MINING SURVEYS OF APPLICATIONS, LEASE CONTRACTS, PERMITS, AGREEMENTS ON MINERAL LANDS

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SOMETHING TO REMEMBER

Mining is the extraction of valuable minerals or other geological materials from the earth from an ore body, lode, vein, seam, reef or placer deposits which forms the mineralized package of economic interest to the miner / business world.

• "Minerals" means all naturally occurring inorganic substances in solid, liquid or any intermediate state including coal. Soil which supports organic life, sand and gravel, guano, petroleum, geothermal energy and natural gas are included in this term but are governed by special laws.

• "Mineral Deposit" means a natural deposit or accumulation of minerals

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• "Mineral Lands" are those lands in which minerals exist in sufficient quantity and grade to justify the necessary expenditures in extracting and utilizing such minerals.

• "Quarry Resources" means any common stone or other common mineral substances as the Director may declare to be quarry resources such as, but not restricted to, marl, marble, granite, volcanic cinders, basalt, tuff and rock phosphate, Provided they contain no metal or metals or other valuable minerals in economically workable quantities.

PHILIPPINES' LAWS, DECREES AND ACTS RELATIVE TO MINERAL LANDS ACQUISITION THRU MINING LEASE, PERMIT, CONTRACT, AGREEMENT AND APPLICATION. **1. COMMONWEALTH ACT NO. 137** AN ACT TO PROVIDE FOR THE CONSERVATION, DISPOSITION AND DEVELOPMENT OF MINERAL LANDS AND MINERALS ALSO KNOWN AS "THE MINING ACT OF 1936" (NOV.11,1936)

2. PRESIDENTIAL DECREE NO. 463 OTHERWISE KNOWN AS "THE MINERAL RESOURCES DEVELOPMENT DECREE OF 1974" (MAY17,1974)

3. PRESIDENTIAL DECREE NO. 1899 "ESTABLISHING SMALL SCALE MINING AS A NEW DIMENSION IN MINERAL DEVELOPMENT" (JAN. 23, 1984) **4. Republic Act No. 7942** "An Act Instituting A New System of Mineral Resources Exploration, Development, Utilization and Conservation" otherwise known as "The Philippine Mining Act of 1995" (May 3, 1995)

5. Republic Act No. 7076 "The People's Small Scale Mining Act of 1991".

6. Executive Order No. 79 Institutionalizing and Implementing Reforms in the Philippine Mining Sector Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources

REPUBLIC ACT NO. 7942

Republic Act No. 7942 "An Act Instituting A New System of Mineral Resources Exploration, Development, Utilization and Conservation" otherwise known as "The Philippine Mining Act of 1995" (May 3, 1995)

Mining operations in Mineral Reservations shall be undertaken through a Qualified Person/ **Corporation under any of the following modes; A. Exploration Permit: B. Mineral Agreement:** C. FTAA; **D. Small – Scale Mining Permit; and** E. Quarry Permit.

APPLICATION FOR EXPLORATION PERMIT

Mining operations in Government Reservations shall be first undertaken through an Exploration Permit, subject to limitations prescribed therein, before the same is opened for Mineral Agreement/FTAA application or other mining applications. **Applications for Exploration Permit/Mineral Agreement/FTAA** within Mineral Reservation shall be filed in the Regional Office concerned for its initial evaluation and endorsement to the Bureau for final evaluation. In the event that the applied area covers both a Mineral Reservation and a non-Mineral Reservation, the mining applicant may file separate applications covering the Mineral Reservation area and the non-Mineral Reservation area or file a single application covering the whole area in the **Regional office concerned.**

Small-Scale Mining Operations within Mineral Reservations

Small Scale operations within Mineral Reservations shall be governed by the pertinent rules and regulations provided for in the Mineral Reservations Development Board (MRDB) Administrative Order No. 3, Series of 1984 as may be applicable. Small-scale mining in cooperatives covered by RA 7076 shall be given preferential right to apply for a small-scale mining contract for a maximum aggregate area of 25% of a Mineral Reservation subject to valid and existing mining rights.

Payment of Royalty of Minerals/Mineral Products Extracted from Mineral Reservations

The Contractor/Permit Holders/Lessees shall pay to the Bureau a royalty which shall not be less than 5% of the market value of the gross output of minerals/mineral products extracted or produced from the Mineral Reservations exclusive of all other taxes. A 10% share of said royalty and 10% of other revenues such as Administrative, clearance, exploration and other related fees to be derived by the Government from the exploration, development and utilization of the mineral resources within the Mineral Reservations shall accrue to the Bureau as a Trust Fund to be allotted for special projects.

AREAS OPEN TO MINING APPLICATIONS

- The following areas are open to mining applications:
- A. Public or private lands not covered by valid and existing mining rights and mining applications;
- B. Lands covered by expired/abandoned/cancelled mining/quarrying rights;
- **C.** Mineral Reservations; and
- D. Timber or forest lands as defined in existing laws.

AREAS CLOSED TO MINING APPLICATIONS

Pursuant to the Act and in consonance with State policies and existing laws, areas may be either closed to mining applications or conditionally opened thereof.

A. The following areas are closed to mining applications:

1. Areas covered by valid and existing mining rights and mining applications subject to Subsection b(3) herein:

2. Old growth or virgin forests, proclaimed watershed forest reserves, wilderness areas, mangrove forests, mossy forests, national parks, provincial/municipal forests, tree parks, greenbelts, game refuge, bird sanctuaries and areas proclaimed as marine reserves/ marine parks and tourist zones as defined by law and identified initial components of the National Integrated protected Areas System (NIPAS) pursuant to R.A. No. 7589 and such areas expressly prohibited there under, as well as under Department Administrative Order No. 25, Series of 1992, and other aws:

3. Areas which the Secretary may exclude based, inter alia, on proper assessment of their environmental impacts and implications on sustainable land uses, such as built-up areas and critical watersheds with appropriate barangays/municipality/provincial Sanggunian ordinance specifying therein the location and specific boundary of the concerned area;

4. Offshore areas within five hundred (500) meters from the mean low tide level and onshore areas within two hundred (200) meters from the mean low tide level along the coast; 5. In case of seabed/marine aggregate quarrying, offshore areas less than 1, 500 meters from the mean low tide level of land or island(s) and where the seabed depth is less than 30 meters measured at mean sea level; and

6. Areas expressly prohibited by law.

Mining applications which have been made over the foregoing areas shall be reviewed and, after due process, such areas may be excluded from said applications.

