



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. DC2017- 12-0017 *js*

ADOPTING THE PHILIPPINE CONVENTIONAL ENERGY CONTRACTING PROGRAM (PCECP) OF AWARDING PETROLEUM SERVICE CONTRACTS (PSCs) AND CREATING THE REVIEW AND EVALUATION COMMITTEE (REC)

WHEREAS, Republic Act No. 7638, as amended, otherwise known as "*The Department of Energy (DOE) Act of 1992*", mandates the DOE to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution, and conservation;

WHEREAS, Section 4 of Presidential Decree No. (PD) 87, as amended, otherwise known as the "*Oil Exploration and Development Act of 1972*", allows the Philippine Government (the "Government") to promote and undertake the exploration, development and production of the country's indigenous petroleum resources through PSCs;

WHEREAS, the DOE issued Department Circular No. DC2014-02-0005, or the "*5th Philippine Energy Contracting Round (PECR5) Circular and Guidelines*" reiterating and acknowledging therein the need to adopt a transparent and competitive system for awarding PSCs, among others, for the exploration, development, and production of the country's petroleum resources;

WHEREAS, the DOE issued Department Order No. DO2014-08-0017, as amended, otherwise known as "*Prescribing Guidelines and Procedures for the Amendment of Contract Area in Coal Operating Contract (COCs) and Petroleum Services (PSCs)*", to provide legal basis for existing COC and PSC contractors to carry out the exploration and development of petroleum and coal resources in other frontier areas not covered and offered in any energy contracting round;

WHEREAS, the DOE is continuously adopting new mechanisms and strategies to effectively carry out its plans and programs as mandated under PD 87, as amended, including its implementing rules and regulations;

WHEREAS, Section 5 of PD 87, allows the Government to promote and offer prospective petroleum areas for award through bidding or negotiation;

WHEREAS, the DOE desires to implement a simpler and faster public contracting program by nomination thru publication to facilitate the acceptance of applications for PSCs from interested applicants at any given time which is deemed to be more responsive if the development of the country's petroleum resources is to be intensified;

WHEREAS, the DOE intends to effectively administer, supervise and regulate the implementation of awarded PSCs to ensure the sustainable development of the country's petroleum resources;

NOW, THEREFORE, in consideration of the aforementioned premises, the following policies and procedures in the selection, evaluation, awarding and administration of PSCs are hereby adopted and promulgated for compliance by all concerned:

Section 1. Scope. This Circular shall govern the selection process in the awarding of PSCs and the reconstitution of the Review and Evaluation Committee (REC).

Section 2. Policies in the Conduct of Selection Process in Awarding PSCs. The selection process in the awarding of PSCs to qualified applicants shall be conducted in a transparent, open, competitive and expeditious manner.

Section 3. Various Modes in Awarding Petroleum Service Contracts

3.1 Applicant/s Nomination and Publication of Area/s of Interest

Applicant/s for a PSC shall formally nominate the area/s of their interest for the REC consideration in accordance with the procedures set under Item I of *Annex "A"*.

3.2 Offering of Pre-Determined Areas (OPDA)

The DOE, thru the Review and Evaluation Committee (REC), may publish identified petroleum area/s not covered by any application for nomination for the purpose of inviting interested applicant/s to file application in accordance with the procedures set under Item II of *Annex "A"*.

Section 4. Reconstitution of the Review and Evaluation Committee(REC). The REC is hereby reconstituted to carry out the responsibilities set forth in this Circular and shall be composed of the following officials:

Chairperson - Undersecretary-in-charge of the Energy Resource Development Bureau

Vice Chairman - Assistant Secretary

Members
Director of the ERDB
Director of the Financial Services (FS)
Director of the Legal Services
Director of the Information Technology and Management Services (ITMS)

Section 5. REC Technical Working Group (TWG) and Secretariat. The REC TWG and Secretariat shall assist the REC in all activities related to Philippine Conventional Energy Contracting Program (PCECP) and in the coordination and administration, supervision and regulation of PSCs, and shall be composed of the following:

Head Assistant Director of the ERDB

TWG Members Chief, Petroleum Resources Development Division (PRDD)
Chief, Conventional Energy Resources Compliance Division (CERCD)

Chief, Upstream Conventional Energy Legal Services Division (UCELSD)
Chief, Information Services Division (ISD)
Chief, Information and Data Management Division (IDMD)

The DOE Luzon Field Office (LFO), DOE Visayas Field Office (VFO) and DOE Mindanao Field Office (MFO) shall assist the TWG in the performance of its functions in their respective area/s of jurisdiction.

