

**BENGUET CORPORATION, PETITIONER, VS. HON. OSCAR L. LEVISTE,
IN HIS CAPACITY AS PRESIDING JUDGE OF THE REGIONAL TRIAL
COURT (NATIONAL CAPITAL JUDICIAL REGION, BRANCH XCVII,
QUEZO...**

G.R. No. 65021. November 21, 1991

Ponente: FERNAN, C.J.

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FERNAN, C.J.:

At issue in this petition for certiorari and prohibition with preliminary injunction is the jurisdiction of the regional trial court (RTC) to take cognizance of an action for annulment of an operations agreement entered into by and between two (2) mining companies.

The action under consideration was commenced by private respondent Helen Dizon-Reyes against herein petitioner Benguet Corporation and Dizon Copper-Silver Mines, Inc.[1] on June 20, 1980 before the Regional Trial Court of Quezon City. In her complaint, docketed as Civil Case No. Q-30171, private respondent alleged that she is the claimowner of 11 mining claims all located in the province of Zambales. On January 15, 1967, she executed a Special Power of Attorney constituting her father, Celestino M. Dizon, as her attorney-in-fact with full powers to "transfer, assign and dispose of her 11 mining claims." [2]

Soon thereafter on January 21, 1967, Celestino M. Dizon, acting as such attorney-in-fact for private respondent and other claimowners, entered into an Agreement,[3] with Dizon Mines whereby the latter was granted the right to explore, develop, exploit and operate the 57 mining claims owned by the claimowners including the 11 claims of private respondent.

Seven (7) years later, on December 17, 1974, private respondent and the other claimowners executed a Deed of Ratification of Assignment,[4] confirming the assignment, transfer and conveyance unto Dizon Mines and its assigns and successors of the rights to possess, occupy, explore, develop and operate all the aforesaid mining claims.

On March 1, 1975, or almost three (3) months after the Deed of Ratification was executed, private respondent revoked the Special Power of Attorney of January 15, 1967, stating that "while there is no question that I still have complete and full trust and confidence in the judgment and wisdom of my father, it is not my wish to add any more to his already many and mounting problems." [5] Notice of the revocation was served on Dizon Mines on March 20, 1975 and on Benguet on August 26, 1975.

However, in spite of said notice, on September 6, 1975, Dizon Mines and Benguet entered into an Operations Agreement[6] whereby the former transferred to the latter the possession of the 57 mining claims for the purpose of exploring, developing and operating them for production and marketing of marketable products under the terms and conditions specified therein.

Claiming that the Operations Agreement lacked legal basis by reason of the revocation of Celestino Dizon's

special power of attorney; the obligation imposed by the Agreement of January 21, 1967 on Dizon Mines to itself operate the mines after raising the capital needed therefor, without authority to engage another corporation for this purpose; and the inefficacy of the Deed of Ratification arising from the physiological incapacity of Celestino Dizon to give his consent thereto, private respondent prayed that the Operations Agreement be declared null and void and inoperative insofar as it covers her eleven (11) lode mining claims. In the alternative, private respondent prayed that should the validity of the Operations Agreement be upheld, de-fendants therein be ordered to observe and comply with the sharing of profits stipulated in the Agreement of January 21, 1967. She further prayed for the award of attorney's fees and expenses of litigation as may be proved during the trial.

On August 12, 1980, Benguet filed a Motion to Dismiss on the following grounds: 1) the court is without jurisdiction over the subject matter and nature of the action; 2) the action is barred by prior judgment and laches; 3) the action to declare invalid the Deed of Ratification has prescribed; and 4) the venue of the action was improperly laid. Dizon Mines filed its own motion to dismiss.

After private respondent has filed her consolidated opposition to the motions to dismiss and Benguet, its reply to said consolidated opposition, the trial court issued an Order dated March 26, 1982, denying the motions to dismiss for lack of merit.[7]

Its motion for reconsideration having been likewise denied in an Order dated June 20, 1983,[8] petitioner Benguet is now before this Court, reiterating the four (4) grounds stated in its motion to dismiss.

Invoking Section 7 (c) of Presidential Decree No. 1281 and the ruling in *Twin Peak Mining Association vs. Navarro and Philex Mining Corp.*,[9] petitioner contends that the RTC has no jurisdiction over Civil Case No. 30171 as jurisdiction over actions to cancel mining contracts is vested exclusively in the Bureau of Mines and Geo-Sciences. It likewise adverts to the decision of the Secretary of Natural Resources dated March 17, 1976 on the private respondent's opposition to the registration of the subject Operations Agreement. It claims that that decision, which had become final upon private respondent's failure to appeal to the Office of the President, constitutes *res judicata* to the question of the validity of the Operations Agreement. Besides, by failing to take seasonable action, private respondent is guilty of laches in that she has led petitioner Benguet to believe that she was amenable to the decision of the Secretary of Natural Resources and to incur huge expenses in connection with the development of the mining claims.

Moreover, petitioner maintains that the action to annul the Deed of Ratification upon which private respondent thinks the validity of the Operations Agreement necessarily depends, should have been brought within four (4) years from its execution on December 12, 1974. Thus, the complaint filed on June 20, 1980 came too late.

Lastly, petitioner theorizes that since the action to annul the mining contract necessarily involves the recovery of possession of the mining claims which are located in Zambales, venue of the action should have been laid in Zambales.