THE FOLLOWING AREAS MAY BE OPENED FOR MINING APPLICATIONS THE APPROVAL OF WHICH ARE SUBJECT TO THE FOLLOWING CONDITIONS. 1. Military and other Government Reservations, upon prior written clearance by the Government agency having jurisdiction over such Reservations:

2. Areas near or under public or private buildings, cemeteries, archaeological and historic sites, bridges, highways, waterways, railroads, reservoirs, dams or other infrastructures projects, public or private works, including plantations or valuable crops, upon written consent of the concerned Government agency or private entity subject to technical evaluation and validation by the Bureau; **3.** Areas covered by FTAA applications which shall be opened for quarry resources mining applications pursuant to Section 53 hereof upon the written consent of the FTAA applicants; Provided, that sand and gravel permit applications shall not require consent from the FTAA, Explorations Permit or Mineral Agreement applicant, except for Mineral Agreement or Exploration Permit applications covering sand, gravel and/or alluvial gold: provided, further, that the Director shall formulate the necessary guidelines to govern this provision:

4. Areas covered by small-scale mining under R.A. No. 7076/P.D No. 1899 upon prior consent of the Smallscale miners, in which case a royalty payment, upon the utilization of minerals, shall be agreed upon by the concerned parties and shall form a Trust Fund for the socioeconomic development of the concerned community; and

5. DENR Project Areas upon prior consent from the concerned agency

TERM/MAXIMUM AREAS ALLOWED UNDER AN EXPLORATION PERMIT

The term OF an exploration Permit shall be for a period of two(2) years from date of issuance thereof, renewable for like periods but no to exceed a total term of four (4) years for nonmetallic mineral exploration or six (6) years for metallic mineral exploration: Provided, that no renewal of Permit shall be allowed unless the Permittee has complied with all the terms and conditions thereof, and has not been found guilty of violation of any provision of the Act and these implementing rules and regulations. Provided, further, that the conduct of a feasibility study and filing of the declaration of mining project feasibility shall be undertaken during the term of the Exploration Permit, subject to the provisions of Section 30 hereof.

THE MAXIMUM AREA THAT A QUALIFIED PERSON MAY APPLY FOR OR HOLD AT ANY ONE TIME UNDER AN EXPLORATION PERMIT SHALL BE AS FOLLOWS:

A. ONSHORE; IN ANY ONE PROVINCE-

1. For individuals – forty (40) bocks or approximately three thousand two hundred forty (3,240) hectares and

2. For corporations, partnership, associations or cooperatives-four hundred (400) blocks or approximately thirty-two thousand four hundred (32,400) hectares.

B. ONSHORE; IN THE ENTIRE PHILIPPINES

1. For individuals – forty (40) blocks or approximately three thousand two hundred forty (3,240) hectares and

2. For corporations, partnerships, associations or cooperatives – four hundred (400) blocks or approximately thirty-two thousand four hundred (32,400) hectares.

B. OFFSHORE, IN THE ENTIRE PHILIPPINES, BEYOND FIVE HUNDRED METERS (500 M) FROM THE MEAN LOW TIDE LEVEL

1. For individuals – one hundred (100) blocks or approximately eight thousand one hundred (8,100) hectares and

2. For corporations, partnership, associations or cooperatives – one thousand (1000) blocks or approximately eighty-one thousand (81,000) hectares

The permit area is subject to relinquishment as provided for in Section 22 9f) hereof.

APPLICATION FOR EXPLORATION PERMIT/MANDATORY REQUIREMENTS.

Any qualified person may apply for an Exploration Permit (MGB Form No. 5-1) with the Regional Office concerned through payment of the required fees and submission of five (5) sets of the following mandatory requirements.

A. Location map/sketch plan of the proposed permit area showing its geographic coordinates meridional block/(s) and boundaries in relation to major environmental features and other projects using a National Mapping and Resources Information Authority (NAMRIA) topographic map in a scale of 1:50,000 duly prepared, signed and sealed by a deputized Geodetic Engineer;

B. Two-year Exploration Work Program (MGB Form No. 5-4) duly prepared signed and sealed by a licensed Mining Engineer or Geologist; C. Proof of technical competence, including among others, curricula vitae and track records in exploration and environmental management of the technical personnel who shall undertake the activities in accordance with the submitted Exploration Work Program;

D. Proof of financial capability to undertake the Exploration Work Program, such as the following;

1. For an individual – copy of income tax return for the preceding year and proof of bank deposit or credit in the amount of at least Two Million Five Hundred Thousand Pesos (PhP 2,500,000.00) and 2. For a corporation, partnership, association or cooperative latest audited financial statement and, where applicable Annual Report for the receding year, credit line(s), bank guarantee(s) and/or similar negotiable instruments;

E. Photocopy of Articles of Incorporation/ Partnership/Association, By-Lays and Certificate of Registration, duly certified by the Securities agency(ies) concerned, for a corporation, partnership, association or cooperative, or Certification from the Bureau/ Regional Office ; and F. Affidavit of Undertaking pursuant to DENR Memorandum Order (DMO) No. 99-10, as amended for a corporation, partnership, association or cooperative.

MINERAL AGREEMENTS:

Kinds of Mineral Agreements and Nature Thereof:

There are three (3) kinds of Mineral Agreements, namely;

A. MINERAL PRODUCTION SHARING AGREEMENT (MPSA)

An agreement wherein the Government grants to the Contractor the exclusive right to conduct mining operations within, but not title over, the contract area and shares in the production whether in kind or in value as owner of the minerals therein. The Contractor shall provide technology, the necessary financing, management and personnel;

B. CO-PRODUCTION AGREEMENT (CA)

An agreement between the Government and the Contractor wherein the Government shall provide inputs to the mining operations other than the mineral resources;

C. JOINT VENTURE AGREEMENT (JVA)

An agreement where a joint venture company is organized by the Government and the Contractor with both parties having equity shares, Aside from earnings in equity, the Government shall be entitled to a share in the gross output.

MAXIMUM AREAS ALLOWED UNDER A MINERAL AGREEMENT:

The maximum area that a Qualified Person may apply for or hold at any one time under a Mineral Agreement shall be as follows;

A. ONSHORE IN ANY ONE PROVINCE

1. For individuals – ten (10) blocks or approximately eight hundred ten (810) hectares and

2. For corporation, partnership, associations or cooperatives – five thousand (5,000) hectares for metallic minerals and two thousand (2,000) hectares for non –metallic minerals per final mining area subject to the pertinent provisions of Section 69 thereof.

B. ONSHORE, IN THE ENTIRE PHILIPPINES

1. For individuals – twenty (20) blocks or approximately one thousand six hundred twenty (1,620) hectares and

2. For corporations, partnership, associations o cooperatives – five thousand 95,000) hectares per final mining area subject to the pertinent provisions of Section 69 of DAO hereof.

C. OFFSHORE, IN THE ENTIRE PHILIPPINES, BEYOND FIVE HUNDRED METERS (500 M.) FROM THE MEAN LOW TIDE LEVEL

1. For individuals – fifty (5) blocks or approximately four thousand fifty (4,050) hectares,

2. For corporations, partnership, associations or cooperatives – five hundred (500) blocks or approximately forty thousand five hundred (40,500) hectares, and

3. For the Exclusive Economic Zone – a larger area to be determined by the Secretary upon the recommendation of the Director.