Secretariat Members	Supervising Science Research Specialist and Staff of the PRDD's Research and Evaluation Section
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Section 6. Responsibilities of the REC

- 6.1 Accept, evaluate and approve or reject the application for nomination of area/s of interest for publication;
- 6.2 Examine, evaluate, and review the legal, technical, and financial capabilities of the applicant/s and their application/s as provided for in PD 87, and existing laws, rules, and regulations;
- 6.3 Recommend to the Secretary the award and issuance of a PSC in favor of the highest-ranked applicant for multiple applications, or legally, technically, and financially qualified in case of sole applicant;
- 6.4 Address any questions and inquiries that may be raised by the Secretary in connection with the PSCs endorsed for award and issuance;
- 6.5 Resolve issues in relation to the legal, technical and financial capabilities of applicants, including motions for reconsideration;
- 6.6 Cause the publication of PDAs and nominated petroleum areas approved by the DOE and open for PSC applications under Section 3 of this Circular;
- 6.7 Institute and implement a system of coordination and administration, supervision and regulation during the implementation and operation of the PSCs such as, but not limited to, the following:
 - a) Extension, amendment, cancellation/termination and relinquishment of PSCs;
 - b) Transfer and assignment of PSCs;
 - c) Disposal of assets; and,
 - d) Recommendation to allocate and utilize all assistance funds generated from the awarded PSCs in accordance with existing rules and regulations.

- 6.8 Other functions of REC that the Secretary may delegate and additional tasks that may be deemed necessary to carry out its responsibilities and objectives.

Section 7. Qualifications of a PSC Applicant. Applicant may be any local/foreign individual company or group of companies forming a joint venture/consortium, organized or authorized for the purpose of engaging in petroleum exploration and development.

Section 8. Evaluation, Selection and Awarding Procedures for the Various Modes of Selection Process. The evaluation, selection and awarding procedures for the various modes of selection process in awarding PSCs shall be provided for under Annex "A" of this Circular entitled "*Guidelines for Philippine Conventional Energy Contracting Program (PCECP) for Petroleum Operating Contract (PSC) Application*".

Section 9. Criteria for Selecting the Highest Ranked Applicant. A PSC applicant under any of the modes mentioned in Section 3 of this Circular shall submit complete documents as provided for under Annex "A" pertaining to the following selection criteria, to wit:

- i. Legal qualification
- ii. Work Program
- iii. Technical qualification
- iv. Financial qualification

In case of two or more applicants over the same area, the highest ranked applicant who meets the legal, technical and financial requirements shall be selected.

Section 10. Motions for Reconsideration and Appeals. The REC and/or the Secretary, for sufficient and valid cause, may at any given time reject any or all application/s submitted. Any motion for reconsideration or appeal from the decision of the REC and/or the Secretary shall comply with applicable provisions of Department Circular No. DC2002-07-004 or the "*Rules of Practice and Procedure before the Department of Energy*".

Section 11. Option for the Philippine National Oil Company (PNOC) or PNOC-Exploration Corporation (PNOC-EC) to participate in Petroleum Service Contracts (PSCs). For PSCs proposed under this Circular, an option shall be reserved for the PNOC or PNOC-EC for a maximum of ten percent (10%) participating interest in a proposed PSC involving one (1) or more Filipino participant or a maximum of fifteen percent (15%) participating interest in a proposed PSC involving no Filipino participant. DOE shall inform the PNOC and PNOC-EC within thirty (30) calendar days from the award of the PSC, and, PNOC or PNOC-EC shall give proper notice, within thirty (30) calendar days from receipt thereof, to the winning applicant and the DOE whether it shall exercise the said option. All rights, privileges, benefits, costs, expenses, obligations and liabilities of PNOC or PNOC-EC shall be in proportion to its participating interest in the proposed PSC.

Section 12. Disqualification. Previous petroleum service contractors with cancelled/terminated PSCs for cause and/or with outstanding work and financial obligations with the DOE, as determined by the REC, are disqualified to participate.

Section 13. Separability Clause. If for any reason, any section or provision of this Circular and its Annexes is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

Section 14. Repealing Clause. All DOE issuances that are inconsistent with the provisions of this Circular are hereby repealed or amended accordingly.

Section 15. Effectivity. This Circular shall take into effect fifteen (15) calendar days following its publication in at least two (2) broadsheet newspapers of general circulation and shall remain in effect until otherwise revoked.

Issued this _____ 2017 in Bonifacio Global City, Taguig City, Metro Manila.


