

# Philippine Conventional Energy Contracting Program

petroleum  
exploration



*Invest .  
Explore ..  
Succeed ...*



**PCECP**





Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
Energy Center, Rizal Drive cor. 34<sup>th</sup> Street, Bonifacio Global City, Taguig



### FOREWORD

The Philippine government is ardently determined to explore and develop the indigenous petroleum resources of the nation.

This renewed resolve comes as the administration intensifies efforts to attain energy security and sustainability for our beloved country at the earliest, while propelling the economy to even greater heights.

While we are currently among the fastest growing economies in the Asia-Pacific region, we have been grossly trailing behind our neighbors in terms of drilling and exploration activities. This glaring disparity has been brought to light by the challenges we face, which include, among others, the forthcoming depletion of the Malampaya Deepwater Gas-to-Power Project, our exposure and vulnerability to global oil price shocks, as well as the pressing need to constantly augment our energy supply to meet increasing demand.

It is in this spirit that the Department of Energy (DOE) is launching the Philippine Conventional Energy Contracting Program, or PCECP. Through the PCECP, we look forward to the participation of our partners in the industry as we seek to establish a strong "Explore, Explore, Explore Program". As you will soon discover, there are vast petroleum exploration and development opportunities in the country to be seized.

Drawing from our experience with previous energy contracting rounds, we have enhanced the PCECP's design to make it even more attractive to potential investors.

The PCECP provides two modes of participation.

Interested parties may wish to bid for the exploration and development of the 14 DOE Pre-Determined Areas (PDAs) which lie in sedimentary basins within the Philippine sovereign territory, which possess potential petroleum deposits.

Alternatively, investors may also nominate respective areas of interest outside of the PDAs.

The PCECP will open a gateway to endless investment opportunities. With much optimism, this program is the long-awaited impetus for the resurgence of a "golden age" for the upstream petroleum industry of the country.

Onward to a brighter Philippines! Onward to more energy abundant tomorrows!

  
ALFONSO G. CUSI  
Secretary

## PHILIPPINE CONVENTIONAL ENERGY CONTRACTING PROGRAM

The Philippine Government, under Section 4 of Presidential Decree (PD) No. 87 "Oil Exploration and Development Act of 1972", through the DOE, is mandated to promote and undertake exploration, development, and production of the country's indigenous petroleum resources through Petroleum Service Contracts (PSCs).

In pursuit of the DOE's mission to achieve Energy Independence, a new upstream petroleum licensing scheme, hereinafter referred to as the Philippine Conventional Energy Contracting Program (PCECP), is being adopted and became effective on 27 December 2017. Interested parties (local or foreign) may opt to apply for 14 Pre-Determined Areas (PDAs) offered by the DOE, or nominate any areas of interest that are outside the PDAs.

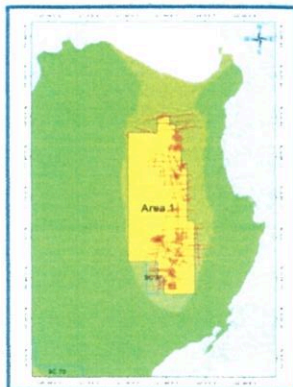
The PCECP capitalizes on strengths (e.g. transparency and competitiveness) of previous contracting schemes, embodied in the conduct of the Philippine Energy Contracting Rounds (PECRs) since 2003 to guarantee maximum participation of potential investors.





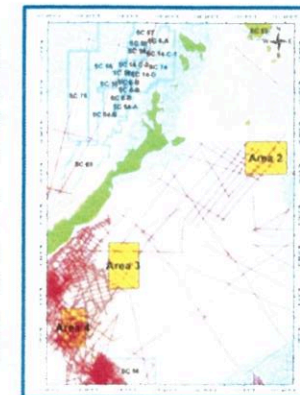
## Area 1 - CAGAYAN BASIN

Area 1 is an onshore block, covering approximately 748,000 hectares and, is located in the southwestern part of the Cagayan Basin. The maximum thickness of deposited sediments in the Cagayan Basin is estimated to be nine kilometers, ranging from Late Oligocene to Pleistocene. Over 2,100 line-km of 2D seismic data traverse the block. Six (6) out of the thirty eight (38) drilled wells within the basin were declared as discoveries. The estimated mean volume of the total risked recoverable resources is 29 Million Barrels of Oil (MMBO) and 2,061 Billion Cubic Feet of Gas (BCFG).



