

Indonesian

Type: REGULATION (PER)

By: THE MINISTER OF MINES AND ENERGY OF THE REPUBLIC OF INDONESIA

Number: 02.P/075/MPE/1992

Date: FEBRUARY 18, 1992 (JAKARTA)

Title: GUIDELINES FOR THE IMPLEMENTATION OF SUPERVISION OF NATURAL OIL AND GAS EXPLORATION AND EXPLOITATION

## THE MINISTER OF MINES AND ENERGY,

## Considering:

- a. whereas natural oil and gas are natural resources controlled by the State and must be optimally used for the people's welfare, therefore its exertion requires development and supervision;
- b. whereas with the increased exploration and exploitation of natural oil and gas, it is necessary to have a regulation which operationally can be used as a base for development and supervision of exploration and production of natural oil and gas;
- c. whereas in relation with the above considerations, it is deemed necessary to stipulate guidelines for the implementation of supervision of natural oil and gas exploration and exploitation under a Regulation of the Minister of Mines and Energy;

## In view of:

1. Mijnnordonnantie (sb 1930 Number 38 jis Number 348 and Number 380), sb 1935 Number 557);
2. Law Number 4 Prp Year 1960 (State Gazette Year 1960 Number 22, Supplement to State Gazette Number 1942);
3. Law Number 44 Year 1960 (State Gazette Year 1960 Number 133, Supplement to State Gazette Number 2090);
4. Law Number 8 Year 1971 (State Gazette Year 1971 Number 76, Supplement to State Gazette Number 2971);
5. Law Number 4 Year 1982 (State Gazette Year 1982 Number 12, Supplement to State Gazette Number 3215);

6. Mijnpolitie Reglement 1930 (sb 1930 Number 341);
7. Government Regulation Number 17 Year 1974 (State Gazette Year 1974 Number 20, Supplement to State Gazette Number 3031);
8. Presidential Decree Number 64 M Year 1988 dated March 21, 1988;

HAS DECIDED:

To stipulate:

REGULATION OF THE MINISTER OF MINES AND ENERGY REGARDING GUIDELINES FOR THE IMPLEMENTATION OF SUPERVISION OF NATURAL OIL AND GAS EXPLORATION AND EXPLOITATION.

## CHAPTER I

### GENERAL PROVISIONS

Referred to herein as:

- a. Exploration shall be a series of activities covering preliminary survey, geological survey, geophysical survey, geochemical survey, other basic surveys and drilling of lay-down well as well as delineation drilling to determine potential natural oil and gas resources in a certain area;
- b. Exploitation shall be a series of natural oil and gas field development activities covering production well drilling, well testing, repeated works and construction of production facilities as well as transportation of natural oil and gas;
- c. Transportation shall be a series of activities to transport natural oil and gas from the well or pooling station to stockpiling site, export and or processing terminal, through distribution pipe and through other transportation facilities;
- d. Conservation shall be all efforts to improve the value and efficiency of natural oil and gas reserves as optimum as possible;
- e. Reservoir shall be underground porous rock that can be permeated by fluids and can reserve natural oil and or gas which can be produced;
- f. Reservoir Management shall be series of activities to formulate Basic Plan which will serve as a basis for planning Facility Management in order to achieve an optimum operation strategy in the context of determining and maintaining the rate of production of natural oil and gas optimally based on the reserves without decreasing the Maximum taking;

- g. Reserve Certification shall be the Government's acknowledgment on the level of size of natural oil and gas reserves contained in a reservoir;
- h. Enhanced Oil Recovery shall be enhanced effort to increase the natural oil obtained from a reservoir;
- i. Production Activity shall be effort to produce natural oil and gas from a reservoir up to the delivery point;
- j. Well Production Test shall be measuring of a reservoir's production capacity;
- k. Natural Spraying Well shall be well producing natural oil and gas without any external power support;
- l. Man-made Spraying Well shall be well producing natural oil with external power support;
- m. Stockpiling Site shall be installation for storing natural oil and gas as well as its facilities;
- n. Loading shall be the loading of natural oil from the stockpiling site to the transportation facilities;
- o. Companies shall be State Natural Oil and Gas Mining Company (PERTAMINA) or its contractors;
- p. Entrepreneurs shall be Management of the Company;
- q. Minister shall be the Minister of Mines and Energy;
- r. Director General shall be Director General of Natural Oil and Gas;
- s. Directorate General shall be Directorate General of Natural Oil and Gas.

## CHAPTER II

### ANNUAL WORK PLAN AND COMPANY BUDGET

#### Article 2

- (1) The Entrepreneurs shall convey to Director General the annual work plan and company budget as well as the changes occurring in the current year.
- (2) The Entrepreneurs shall submit to the Director General the plan for natural oil and gas mining operation activities based on the annual work plan and company budget as intended in paragraph (1) of this Article by no later than 3 months prior thereto.
- (3) The plan for operation activities as intended in paragraph (2) of this Article shall be the entire activities in the relevant WKP or Company's Operational Area.