Alfonso G. Cusi
Secretary



Republic of the Philippines
DEPARTMENT OF ENERGY
IN REPLYING PLS. CITE:

DOE-AGC-17006085



DEC 27 2017

Republic of the Philippines
DEPARTMENT OF ENERGY
Energy Center, Rizal Drive corner 34th Street
Bonifacio Global City, Taguig City
Metro Manila

**GUIDELINES FOR PHILIPPINE CONVENTIONAL ENERGY
CONTRACTING PROGRAM (PCECP) FOR PETROLEUM
SERVICE CONTRACT (PSC) APPLICATIONS**

I. Procedure for Nomination and Publication

A. Applicant/s for PSC shall formally nominate through written communication the area/s of their interest addressed to the Review and Evaluation Committee (REC) for consideration. Before the nomination is accepted for publication, the following shall be submitted:

1. Technical Description of the nominated area which shall be in accordance with the prescribed Petroleum Blocking and Monitoring System that divides the entire Philippine archipelago into meridional blocks of four (4) latitudinal arc-minutes by three (3) longitudinal arc-minutes (4' x 3') with WGS'84 Geographic Coordinates with each block covering an area of approximately 4,000 hectares (40 square kilometers), as verified by the DOE-Information Technology and Management Services (DOE-ITMS);

The size of the nominated area, pursuant to Section 18 (b) of Presidential Decree (PD) No. 87, shall be within the range of 50,000 hectares (500 square kilometers) to 750,000 hectares (7,500 square kilometers) for onshore areas, and 80,000 hectares (800 square kilometers) to 1,500,000 hectares (15,000 square kilometers) for offshore areas; and

2. Area Clearance of nominated area/s from the DOE-ITMS.

B. The REC shall, within fifteen (15) working days from receipt of the nomination with complete documents, inform the nominating applicant through written notice on the approval / rejection for the publication on the existence of an application for the nominated area/s for public contracting program.

C. In case the nomination is approved, the REC shall direct the nominating applicant to comply and submit, within fifteen (15) days from receipt of the notice from the REC, the following:

1. Publish, at its own expense, the existence of an application for the nominated area/s with an invitation for challenge in two (2) broadsheet of general circulation;
2. Pay a non-refundable application fee of Php 200,000.00 per area; and
3. Submit the complete application documents under Item IV hereof and the checklist attached as Annex "B".

The nominating applicant shall submit a proof of publication within seven (7) calendar days from the date of publication.

The REC shall likewise post the existence of an application for the nominated area/s with an invitation for challenge in the DOE website from the publication date until the deadline for submission of documents.

In the event the nominating-applicant fail to publish the nominated area within the required period, the nomination shall be nullified and the area shall be open for new nomination

- D. The nominating applicant shall follow the template layout of the items for publication shown in *Annex "C"* which include, among others, the following:
 - a. Timeline for the contracting program by publication:
 - i. Publication Date - Day 1
 - ii. Pre-submission Conference – Day 1 plus twenty (20) calendar days, 0900H at the DOE AVR
 - iii. Deadline for the Submission of documents by Applicants – Day 1 plus sixty (60) calendar days (*2 months*) on or before 1100H at the DOE Records Section
 - iv. Opening of Documents – Day 1 plus sixty (60) calendar days (*same day as Deadline of Submission of Documents*) 1300H at the DOE AVR
 - b. Location Map and Technical Description of the area/s:
 - a. Area/s to be nominated shall comply with Item I. A hereof;
 - b. Technical Description as certified by DOE-ITMS
 - c. Other information that the REC deems appropriate.
- E. Upon publication of the nominated area, interested parties may submit their respective applications for the said area, within a period of sixty (60) days from date of publication, in accordance with Item III hereof on the submission of applications.

The REC shall open the applications at exactly 1330H on the last day of submission.

II. Procedure for Offering of Pre-Determined Area (PDA) by the DOE

A. **PSC Applications.** Interested parties may apply for PSCs on Pre-Determined Areas (PDAs) offered by the DOE during a prescribed period which shall be announced by the REC. (Annex "D")

1. **Selection of PDAs.** The ERDB shall identify and submit a list of PDAs for petroleum exploration, with the respective Location Maps and Technical Descriptions thereof, to the REC for approval. PDAs shall refer to areas with petroleum potential through sufficient available technical data as may be determined by the PRDD and approved by the REC.
2. **Launch and Publication.** PDAs approved by the REC shall be scheduled for launch and shall be publicly announced by the REC for applications. PDAs for offer shall be published in at least two (2) broadsheet newspapers of general circulation and shall likewise be posted at the DOE website.
3. **Data Packages and Promotional Activities.** The REC shall arrange for the availability of data packages for the approved PDAs that can be purchased by interested parties in support to their applications. The REC shall conduct promotional activities, both locally and abroad, to promote the OPDA and the corresponding data packages so as to ensure maximum participation and awareness of prospective investors and stakeholders.
4. **PDA Application.** Applications may be submitted a day after the publication date until the last day of submission which shall be one hundred and eighty (180) calendar days from the date of publication in accordance with the procedures hereunder.
5. **Opening of Applications.** The REC shall open the applications at exactly 1330H on the last day of submission of applications.

