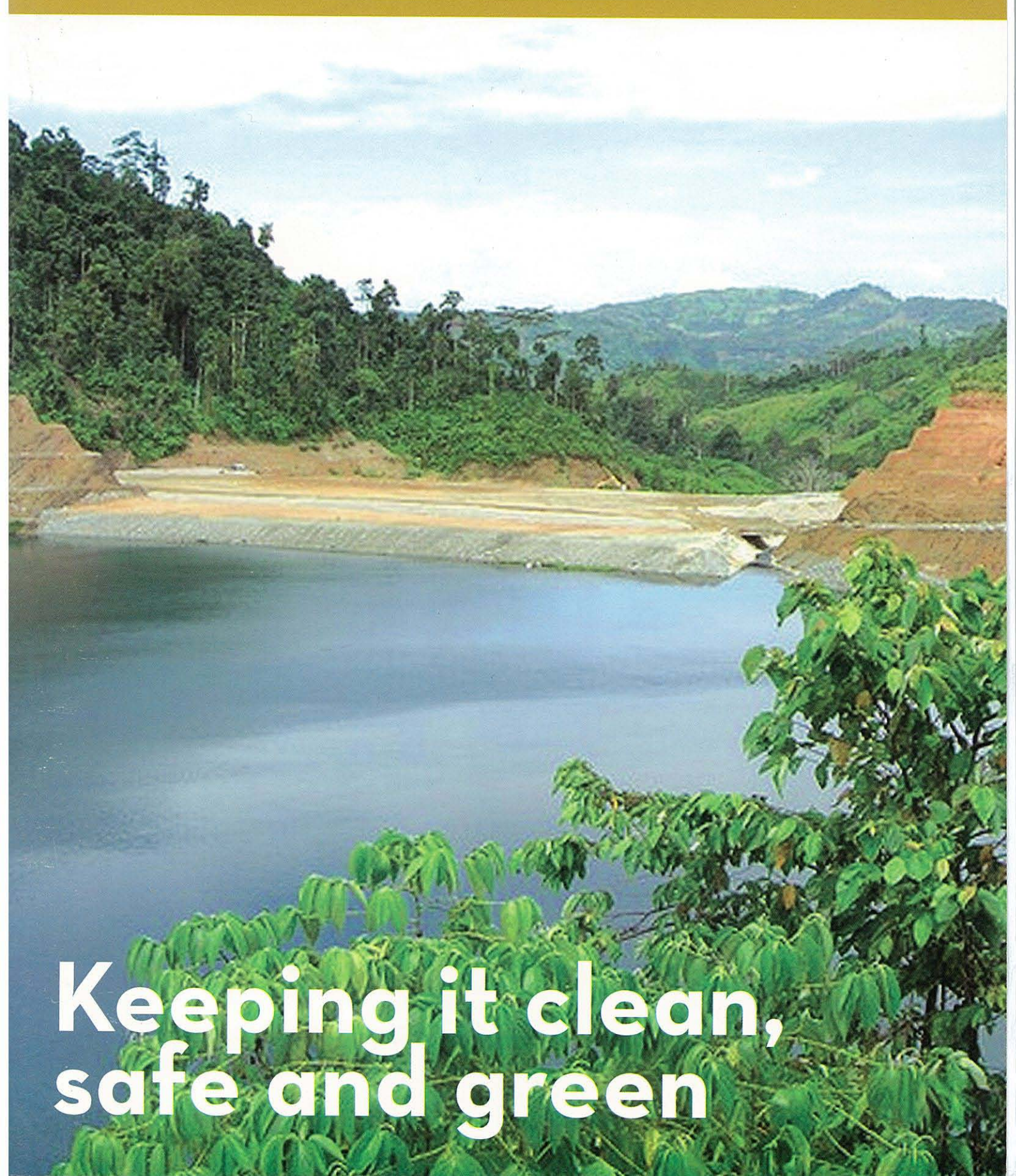


# Philippine Resources

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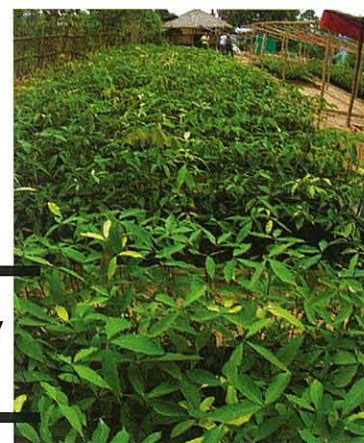
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**Keeping it clean,  
safe and green**

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# Doing business with the DENR

By Patricia A.O. Bunye

The following are the salient provisions of issuances of the Philippine government Department of Environment & Natural Resources (DENR) within the period March-June 2010 which impact the mining industry:

**Reforms in the department mining tenement system [DMO 2010-04, March 12, 2010]**

- An application for an exploration permit shall be granted within a maximum period of 10 weeks from the date of acceptance of the application, provided all pertinent requirements have been complied with.

- The first or second renewal of an exploration permit shall be granted within 15 days from the payment of the prescribed renewal fee. Within 15 days from receipt of the renewed exploration permit, all the pertinent requirements shall be submitted.

- Area status and clearance for mining applications previously being handled by the one stop shop committee shall now be handled by the Mines and Geosciences Bureau (MGB) regional office.

