

**[DENR ADMINISTRATIVE ORDER NO. 82,
November 20, 1990]**

**PROCEDURAL GUIDELINES ON THE AWARD OF MINERAL
PRODUCTION SHARING AGREEMENT (MPSA) THROUGH
NEGOTIATION**

Pursuant to Section 6 of Executive Order No. 279, the following procedural guidelines on the award of MPSA through negotiation are hereby promulgated for the information and guidance of all concerned:

SECTION 1. Acceptance of MPSA Application/Proposal — An MPSA Application/Proposal in twelve (12) sets shall be accepted upon payment to the DENR Regional Office concerned of the following fees:

- a. filing fee — P100.00 per application/proposal
- b. processing fee — P5,000.00 per application/proposal
- c. P.D. 1856 as amended, for a and b P20.00 per application/proposal

SECTION 2. Minimum Requirements for MPSA — The minimum requirements for MPSA which shall be checked/verified by the Regional Technical Secretariat (RTS) within fifteen (15) days from submission, shall be the following:

- a. For Individuals
 - i. Certified photocopies of Income Tax Returns for the three (3) immediate preceding years;
 - ii. Proof of sufficiency of capital and/or credit lines;
 - iii. Sworn statement that applicant/proponent is not a dummy of any person or entity; and
 - iv. Authorization to the Secretary of the DENR or his representatives to verify submitted informations.
- b. For Corporations, Partnerships, Associations
 - i. Certified photocopy of Certificate of Registration issued by the Securities and Exchange Commission (SEC) or the concerned authorized government agency;

- ii. Certified photocopy of the Articles of Incorporation, Partnership/Association and By-laws;
- iii. Personal data sheets of the current directors and officers, including their nationalities, bio-data and relevant experiences or annual report;
- iv. Audited financial statement for the three (3) immediate preceeding years, if applicable;
- v. Proof of sufficiency of capital and/or credit lines;
- vi. Authorization to the Secretary of the DENR or his representatives to verify submitted informations.

In addition to the above requirements, an applicant/proponent for an integrated MPSA shall submit a two-year exploration work program. Further, it shall commit itself to conduct an Environmental Impact Assessment (EIA) and to comply with the requirements of Environmental Impact Assessment (EIA) and to comply with the requirements of Environmental Compliance Certificate (ECC). Such commitment shall be set forth in writing and the same shall be submitted before actual mining operation starts. Applicant/proponent for a simple MPSA, on the other hand, shall submit a three (3) year construction and development work program or a three (3) year commercial production work program or a three (3) year commercial production work program and an ECC.

For holders of unperfected mining rights, the following shall be submitted in addition to the aforesaid requirements:

1. Registration/ recording of mining/quarry claim; as in case of assignee, duly registered deed of assignment, transfer, etc .;
2. Submission of survey returns or technical descriptions covering the subject claims;
3. Proof of compliance with the annual work obligations and occupation fees; and
4. Appropriate environmental report and anti-pollution measures proposed to be undertaken during the mining operations.

Failure to submit the aforementioned requirements shall be a ground for non-processing of the MPSA application/proposal under consideration.

SECTION 3. *Submission of Letter of Intent (LOIs) and MPSAs* — The following shall submit their LOIs and MPSAs within two (2) years from the effectivity of DENR A.O. 57 or until July 17, 1991.

- i. Declaration of Location (DOL) holders, mining lease applicants, exploration permittees, quarry applicants and other mining applicants whose mining/quarry applications have not been perfected prior to the effectivity of DENR Administrative Order No. 57.
- ii. All holders of DOL acquired after the effectivity of DENR A.O. No. 57.
- iii. Holders of mining leases or similar agreements which were granted after effectivity of 1987 Constitution.

Failure to submit letters of intent and MPSA applications/proposals within the prescribed period shall cause the abandonment of mining, quarry and sand and gravel claims.

SECTION 4. Area Clearance — Within fifteen (15) days from receipt of MPSA application/proposal by the Regional Office concerned, the Regional Technical Secretariat shall check thru map projection if the area is free from any conflict. If the area is found to be free from conflict, the RTS shall give written notice to the applicant/proponent to pay the corresponding occupation fee of ten pesos per hectare for non-reservation area and 100 pesos per hectare for reservation area within fifteen (15) days from receipt of said written notice. Provided, that failure to pay such fee within the prescribed period shall be a ground for non-processing of the proposal under consideration.

If the area is in conflict, the RTS shall resolve the same within five (5) days from date of discovery of the conflict.

SECTION 5. Survey of the Area Applied For — Within sixty (60) days from filing of the MPSA proposal, the applicant/proponent thereof shall file with the Regional Technical Director (RTD) for Mines an application for an order of survey and the RTD shall approve the same within five (5) days from submission of all the documents/survey requirements. Survey returns shall be submitted to the RED within one year from receipt of the order of survey. However, areas previously surveyed for mining purposes are exempted from this requirement. Failure to submit survey returns within the prescribed period shall be sufficient ground for cancellation.

SECTION 6. Publication of MPSA Application/Proposal — Within fifteen (15) days from submission of the survey returns, the Regional Executive Director (RED) shall cause the publication of the MPSA application/proposal once a week, for two (2) consecutive weeks in a newspaper of general circulation at the expense of the applicant/proponent. The RED shall also cause the publication of the MPSA application/proposal on the bulletin board of the Mines and Geosciences Bureau for two (2) consecutive weeks and shall require the applicant/proponent to post for the same period the MPSA application/proposal on the bulletin board of the municipal building of the municipality and in that of the DENR Regional Office, where the proposed