III. Requirements for Submission of all PSC Application/s

A. Qualifications of PSC Applicant.

1. Applicant may be any local/foreign individual company or group of companies forming a joint venture/consortium, organized or authorized for the purpose of engaging in petroleum exploration and development.
2. If an applicant is a joint venture/consortium, it shall submit a copy of the joint venture agreement. The Operator must meet all legal, technical and financial requirements, and submit the application on behalf of the joint venture/consortium.
3. Members (Non-Operator) of the joint venture/consortium, on the other hand, shall be legally and financially qualified. The working capital of each member of the joint venture/consortium shall be *pro-rata* based on its participating interest in the proposed work program and budget.

- B. Applicant/s shall submit a letter of intent and three (3) complete sets of legal, technical, and financial documents in accordance with Item IV (Documentation Requirements) of this Annex for evaluation by the REC.

Each application shall cover only one predefined area of interest as published.

- C. Submitted Application/s must be in both paper and digital (USB Drive in Microsoft Word or *.pdf format) copies. Times New Roman 12 font and single line spacing are recommended. Figures shall be submitted in an appropriate format, no smaller than A3 size. For legibility, figures and maps shall be submitted at a larger scale (1:10,000) as appendices.
- D. An application fee shall be paid by each area applicant, along with the submission of complete application documents, as follows:
1. For nominated areas, applicants over the nominated area (also referred to as "Challenger") shall pay a non-refundable fee of Php 1,000,000.00 per area;
 2. For PDA applications, a non-refundable application fee of Php 200,000.00 per area shall be paid by the applicant.

All payments may be made in cash, manager/company cheque, payable to "*Department of Energy*" or wire/bank transfer. All wire/bank transfer should be net of all applicable bank and financial charges.

- E. Both the original paper copy and the digital copy of the any application/s shall be addressed to:

The Chair

Review and Evaluation Committee
Department of Energy
Energy Center, Rizal Drive
Bonifacio Global City (BGC), Taguig City
Metro Manila, 1632 Philippines

The application may be sent by courier, registered mail, or hand delivered and must be stamped received by the DOE Records Division not later than 1100H of the deadline for submission of documents as prescribed in this Annex and the REC shall open the submitted applications at 1300H on the same day.

IV. Documentation Requirements

A. Legal Documentation

1. Duly filled-out covering information sheet showing a brief summary of the application:

COVERING INFORMATION SHEET
(Petroleum)

Company Name		Participating Interest %	Country of Registration	Parent Company
Operator:				
JV/Consortium Member:				
Address of Operator:				
Telephone No.:	Fax No.:	Mobile Phone No.:		
Email Address:		Website:		
Address of JV / Consortium Member:				
Telephone No.:	Fax No.:	Mobile Phone No.:		
Email Address:		Website:		
PCECP Area Applied for:				
Proposed Signature Bonus:				
Proposed Development Assistance Fund:				
Training Assistance Fund				
<p>It is certified that the foregoing information are true and correct. It is understood that any omission or misrepresentation of the required information shall be sufficient cause for the rejection of this application.</p>				
<p>_____ Authorized Representative and Signature:</p>				

2. Certified true copies of the Securities and Exchange Commission (SEC) Certificate of Registration, Articles of Incorporation and By-Laws. The corporate purpose of the applicant shall include the exploration, development and utilization of petroleum resources;
3. Certified true copy of the General Information Sheet (GIS) stamped-received by the Securities and Exchange Commission (SEC) not more than twelve (12) months old at the time of filing of application;
4. Original Copy of the Certificate of Authority from the Board of Directors of the applicant authorizing a designated representative/s to apply, negotiate, sign any documents and execute the PSC. The said Certificate of Authority shall be executed under oath by the Corporate Secretary.

5. Any interested party, acting singly or forming part of a joint venture, that is organized in a foreign country shall submit legal and financial documents, or its equivalent, as required hereunder, issued by the appropriate governing body and duly authenticated by the Philippine consulate having appropriate jurisdiction.

B. Work Program Documentation

1. Pre-Determined Areas (PDAs) / Nominated Areas

- a. Proposed work program (discussion of the exploration strategies and methodologies to be employed in delineating petroleum resources with subsequent manpower complement should be in detailed narrative format including the Schedule of Activities in a Gantt Chart) and minimum expenditure for each proposed activity with respect to the area or areas specified in the proposal.

- b. Work program and minimum expenditure with respect to the proposal:

- b.1 Plan for exploration and work commitment. A description of the exploration strategy for the Contract Area applied for. This shall include:

- Geologic interpretation;
- Exploration or appraisal wells; and
- Seismic data acquisition as appropriate; and
- other geological and geophysical studies.