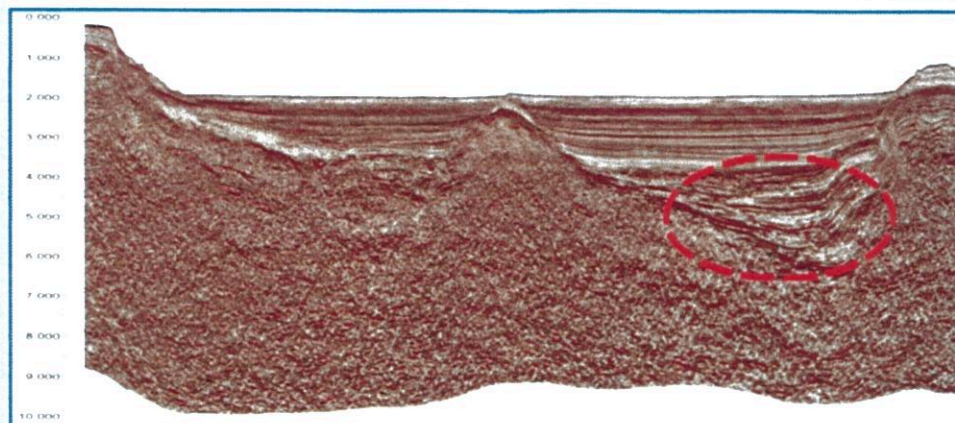
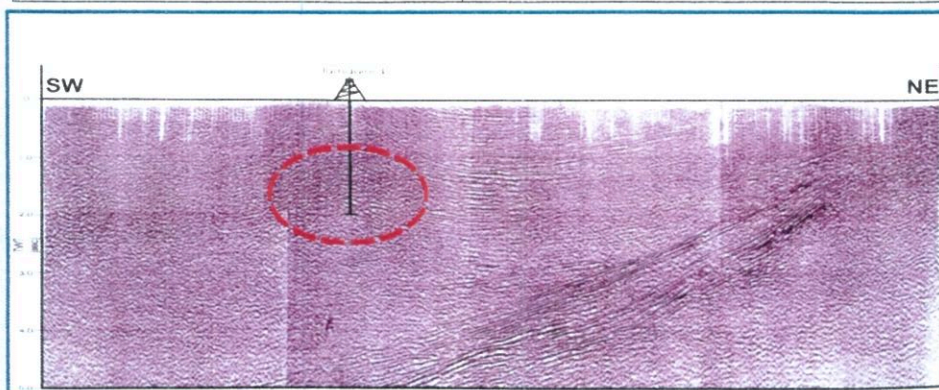
## Areas 2, 3, 4 - EAST PALAWAN BASIN

Areas 2, 3 and 4 are located within the East Palawan Basin. The basin is an elongate depocenter, located in the Southwestern part of the Philippine Archipelago. All three (3) areas for offer have a total of around 1.1 million hectares. Four (4) wells drilled in the area have oil/gas shows proving the existence of a petroleum system in the area. The basin hosts a sedimentary fill of over 6,000 m. Water depth in the basin ranges from 200 to 5,000 m. Estimated resource of the basin is at 116 MMBO and 279 BCFG.



Petroleum System		Minimum Work Program	
<b>Source Rock</b>		<b>Area 1</b>	
Early Miocene and Late Miocene to Early Pliocene shale and siltstone		<b>SP 1</b> 1½ yrs	Aerial Gravity/Magnetics Survey and Digitizing, Reprocessing and Interpretation of vintage seismic data
<b>Reservoir Rock</b>		<b>SP 2</b> 1½ yr	Acquire, Process & Interpret minimum 200 line-km 2D seismic Data
Early to Middle Miocene detrital carbonates and Early Miocene to Early Pliocene in-situ or reworked limestone		<b>SP 3</b> 2 yrs	Drill one (1) well
<b>Seal</b>		<b>SP 4</b> 2 yrs	Drill one (1) well
Middle Miocene to Pliocene fine clastics and shales			
<b>Trap</b>			
Reef build-up, basement drape, fault block, and mud diapir			