- (4) Further provisions regarding the assessment and approval for the activity plan as intended in paragraph (3) of this Article shall be stipulated by the Director General.

#### Article 3

- (1) Plan for study, research and survey activities outside WKP or Company's Operational Area shall obtain prior approval of the Director General.
- (2) Implementation of the activities as intended in paragraph (1) of this Article shall be immediately reported to the Director General.
- (3) Costs of the activities as intended in paragraph (1) of this Article shall not be included in the annual budget of the relevant companies.

### CHAPTER III

#### GEOLOGICAL SURVEY, GEOPHYSICAL SURVEY, GEOCHEMICAL SURVEY AND OTHER BASIC SURVEYS

#### Article 4

- (1) By no later than 14 (fourteen) days prior to the commencement of geological survey, geophysical survey, geochemical survey and other basic surveys, the Entrepreneurs shall give written notification to the Director General, provided that the Entrepreneurs have completed all the requirements relevant to the survey implementation from the relevant Government agencies.
- (2) Notification as intended in paragraph (1) of this Article shall be made by filling out the form as stated in ATTACHMENT I to this Ministerial Regulation the carbon copy of which shall be submitted to relevant Government agencies.
- (3) In the event of any change in the information stated in the notification as intended in paragraph (1) of this Article, the Entrepreneurs shall immediately notify the Director General.

#### Article 5

- (1) The Entrepreneurs must submit written report to the Director General regarding the progress in the implementation of geological survey, geophysical survey, geochemical survey and other basic surveys.
- (2) The type, form and procedure of submitting the report as intended in paragraph (1) of this Article shall be stipulated by the Director General.

#### Article 6

- (1) By no later than 14 (fourteen) days following the completion of surveys as intended in Article 4, the Entrepreneurs shall give written notification to the Director General with carbon copies forwarded to the relevant Government agencies.
- (2) By no later than 6 (six) months following the completion of the surveys as intended in Article 4, the Entrepreneurs shall submit written report to the Director General.
- (3) Report as intended in paragraph (2) of this Article shall be made by filling out the form as stated in ATTACHMENT II to this Ministerial Regulation.
- (4) If necessary, the Director General can stipulate the form and type of additional report besides the report as intended in paragraph (2) of this Article.

#### Article 7

- (1) Further survey and analysis of the result of geological survey, geophysical survey, geochemical survey, and other basic surveys shall be conducted domestically.
- (2) Further survey and analysis as intended in paragraph (1) of this Article can be conducted abroad with the approval of Director General if such survey cannot be conducted domestically.
- (3) In implementing the provision of paragraph (2) of this Article, the Entrepreneurs shall include experts from the Directorate General.

### CHAPTER IV

#### EXPLORATION DRILLING, ASSESSMENT DRILLING, AND DEVELOPMENT DRILLING

#### Article 8

- (1) By no later than 14 (fourteen) days prior to the implementation of exploration drilling, assessment drilling and development drilling, the Entrepreneurs shall notify in writing the Director General by completing all requirements relevant to the implementation of such drillings from the relevant Government agencies.
- (2) The notification as intended in paragraph (1) of this Article shall be made by filling out the form as stated in ATTACHMENT III to this Ministerial Regulation.
- (3) In the event of any change in information stated in the notification as intended in paragraph (2) of this Article, the Entrepreneurs shall immediately notify the Director General.

#### Article 9

- (1) In conducting the exploration drilling, assessment drilling and development drilling, the Entrepreneurs shall submit daily report in writing regarding the drilling activities to the Director General.
- (2) By no later than 2 (two) weeks prior to the closing of exploration well, development well and assessment well, the Entrepreneurs shall notify the Director General.

#### Article 10

- (1) By no later than 7 (seven) days before the Entrepreneurs conduct production test, they shall submit a written notification to the Director General.
- (2) In implementing the production test as intended in paragraph (1) of this Article, the Entrepreneurs shall use proper and efficient technology (good engineering practice).
- (3) Natural oil and gas produced in the production test shall belong to the State.

#### Article 11

- (1) By no later than 3 (three) months following the completion of the work, the Entrepreneurs shall submit complete report regarding the exploration drilling, development drilling and assessment drilling to the Director General.
- (2) Report as intended in paragraph (1) of this Article shall be made by filling out the form as stated in ATTACHMENT IV to this Ministerial Regulation.
- (3) If necessary, the Director General can stipulate the form and type of additional report besides the report as intended in paragraph (2) of this Article.