- **Further, under DMC 2010-12 (June 3, 2010):**

- o Requests for area Status shall be forwarded by the MGB regional office to the Lands Management Service, Forest Management Service, and Protected Area, Wildlife and Coastal Zone Management Service for the necessary verification;

- o The memoranda to be submitted by the aforementioned agencies will form part of the area status and clearance to be signed by the MGB regional director. Copies of all area status and clearance issued by the MGB regional director shall be furnished the DENR regional executive director.

- The three letters notice policy shall be strictly implemented, with a

maximum interval of 30 days between the three letters notice that may be issued in exacting compliance with the requirements for the grant of mining tenements and as ground for denial of mining applications.

Rejection of a request for free and prior informed consent (FPIC) duly made in accordance with the FPIC procedural guidelines by the rightful indigenous peoples concerned certified by the NCIP shall be a ground for denial of the mining application. The mining applicant shall be given only two attempts to secure an FPIC.

- Grounds for denial of the mining application (subject to force majeure or justifiable causes) are:

- o failure to secure the NCIP certificate of non-overlap within one year, and the NCIP certification precondition (compliance certificate) within three years, from the date of receipt of the letter request from MGB;

- o failure to secure the proof of consultation with the Sang-

gunian concerned within two years from acceptance of the mining application;

- o failure to complete the publication, posting and radio announcement requirements within one year from acceptance of the mining application.

- Failure to implement the three-year development/utilization work program or exploration work program for two consecutive years shall be a ground for cancellation of the contract or permit.

**Classification and reporting standards of exploration results, mineral resources and ore reserves [DAO 2010-09, 15 March 15, 2010]**

- Adopts a system of classification and reporting standards for exploration results, mineral resources and ore reserves, guided by the local industry standards contained in the Philippine Mineral Reporting Code.

- Applies to solid and non-energy mineral resources.



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**Amendments to the implementing rules and regulations of the Mining Act [DAO 2010-13, May 5, 2010]**

- Section 16 (Ancestral Lands) is amended to require that its implementation shall be in accordance with Republic Act No. 8371, otherwise known as the Indigenous Peoples Rights Act of 1997, and other pertinent laws.

- Chapter XIV (development of mining communities, sciences and mining technology) is amended as follows:

- o In addition to the social development and management program and development of mining technology and geosciences program, the contractor/permit holder/lessee is required to develop and institutionalize an education and communication program.

- o The contractor/permit holder/lessee shall allot annually a minimum 1.50% of the operating costs necessary to implement the aforementioned programs, provided that this shall be apportioned as follows:

- 1.125% (75% of 1.50%), social development and management program;

- 0.150% (10% of 1.50%), development of mining technology and geosciences program;

- 0.225% (15% of 1.50%), education and communication program.

Any unspent amount and/or savings for any given year shall be added to the succeeding year's allotment and may be reprogrammed after consultations with host and neighboring communities.

- o The credited activities have been expanded to include the following: programs for institution-building, community organizing and enhancing the social participation of marginalized sectors; programs for improving access to microcredit, enhancement of small enterprises, cooperative development and market linkaging and networking; and programs to improve education (from primary to tertiary levels), health, and socio-cultural values.

- o Provincial and municipal

*Programs for institution-building, community organizing and enhancing the social participation of marginalized sectors; programs for improving access to microcredit, enhancement of small enterprises, cooperative development and market linkaging and networking; and programs to improve education (from primary to tertiary levels), health, and socio-cultural values.*

governments shall be consulted for all scholarships/trainings/research and studies to be funded out of the mandatory social development and management program allotment.

- o The contractor/permit holder/lessee is mandated to promote and enhance volunteerism and community service as a way of instilling community ownership and achieving a more cohesive and stronger community.

- o Within six months from the registration of the approved exploration permit, a community development plan shall be submitted to the MGB regional office for approval, which will be supported by funds equivalent to 10% of the budget of the two-year exploration work program. Within 30 days after the completion of the community development plan, a new plan shall be submitted.

- o Upon approval of the social development and management program, the contractor/permit holder/lessee shall have 30 days within which to enter into a memorandum of agreement with the barangay/municipality of the host and neighboring communities to ensure compliance therewith.

- o The contractor/permit holder/lessee shall include a community relations office in its organizational structure, instead of the previously required community relations officer only.

- o Prior to the end of the five-year programs, a performance review shall be conducted to measure their impact, which shall be used as basis for the succeeding programs.

- o The development programs

shall be deemed revoked if the mining operation is suspended or stopped for a period of at least two consecutive years.

**Delegating the authority to issue mineral ore export permits to the director, regional director of the Mines and Geosciences Bureau concerned and the provincial governors/city mayors concerned, among others" [DMO 2010-07, June 29, 2010]**

- The issuance of mineral ore export permits shall be delegated to the following officials:

- o MGB director: issuance of mineral ore export permits to first-time applicants;

- o MGB regional director: issuance of mineral ore export permits covering mineral/s or ore/s sourced from areas covered by all types of mining contracts/permits issued by the DENR, and those to be exported by MGB-accredited traders or retailers;

- o Governors/mayors: issuance of mineral ore export permits covering mineral/s or ore/s sourced from areas covered by small-scale mining permits, small-scale mining contracts, quarry permits, sand and gravel permits, and other permits expressly provided by law to be issued by governors/mayors.

- Mineral ore export permits shall be approved within 48 hours from receipt of the application.

- In the case of mining contractors, permit holders or permittees, a mineral ore export permit may be issued authorizing shipments in a quantity equivalent to the one-year requirement of the applicant. This provision does not apply to mineral/ore traders or retailers. ■