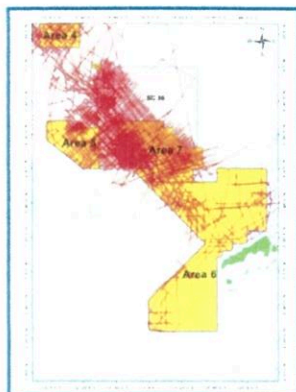
Petroleum System		Minimum Work Program	
<b>Source Rock</b>		<b>SP 1</b> 2 yrs	600 line-km 2D Seismic Data Acquisition, Processing and Interpretation
Late Oligocene to Middle Miocene clastics		<b>SP 2</b> 1½ yr	3D Seismic Data Acquisition, Processing and Interpretation
<b>Reservoir Rock</b>		<b>SP 3</b> 2 yrs	Drill one (1) well
Late Oligocene to Middle Miocene carbonates and sandstones		<b>SP 4</b> 1½ yrs	Drill one (1) well
<b>Seal</b>			
Early to Middle Miocene clastics, Pliocene shales			
<b>Trap</b>			
Reef build-up, fault block			





### Areas 5, 6, 7 - SULU SEA

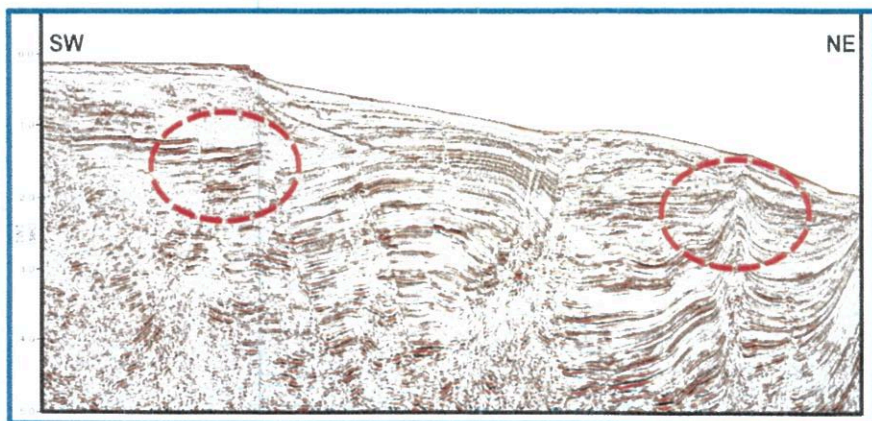
Sulu Sea Basin is a broad depression or sag which covers an area of about 12,000 square km. It is bounded on the northwest by Cagayan Ridge, to the east by Sulu Sea trench and Sulu Archipelago and to the southwest by the state Sabah. Over 12,200 line-km of 2D seismic data and 2,000 square km of 3D seismic data traverse the blocks. Three (3) out of the twenty two (22) drilled wells within the basin were declared as discoveries. Estimated resource of the basin is 67 MMBO and 228 BCFG.



Petroleum System		Minimum Work Program	
Source Rock		Area 6	Area 7
Early to Middle Miocene clastics			
Reservoir Rock			
Early to Late Miocene carbonates and sandstones			
Seal			
Middle Miocene to Pliocene fine clastics and carbonates			
Trap			
Reef build-ups, fault blocks			

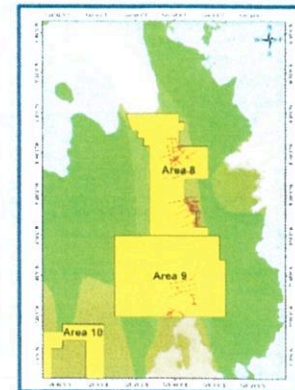
  

Minimum Work Program	
SP	Area 6
SP 1 1½ yrs	800 line-km 2D Seismic Data Acquisition, Processing and Interpretation
SP 2 1½ yrs	3D Seismic Data Acquisition, Processing and Interpretation
SP 3 2 yrs	Drill one (1) well
SP 4 2 yrs	Drill one (1) well