### CHAPTER V

#### NATURAL OIL AND GAS PRODUCTION ACTIVITIES

#### Article 12

- (1) The Entrepreneurs shall notify the Director General in writing before conducting well production.
- (2) The Entrepreneurs shall submit daily report, weekly report and monthly report in writing regarding the production of all wells to the Director General.
- (3) The form and type of report as intended in paragraph (2) of this Article shall be further stipulated by Director General.

#### Article 13

- (1) The Entrepreneurs can produce natural oil and or natural gas from a production well which is a natural spraying well.
- (2) The construction of man-made spraying well and or well with Enhanced Oil Recovery can be conducted after obtaining the approval of the Director General.

#### Article 14

- (1) The use and or utilization of natural oil and gas as fuel oil or other utilization by the companies shall obtain prior approval of the Director General.
- (2) Combustion/disposal of natural gas from production well must obtain the approval of the Director General.
- (3) Further provision of paragraph (1) and paragraph (2) of this Article shall be stipulated by the Director General.

#### Article 15

- (1) The Entrepreneurs shall notify the Director General in writing regarding the data of stockpiling location, type of natural oil piled and the stockpiling capacity.
- (2) By no later than 14 (fourteen) days after making changes in the data as intended in paragraph (1) of this Article, the Entrepreneurs shall report the same to the Director General.

#### Article 16

- (1) The Entrepreneurs shall submit written report to the Director General regarding the data of loading and unloading of natural oil and gas as well as other information required.
- (2) The form and type of report as intended in paragraph (1) of this Article shall be further stipulated by the Director General.

### CHAPTER VI

#### NATURAL OIL AND GAS PRODUCTS

#### Article 17

- (1) The Entrepreneurs shall submit written report to the Director General for each finding of new reservoir and its boundaries, data and estimated reserves obtained.
- (2) The Entrepreneurs shall conduct study on reservoir management and request approval of the Director General for its result.

- (3) If necessary, the Director General can appoint other parties to conduct re-study on the result of study as intended in paragraph (2) of this Article.
- (4) The expense of re-study as intended in paragraph (3) of this Article shall be borne by the Companies.

#### Article 18

- (1) Based on the result of study on reservoir management, the Director General shall give certification on the reserves in the natural oil and gas field currently discovered, the field that has been producing and the field where efforts to increase natural oil and gas products will be made.
- (2) In implementing natural oil and gas mining operations, the Entrepreneurs shall use the result of study on reservoir management as intended in paragraph (2) of Article 17 as their guidelines.
- (3) In the event that there are changes in the guidelines which are the result of study on reservoir management as intended in paragraph (2) of this Article, the Entrepreneurs shall obtain approval of the Director General.
- (4) Implementation guidelines for the study on reservoir management shall be further stipulated further by the Director General.

### CHAPTER VII

#### DATA AND INFORMATION ON NATURAL OIL AND GAS

#### Article 19

- (1) The Entrepreneurs shall submit to the Director General the data, information and document regarding the result of natural oil and gas exploration and exploitation activities in a serviceable condition.
- (2) Data, information and document as intended in paragraph (2) of this Article can be in the form of magnetic media, printed media, microfiche, diskette, rock samples, rock cores, mud or soil, thin slicing, paleontology analysis and geochemical analysis and other forms that must be restored in Indonesia and must be well maintained.
- (3) Place of restoring the data, information and document as intended in paragraph (1) and paragraph (2) of this Article shall be further stipulated by the Director General.

#### Article 20



- (1) The Entrepreneurs shall submit written report to the Director General if they are using the data, information and document regarding natural oil and gas mining activities, rock samples, rock cores, mud or soil, archeological relics and property found in the survey activities.
- (2) Data, information and document as intended in paragraph (1) of this Article can be used or utilized by parties other than the Entrepreneurs after obtaining prior written approval of the Director General.

## CHAPTER VIII

### ENVIRONMENT

#### Article 21

- (1) The Entrepreneurs must prevent environmental pollution in conducting the natural oil and gas exploration and exploitation activities.
- (2) The Entrepreneurs must provide facilities for preventing and overcoming the environmental pollution, among other things: proper pool and or container for mud resulting from the drilling, tool for oil trapping and other tools required in the effort to prevent and overcome the environmental pollution.

#### Article 22

- (1) In the event of environment pollution, the Entrepreneurs shall immediately take actions to overcome environmental pollution.
- (2) The Entrepreneurs shall establish team to overcome environmental pollution equipped with proper and suitable equipment.

#### Article 23

- (1) The Entrepreneurs shall be prohibited from disposing of solid waste, liquid waste and gas emission that can cause environmental pollution.
- (2) The limits of oil content in wastewater that can be disposed of into the environment shall be stipulated by the Minister.