The above—mentioned maximum areas that a Contractor may apply for and hold under a Mineral Agreement shall not include mining/ quarry areas under operating agreements between the Contractor and a claim owner/ lessee/permittee, licensee entered into under P.D. No. 463.

MANDATORY REQUIREMENTS FOR MINERAL AGREEMENT APPLICATION

The applicant shall submit at least five(5) sets of the following mandatory requirements for Mineral Agreement, for development/ construction/utilization of mineral resources, including the continuance of exploration works during the conduct of development/ construction/utilization activities;

A. FOR AN INDIVIDUAL

1. Location map/sketch plan of the proposed contract area showing its geographic coordinates/meridional block(s) and boundaries in relation to major environmental features and other projects using a NAMRIA topographic map in a scale of 1:50,000 duly prepared, signed and sealed by a deputized Geodetic engineer;

2. Three-year Development/Utilization Work Program (MGB Form No. 602) duly prepared, signed and sealed by a licensed Mining Engineer or Geologist; 3. Proof of technical competence, including, among others environmental management of the technical personnel who shall undertake the activities is accordance with the submitted Development/Utilization Work Program;

4. Proof of financial capability to undertake the activities pursuant to the Development/ Utilization Work Program, such as a copy of the income tax return for the preceding year and proof of bank deposit or credit line in the amount of at least Two Million five Hundred Thousand Pesos (PhP2,500,000.00);

5. Mining Project Feasibility Study (MGB Form No. 5-3); and

6. Complete and final exploration report pertaining to the area.

B. FOR A CORPORATION, PARTNERSHIP, ASSOCIATION OR COOPERATIVE

1. Duly certified Certificate of Registration, Articles of Incorporation/Partnership/ Association and By-Laws issued by the SEC or authorized Government agency concerned, or Certification from the Bureau/Regional Office concerned that the said documents are duly registered in that Office; 2. Location map/sketch plan of the proposed contract area showing its geographic coordinates/meridional block(s) and boundaries in relation to major environmental features and other projects using a NAMRIA topographic map in a scale of 1;50,000 duly prepared, signed and sealed by a deputized **Geodetic Engineer**

3. Three year Development/Utilization Work Program (MGB Form No. 6-2) duly prepared, signed and sealed by a licensed Mining Engineer or Geologist;

4. Proof of technical competence, including, among others, curricula vitae and track records in mining operations and environmental management of the technical personnel who shall undertake the activities in accordance with the submitted Development/Utilization Work Program; 5. Proof of financial capability to undertake the activities pursuant to the Development/Utilization Work Program, such as latest audited financial statement and, where applicable, annual Report for the preceding year, credit line(s), bank guarantee (s) and/or similar negotiable instruments;

6. Affidavit of Undertaking pursuant to DMO No. 99-10, as amended;

7. Mining Project Feasibility Study (MGB Form No. 5-3); and

8. Completed and final exploration report pertaining to the area.

C. FOR HOLDERS OF VALID AND EXISTING MINING LEASE CONTRACTS, OPERATING AGREEMENTS, QUARRY PERMITS/ LICENSES OR UNPERFECTED **MINING/QUARRY CLAIMS, THE** FOLLOWING SHALL BE SUBMITTED IN ADDITION TO THE AFORESAID **REQUIREMENTS, WHENEVER APPLICABLE.**

1. Certification from the Regional Office concerned that the mining/ quarry claims are valid and subsisting;

2. Appropriate environmental report on the rehabilitation of mined-out and/or mine waste/tailings-covered areas and antipollution measures undertaken during the mining operations;

3. ECC for any new phase outside of the originally approved operation under the mining project.

4. Mining Project Feasibility Study (MGB form No. 5-3); Provided. That a Mineral Agreement applicant with existing Feasibility Study, a **Project Description and a detailed financial** statement of its operations incorporating therein the social and environmental expenditures, taxes and fees paid (MGB Form No. 5-3A); an

5. Approved survey plan of the mining area.

THE SPECIAL MINES PERMIT SHALL BE GRANTED, SUBJECT TO THE FOLLOWING CONDITIONS AND REQUIREMENTS; A. That the applicant is already operating or has completed the development / construction stage and is ready to begin operations or has a readily available ore for mining subject to verification by the Bureau;

B. That the applicant has already submitted a proposed Mineral Agreement;

C. That the applicant has submitted a one-year Work Program duly prepared, signed and sealed a licensed Mining Engineer, Geologist or Metallurgical Engineer;

D. Submission of ECC, including proof of compliance therewith, if application;

E. Submission of EPEP (MGB From No. 6-2) as provided for in Section 169 hereof;

F. Submission of proof of satisfactory Environmental Management Record and Community Relations Record, if applicable;

G. Posting of Surety Bond prior to registration of the SMP; and

H. Such other conditions and requirements not inconsistent with the Act and these implementing rules and regulations, as well as those which the Secretary may deem to be for the national interest and public welfare.

MINERALS SUBJECT OF FTAA

An FTAA may be entered into for the exploration, development and utilization of gold, copper, nickel, chromite, lead zinc and other minerals, Provided, That no FTAAs may be granted with respect to cement raw materials, marble, granite, sand and gravel and construction aggregates.

MAXIMUM AREAS ALLOWED UNDER AN FTAA

The maximum FTAA contract area that may be applied for or granted per Qualified Person in the entire Philippines shall be as follows. A. One thousand (1,000) meridional blocks or approximately eighty one thousand (81,000) hectares onshore;

B. Four thousand (4,000) meridional blocks or approximately three hundred twenty four thousand (324,000) hectares offshore, or

C. Combination of one thousand (1,000) meridional blocks onshore and four thousand (4,000) meridional blocks offshore.

THE FTAA APPLICATION SHALL BE ACCEPTED ONLY UPON PAYMENT OF THE REQUIRED FEES TO BE ACCOMPANIED BY EIGHT (8) SETS OF THE FTAA PROPOSAL AND FIVE (5) SETS OF THE FOLLOWING MANDATORY REQUIREMENTS.

A. UPON FILING OF THE APPLICATION

1. Duly certified Certificate of Registration, Articles of Incorporation and By – Laws issued by the SEC or authorized Government agency(ies) concerned, or Certification from the Bureau/Regional Office concerned that the said documents are duly registered in that Office; 2. Location map/sketch plan of the proposed contract area showing its geographic coordinates/ meridional block(s) and boundaries in relation to major environmental features and other projects using a NAMRIA topographic map in a scale of 1:50,000 duly prepared signed and sealed by a deputized Geodetic Engineer;

3. Two-year Exploration Work Program (MGB Form No. 5-4) duly prepared, signed and sealed by a licensed Mining engineer or Geologist; proof of technical competence, including, among others, curricula vitae and track records in mining operations and submitted Exploration work Program; 4. Proof of financial capability to undertake the activities pursuant to the Exploration work Program, such as latest audited financial statement and where applicable. Annual Report for the preceding year, credit line(s), bank quarantee(s) and/or similar negotiable instruments; and

5. Affidavit of Undertaking pursuant to DMO No. 99-10, as amended for s corporation, partnership, association or cooperative.