### Areas 8, 9 - AGUSAN-DAVAO BASIN

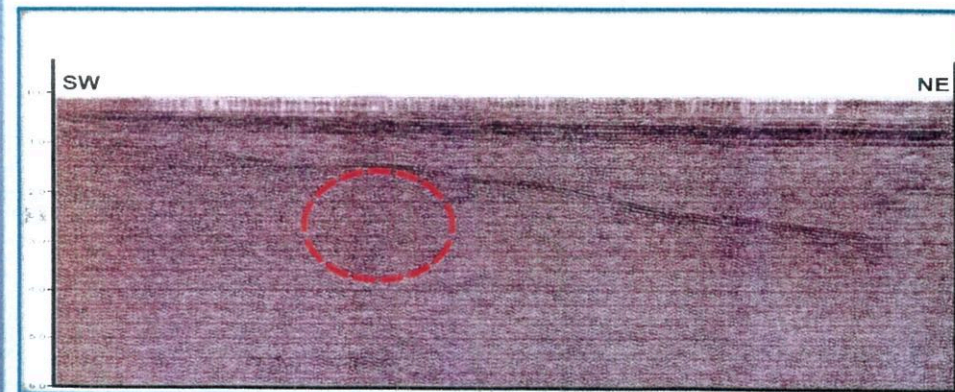
Areas 8 and 9 are both onshore blocks covering 488,000 and 748,000 hectares respectively, and are located in the Agusan-Davao Basin. Sedimentary thickness in the basin is approximately between 5 and 6 km, with rocks ranging from Eocene to Pleistocene. Hundreds of line kilometers of 2D seismic data traverse the blocks, and only three (3) wells were drilled in the basin, with no significant petroleum discovery made so far, categorizing it as a frontier basin. Estimated resource of the basin is 21 MMBO and 238 BCFG.



Petroleum System		Minimum Work Program	
Source Rock		Area 8 & 9	
Late Oligocene to Early Miocene fine clastics			
Reservoir Rock			
Middle Miocene sandstones, Late Miocene to Early Pliocene sandstones			
Seal			
Middle Miocene fine clastics, Late Pliocene fine clastics			
Trap			
Anticline, Stratigraphic			

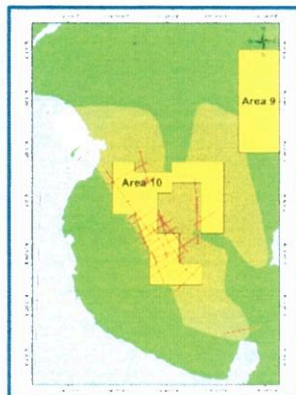
SP	Area 8 & 9
SP 1 2 yrs	200 line-km 2D Seismic Data Acquisition, Processing and Interpretation
SP 2 1 yr	Drill one (1) well
SP 3 2 yrs	Drill 1 well OR 2D Seismic Data Acquisition, Processing and Interpretation
SP 4 2 yrs	Drill two (2) wells



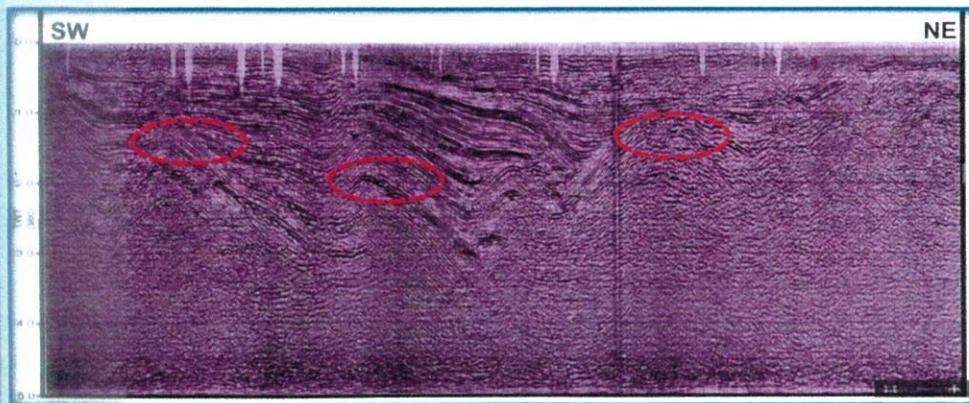


## Area 10 - COTABATO BASIN

Area 10 is an onshore block with an area of approximately 384,000 hectares located in the Cotabato Basin. The basin is a 12,000 square km northwest-trending depositional center located in the south western portion of the island of Mindanao. Over 3,813 line-km of 2D seismic data traverse the block. Since the early 1960's up to present, a total of 15 wells have been drilled inside the basin, 11 of which had oil and gas shows. The basin hosts a sedimentary fill of over 5,500 m. Estimated resource of the basin is 71 MMBO and 312 BCFG.