- b.2 A proposed minimum exploration commitment including:

- Seismic program, size, and timing (2D/3D)
- Well program, number, and timing
- Other geological and geophysical work
- Others

- b.3 Each item in the minimum exploration commitment shall be given a stipulated cost figure, the sum of which will constitute the minimum cost of the work program.

- c. Geological and geophysical evaluation of the Contract Area applied for:

- c.1 Database

Seismic and well data on which the geological evaluation is based must be listed, and the location must be illustrated on a base map (seismic coverage with wells) in appropriate scale (1:250,000). Coordinate reference system (CRS) should be specified in all geographically referenced data and maps.

Applicants shall state the following information for verification, cross-referencing and authentication purposes:

- i. Sources of all data/information/reports used (possibly in tabulated format), including whether these were acquired from the DOE or its contractors;
- ii. Copies of reports/literature if data/information are not from DOE.

c.2 Petroleum Potential Analysis

The following aspects for each Contract Area applied for must be described briefly:

- *stratigraphic and sedimentologic framework including reservoir development and reservoir quality;*
- *structural framework including trap development and evaluation of seal/retention characteristics;*
- *petroleum development including source rocks, maturity and migration; and*
- *description of play types.*

The analysis must focus on aspects that are considered critical in the evaluation of the prospectivity of the Contract Area applied for.

c.3 Prospect/Lead evaluation

The following documentation is required for potential area for further exploration:

- *overview map with coordinates of leads and/or prospect;*
- *seismic and geological cross-section(s);*
- *seismic line showing well ties, where relevant reservoir horizon time-and-depth maps presented at identical scales; and*
- *seismic attribute maps.*

The following shall be evaluated for each potential prospect:

- *depositional environment/reservoir type(s);*
- *trap and seal; and*
- *hydrocarbon type, source, migration and trap fill.*

c.4 Resources

Brief comments may be submitted on the following:

- *estimated resource (in-situ volume)*
- *method of resource volume calculation;*
- *hydrocarbon type;*
- *choice of GOR and expansion/shrinkage factors;*

- choice of reservoir parameters; and
- recovery factor.

d. Probability of Discovery (Whenever applicable)

Component probability factors and the probability of discovery must be explained and documented. The methods of risk analysis must also be briefly described.

e. Economics and development concepts of possible petroleum discoveries:

e.1 Plan of Development

e.2 Project Economics

C. Technical Documentation

1. Overview of all Upstream Petroleum-related Projects.
2. Technical Personnel
 - a. Relevant Experience
 - b. Educational Attainment
 - c. Employment Status

Particulars of the technical and industrial qualifications, eligibilities and work-related experiences of the applicant and its employees. Particulars on the experiences, achievements, and track records of the applicant and its employees related to technical and industrial undertakings. Operational organization, including expertise, and experience.

D. Financial Documentation

1. For corporations existing for more than two (2) years at the time of filing of application:
 - a. Original Copy of the Annual Report or Audited Financial Statements (FS) for the last two (2) years from the filing date and Original Copy of the latest Unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer if the Audited FS is more than six (6) months old at the time of filing;
 - b. Original Copy of the Bank Certification to substantiate the cash balance as of the latest unaudited FS;
 - c. Original Copy of the Projected Cash Flow Statement for three (3) years covering fund sources and uses for the particular PCECP area applied for, other PCECP areas, renewable energy service contract applications, existing service/ operating contracts with DOE and other existing business, if applicable; and

- d. For domestic corporations, certified true copy of the latest income tax return filed with the Bureau of Internal Revenue, and duly validated with the tax payments made thereon.
2. For newly-organized corporations existing for less than two (2) years at the time of filing of application:
 - a. Original Copy of the Audited Financial Statements (FS) or unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer;
 - b. Original Copy of the Bank Certification to substantiate the cash balance as of the latest unaudited FS; and
 - c. Original Copy of the Projected Cash Flow Statement for three (3) years covering fund sources and uses for the particular PCECP area, other applied PCECP areas, renewable energy service contract applications, existing service/operating contracts with DOE and other existing business, if applicable.
3. For Parent Company that guarantees for corporations with insufficient working capital, the Parent Company's fund guarantee shall be limited to the corresponding participating interest and shall submit the following:
 - a. Original Copy of the Parent Company's financial documents per D.1.a and D.1.b hereof; and
 - b. Original Copy of duly notarized Letter of Undertaking / Support from the Parent Company to fund the Work Program.
4. Minimum working capital (Liquid Assets less Current Liabilities) is 100% of the financial commitment for the first contract year of the proposed work program and budget. Liquid Assets shall consist only of cash, trade accounts receivables and short term investments/placements. Credit line is not a Liquid Asset.
5. The applicant shall have available working capital for each PCECP application separate from other applied PCECP areas, renewable energy service contract applications and existing energy service/operating contracts, if applicable.