QUARRY OPERATIONS

GENERAL PROVISIONS:

Quarry sand and gravel, guano and gemstone resource in private and/or public lands may be extracted, removed, disposed and/or utilized, Provided, that in large-scale quarry operations involving cement raw materials, marble, granite and sand and gravel and construction aggregates, any qualified person and the government may enter into a mineral agreement as defined in the Act.

OPERATING PERIOD UNDER A MINERAL AGREEMENT, SHALL INVOLVE A MECHANIZED OPERATION AND A FINAL MINING AREA NOT EXCEEDING THE FOLLOWING:

For sand and gravel including lahar	Individual	40 hectares
	Corporation/ Partnership/ Association/ Cooperative	100 hectares
For marble, granite, and/or construction aggregates	Individual	200 hectares
	Corporation/ Partnership/ Association/ Cooperative	500 hectares
For cement raw materials such as limestone, shale and silica	Individual	1,000 hectares
	Corporation/ Partnership/ Association/ Cooperative	2,000 hectares

A. COMMERCIAL SAND AND GRAVEL PERMIT

Any Qualified person may apply for a Commercial Sand and Gravel Permit with the Provincial Governor/ City Mayor through the Provincial/City Mayor **Regulatory Board for the extraction, removal and** disposition of sand and gravel and other loose or unconsolidated materials which are used in their natural state without undergoing processing covering an area of not more than five (5) hectares for a term of one (1) year from date of issuance thereof, renewable for like period and in such quantities as may be specified in the Permit. Provided. That on one (1) Permit shall be granted to a Qualified Person in a municipality at any one time under such terms and conditions as provided herein.

B. INDUSTRIAL SAND AND GRAVEL PERMIT

Any Qualified Person may apply for an Industrial Sand and Gravel Permit (MGB From Nos. 8-1A and 8-2 or 8-2A) with the Provincial Governor/City Mayor through the Provincial/City Mining Regulatory Board for the extraction, removal and disposition of sand and gravel and other loose or unconsolidated materials that necessitate the use of mechanical processing covering an area of not more than five(5) hectares at any one time for a term of five (5) years from date of issuance thereof, renewable for like periods but not to exceed a total term of twenty-five(25) years.

Provided. That any Qualified Person may apply for an Industrial Sand and Gravel Permit with the **Regional Director through the Regional office for** areas covering more than five (5) hectares but not to exceed twenty (20) hectares at any one time for a term of five (5) years from date of issuance hereof, renewable for like periods but not to exceed a total term of twenty five (25) years; Provided, further. That only one (1) Permit shall be granted to a Qualified Person in a municipality at any one time under such terms and conditions as provided herein.

C. EXCLUSIVE SAND AND GRAVEL PERMIT

Any Qualified Person may apply for an Exclusive Sand and Gravel Permit (MGB Form No. 8-4B) with the Provincial Governor/City Mayor through the Provincial/City Mining Regulatory Board for extraction, removal and utilization of the sand and gravel and other loose or unconsolidated materials from public land for its own use covering an area of not more than one (1) hectare for an non-renewable period not exceeding sixty (6) calendar days and a maximum volume of fifty (50) cubic meters: Provided, That there will be no commercial disposition thereof.

GRATUITOUS PERMITS

A. GOVERNMENT GRATUITOUS PERMIT

Any Government entity/instrumentality in need of quarry, sand and gravel or loose/unconsolidated materials in the construction of building(s) and/or infrastructure for public use or other purposes may apply for a Government Gratuitous Permit (MGB Form No. 8-3B) with the Provincial Governor/City Mayor through the **Provincial/City Mining Regulatory Board for a period** coterminous with the construction stage of the project but not to exceed one (1) year in public/private land(s) covering an area of not more than two (2) hectares. The applicant shall submit a project proposal stating where the materials to be taken shall be used and the estimated volume needed.

Any landowner may apply for a Private Gratuitous Permit with the Provincial Governor/ **City Mayor through the Provincial/City Mining Regulatory Board for the extraction, removal and** utilization of a quarry, sand and gravel or loose/ unconsolidated materials from his/her land for a non-renewable period of sixty (60) calendar days. Provided, That there is adequate proof of ownership and that the materials shall be for personal use.

MANDATORY REQUIREMENTS FOR QUARRY OR COMMERCIAL / INDUSTRIAL SAND AND GRAVEL PERMIT APPLICATION

Upon payment of the filing and processing fees (Annex 5-A), the applicant shall submit at least two (2) sets of the following mandatory requirements applicable to the type of permit applied for: A. Location map/sketch plan of the proposed permit area showing its geographic coordinates / meridional block(s) and boundaries in relation to major environmental features and other projects using NAMRIA topographic map in a scale of 1:50,000 duly prepared, signed and sealed by a deputized Geodetic Engineer,

B. Area clearance from the Government agencies / LGU's concerned that may be affected by the permit application or written permission from the landowner(s) and surface owner(s) of the area applied for;

C. Work Program (MGB Form No. 5-4 or MGB Form No. 6-2) duly prepared, signed and sealed by a licensed Mining Engineer or Geologist; **D.** An application (MGB Form No.16-04) for or a CEMCRR,

E. ECC prior extraction, removal and/or disposition and EPEP (MGB Form No. 16-2) as provided for in Section 169 hereof;

F. Proof of technical competence including, among others, curricula vitae and track records in mining operations and environmental management of the technical personnel who shall undertake the activities in accordance with the submitted Work Program and EPEP; G. PROOF OF FINANCIAL CAPABILITY TO UNDERTAKE THE ACTIVITIES PURSUANT TO WORK PROGRAM AND EPEP, SUCH AS THE FOLLOWING:

1. For individuals – Statement of assets and liabilities duly sworn in accordance with existing laws, credit lines and income tax return for the preceding three (3) years and

2. For corporations, partnerships, associations or cooperatives – Latest Audited Financial Statement and where applicable, Annual Report for the preceding year, credit lines, bank guarantees and/ or similar negotiable instruments.

H. Photocopy of Articles of Incorporation/ Partnership/Association, By-laws and Certificate of Registration, duly certified by the SEC or authorized Government agency(ies) concerned, for corporations, partnerships, associations or cooperatives; and

I. Other supporting papers as the Regional Official/Provincial/City Mining Regulatory Board concerned may require or the applicant may submit.

APPLICATION FOR GUANO PERMIT

A. GRATUITOUS GUANO PERMIT

A Gratuitous Guano Permit (MGB Form No. 8-6) may be granted to an individual for his/her personal use or to any Government agency in need of the material within a specified period and in such quantity no more than two thousand kilograms (2,000 kg).