#### Article 24

- (1) Following the completion of natural oil and gas mining activities, the Entrepreneurs shall conduct reclamation of the field that is no longer used.
- (2) Insofar as this Ministerial Regulation does not regulate otherwise, the applicable laws and regulations regarding the environment shall apply to the natural oil and gas mining operations.

CHAPTER IX  
OTHER PROVISIONS

Article 25

The Director General shall appoint the officials of the Directorate General as Mine Inspectors to conduct supervision task of the implementation of the provisions of this Ministerial Regulation.

CHAPTER X  
CLOSING PROVISIONS

Article 26

Matters which are not or insufficiently provided for herein shall be further stipulated by the Director General.

Article 27

This Ministerial Regulation shall come into effect as of the date of its stipulation.

Stipulated in : Jakarta  
On : February 18, 1992  
THE MINISTER OF MINES AND ENERGY

signed

GINANDJAR KARTASASMITA

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Note

ATTACHMENT I      REGULATION OF THE MINISTER OF MINES AND ENERGY  
Number : 02.P/075/MPE/1992  
Dated : February 18, 1992  
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Number :  
Attachment :  
Subject : Notification of Survey Plan

Jakarta, 1992

To:  
Director General of Natural Oil and Gas

Jl. M.H. Thamrin No.1  
JAKARTA 10110

We hereby inform you that in the near future, we will conduct a survey activity as follows:

1. Name of the Company :
2. Company's Address :
3. Operational Area :
4. Type of Survey :
5. Implementing Company :
6. Estimated Cost :
7. Survey Commencement Date :
8. Survey Period :

To complete the above information, we herewith enclose:

1. Brief description of Survey Objective;
2. Map of the location and its explanation;
3. Data on the equipment used and its explanation;
4. Data on the Manpower employed and its explanation;
5. Other information.

Please be informed accordingly.

Very truly yours,

Carbon copies forwarded to \*\*):

1. ....
2. ....

\_\_\_\_\_  
Note:

\*) PERTAMINA/Contractors

\*\*) No attachment

ATTACHMENT II      REGULATION OF THE MINISTER OF MINES AND ENERGY

Number : 02.P/075/MPE/1992

Dated : February 18, 1992

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Jakarta,

1992

Number :

Attachment :

Subject : Report on Survey Result

To:  
Director General of Natural Oil and Gas  
Jl. M.H. Thamrin No.1  
JAKARTA 10110

We hereby inform you that we have conducted survey as follows:

1. Name of the Company :
2. Company's Address :
3. Operational Area :
4. Type of Survey :
5. Implementing Company :
6. Survey Completion Date :

We herewith enclose the data and information on the results of the Survey conducted.

Please be informed accordingly.

Very truly yours,

ATTACHMENT III REGULATION OF THE MINISTER OF MINES AND ENERGY

Number : 02.P/075/MPE/1992  
Dated : February 18, 1992

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Jakarta, 1992

Number :  
Attachment :  
Subject : Drilling Notification

To:  
Director General of Natural Oil and Gas  
Jl. M.H. Thamrin No.1  
Jakarta 10110

We hereby inform that in the near future, we will conduct drilling activity as follows:

1. Name of the Company :
2. Company's Address :
3. Operational Area :
4. Type of Drilling :

5. Name of Well :
6. Drilling Location :
7. Implementing Company :
8. Estimated Cost :
9. Work Commencement Date :

To complete the above information, we herewith enclose:

1. Map of the location and its explanation;
2. Drilling Program;
3. Data on Manpower employed and its information;
4. Data on equipment used and its explanation;
5. Other information.

Please be informed accordingly.

Very truly yours,

Carbon copies forwarded to \*\*):

1. ....
2. ....

ATTACHMENT IV REGULATION OF THE MINISTER OF MINES AND ENERGY

Number : 02.P/075/MPE/1992

Dated : February 18, 1992

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Jakarta,

1992

Number :

Attachment :

Subject : Complete Drilling Report

To:

Director General of Natural Oil and Gas

Jl. M.H. Thamrin No.1

JAKARTA 10110

We hereby inform that in the near future, we will conduct drilling activity as follows:

1. Name of the Company :

2. Location of Operational Area :
3. Commencement Date :
4. Type of Drilling :
5. Drilling Location  
and Coordinate :
6. Name of Well :
7. Drilling Company :
8. Person in Charge :
9. Total of Drilling Workers :
10. Work Completion Date :
11. Well Closing Date :

The result of drilling conducted shows that:

- 1.
- 2.
- 3.
- 4.

Please be informed accordingly and we herewith enclose the complete drilling report as mentioned above.

Very truly yours,

Source: REGULATION ARCHIVE OF THE MINISTRY OF MINES AND ENERGY YEAR 1992.