

[Commonwealth Act No. 351, August 22, 1938]

AN ACT AUTHORIZING THE PRESIDENT OF THE PHILIPPINES, IN AID OF THE ESTABLISHMENT AND OPERATION OF A PETROLEUM AND NATURAL GAS INDUSTRY, TO CALL FOR BIDS AND AWARD AND EXECUTE CONTRACTS FOR THE EXPLORATION, EXPLOITATION AND DEVELOPMENT OF PETROLEUM AND NATURAL GAS DEPOSITS IN PRIVATE AND PUBLIC LANDS IN THE PHILIPPINES, SUBJECT IN ALL CASES TO THE EXPRESS APPROVAL OF THE NATIONAL ASSEMBLY.

Be it enacted by the National Assembly of the Philippines:

SECTION 1. Recognizing the relation of the development of the petroleum and gas resources of the Philippines to its general welfare and national defense and desiring to ascertain if such resources exist in its territory in commercial quantities and, if they exist, to have the same developed as early as practicable; being convinced that the search for, and development of, such resources, requiring as they do geological and geophysical examinations in large and widely scattered areas, the drilling of wells, often to great depths, and the construction of plants, buildings, storage tanks, pipe lines, and other facilities, is a highly specialized, difficult, and hazardous undertaking, calling for adequate experienced technical personnel and the expenditure of large sums of money; and having observed that the efforts to discover and develop such resources in the Philippines through the issuance of leases under existing laws and regulations have not proven successful, it is declared to be the policy of the Government of the Commonwealth of the Philippines to undertake the search for, exploitation, and development of the petroleum and natural gas resources of the Philippines and in such undertaking to engage and utilize the services, as independent contractor or contractors, of persons or corporations who have adequate resources, experiences, and organization to render such services effectively, subject in every case to the express approval. of the National Assembly.

SEC. 2. In order to carry out and effectuate said policy,. the President of the Philippines, is authorized and directed to call for bids, upon adequate advertisement, for the exploration, exploitation, and development, as independent contractors, of petroleum and gas deposits in such private or public lands in the Philippines as may be determined by him, upon such terms, conditions, and specifications as . may be deemed by him most advantageous to the Government; to require of such bidder a bond of not less than fifty thousand pesos conditioned upon the fulfillment of the terms of the bid if accepted, to issue rules and regulations for the submission of such bids, open the same as submitted on the date specified in the advertisement, and upon the result thereof, to accept or reject any or all such bids within a period of not less than ninety days from the date of the publication of the last printed advertisement; and after an award of the contract or contracts has been made, to enter into and execute such agreement or agreements as may be necessary with such successful bidder or bidders: Provided, That such bids shall be open only to such individuals and corporations as are qualified under the Constitution or the ordinance appended thereto to enter with the Government into the agreement herein contemplated: *Provided, further,* That any such agreement shall be submitted at the next regular session of the National Assembly for ratification and