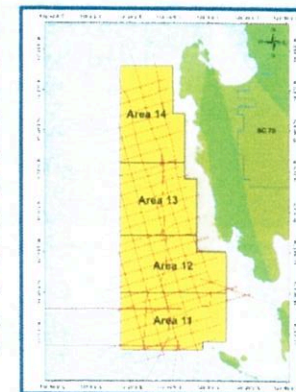


Petroleum System		Minimum Work Program	
Source Rock		Area 10	
Middle to Late Miocene fine clastics		SP 1 1½ yrs	Acquire, Process & Interpret minimum 200 line-km 2D seismic Data
Reservoir Rock		SP 2 1 yr	Drill one (1) well
Early to Late Miocene clastics		SP 3 2 yrs	Drill one (1) well or Acquire, Process & Interpret minimum 100 line-km 2D seismic Data
Seal		SP 4 2 yrs	Drill one (2) wells
Miocene shales			
Trap			
Anticline, reef build-up			

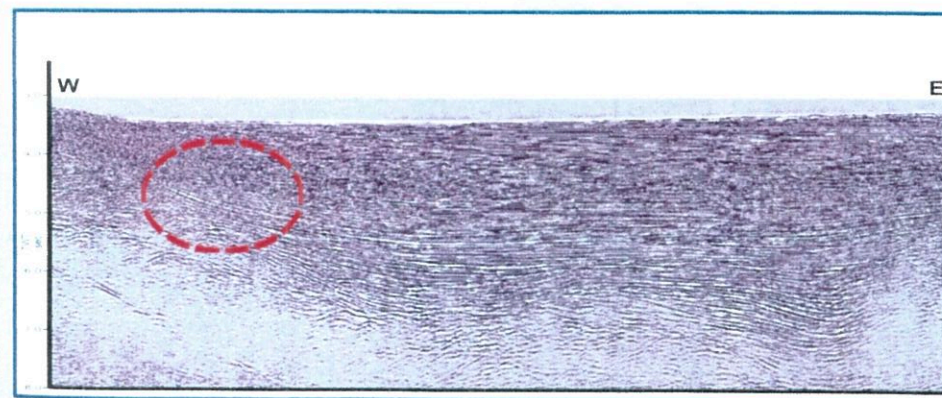


## Areas 11, 12, 13, 14 - WEST LUZON

Area 11, 12, 13 & 14 are offshore blocks located within the active fore-arc West Luzon Basin. The maximum thickness of deposited sediments in West Luzon Basin is estimated to be four kilometers, ranging from Oligocene to Pleistocene while water depths range from 2,000 to 3,000 meters. All 4 blocks have a total of 1,884,000 hectares and around 3,500 line-km of 2D seismic data traverse the blocks. The estimated resource potential for the entire West Luzon Basin is around 6,237.8 BCFG and the basin is considered frontier.



Petroleum System		Minimum Work Program	
Source Rock		Area 11, 12, 13, & 14	
Oligocene-Lower Miocene fine clastics		SP 1 1½ yrs	Acquire, Process & Interpret minimum 700 line-km 2D seismic Data
Reservoir Rock		SP 2 1½ yr	3D Seismic Data Acquisition, Processing and Interpretation
Oligocene-Middle Miocene carbonates and sandstones		SP 3 2 yrs	Drill one (1) well
Seal		SP 4 2 yrs	Drill one (1) well
Middle Miocene-Pliocene fine clastics			
Trap			
Stratigraphic, reef build-up, anticline, and fault block			





## PCECP Pre-Determined Areas Technical Summary

Area	Hectares (Ha)	2D / 3D Seismic Data (line/square- km)	Wells Drilled
1	748,000	2100	21
2	448,000	603	-
3	440,000	742	-
4	288,000	1,066	2
5	212,331	-	1
6	1,282,335	7,703	4
7	358,000	4,592 / 2,000	8
8	488,000	390	-
9	748,000	210	2
10	384,000	3,813	4
11	488,000	1,006	-
12	464,000	1,038	-
13	452,000	628	-
14	480,000	845	-

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