

[REPUBLIC ACT NO. 5086, June 17, 1967]

**AN ACT TO ENCOURAGE FURTHER PETROLEUM EXPLORATION
ACTIVITIES BY EXTENDING THE TERM OF AN EXPLORATION
CONCESSION.**

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

SECTION 1. Subject to compliance with the provisions of Republic Act Numbered Three hundred and eighty-seven, otherwise known as the "Petroleum Act of 1949," as amended, the rules and regulations promulgated thereunder, and the terms and conditions contained in the contract of concession, the ten-year maximum period of exploration term as provided in Article forty-six of said Act may further -be extended by the Secretary of Agriculture and Natural Resources upon recommendation of the Director of Mines for a series of three-year periods for each extension: *Provided*, That in no case shall the term of an exploration concession exceed twenty-five years: *Provided, further*, That exploration concessionaires whose concessions before the approval, of this Act reached the maximum ten-year exploration period under Republic Act Numbered Three hundred and eighty-seven, or lapsed for failure to file the necessary application for extension as provided in said law, may revive their rights to said, concessions in their original or retained areas as last held by them, by applying for the benefits provided in this Act, and satisfying any work obligations that may be due within thirty days after approval of this Act: *Provided, furthermore*, That any such concession or part thereof has not been released, issued or granted to any other party: *Provided, finally*, That the rights granted herein with respect to citizens of the United States and business enterprises owned or controlled directly or indirectly by said citizens shall in no case extend beyond the third of July, nineteen hundred and seventy-four.

Holders of drilling leases granted under Act Numbered Twenty-nine hundred thirty-two may convert their petroleum leases into exploration concessions under Republic Act Numbered Three hundred and eighty-seven, as amended, and shall be entitled to five three-year extensions from the date of the approval of this Act.

If within any three-year extension period the concessionaire cannot show *bona fide* exploration work in search for petroleum in the subject concession, no extension thereof shall be granted. Expenditure in any concession year of the minimum amount required for exploration work obligations on any one concession or group of concessions within one sedimentary basin shall be considered as *bona fide* exploration work of said concession or group of concessions within said sedimentary basin.

The minimum work obligation expenditure for the fourth year of the initial term of the exploration concession as provided in the Petroleum Act of 1949 shall also be