

SMALL-SCALE COAL MINING PERMIT APPLICATION

I. Form No. SS-1 (in 3 sets)

A. Survey Returns

21. Survey Plan (1 mylar, 2 whiteprints), duly signed by Geodetic Engineer
22. Lot Technical Description
23. Lot Data Computation

B. Certification of Residency

1. Barangay Captain
2. Municipal/City Mayor

C. Operating Agreement pursuant to Section 5A of BED Circular No. 87-03-001 as amended by DOE Circular No. 88-02-002 and 88-03-006 dated February 10, 1988 and March 1988, respectively.

D. Contract of Purchase and Sale, pursuant to Section 5E of BED Circular No. 87-03-00,1 as amended.

II. Form No. SS-2

- A. Computation of Coal Reserves
- B. Mining method used
- C. Projection of daily and annual production rates
- D. Table of Organization
- E. List of mining equipment
- F. Geological map of area applied for
- G. Detailed mine plan
- H. Production cost per metric ton
- I. Minimum acceptable price per metric ton

III. Proof of P10,000.00 working capital

- A. Certificate of bank deposit
- B. Real property tax declaration
- C. Contract of lease of equipment
- D. Other similar documentation

IV. Form No. SS-3

Endorsements and Resume of mining engineer to act as Safety Engineer in the absence of Supervising Coal Operator (SCO) near the applied area. P300.00/application.

V. Application Fee - P700.00 per hectare or a fraction thereof.

Republic of the Philippines
DEPARTMENT OF ENERGY
Energy Center, Merritt Road, Fort Bonifacio, Taguig City

WORK PROGRAM
Small-Scale Coal Mining Operations

- I. NAME OF APPLICANT:
- II. MAILING ADDRESS:
- III. TOTAL AREA (hectares) APPLIED FOR :
- IV. LOCATION:
- V. MINING METHOD TO BE EMPLOYED:
- VI. SUMMARY OF COMMITMENTS FOR ONE YEAR:

1. Production (in metric tons)

- Daily output
- Annual production

2. Mine Development (may omit items that do not need to be filled up)

- For underground workings
 - Shafts (meters)
 - Lateral Drivage/Tunnels (meters)
 - Raises/Winzes (meters)
- For surface workings
 - Waste moved (Bulk Cubic Meter, BCM)
 - Stripping Ration (Cubic Meters/BCM)
 - Mine Roads (km.)
 - Others (specify)

3. Facilities (if any)

- Camp buildings/bunkhouses (units)
- Others (specify)

4. Estimated costs (in P'000)

- Production Costs
- Development Costs
- Others (specify)

5. Manpower Required (refer to attached table of organizations)

VII. ATTACHMENTS

- 1. Geological maps showing the coal seam, sections, contours, etc.
- 2. Coal reserve computation
- 3. Detailed mining plan
- 4. Project Timetable (Gantt Chart)
- 5. Table of Organization

Republic of the Philippines
DEPARTMENT OF ENERGY
Energy Center, Merritt Road, Fort Bonifacio, Taguig City

Date Accomplished _____

I. PERSONAL DATA OF APPLICANT

- a) Name of applicant _____
- b) Citizenship _____
- c) Residence _____
- d) Age _____
- e) Sex _____ Civil Status _____
- f) Name of Spouse _____
- g) Name of Children _____
- _____
- _____

II. AREA APPLIED FOR

- a) Location
Province _____
Municipality _____
Barangay _____
- b) Number of Hectares _____
- c) Survey plan and corresponding technical description of area applied for (Attached as Annex A)
- d) Name of incumbent Barangay Captain _____
- e) Name of incumbent Municipal/City Mayor _____
- f) Written endorsement or clearance from Barangay Captain and Mayor attesting that the applicant is a permanent resident of the province, municipality, city and barangay where the small-scale mining operation will be undertaken.

III. SUPERVISING COAL OPERATOR

- a) Name of Supervising Coal Operator _____
- b) Written undertaking that Supervising Coal Operator (SCO) shall supervise and oversee the small-scale operations of the applicant including the implementation of safety measures in the area covered by the permit as approved by the DOE (attached as Annex _____)
- c) Contract of Purchase and Sale between the Supervising Coal Operator and the applicant as approved by the DOE which the SCO shall purchase all the coal production of the applicant (attach as Annex _____)
- d) In the absence of SCO, endorsements and resume of Mining Engineer, for DOE accreditation, who shall oversee the mining and safety aspects of operation (Annex _____).