A Commercial Permit may be granted to a Qualified Person for sale or commercial disposition thereof within a specified period and in such quantity as may be specified thereof.

MANDATORY REQUIREMENTS FOR GUANO PERMIT APPLICATION

A. Location map/sketch plan of the proposed permit area showing its geographic coordinates/meridional block(s) and boundaries in relation to major environmental features and other projects using NAMRIA topographic map in a scale of 1:50,000 duly prepared, signed and sealed by a deputized Geodetic Engineer,

B. Certification from the Barangay Captain that the applicant has establiched domicile in the area applied for.

C. Area Clearance from the Government agencies / LGUs concerned that may be affected by the permit application or written permission from the landowner(s) and surface owner(s) of the area applied for; D. ECC prior to extraction, removal, disposition and/or utilization and EPEP (MGB Form No. 16-2) as provided for in Section 169 hereof,

E. Declaration of the approximate quantity of guano resources available in the permit area applied for; and

F. Other supporting papers as the Provincial/City Mining Regulatory Board concerned may require or the applicant may submit.

SURVEY OF PERMIT/ CONTRACT/MINING AREAS

SECTION 233. IDENTIFICATION OF MERIDIONAL BLOCKS

A. System for identifying meridional blocks other than geographic coordinates shall be established by the Bureau. The boundaries of a permit/contract/mining area shall coincide with the full one minute or one – half minute of latitude and longitude based on the NAMRIA map. In cases where such boundaries area not attainable due to geographic features, environmental considerations, existence of adjoining valid mining rights or concessions, other areas closed to mining locations settlement of conflicts and other justifiable, considerations that render it impractical to conform with such requirements, the boundaries shall be defined by specific technical description.

SECTION 234. FILING OF APPLICATION FOR SURVEY

A Permittee/Contractor shall file an application for Order of Survey of the perimeter boundary of the permit/contract mining area simultaneous with the submission of the Declaration of the Mining Project Feasibility and to be accompanied by the following; A. One (1) set of certified true copy of approved Exploration Permit/FTAA/Mineral Agreement;

B. Pertinent documents such as Deed of Assignment and Power of Attorney duly registered with the Bureau/Regional Office concerned; C. A notarized Survey Service Contract executed by and between the Permittee/Contractor and the deputized Geodetic Engineer, except when the deputized Geodetic Engineer is employed by the applicant and/or company interested in the survey: provided, that proof of employment of the deputized Geodetic engineer is submitted;

D. Affidavit of the deputized Geodetic Engineer representing that he/she can execute the survey of the area and to submit the complete survey returns thereof within the period prescribed by these implementing rules and regulations; E. A survey bond (Annex 5-A) for Order of Survey, which shall be forfeited for failure of the deputized Geodetic engineer to execute and/or comply with his/her obligations; and

F. Proof of payment of the required fees (Annex 5-A).

However, any Contractor or applicant whose MPSA/FTAA Agreement/application was granted/ filed in accordance with the implementing rules and regulations of E.O.No. 79, may avail of the provision of this Section.

SECTION 235. ISSUANCE OF ORDER OF SURVEY

Upon verification of the application for Order of Survey (MGB Form No. 25-1) and compliance with the requirements in the preceding section, the Director/Regional Director concerned shall issue the Order of Survey in the prescribed form (MGB Form No. 25.2).

SECTION 236. MINERAL LAND SURVEYS

Mineral land surveys shall be executed by Geodetic Engineers of the Bureau/Regional Officers, deputized Geodetic Engineers in private practice and company-employed deputized Geodetic Engineers deputized by the Director/Regional Director.

SECTION 237. EXECUTION OF MINERAL LAND SURVEYS

Corners of the permit/contract/mining area shall be defined by monuments placed at intervals of about four hundred fifty (450) meters apart. When the boundary lines of the permit, contract/ mining area traverses mountain or rolling terrain, the intermediate monuments between corners shall be established on ridges, whenever practicable, in which cases, all consecutive corners shall be inter-visible.

THE CORNER MONUMENTS OF A PERMIT/CONTRACT/MINING AREA SHALL BE AS FOLLOWS;

A. 20 cm. x 20 cm x 50 cm concrete rectangle monuments set 40 cm in the ground for principal corners which fall on points with exact minutes or half minute of latitude and longitude; and

B. 15 cm in diameter by 50 cm long set 40 cm in the ground for other corners of the permit/ contract or mining area. Such corners of the permit/contract/mining area shall be identified by concrete monuments or cement patches on boulders, centered with a hole, spike, pipe or nail and marked with the corresponding corner numbers and survey numbers. The latitude and longitude of the principal corners shall also be indicated on the sides of the concrete monuments when they coincide with the full one (1) minute and/or one half (1/2) minute of latitude and longitude.

When the permit/contact/mining area adjoins submerged land, a witness corner monument along the boundary leading to the shoreline shall be set on the ground to witness the boundary point-corner of the mining rights at the mean low tide level of the sea or lake. Concrete monuments, galvanized iron pipes, fixed rocks, boulders, or stakes and other monuments shall be set to define the corners of the mining rights along the shorelines at mean low tide level.

All area computations, plans and maps of permit/contract/mining areas to be submitted to the Bureau/Regional Office for verification and approval shall be prepared using the Philippine Plane Coordinate System (Annex-25-A).

Should any discrepancy of datum plane between or among tie points arise, proper investigation shall be conducted by the Bureau Regional office concerned and a report thereon shall be submitted to form part of the survey returns for further investigation and records purposes. Survey plans of permit/contract/mining areas recorded under these implementing rules and regulation shall be drawn to scale in drawing ink on the prescribed from (MGB Form No. 25-3).

The execution of mineral lands surveys shall be in accordance with these implementing rules and regulations,. As supplemented by the applicable provisions of the Revised Manual of Lands Surveys of the Philippines Pursuant to Lands Administrative Order No. 4 dated July 3, 1980. Provided, that PRS-92 may be used in the execution of mineral land surveys during the transition period (1993-2000) pursuant to the provisions of **Department Administrative Order No. 22, Series of** 1994: Provided, further, that reference points enumerated in Annex 25-B can still be used if standardized and converted into PRS-92 subject to implementing guidelines that may hereinafter be issued.

SECTION 238. SUBMISSION OF SURVEY RETURNS

Survey returns shall be submitted to the Director/Regional Director concerned within one (1) year from receipt of the Order of Survey and shall consist of the following.

A. Duly notarized field notes with cover (MGB Form No. 25-4) accomplished, signed and sealed by a deputized Geodetic Engineer.

B. Azimuth computations from astronomical observations (MGB Form No. 25-5), topographic survey computations (MGB Form No. 25-6), traverse computations, (MGB Form no. 25-7), area computations (MGB Form No. 25-8), coordinates conversion, geographic to grid (MGB Form No. 25-9) and coordinate conversion- grid to geographic (MGB Form No. 25-10) and other reference computations all in sets of original and duplicate, properly computations, all in sets of original and duplicate, properly accomplished, signed and sealed by a deputized Geodetic Engineer.