V. Evaluation and Awarding Procedures

- A. Applications with incomplete documents based on the checklist attached as *Annex "B"* shall be automatically disqualified during the opening of the applications. No additional documents shall be accepted after the deadline for submission of applications.

Applicants will be duly informed by the REC whether its application passed the completeness check and shall be subjected to further legal, technical and financial evaluations. Disqualified applicants with incomplete documents shall also be duly informed by the REC citing its lacking documents.

- B. After the opening of application documents, the REC shall immediately convene and shall conduct evaluation of the submitted applications for all PDAs or individual Nominated Areas based on the following criteria:
- | | | |
|----------------------------|---|--------------|
| 1. Legal qualification | - | Pass or Fail |
| 2. Work Program | - | 40% |
| 3. Technical qualification | - | 20% |
| 4. Financial qualification | - | 40% |
- C. The highest ranked applicant who meets the legal, technical and financial requirements shall be selected.
- D. After complete review and evaluation of the legal, technical, and financial qualifications of the applicant/s, the REC shall transmit to the Secretary a written endorsement of the winning applicant.
- E. Based on the written endorsement of the REC, the Secretary may approve the application for PSC. The Secretary may convene the REC for any questions or inquiries pertaining to the review and evaluation undertaken.
- F. The Secretary shall endorse the Awardees and the corresponding PSC Areas to the President for final approval.
- G. Within seven (7) calendar days from receipt of the Notice of Approval of the PSC, the respective Awardees shall pay a processing fee of Php 0.48 per hectare based on DOE's Schedule of Fees and Charges in compliance with Executive Order (EO) No. 197, series of 2000.
- H. The REC TWG and Secretariat shall prepare the final PSC using the Model Contract and its Accounting Procedures. No deviation from the Model Contract and its Accounting Procedures shall be allowed.
- I. The DOE will award one PSC for each PCECP area.

-----Nothing Follows-----

Republic of the Philippines
DEPARTMENT OF ENERGY
 Energy Center, Rizal Drive corner 34th Street
 Bonifacio Global City, Taguig City
 Metro Manila

PHILIPPINE CONVENTIONAL ENERGY CONTRACTING PROGRAM (PCECP)
APPLICATION GUIDELINES FOR PETROLEUM AREAS

PCECP APPLICATION CHECKLIST – LEGAL
(Petroleum)

I. LEGAL	DOCUMENT FORMAT
<input type="checkbox"/> 1) Duly filled-out covering information sheet (DOE Format);	<i>Original</i>
<input type="checkbox"/> 2) SEC Certificate of Registration or Incorporation;	<i>Certified True Copy</i>
<input type="checkbox"/> 3) SEC Articles of Incorporation and By-Laws (The corporate purpose of the applicant shall include the exploration, development and utilization of petroleum resources);	<i>Certified True Copy</i>
<input type="checkbox"/> 4) General Information Sheet (GIS) stamp-received by the SEC not more than 12 months old at the time of filing of application;	<i>Certified True Copy</i>
<input type="checkbox"/> 5) Certificate of Authority from the Board of Directors of the applicant authorizing designated representative/s to apply, negotiate, sign any documents and execute the Petroleum Service Contract (PSC). The said Certificate of Authority shall be executed under oath by the Corporate Secretary;	<i>Original</i>
<input type="checkbox"/> 6) Joint Venture Agreement, if applicable;	<i>Original</i>

NOTE: For foreign applicants:

Document Nos. 2 – 5, applicants shall submit equivalent legal documents issued by the appropriate governing body and duly authenticated by the Philippine Consulate having the appropriate jurisdiction.

For local applicants:

Document Nos. 2 – 4 shall be duly authenticated by the SEC

All members of a Joint Venture shall submit Documents 2 – 5.

- ☐ 7) Proof of payment for processing / application fee
(DOE Official Receipt)

Original

NOTE: *Payment Order / Remittance Slip to be secured from
the Office of the Director, ERDB before payment to the
Treasury Division*

Petroleum = Php 200,000.00

PCECP APPLICATION CHECKLIST – TECHNICAL
(Petroleum)

