

shall likewise be deemed to have elapsed.

The same rule shall apply to a GSEC applicant without an existing NGP, that has not seriously pursued its application for a period of six (6) months from the date of application.

The above provision however shall not apply if the delay in the processing and/or formal

negotiations of the GSEC application is not the fault of the applicant.

14 April 1994, Makati, Metro Manila

DELFIN L. LAZARO
Secretary

DEPARTMENT CIRCULAR NO. 95-10-008

DIRECTING ALL OPERATORS OF OIL RIGS OR PLATFORMS, POWER PLANTS, OIL TANKERS AND BARGES CARRYING, PRODUCING AND/OR UTILIZING CRUDE OIL-BASED PRODUCTS TO REPORT ALL OIL SPILLS OR ENVIRONMENTAL INCIDENTS TO THE DEPARTMENT OF ENERGY

WHEREAS, under Section 2 (b) of R.A. 7638, known as the "Department of Energy Act of 1992" (the "Act"), it is declared the policy of the State to rationalize, integrate, and coordinate the various programs of the Government towards self-sufficiency and enhanced productivity in power and energy without sacrificing ecological concerns;

WHEREAS, the Department of Energy (DOE) has been mandated under Section 5 (g) of the Act to formulate and implement programs, including a system of providing incentives and penalties, for the judicious and efficient use of energy in all energy-consuming sectors of the economy;

WHEREAS, the DOE and its bureaus are authorized to impose and collect fees, surcharges, fines and penalties under the Act, as provided under Section 21 of the Act;

WHEREAS, pursuant to Sections 12 (b) (7) to (9) of the Act, the DOE has the power to: (a) monitor the implementation of energy projects in coordination with the Department of Environment and Natural Resources to ensure compliance with prescribed environmental standards; (b) recommend appropriate courses of action to resolve major issues which may impede energy project siting

or result in adverse environmental impact; and (c) require industrial, commercial, and transport establishments to collect or cause the collection of waste oil for recycling as fuel or lubricating oil;

NOW, THEREFORE, the following guidelines are hereby issued for the information, guidance and implementation of all concerned:

SECTION 1. The owner, agent, lessee, operator or representative of any tanker, barge, ship or facility used in relation to the petroleum and/or energy industries, oil rigs or platforms and power plants carrying and/or utilizing oil and/or other oil-based products shall submit a verbal report, within four(4) hours, and a written report within twenty four (24) hours, to the DOE Secretary through the Environmental Protection and Monitoring Division (EPMD), Energy Industry Administration Bureau (EIAB) or Energy Resource Development Bureau (ERDB), as the case may be, any incident whether accidental or intentional of spill, leak, discharge, disposal of oil and/or oil-based products or hydrocarbon contaminated wastewaters and similar occurrences through the most practicable and fastest means of communication possible.

SECTION 2. In the accomplishment of the report, a truthful description of the incident shall be made stating time and place of occurrence, nature and volume of product, fluid spilled, leaked, discharged or disposed of, probable cause of the incident, visible impacts and immediate mitigation, remediation and compensation plans or actions implemented by concerned parties.

SECTION 3. Incompleteness of data shall not serve as an acceptable basis for non-reporting of the incident to the DOE. As an explanation, however, lack of sufficient information gathered, so far, within the prescribed time, may be cited.

SECTION 4. The DOE-EPMD with other concerned DOE units will then conduct a thorough, technical and impartial investigation of the direct and indirect causes of the incident and related circumstances. A report on the investigation shall be submitted to the DOE Secretary within fifteen (15) days after said investigation is concluded.

SECTION 5. Failure of the concerned party to submit the required verbal report to the DOE within four (4) hours after the incident of

spill, leak, discharge, disposal of oil and/or oil-based products or hydrocarbon contaminated wastewaters or any other violation of this Department Circular shall subject said party to an administrative fine of P 20,000.00 to be paid to the DOE, through the EIAB or ERDB, as the case may be. If no written report is submitted within twenty four (24) hours after the occurrence of said incident the party shall be liable to pay the administrative fine of P 50,000.00 to the DOE, through the EIAB or ERDB, as the case may be. These administrative fines shall be imposed without prejudice to the possible suspension or outright cancellation of the service contract, permit, license, authority or other privileges previously granted by the DOE in favor of the erring party.

SECTION 6. This Department Circular shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Fort Bonifacio, Metro Manila, October 30, 1995.

FRANCISCO L. VIRAY
Secretary

DEPARTMENT CIRCULAR NO. 96-01-004

OFFSETTING OF RENTALS ON RETAINED AREA UNDER SECTION 9(e) OF P.D. NO. 87 AS AGAINST EXPLORATION EXPENDITURES ACTUALLY SPENT ON SUCH RETAINED AREA

WHEREAS, pursuant to Sections 5(d) and (e) of R.A. No. 7638, the Department of Energy has been mandated to exercise supervision and control over all government activities relative to energy projects and to regulate private sector activities relative to said energy projects;

WHEREAS, the Secretary of the Department of Energy is tasked under Section 7(3) of Chapter 2, Book IV of Executive Order No. 292, known

as the "Administrative Code of 1987, " to promulgate rules and regulations necessary to carry out department objectives, policies, functions, plans, program and projects;

WHEREAS, Section 9(e) of P.D. No. 87, which is formally incorporated in all the petroleum Service Contracts, specifically provides that: "If petroleum in commercial quantity has been discovered, the contractor may retain after the exploration period and during the