IV. WORK PROGRAM

One (1) year work program indicating the presence of deposits of coal which under existing data are found suitable to small-scale, labor-intensive operations (attach as Annex _____).

V. FINANCIAL QUALIFICATIONS

Applicant must show proof that it has minimum operating capital of Ten Thousand Pesos (P10,000.00) whether in cash or in kind.

- a) Certificate of bank deposit (Annex _____)
- b) Real Property Tax Declaration (Annex _____)
- c) Contract of Lease of Equipment (Annex _____)
- d) Other similar proof showing that the applicant has the requisite means and resources to pursue small-scale mining (Annex _____)

The application is filed complete with attachments to the Department of Energy and payment of Non-Refundable Fee of P540.00 per hectare of area applied as per Official Receipt (O. R.) No. _____ dated _____.

The applicant has read and understood the provisions of DOE Circular No. 87-03-001 and shall comply with all its provisions.

Name and Signature of Applicant

Republic of the Philippines
DEPARTMENT OF ENERGY
Energy Center, Merritt Road, Fort Bonifacio, Taguig City

TECHNICAL DESCRIPTION

Permittee: Small-Scale Permit No, (SSPN):

Address:

Coal Block No.: Sheet No.:

Supervising Coal Operator:

Geodetic Engineer:

Address:

Situated in the

Sitios of :

Barrio of :

Municipality of :

Province of :

Island of :

Beginning at point Marker "Corner 1" on plan SSPN _____, being _____,
_____m. from _____, thence, _____,
_____, m to point 2;

thence, _____, _____, m to point 3;

thence, _____, _____, m to point 4;

thence, _____, _____, m to point marked

"Corner 1" which is the point of beginning.

(Please use back for continuation)

containing an area of _____ hectares.

Bearing : PTM Grid

Late Surveyed:

Prepared by :

Geodetic Engineer

Checked by: Approved by:

Date: Date:

Republic of the Philippines
OFFICE OF THE MUNICIPAL/CITY MAYOR
C E R T I F I C A T I O N

This is to certify that Mr./Ms. _____ is a bonafide resident of
Barangay _____ Municipality/City of
_____.

This certification is being issued in connection with his/her application for a small-scale coal mining permit.

Given this _____ day of _____, 20____ at _____.

Signature

Printed Name

Official Designation

Republic of the Philippines
OFFICE OF THE BARANGAY CAPTAIN
C E R T I F I C A T I O N

This is to certify that Mr./Ms. _____ is a bonafide resident of
Barangay _____ Municipality/City of
_____.

This certification is being issued in connection with his/her application for a small-scale coal mining permit.

Given this _____ day of _____, 20____ at _____.

Signature

Printed Name

Official Designation

DEED OF UNDERTAKING

In compliance with Section 5 of BED Circular No. 87-03-001 as amended, _____
herein represented by its _____, _____, hereby undertakes and
agrees to supervise and oversee the small-scale mining operations of Mr./Mrs. _____,
including the implementation of safety measures in the area covered by the PERMIT.

_____, _____
(Place) (Date)

Name of Corporation/
Supervising Coal Operator

By:

Name and Designation of Responsible Official

Conforme:

Permittee

SIGNED IN THE PRESENCE OF

Republic of the Philippines)
Province of)
Municipality of)

ACKNOWLEDGEMENT

BEFORE ME, this _____ day of _____, in the City/Municipality of _____, Mr./Mrs. _____, representing to be the _____ of _____ with Residence Certificate No. _____, issued at _____, on _____, and Mr./Mrs. _____, with Residence Certificate No. _____, issued at _____, on _____, known to me to be the same persons who executed the foregoing DEED OF UNDERTAKING and they have acknowledged to me that the same is their free act and deed.

This instrument, which consists of one (1) page including the page on which this acknowledgement is written, has been signed by the affiants and their witnesses and sealed with my notarial seal.

IN WITNESS WHEREOF, I have hereunto set my hand the day, year and place above written.

Doc. No. _____
Page No. _____
Book No. _____
Series of _____

CONTRACT OF PURCHASE AND SALE

KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT OF PURCHASE AND SALE made and executed this _____ day of _____ at _____, Philippines, by and between:

_____, a corporation, organized and existing under and by virtue of Philippine laws, with business address at _____, herein represented by its _____, Mr./Mrs. _____, and hereinafter referred to as the BUYER;

and,

Mr./Ms. _____, Filipino, of legal age, and with residence and postal address at _____, hereinafter referred to as the SELLER.

