its Letter of Intent.

5.3. Within ten (10) calendar days from the issuance of the Order of Payment, the proponent shall pay a non-refundable processing fee in the amount of Fifty Thousand Pesos (Php 50,000.00) net of all charges such as, but may not be limited to, documentary stamps and wire/cable charges, which shall be for the account of the proponent.

- 5.4 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 6. Procedure for Submission and Evaluation of Proposals.**

- 6.1 The proponent shall submit the documentary requirements listed in Section 4 hereof to the DOE-Records Section. Upon receipt, the DOE-Records Section shall transmit the proponent's submission to the Undersecretary in-charge of the ERDB.
- 6.2. The DOE shall conduct substantive evaluation of the proposal and may require the submission of additional documents or be allowed to complete or rectify its submitted documents within fifteen (15) calendar days from receipt of notice. *Provided*, that such period to submit additional documents shall stop the running of the period for evaluation. *Provided further*, that failure to timely submit the required additional documents may result in the rejection of the proposal.
- 6.3. After evaluation, the proponent shall be notified of the results of the evaluation. In case the proponent fails to qualify, a Notice of Disqualification shall be issued to the proponent. In case the proponent qualifies, a Notice of Qualification to Enter into Negotiation for a Service Provider Contract shall be issued with directive to submit its proposed terms for the SPC, subject to the following minimum terms and conditions:
- 6.3.1. The term of the contract shall not be more than ten (10) years, which period may be renewed or extended upon mutual agreement of the parties.
- 6.3.2. The acquisition and/or processing of new petroleum data shall be for the sole account of the service provider and shall not entail any costs from the government.
- 6.3.3. The costs for such acquisition and/or processing may be recovered through the exclusive marketing of the data thus acquired and/or processed during the term of the contract, provided that the DOE shall be entitled to a share in the amount collected by the service provider in exchange for access to the data packages, which share shall not be lower than ten percent (10%) of the total amount collected.



6.3.4. All petroleum data acquired and/or processed shall be submitted to the DOE within a reasonable time.

Failure to submit within the prescribed period upon receipt of the Notice of Qualification shall result in the termination of the processing of the application.

6.4. 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 SPC. 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.

6.5. Once the parties agree on all the terms and conditions of the contract, the award of an SPC 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 is hereby repealed and all other DOE issuances inconsistent with the provisions of this Circular are likewise 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