



DEPARTMENT CIRCULAR NO. DC 2024-08-0023

**GUIDELINES FOR THE AWARD OF MULTI-CLIENT SURVEY CONTRACTS
(MSC)**

WHEREAS, Section 2, Article XII of the 1987 Constitution provides that 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 Reform Act (EPIRA) of 2001*, mandates the DOE to, among others, "establish 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 of Presidential Decree (PD) No. 87, as amended, otherwise known as the *Oil Exploration and Development Act of 1972*, declares it the policy of the State to hasten the discovery and production of indigenous petroleum;

WHEREAS, on 18 August 2021, the DOE promulgated Department Circular (DC) No. DC2021-08-0027 titled, *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 provides 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 DC No. DC2021-08-0027, the DOE has not received any project proposal, 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 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 DC No. DC2023-10-0028 titled *Guidelines on Petroleum Data Declassification and Free Data Access*;

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

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 juridical 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 MSC. Upon the expiration of such exclusivity period, all data and/or processed shall be declassified pursuant to DC No. DC2023-10-0028.

Section 2. Qualifications of Multi-Client Survey Contractors

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

Section 3. Letter of Intent and Payment of Processing Fee

- 3.1. The proponent shall submit a Letter of Intent (LOI) addressed to the Supervising Undersecretary of the Energy Resource Development Bureau (ERDB).
- 3.2. The ERDB - Petroleum Resource Development Division (ERDB-PRDD) shall prepare a billing statement for the issuance of an Order of Payment (OP) in the amount of Fifty Thousand Pesos (PhP50,000.00), representing a non-refundable processing fee. Such OP shall be sent to the proponent's email address indicated in its LOI and must be paid within ten (10) calendar days from receipt thereof. Documentary stamp taxes, wire/cable fees, and other charges shall be for the account of the proponent.
- 3.3. Payment 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" with 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, both in digital and hard copies, to the Records Management Unit of the DOE (DOE-RMU):

A. Legal Documentation

1. Certified copy of the Certificate of Registration or Incorporation and Articles of Incorporation (AOI) issued by the Securities and Exchange Commission (SEC).
2. Proof of authority from the proponent's governing board authorizing or designating a representative/s to perform all acts in relation to their proposal, negotiate the terms and conditions, and sign the contract or other relevant documents.
3. Copy of the Official Receipt as proof of payment of the processing fee.

B. Technical Documentation

1. Project Summary with a general description of the proposed data acquisition and processing activity including a technical overview, the 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.
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 and processing.
3. Particulars of the technical and industrial qualifications, eligibility, and work-related experiences of the proponent and its employees.

C. Financial Documentation

1. Certified true copies of the Audited Financial Statements for the last two (2) years from the date of the proposal and the latest unaudited Financial Statement, both duly signed by the President and/or Chief Financial Officer of the proponent. The Cash Balance indicated in the unaudited Financial Statement must be substantiated by a Bank Certification.
2. The 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.
3. The DOE shall evaluate the submissions and may require additional documents to complete or rectify the submitted documents. Failure of the proponent to submit the required additional documents within the prescribed period in the notice shall result in the termination of the evaluation.

4. After evaluation, the DOE shall issue a notice qualifying or disqualifying the proponent. If qualified, the proponent shall be directed to submit its proposed terms for the MSC, subject to the minimum terms and conditions under Section 5 of the DC.

Should the proponent fail to submit its proposed terms for the contract within the period prescribed in the notice, the processing of the proposal shall immediately be terminated.

Section 5. Minimum Terms and Conditions of the MSC

- 5.1. The period to exclusively market the data shall be for ten (10) years, which shall commence twelve (12) months after the demobilization of acquisition equipment from the survey area. The period to exclusively market the data 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 MSC and shall not entail any costs to the DOE.
- 5.3. The MSC shall pay the DOE an amount equivalent to five percent (5%) of the gross revenue for every sale of the data licenses and remit the same to the DOE within thirty (30) days from the completion of each sale.
- 5.4. All petroleum data acquired and processed shall be submitted to the DOE within six (6) months from completion of the processing thereof, provided, that such data shall remain classified for the duration of the exclusive marketing period.

Section 6. Negotiation and Award of MSC

- 6.1. Upon receipt of the proponent's terms and conditions, the DOE and the proponent shall negotiate the final terms and conditions of the MSC. Negotiations shall automatically terminate within sixty (60) calendar days from the commencement of the negotiation unless the parties agree, for reasonable grounds, to extend the period.
- 6.2. Once the parties agree on all the terms and conditions, the award of a MSC in favor of the proponent shall be endorsed for the approval of the Secretary.

Section 7. Separability Clause

If, for any reason, any section or provision of this DC is declared unconstitutional or invalid, such parts not affected thereby shall remain in full force and effect.

Section 8. Repealing Clause

DC No. DC2021-08-0027 and all other DOE issuances inconsistent with the provisions of this DC are hereby repealed or amended accordingly.

Section 9. Effectivity

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

Issued on AUG 14 2024 at the DOE, Energy Center, Rizal Drive corner 34th Street, Bonifacio Global City, Taguig City.


RAPHAEL P.M. LOTILLA
Secretary