II. TECHNICAL

**DOCUMENT
FORMAT**

1) Work program

- | | | |
|--------------------------|---|---------------------------------|
| <input type="checkbox"/> | a) Summary of proposed work program and minimum expenditure per Sub-Phase for each proposed activity with respect to the area specified in the proposal | <i>Digital and printed copy</i> |
| | <ul style="list-style-type: none">- Gantt Chart format- Minimum Exploration and Work Commitment/ Minimum Financial Commitment Matrix | |
| <input type="checkbox"/> | b) Work program and minimum expenditure with respect to the proposal | |
| | <ul style="list-style-type: none">- Plan for exploration and work commitment- Proposed minimum exploration commitment | |
| <input type="checkbox"/> | c) Geological and geophysical evaluation of the area applied for | <i>Digital and printed copy</i> |
| | <ul style="list-style-type: none">- Database;- Petroleum potential analysis- Prospect lead evaluation- Resources | |
| <input type="checkbox"/> | d) Probability of Discovery (Whenever applicable) | |
| <input type="checkbox"/> | e) Economics and development concepts of possible petroleum discoveries | <i>Digital and printed copy</i> |
| | <ul style="list-style-type: none">- Plan of development- Project economics | |

NOTE: Each item in the exploration and work commitment matrix must be given a stipulated cost figure, the sum of which will constitute the minimum cost of the work program

2) Technical documentation

- | | | |
|--|--|---------------------------------|
| <input data-bbox="268 264 347 309" type="checkbox"/> | a) The applicant shall submit an overview of all its Upstream Petroleum Related Projects. | <i>Digital and printed copy</i> |
| <input data-bbox="268 376 347 454" type="checkbox"/> | b) Technical Personnel's relevant experience, educational attainment and employment status | |
| <input data-bbox="268 488 347 533" type="checkbox"/> | b) Particulars of the technical and industrial qualifications, eligibilities and work-related experiences of the applicant and its employees. Particulars on the experiences, achievements, and track records of the applicant and its employees related to technical and industrial undertakings. Operational organization, including resources, expertise, and experience. | <i>Original</i> |

PCECP APPLICATION CHECKLIST – FINANCIAL
(Petroleum)

III. FINANCIAL

**DOCUMENT
FORMAT**

1) For corporations existing for more than 2 years at the time of filing of application:

- | | | |
|--------------------------|--|--------------------------------|
| <input type="checkbox"/> | a) Annual Report or Audited Financial Statements (FS) for the last two (2) years from the filing date and latest Unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer if the Audited FS is more than six (6) months old at the time of filing; | <i>Original</i> |
| <input type="checkbox"/> | b) Bank Certification to substantiate the cash balance as of the latest unaudited FS; and | <i>Original</i> |
| <input type="checkbox"/> | c) Projected Cash Flow Statement for three (3) years covering fund sources and uses for the particular PCECP area applied for, other applied PCECP areas, renewable energy service contract applications, existing service/operating contracts with DOE and other existing business, if applicable, with supports by any or all of the following: <ul style="list-style-type: none">- Sales Agreement/Purchase Order of Buyer for projected revenues on existing operations;- Sworn Letter of Commitment from stockholders for additional equity/cash infusion within one (1) year of operation;- Bank-approved loan/credit line earmarked for the proposed operation. | <i>Original</i> |
| <input type="checkbox"/> | d) For domestic corporations, latest income tax returns filed with the Bureau of Internal Revenue, and duly validated with tax payments made thereon. | <i>Certified
True Copy</i> |

2) For newly-organized corporations (existing for two (2) years or less at the time of filing)

- | | | |
|--------------------------|--|-----------------|
| <input type="checkbox"/> | a) Audited Financial Statements (FS) or unaudited FS duly signed by the responsible official such as the President and/or Chief Finance Officer; | <i>Original</i> |
| <input type="checkbox"/> | b) Bank Certification to substantiate the cash balance as of the latest unaudited FS; | <i>Original</i> |

- | | | |
|--------------------------|---|----------------------------|
| <input type="checkbox"/> | c) Projected Cash Flow Statement for three (3) years covering fund sources and uses for the particular PCECP area, other applied PCECP areas, renewable energy service contract applications, existing service/operating contracts with DOE and other existing business, if applicable, with supports by any or all of the following: | <i>Original</i> |
| | - Sales Agreement/Purchase Order of Buyer for projected revenues on existing operations; | <i>Certified True Copy</i> |
| | - Sworn Letter of Commitment from stockholders for additional equity/cash infusion within one (1) year of operation; | <i>Original</i> |
| | - Bank-approved loan/credit line earmarked for the proposed operation. | <i>Original</i> |

3) For Parent Company's guarantee for corporations with insufficient working capital:

- | | | |
|--------------------------|--|----------------------------|
| <input type="checkbox"/> | a) Parent Company's financial documents per Petroleum Application Checklist Items III.1.a and III.1.b; | <i>Original</i> |
| <input type="checkbox"/> | b) Duly notarized Letter of Undertaking/ Support from the Parent Company to fund the Work Program; | <i>Original</i> |
| <input type="checkbox"/> | c) General Information Sheet (GIS) of the shareholder availing of the Parent Company fund guarantee. | <i>Certified True Copy</i> |

NOTE:

- Minimum working capital (Liquid Assets less Current Liabilities) is 100% of the financial commitment of the first contract year of the proposed work program and budget. Liquid Assets shall consist only of cash, trade accounts receivables and short-term investments/placements. Credit line is not a Liquid Asset.
- The available working capital for each PCECP application shall be net of the fund requirements for other applied PCECP areas, renewable energy service contract applications and existing energy service/operating contracts, if applicable.

