

[JOINT DOE-DND DEPARTMENT ORDER NO. 2002-05-001, MAY 23, 2002, May 23, 2002]

**GUIDELINES FOR THE USE OF THE ENVIRONMENTAL
MANAGEMENT WATERCRAFTS (EWC)**

Pursuant to the provisions of Proclamation No. 72, establishing the Malampaya Deep Water Gas-to-Power Project Safety and Exclusion Zones, dated July 10, 2002, the Agreement dated September 14, 2001 entered into between the Department of Energy and Shell Philippines Exploration B.V. on the procurement of Environmental Management Watercrafts for the Malampaya Deep Water Gas-to-Power Project, and the Deed of Assignment between the Department of Energy and the Department of National Defense dated 23 May 2002, the following guidelines for the use of EWCs are hereby adopted and promulgated:

SECTION 1. Title. —

This order shall be known and may be cited as the "Implementing Rules and Operating Guidelines (IROG)" for the use of the Environmental Management Watercrafts (EWCs).

SECTION 2. Scope and Coverage. —

These rules shall lay down the powers, functions and responsibilities of the Department of Energy (DOE) and the Department of National Defense (DND), the rights and obligations of stakeholders and the duties and obligations of concerned agencies with respect to the use of EWCs.

This order shall govern the use, operation and maintenance of the EWCs for the Malampaya Deep Water Gas-to-Power Project.

SECTION 3. Definition of terms. —

The following terms as used in these Implementing Rules and Operating Guidelines shall be defined as follows:

- a. **"Agreement"** — refers to the contract on the Procurement of Environmental Management Watercraft for the Malampaya Deep Water Gas-to-Power Project entered into by and between the DOE and Shell Philippines Exploration B.V. (SPEX), dated September 14, 2001;
- b. **"DOE"** — refers to the Department of Energy;
- c. **"DND"** — refers to Department of National Defense;
- d. **"EWC"** — means Environmental Management Watercraft;

e. "**Operator**" — means a person or entity that manages the petroleum operations, but not necessarily the concession owner;

f. "**Proclamation No. 72**" — the Presidential Proclamation, dated July 10, 2001 regarding the establishment of Safety and Exclusion Zones for the exploration and development of hydrocarbon resources in the Malampaya field and its transportation to the users of the resource;

g. "**Project**" — the Malampaya Deep Water Gas-to-Power Project of the Government under the supervision and control of the DOE, implemented by the service contractor under Service Contract No. 38;

h. "**Safety and Exclusion Zones**" — refers to the areas mentioned in Sections 1 and 2 of Proclamation No. 72 dated 10 July 2001.

SECTION 4. Operation of EWC. —

a. Only authorized DND and DOE personnel are allowed to operate/handle/drive the EWCs, preferably those who had undergone training on Lancer Boat Handling Course. However, any DND or DOE personnel may be allowed to handle the boat provided he/she is under the direct supervision of trained EWC crew;

b. The DND personnel shall operate/handle mainly the two (2) EWCs assigned to them by DOE in furtherance of the objectives stipulated in the Agreement, dated September 14, 2002 and the Deed of Assignment dated 23 May 2002;

c. The DOE personnel shall operate/handle mainly the 3rd EWC (E/W DE LA PAZ) for environmental monitoring or other energy-related work/activities. However, the DOE at any time, upon notice to the DND shall, have access on the other EWCs for purposes of environmental monitoring, geological investigations and such other activities necessary in carrying out its objectives relating to petroleum exploration and development;

d. The DOE may request PN for purposes of escorting and assisting the DOE personnel to carry out their assigned tasks. For this purpose, the DOE shall be responsible for the subsistence and other incidental expenses of the said PN personnel when their services are rendered subject to the usual accounting rules and procedures.

e. The DND personnel shall be responsible for the custody, security and routine maintenance of the 3rd EWC (/W DE LA PAZ) in the absence of the DOE personnel on site.

SECTION 5. Maintenance of the EWC. —

a. SPEX shall be responsible for the maintenance of and the supply of spare parts for the EWCs for a period of three (3) years as mentioned in the Agreement;

b. SPEX shall also be responsible for the supply of fuel, oil and lubricants for the EWCs up to an amount of Five Thousand US Dollars (US\$5,000.00) per vessel per annum for the initial three (3) years, as also mentioned in the said Agreement;