Private respondent in her Comment, later adopted as her Memorandum,[10] confined her discussion to the issues of jurisdiction and venue, because in her opinion, the other grounds involve questions of facts entailing the presentation of evidence, which is premature and improper in a petition for certiorari.[11]

While admitting that the contract sought to be annulled is a mining contract, private respondent nonetheless opines that the action for its annulment does not fall under the jurisdiction of the Bureau of Mines. The reason given is that Section 7 (c) of P. D. 1281 contemplates a mining contract, valid and binding in all respects, but either the claimowner or operator refuses to comply with its terms and conditions. In the case at bar, the contract is null and void because of the mental incapacity of the late Celestino Dizon to execute the Deed of Ratification

on the validity of which the validity of the Operations Agreement is in turn dependent. Thus, the principal issue in this case is not whether or not the claimowner or operator refuses to comply with the contract's terms and conditions, but rather the mental capacity of the attorney-in-fact to execute a prior agreement upon which the Operations Agreement is based. It is claimed that the Bureau of Mines and Geo-Sciences is not equipped to determine the question of mental capacity.

Anent the issue of venue, private respondent contends that the case does not affect title to or possession of real property, and therefore, is not a real action but an action in personam, for which venue is laid in the residence of the plaintiff.

We grant the petition. Presidential Decree No. 1281 which took effect on January 16, 1978 vests the Bureau of Mines with jurisdictional supervision and control over all holders of mining claims or applicants for and/or grantees of mining licenses, permits, leases and/or operators thereof, including mining service contracts and service contractors insofar as their mining activities are concerned.[12] To effectively discharge its task as the Government's arm in the administration and disposition of mineral resources, Section 7 of P. D. No. 1281 confers upon the Bureau quasi-judicial powers as follows:

"SEC. 7. In addition to its regulatory and adjudicative functions over companies, partnerships or persons engaged in mining exploration, development and exploitation, the Bureau of Mines shall have original and exclusive jurisdiction to hear and decide cases involving:

"x x x x x x x x

"(c) cancellation and/or enforcement of mining contracts due to the refusal of the claimowner/operator to abide by the terms and conditions thereof."

Analyzing the objectives of P.D. 1281, particularly said Section 7 thereof, the Court in *Twin Peaks Mining Association*,[13] the case relied upon by petitioner, noted that the trend is to make the adjudication of mining cases a purely administrative matter. This observation was reiterated in the more recent case of *Atlas Consolidated Mining Development Corp. vs. Court of Appeals*. [14]

In the case at bar, it is not disputed that the subject agreement is a mining contract and private respondent, in seeking a judicial declaration of its nullity, does not wish to abide by its terms and conditions. These elements alone bring the action within the ambit of Section 7 of P. D. 1281. Whatever the basis for the refusal to abide by the contract's terms and conditions, the basic issue remains one of its cancellation, which is precisely what P. D. No. 1281 places within the exclusive original jurisdiction of the Bureau.

The reason underlying such refusal is indeed an irrelevant matter insofar as jurisdictional competence is concerned, for to make jurisdiction dependent thereon would not only be "ratifying two judicial bodies exercising jurisdiction over an essentially the same subject matter -- a situation analogous to split jurisdiction which is obnoxious to the orderly administration of justice"[15] but also clearly ignoring the object of P.D. 1281 to make the adjudication of mining cases a purely administrative matter.

And if, perchance the law did intend to split jurisdiction, it could have done so by providing exceptions to par. (c), Section 7 of P. D. No. 1281. Not having done so, there can be no justification for restricting or limiting the Bureau's jurisdiction over "actions for cancellation and/or enforcement of mining contracts due to the refusal of the claimowner/operator to abide by the terms and conditions thereof."

In the light of our ruling that the jurisdiction over private respondent's action to annul the Operations Agreement pertains to the Bureau of Mines and Geo-Sciences rather than the regional trial court, the question of venue becomes immaterial.

Considering further that the other issues raised by petitioner, namely res judicata, laches and prescription are factual matters which are not only improper in a petition for certiorari but which, more importantly, petitioner failed to substantiate, no ruling on these issues need be made.

WHEREFORE, the instant petition is GRANTED. The assailed orders of March 26, 1982 and June 20, 1983 are set aside and Civil Case No. Q-30171 of the Regional Trial Court of Quezon City, branch XCVII, is ordered DISMISSED. This decision is immediately executory. Costs against private respondent.

SO ORDERED.

Gutierrez, Jr., Bidin, Davide, Jr., and Romero, JJ., concur.

[1] Hereinafter Benguet and Dizon Mines, for brevity.

[2] Rollo, p. 43.

[3] Ibid., pp. 46-60.

[4] Ibid., pp. 61-66.

[5] Ibid., p. 67.

[6] Annex "E", Petition, Rollo, pp. 68-118.

[7] Annex "A", Petition, Rollo, p. 34.

[8] Annex "B", Petition, Rollo, p. 35.

[9] G. R. No. L-49835, December 18, 1979, 94 SCRA 768.

[10] Manifestation re Memorandum, Rollo, p. 210.

[11] Comment, Rollo, p. 184.

[12] Section 6, P. D. 1281.

[13] Supra.

[14] G. R. No. 54305, February 14, 1990, 182 SCRA 166.

[15] Atlas Consolidated Mining & Dev't. Corp. vs. Court of Appeals, Ibid., citing Gonzales vs. Province of Iloilo, 38 SCRA 209 (1971).

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