C. Microfilm plan(s) in appropriate scale duly accomplished with the corresponding working sheet thereof;

D. Descriptive and field investigation report on the permit/contract/mining area in quintuplicate duly signed by the deputized Geodetic engineer and authorized assistant, if any, and duly notarized; and

E. A certification under oath by the Barangay Captain that the survey was actually undertaken in the locality.

* Incomplete survey returns shall no t be accepted for verification and approval purposes

Except for reasons of force majeure, failure to submit the survey returns within the prescribed period shall cause the cancellation of the Mining Permit/Mineral Agreement/FTAA if the survey returns are filed through the mail, the date appearing on the postmark shall be considered as the date filing. However, the Permittee/ Contractor/deputized Geodetic engineer concerned shall notify the Director/Regional Director concerned by telegram/fax message not late than the deadline for the filing of the survey returns that he/she has filed same through the mail.

Corners and/or location monuments of verified survey returns of mining rights areas, in spite of nullity, cancellation, rejection the or abandonment of the mining rights over the surveyed area, shall be preserved as reference marks and the geographic position thereof shall be kept for use in future mineral land surveys, unless otherwise said survey is found to be erroneous by late approved mineral land surveys.

SECTION 239. WITHDRAWAL OF ORDER OF SURVEY

If the Director/Regional Director concerned finds that the deputized Geodetic Engineer has violated any of the terms and conditions of the Order of Survey or the Survey Service Contract, or has failed to execute the survey and submit the Survey Returns within the prescribed period, the Director/Regional Director concerned shall withdraw the existing authority over the subject area, forfeit the corresponding bond and shall not issue any new Order of Survey in favor of the said deputized Geodetic Engineer without prejudice to any criminal, professional or other liabilities arising out from such failure, violation or misrepresentation.

SECTION 240. WITHDRAWAL OF DEFECTIVE SURVEY RETURNS

The deputized Geodetic Engineer or his/her duly authorized representative may withdraw documents within thirty (30) calendar days receipt of notice, from the Bureau/Regional Office concerned for correction of errors, discrepancies and/or deficiencies of the submitted survey returns. A period of ninety (90) calendar days from the date of withdrawal of the said survey returns is given to the deputized Geodetic Engineer or his/her duly authorized representative to re –submit the same without any extension save for reason of force majeure. Failure of the deputized Geodetic Engineer to re submit the withdrawn survey returns within the prescribed period shall cause the revocation of the Survey Order and confiscation of his/her Surety Bond and non- issuance of new Survey Order over the subject area.

SECTION 241. FIELD VERIFICATION AND APPROVAL OF SURVEY PLAN

Upon submission of the corrected survey returns, the Director/Regional Director concerned shall cause the immediate field verification of the subject area. Thereafter, the survey plan shall be submitted to the Director/Regional Director concerned for approval of the same within fifteen (15) working days from receipt thereof.

SECTION 242. NON-TRANSFERABILITY OF ORDER OF SURVEY

Order of Survey is non-transferable except in cases of death, physical incapacity of the deputized Geodetic Engineer, or any other causes which render it impracticable to execute the survey, subject to the approval of the Director/ **Regional Director concerned.** Provided, that the execution of the survey shall be completed within the remaining period covered by the original Order of Survey.

REPUBLIC ACT NO. 7076

Areas Open for Declaration as Minhang Bayan The Board shall have the authority to declare and set aside Minahang Bayan in mineralized areas onshore suitable for small scale mining, except in areas closed to mining applications as provided in Section 1 of EO-79. subject to review by the Secretary thru the Director.

The following mineralized areas onshore may be declared by the Board as Minahang Bayan:

1. Areas already occupied and actively mined by small scale miners before August 1, 1987 provided that such areas are not considered as active mining areas and that the minerals found therein are technically and commercially suitable for small scale mining and are not covered by existing forest rights or reservations, TDA or protected areas.

2. Areas covered by pending mining applications wherein the minerals intended to be mined as declared by the applicant are different from the minerals intended for small scale mining as determined by the MGB Regional Director. 3. Areas covered by denied application but with pending appeal with the Bureau of Mines or DENR Central Office, provided with royalty in escrow.

4. Public Lands covered by existing mining permits which are not active mining areas or that have been cancelled or revoked.

5. Areas covered by valid and existing permits/ contracts, provided,

A. For alluvial gold silver or chromite having a mineralized area exceeding 500 has., a maximum of 25% of mining area above 500 has. shall be declared as Minahang Bayan and the minimum area to be declared shall not be less than 20 has. Or $\frac{1}{4}$ meridional block.

B. For non-metallic mineral deposits having a mineralized area of more than 1, 000 has., a maximum of 25% of the area above 1,000 shall be declared.

C. Holders of mining permit consents to the declaration of his/her permit area or parts thereof as Minahang Bayan.

6. Private lands subject to consent of the land owners and a royalty payment

7. Ancestral Lands/Domains subject of Certificates of Ancestral Domain/Ancestral Land Title (CADT/CALT) subject to securing of Free and Prior Informed Consent from NCIP. If declared as Minahang Bayan, ICC shall be given the priority as small scale mining contractors.

APPLICATION TO ENTER INTO A SMALL-SCALE MINING CONTRACT:

1. Duly accomplished and notarized application form

2. Application Fee of P10,000 for Non-metallic minerals and P20,000 for gold, silver and/or chromite payable to the Regional Office concerned

3. Copy of small-scale miners license

4. Location map of the proposed small-scale mining contract area showing its geographic coordinates/meridional blocks and boundaries in relation to the Minahang Bayan major environmental features and other projects using a NAMRIA topographic map in a scla of 1:50,000 or 1:1,000 duly prepared, signed and sealed by a deputized Geodetic Engineer.

5. Sketch plan of the proposed small-scale mining contract area at a convenient scaled duly prepared, signed and sealed by a deputized Geodetic Engineer.

6. Proposed small-scale mining contract. 7. Application for Survey Order 8. Proposed Two-year Work Program 9. Potential Environmental Impact Management Plan (PEIMP) **10.** Community Development and Management Program (CDMP) 11. CEMCRR or Certificate of Exemption, in lieu of CEMCRR, if the applicant has neither past nor present mineral resource use or mining related venture. **12.** Annual Safety and Health Program (ASHP) 13. Sworn declaration of the total area (hectarage) covered by

the applicant's small scale mining contract/application in the entire country.

EXTENT OF SMALL-SCALE MINING CONTRACT AREA

A maximum of 20 hectares and minimum of 1.25 hectares

For this purpose, a meridional block shall be divided into 64 parcels at 3.75" of latitude and 3.75" longitude per parcel, containing an area of 1.25 hectares more or less. Provided, that a small-scale mining contract area shall consist of adjacent contiguous parcels.

