

[REPUBLIC ACT NO. 4442, June 19, 1965]

**AN ACT TO AMEND SECTION EIGHTEEN OF REPUBLIC ACT
NUMBERED THIRTY HUNDRED NINETY-EIGHT.**

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

SECTION 1. Section eighteen of Republic Act Numbered Thirty hundred and ninety-eight is amended to read as follows:

"SEC. 18. *Reduction and/or moratorium on exploration work obligations and annual exploration taxes.*—Notwithstanding the provisions of Article forty-seven of the Petroleum Act of 1949, the minimum amount of work obligations therein required to be spent by a petroleum exploration concessionaire in his concession is hereby reduced by fifty *per centum* for two consecutive concession years starting with the current concession year when this Act takes effect: *Provided*, That when circumstances warrant, the Secretary of Agriculture and Natural Resources, upon recommendation by the Director of Mines, may extend this period of two years for another period of two years: *Provided, further*, That upon previous approval by the Secretary of Agriculture and Natural Resources, as recommended by the Director of Mines, said reduced amount of work obligation required to be spent for any of the said two concession years may be spent in either of said two concession years.

"The Secretary of Agriculture and Natural Resources, upon recommendation of the Director of Mines, may give holders of petroleum exploration concessions where the provisions of the Petroleum Act, the regulation and the terms and conditions of the concession contract have been complied with for two or more concession years and where the progress of exploration is such that exploration drilling is the next logical step in the operation in accordance with good petroleum field practice, as indicated by technical reports duly submitted to the Director of Mines showing that adequate geological field work was performed and delineating at least a favorable structure with favorable lithology and with satisfactory paleontological correlations of surface and possibly subsurface rock units, and/or when exploratory drilling is shown to be necessary by satisfactory geophysical survey, a moratorium on work obligations for a period of three concession years from the date of the approval of this Act, extendable for another three years upon recommendation of the Director of Mines: *Provided, however*, That those whom the Bureau of Mines will not certify as having faithfully performed their exploration work with reasonable diligence and at reasonable expense shall be disqualified under this amendatory Act. The term "exploratory drilling" shall mean the drilling of wells suitable to the