WITNESSETH THAT:

WHEREAS, the BUYER is a valid holder of a coal operating contract dated, _____, issued by the then Office of Energy Affairs (OEA) now DEPARTMENT OF ENERGY in accordance with Presidential Decree No. 972, otherwise known as the Coal Development Act of 1972, as amended, and the existing circulars, rules and regulation;

WHEREAS, this CONTRACT OF PURCHASE AND SALE is made and executed pursuant to BED Circular No. 87-03-001 dated, 04 March 1987, as amended by OEA Circular No. 88-02-002 dated, 10 February 1988 and OEA Circular No. 88-03-006 dated 22 March 1988, relative to small-scale coal mining operations.

NOW, THEREFORE, in consideration of the above premises and their mutual covenants hereinafter set forth, the Parties have agreed as follows:

1. The SELLER, once issued a SMALL SCALE MINING PERMIT by the DOE, agrees and binds himself/herself to sell all coal produced from his/her small scale coal mining operation to the BUYER;
2. The BUYER agrees and binds itself to buy coal produced from the SELLER's small scale coal mining operations based on the following pricing formula:

Buying Price/MT = Operating Cost/MT x (1 + Y Mark-up), where

Buyer Price/MT = Cash Price/MT of coal produce of the SELLER at the agreed upon hauling point;

Operating Cost/MT = Actual, validated cost of the SELLER to produce one (1) MT of coal and transport the same to the agreed upon hauling point; and,

A. For the first 100 MT production per month per SELLER:

Y = 35% (8,500 BTU/lb) Y = 45% (9,500 BTU/lb)
Y = 40% (9,000 BTU/lb) Y = 50% (10,000 BTU/lb)

B. In excess of 100 MT production per month per SELLER:

Y = 40% (8,500 BTU/lb) Y = 60% (9,500 BTU/lb)
Y = 50% (9,000 BTU/lb) Y = 70% (10,000 BTU/lb)

The SELLER agrees and binds himself/herself not to sell his/her coal to other coal operators, traders or end-users. In case the BUYER shall unreasonably refuse to buy said coal or when the price offered is lower than the base price/MT corresponding to coal with calorific value of 8,500 BTU/lb as defined herein, the SELLER may sell his/her coal produce to other end-users after securing written authorization from the DOE.

4. It is understood that the BUYER shall deduct three percent (3%) from the gross purchase price and shall, within thirty (30) days from its deduction, remit the same to the DOE.

IN WITNESS WHEREOF, the Parties have hereunto signed these presents in the place and date first above written.

Buyer Seller

SIGNED IN THE PRESENCE OF:

Republic of the Philippines)
Province of)
Municipality of)

ACKNOWLEDGEMENT

BEFORE ME, this _____ day of _____, in the City/Municipality of _____, Mr./Mrs. _____, representing to be the _____ of _____ with Residence Certificate No. _____, issued at _____, on _____, and Mr./Mrs. _____, with Residence Certificate No. _____, issued at _____, on _____, known to me to be the same persons who executed the foregoing DEED OF UNDERTAKING and they have acknowledged to me that the same is their free act and deed.

This instrument, which consists of one (1) page including the page on which this acknowledgement is written, has been signed by the affiants and their witnesses and sealed with my notarial seal.

IN WITNESS WHEREOF, I have hereunto set my hand the day, year and place above written.

Doc. No. _____
Page No. _____
Book No. _____
Series of _____

SSCM LAWS

Bureau of Energy Development Circular No. 87-03-001

This Circular provides the guidelines and procedure for the implementation of a program that would allow small-scale coal mining. It was issued on March 4, 1987 and signed by then Acting Director Wenceslao dela Paz. It instituted the definition of an SSCM mining operation and the provisions that shall govern the small-scale mining industry

Office of Energy Affairs Circular No.,. 88-02-002

In view of the gaps identified in the implementation of BED Circular 87-03-001, this OEA Circular was issued on Feb. 10, 1988. The OEA Circular provides for five amendments that deals with carving out of an SSCM area from a COC area, additional details on cancellation of the permit and conditions for the supervision of the SSCM operation.

Office of Energy Affairs Circular No. 88-03-006

Signed on March 22, 1988, further amendments in the SSCM Circular were made through this Circular to address additional issues in the implementation of the SSCM program, such as downtone of oversight function of the SCO over the SSCM permittees and the requirement of a written undertaking or agreement on the scope of supervision of the SCO specially concerning observance of systematic and safe mining operations of the permittee