EXECUTIVE ORDER NO. 79

SECTION 1. AREAS CLOSED TO MINING APPLICATIONS.

Applications for mineral contracts, concessions and agreements shall not be allowed in the following:

A. Areas expressly enumerated under Section 19 of RA No. 7942;

B. Protected areas categorized and established under the National Integrated Protected Areas System (NIPAS) under RA No. 7586; C. Prime agricultural lands, in addition to lands covered by RA No. 6657, or the Comprehensive Agrarian Reform Law of 1988, as amended including plantations and areas devoted to valuable crops and strategic agriculture and fisheries development zones (SAFDZ) and fish refuge and sanctuaries declared as such by the Secretary of the Department of Agriculture (DA); D. Other critical areas, island ecosystems, and impact areas of mining as determined by current and existing mapping technologies, that the DENR may hereafter identify pursuant to existing laws, rules and regulations, such as, but not limited to the NIPAS Act.

SEC. 11 MEASURES TO IMPROVE SMALL-SCALE MINING ACTIVITIES

To improve and address issues on small-scale mining, the following measures shall be undertaken:

a. Small-scale mining activities shall comply with RA No. 7076, or the People's Small-Scale Mining Act of 1991, and the Environmental Impact Statement System requirements under Presidential Decree No. 1586.

b. Pursuant to RA 7076, small-scale mining operations shall be undertaken only with the declared People's Small-scale Mining Areas or Minahang Bayan.

c. Pursuant to Sec. 24 of RA 7076, P/CMRB's in the provinces and cities where theya have not been constituted shall be operationalized within three (3) months from the effectivity of this Order.

d. Small-scale mining shall not be applicable for metallic minerals except gold, silver, and chromite as provided in RA 7076.

e. The use of mercury in small-scale mining shall be strictly prohibited.

f. Training and capacity building measures in the form of technical assistance for small-scale mining cooperatives and associations shall be conducted by the concerned government agencies.

REQUIREMENTS FOR MGB DEPUTATION:

•1. Letter-Application;

- Duly accomplished MGB Deputation Geodetic Engineer Information Sheet (Annex-A)
- •3. Copy of valid Professional Regulations Commission (PRC) Professional Geodetic Engineer Identification Card
- •4. Original or certified true copy of the Certificate of Registration of the Surveying Instrument/s; or the original or certified true copy of the Certificates of Tape Inspection and Transit Inspection issued by the Land Management Bureau of the DENR pursuant to DAO No. 2007-29 re: Revised Regulations on Land Surveys and Depatment Memorandum Circular No. 2010-13 in re: Adoption of the Manual of Land Survey Procedures)
- •5. Endorsement by any PRC-accredited geodetic engineers' association or current employment certificate
- 6. Sworn statement stating that the applicant has the capacity to undertake the mineral land survey and shall abide by the pertinent provisions of DAO No. 2010-21 on the conduct of mineral land surveys

•7. Five (5) specimen signatures with dry seal markings on a 5" X 8" index card



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IN RE: DEPUTATION OF ENGINEER TO EXECUTE MINERAL LAND SURVEYS AND OTHER RELATED SURVEY WORKS

ORDER

WHEREAS, on _______, the application for deputation was filed in this Office by Engineer ______, a licensed Geodetic Engineer, to execute mineral land surveys and other related survey works within the jurisdiction of the Mines and Geosciences Bureau (MGB) Regional Office (RO) No. ____;

WHEREAS, pursuant to the pertinent provisions of MGB Memorandum Circular No. ______ in re: Providing for the Updated Official List of Deputized Geodetic Engineers and the Adoption of a New Deputation Procedure by the Mines and Geosciences Bureau, this Office has determined that Engineer ______ has substantially complied with the requirements for the application for deputation as Geodetic Engineer by the MGB, as follows:

1. Letter-Application;

:

- 2. Duly accomplished MGB Deputation Geodetic Engineer Information Sheet;
- Copy of valid Professional Regulations Commission (PRC) Professional Geodetic Engineer Identification Card;
- 4. Original or certified true copy of the Certificate of Registration of the Surveying Instrument/s; (on the original or certified true copy of the Certificates of Tape Inspection and Transit Inspection issued by the Land Management Bureau of the DENR pursuant to DAO No. 2007-29 re: *Revised Regulations on Land Surveys* and Department Memorandum Circular No. 2010-13 in re: Adoption of the Manual of Land Survey Procedures);
- Endorsement by any PRC-accredited geodetic engineers' association or current employment certificate;
- Sworn statement stating that the applicant has the capacity to undertake the mineral land survey and shall abide by the pertinent provisions of DAO No. 2010-21 on the conduct of mineral land surveys; and
- 7. Five (5) specimen signatures with dry seal markings on a 5" x 8" index card;

WHEREFORE, the foregoing premises considered, the application for deputation of Engineer ______ is hereby approved, thereby authorizing him/her to execute mineral land surveys and other related survey works within the jurisdiction of the Mines and Geosciences Bureau Regional Office No. _____, subject to the following conditions:

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- 1. That the deputation shall have a term of three (3) years effective from the date of issuance of this Order and terminate on
- 2. That the deputation may be withdrawn/cancelled/suspended by the Mines and Geosciences Bureau Regional Director concerned if Engineer
 - a. Has violated any of the terms and conditions of the Order of Survey or the survey service contract, or has failed to execute the survey and submit the Survey Returns within the prescribed period;
 - b. Has failed to re-submit the withdrawn Survey Returns within the prescribed period pursuant to Section 240 of Department of Environment and Natural Resources Administrative Order No. 2010-21; and
 - c. Has violated any pertinent provisions of DAO No. 2010-21 and other relevant laws, rules and regulations.

SO ORDERED.

;

