

Title: Celestial Nickel Mining Exploration Corporation vs. Macroasia Corporation (G.R. Nos. 169080, 172936, 176226, 176319)

Facts:

1. **Parties and Original Agreements:**

- On September 24, 1973, Infanta Mineral and Industrial Corporation (now Macroasia Corporation) entered into mining lease contracts with the Secretary of Agriculture and Natural Resources to operate on several hectares of area at Brooke's Point, Palawan, for a term expiring on September 23, 1998.

2. **Corporate Evolution of Infanta:**

- Infanta changed its corporate name twice, first to Cobertson Holdings Corporation in 1994, and then to Macroasia Corporation in 1995.

3. **Petitions for Cancellation:**

- In 1997, Celestial Nickel Mining Exploration Corporation (Celestial) filed a petition to cancel Macroasia's mining leases before the Mines and Geo-Sciences Bureau (MGB) on several grounds, including failure to pay fees, non-compliance with work obligations, and logging activity over mining.

- Concurrently, Blue Ridge Mineral Corporation (Blue Ridge) also sought the cancellation of mining rights of Macroasia and Lebach Mining Corporation through a separate filing, later consolidated as DENR Cases No. 97-01 and No. 97-02.

4. **Panel of Arbitrators (POA) Ruling:**

- The POA found a basis for cancellation of Macroasia's leases and declared the areas abandoned, awarding preferential rights to Celestial and Blue Ridge.

5. **Appeals and Mines Adjudication Board (MAB) Resolution:**

- On appeal, the MAB affirmed the POA's findings of abandonment but awarded preferential rights to Blue Ridge instead of Celestial despite Celestial's earlier application.

6. **MAB Reversal:**

- The MAB later rescinded its own decision citing lack of jurisdiction per Republic Act No. 7942 - declaring authority to cancel or revoke mineral agreements rests solely with the DENR Secretary.

7. **Court of Appeals (CA) Differing Decisions:**

- Two CA divisions issued contradictory rulings on subsequent petitions. The Twelfth Division upheld the MAB's declaration that only the DENR could cancel agreements, while the Special Tenth Division reinstated the POA's original decision to favor Blue Ridge.

****Issues:****

1. ****Jurisdiction Over Cancellation:****

- Who has the authority to cancel mining leases: the POA or the DENR Secretary?

2. ****Preferential Rights:****

- Who has the legitimate preference and right over the mining claims: Celestial, Blue Ridge, or Macroasia?

3. ****Abandonment and Validity:****

- Did Macroasia abandon its mining claims, justifying the cancellation and awarding others preferential rights?

4. ****Procedural and Jurisdictional Estoppel:****

- Can Macroasia question the jurisdiction after participating in proceedings?

****Court's Decision:****

1. ****DENR Secretary's Authority:****

- The Supreme Court upheld the DENR Secretary's exclusive jurisdiction to cancel mineral agreements based on his supervisory powers over mineral resources under the 1987 Administrative Code and existing laws.

2. ****Absence of Abandonment Pronouncement:****

- The POA and MAB lack jurisdiction to declare the mining claims abandoned as validated by the DENR Secretary's powers under regulatory statutes.

3. ****Wrongful Conferral of Preferential Rights:****

- The issuance of MPSA in favor of Macroasia by the DENR Secretary did not show abuse of discretion, nullifying CA's Special Tenth Division decision favoring Blue Ridge and restoring the MAB's ruling.

4. ****Estoppel Principle:****

- Macroasia wasn't precluded from questioning jurisdiction on appeal as it did not initiate the cancellation proceedings.

****Doctrine:****

- The DENR Secretary, under Philippine Mining laws and Administrative Code, has exclusive jurisdiction over the approval and cancellation of mineral agreements.
- The declaration of abandonment or cancellation of mining rights is inherently an administrative function exercised by the DENR Secretary.

****Class Notes:****

- ****Jurisdiction**** over cancellation of mining agreements under Republic Act No. 7942 is vested in the DENR Secretary.
- ****Preferential Right****: Merely filing for a mineral agreement does not confer a vested right; the final approval is at DENR's discretion.
- Relevant provisions include Secs. 77, 78, 79 of RA 7942, Sec. 7 of DENR AO 96-40.

****Historical Background:****

- This case showcases the regulatory intricacies managed by the Philippine government concerning mining rights and the jurisdictional authority over cancellation of established mineral agreements during a period marked by legislative changes from PD 463 to RA 7942.