

[PRESIDENTIAL DECREE NO. 508, July 16, 1974]

PROVIDING GUIDELINES FOR THE DEVELOPMENT AND UTILIZATION OF SMALL OR SUB-COMMERCIAL DEPOSITS OF NATURAL MARSH GAS OR METHANE GAS IN THE PHILIPPINES, AND GRANTING GRATUITOUS PERMITS THEREFOR.

WHEREAS, natural marsh gas or methane gas in small sub-commercial deposits abound throughout the country;

WHEREAS, the development and utilization of said natural marsh gas or methane gas is in accordance with, the policy of the government to develop other sources of energy;

WHEREAS, the development and utilization of these natural marsh gas or methane gas deposits do not require huge capital investments and highly specialized technical knowledge; and consequently are easier to develop;

WHEREAS, the Government must open these deposits for development and utilization and encourage their development and utilization;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree and order as part of the law of the land the following:

SECTION 1. All small or sub-commercial natural marsh gas or methane gas deposits found in any public or private lands, not exceeding 1000 feet in depth and not associated with crude oil deposit, within the territorial limits of the Philippines which are within free areas, national reserve areas, in any other areas not covered by valid and subsisting petroleum exploration or exploitation concessions, or by service contracts entered with the Government under Presidential Decree No. 87, may be developed for household use or utilized for small-scale industrial development.

SEC. 2. Any citizen of the Philippines, of legal age, having the capacity to contract and not convicted of any offense involving moral turpitude, or any association of individuals in the form of partnership or corporations duly organized and constituted under the laws of the Philippines, and at least sixty percent (60%) of the capital of which is and shall at all times be held and owned by citizens of the Philippines, may apply for a gratuitous permit to undertake the development and utilization of small or sub-commercial deposits of natural marsh gas or methane gas.

SEC. 3. An application for a gratuitous permit shall be filed with the Director of Mines, Manila, paying therefor a filing fee of P20.00. Upon compliance with all the requirements relative thereto, a permit shall be issued by the Director of Mines after which the permittee shall start the development and utilization of the gas deposits found within the area of his permit for household use or for small scale industrial development. A permittee shall in no case be entitled to more than one (1) permit for every petroleum region at any one time.

The area to be covered by a gratuitous permit application shall be not more than twenty (20) hectares, in a block rectangular in shape, and as much as possible the larger sides of the rectangle shall not be more than five times the shorter sides.