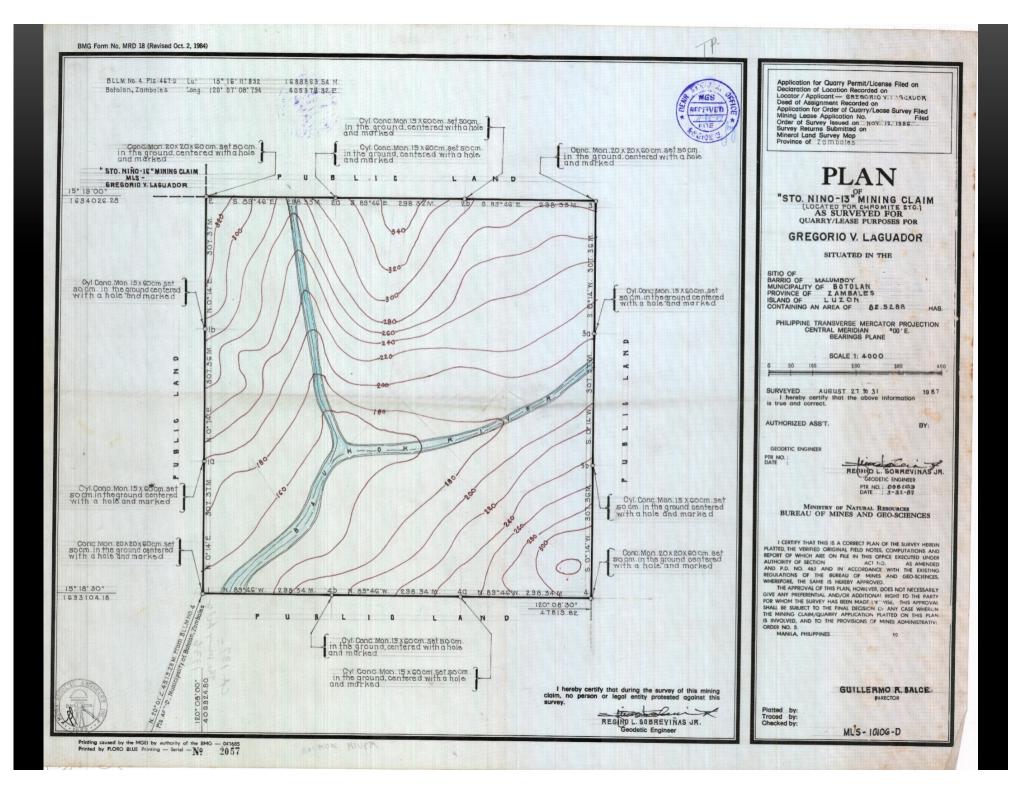
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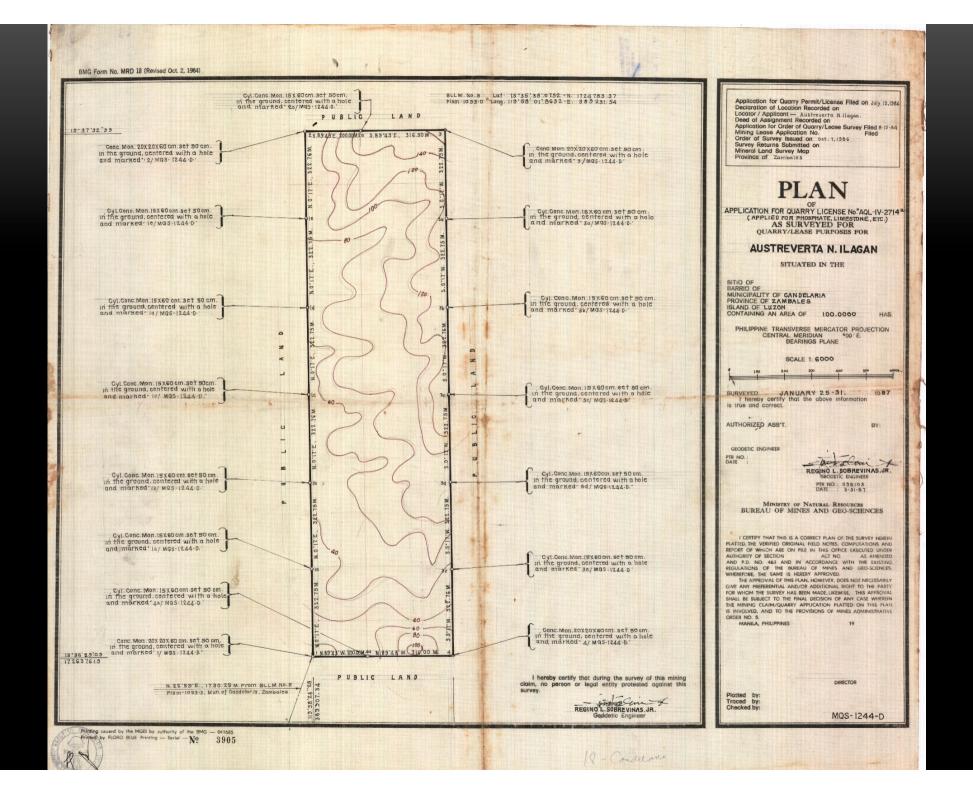
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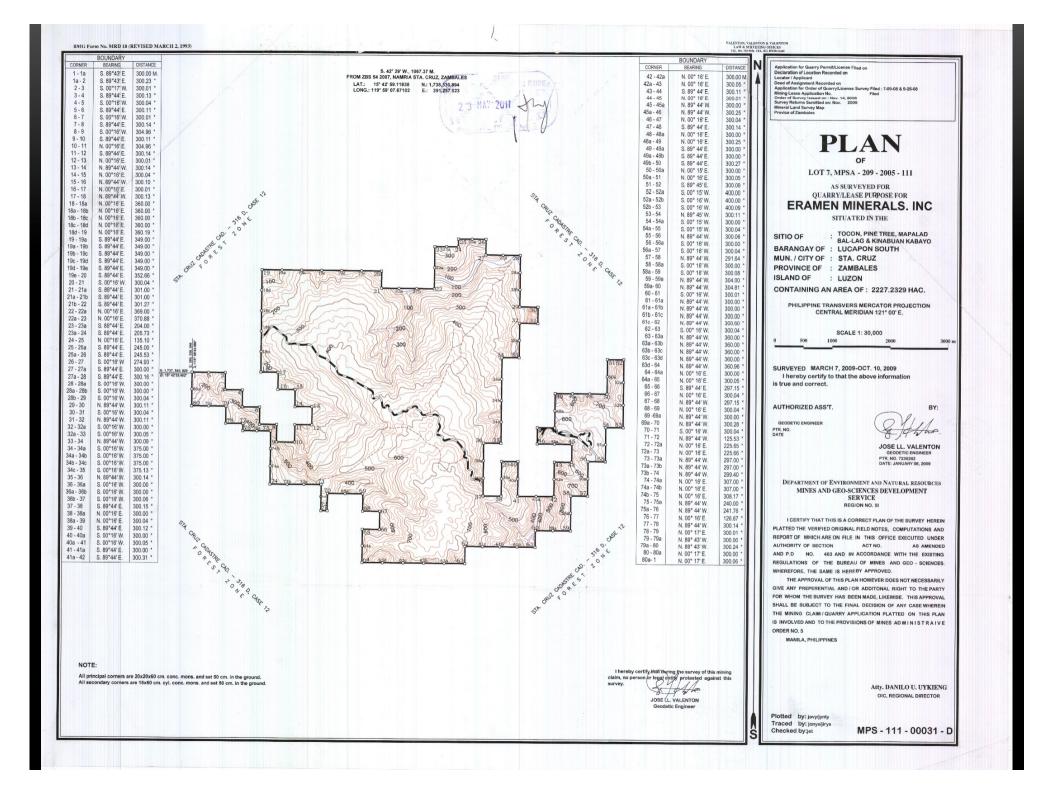
_____, Philippines, (date)

Regional Director

cc: The Director Mines & Geosciences Bureau Diliman, Quezon City







THANK YOU AND GOD BLESS US ALL!!!