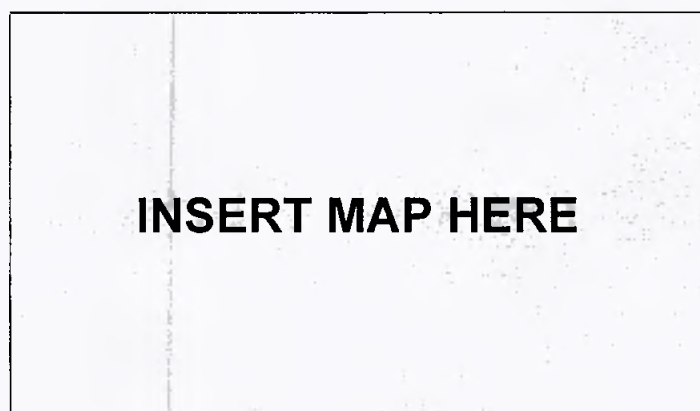
----Nothing Follows----

ANNEX "C"

DEPARTMENT OF ENERGY
Energy Center, Rizal Drive
Bonifacio Global City, Taguig City
Metro Manila, Republic of the Philippines

**NOTICE OF APPLICATION FOR PETROLEUM SERVICE CONTRACT (PSC)
Under the Philippine Conventional Energy Contracting Program (PCECP)
Pursuant to Department Circular (DC) No. DC2017-____-_____**

This is to inform the public that _____ <STATE NAME/S OF PARTICIPATING COMPANY/IES> _____ is/are applying for one (1) petroleum area located in _____ <STATE SEDIMENTARY BASIN / REGION> _____ as seen in the map below and is bounded by the adjacent set of geographical coordinates:



AREA CORNERS	COORDINATES	
	LATITUDE	LONGITUDE
A		
B		
C		
D		
E		
F		
G		

AA		
BB		
CC		

INVITATION FOR CHALLENGE

Interested applicants may likewise submit their respective applications over the aforementioned nominated area in accordance with, and subject to, the timeline and procedures stipulated under DC2017-____-_____ (***"PCECP Circular and Guidelines"***):

A. Timeline

- Pre-submission Conference – Twenty (20) calendar days from this date, 0900H at the DOE AVR.
- Deadline for the Submission of documents by Applicants – Sixty (60) calendar days from this date, on or before 1100H, at the DOE Records Section.
- Opening of Documents – Sixty (60) calendar days from this date (same day of deadline for submission of documents), 1330H, at the DOE AVR.

- B. Application and Awarding Process:** For details on the application procedures, documentary requisites, and awarding process for Petroleum Service Contracts (PSCs), please refer to the ***PCECP Circular and Guidelines***, copy of which may be obtained from the Department of Energy (DOE).

For further information, you may visit the DOE's webpage on PSC Application at www.doe.gov.ph/pcecp/petroleum, or you may contact the DOE's Petroleum Resources Development Division (PRDD) at telephone numbers (02) 812-4016 or (02) 479-2900 local 365.

**Republic of the Philippines
DEPARTMENT OF ENERGY**
Energy Center, Rizal Drive corner 34th Street
Bonifacio Global City, Taguig City
Metro Manila

**TIMELINE FOR OFFERING OF PRE-DETERMINED AREAS (OPDA) AND APPLICATION
Under the Philippine Conventional Energy Contracting Program (PCECP)
Pursuant to Department Circular (DC) No. DC2017-_____ -_____**

1. Publication date of PDAs
(Day 1)
2. Pre-Submission Conference
(Day 1 + Twenty (20) calendar days)
3. Deadline for the submission of documents by PDA applicants
(Day 1 + 180 calendar days, on or before 1100H to be submitted
at the DOE Records Section)
4. Opening of documents
(Day 1 + 180 calendar days, 1330H, at the DOE-AVR or as
determined by the REC)
5. Evaluation of documents
(Day 181 + 15 working days)
6. REC Endorsement to the Secretary
(Day 196 + 5 working days)
7. Secretary Endorsement to the President
(Day 201 + 5 working days)
8. President's Approval
(Day 206 + 30 working days)
9. Payment of Processing Fee and Awarding of PSC
(Day 236 + 7 working days)