

**PROCEDURE FOR SPECIFYING MINING BUSINESS AREA
AND REGIONAL INFORMATION SYSTEM,
MINERAL AND COAL MINING**
**(Regulation of the Minister of Energy and Mineral Resource of RI
Number 12 Year 2011, dated August 11, 2011)**

WITH THE BLESSING OF THE ONE AND ONLY GOD
MINISTER OF ENERGY AND MINERAL RESOURCES
OF THE REPUBLIC OF INDONESIA,

Considering:

That to implement the provision in Article 21 paragraph (4) and Article 38 paragraph (4) Government Regulation Number 22 Year 2010 concerning Mining Area, it is necessary to stipulate Regulation of the Minister of Energy and Mineral Resources concerning Procedure for Specifying Mining Business

Area and Regional Information System on Mineral and Coal Mining Area;

In view of:

1. Law Number 32 Year 2004 (BN No. 7152 pgs. 9B-18B) concerning Regional Administration (Statute Book of the Republic of Indonesia Year 2004 Number 125, Supplement to Statute Book of the Republic of Indonesia Number 4437) as amended twice and lately amended by Law Number 12 Year 2008 (BN No. 7661 pgs. 11B-18B)

- (Statute Book of the Republic of Indonesia Year 2008 Number 59, Supplement to Statute Book of the Republic of Indonesia Number 4844);
2. Law Number 26 Year 2007 (BN No. 7556 pgs. 13B 22B) concerning Space Layout (Statute Book of the Republic of Indonesia Year 2007 Number 68, Supplement to Statute Book of the Republic of Indonesia Number 4725);
 3. Law Number 4 Year 2009 concerning Mineral and Coal Mining (Statute Book of the Republic of Indonesia Year 2009 Number 4, Supplement to Statute Book of the Republic of Indonesia Number 4959);
 4. Law Number 32 Year 2009 concerning Protection and Living Environment (Statute Book of the Republic of Indonesia Year 2009 Number 140, Supplement to Statute Book of the Republic of Indonesia Number 5059);
 5. Government Regulation Number 10 Year 2000 concerning Level of Map Scrutiny for the purpose of Space Layout (Statute Book of the Republic of Indonesia Year 2000 Number 20, Supplement to Statute Book of the Republic of Indonesia Number 3934);
 6. Government Regulation Number 38 Year 2007 (BN No. 7576 pgs. 1B-6B) concerning Distribution of Administration Affairs between the Government, Regional Government of Province, and Government of Regency/Municipality (Statute Book of the Republic of Indonesia Year 2007 Number 82, Supplement to Statute Book of the Republic of Indonesia Number 4737);
 7. Government Regulation Number 26 Year 2008 concerning Space Layout Plan of National Regions (Statute Book of the Republic of Indonesia Year 2008 Number 48, Supplement to Statute Book of the Republic of Indonesia Number 4833);
 8. Government Regulation Number 15 Year 2010 concerning Implementation of Space Layout (Statute Book of the Republic of Indonesia Year 2010 Number 21, Supplement to Statute Book of the Republic of Indonesia Number 5103);
 9. Government Regulation Number 22 Year 2010 concerning Mining Region (Statute Book of the Republic of Indonesia Year 2010 Number 28, Supplement to Statute Book of the Republic of Indonesia Number 5110);
 10. Government Regulation Number 23 Year 2010 concerning Operation of Business Activities of Mineral and Coal Mining (Statute Book of the Republic of Indonesia Year 2010 Number 29, Supplement to Statute Book of the Republic of Indonesia Number 5111);
 11. Presidential Decree Number 84/P Year 2009 dated October 21, 2009;
 12. Regulation of the Minister of Energy and Mineral Resource Number 18 Year 2010 concerning Organization and Work Procedure of the Ministry of Energy and Mineral Resource (State Gazette of the Republic of Indonesia Year 2010 Number 552);

D E C I D E S :

To stipulate:

REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCE ON PROCEDURE FOR SPECIFYING MINING BUSINESS AREA AND REGIONAL INFORMATION ON MINERAL AND COAL MINING AREA.

CHAPTER I

GENERAL PROVISION

Article 1

What is meant in this Regulation of the Minister by:

1. Mining Area hereinafter referred to as WP, shall be Mining Business Area hereinafter referred to as WUP, People Mining Area hereinafter referred to as WPR, State Conservation Area hereinafter referred to as WPN, Mining Business License hereinafter referred to as WIUP, Mining Business License hereinafter referred to as IUP, Mineral, Coal, Business Entity, Exploration Feasibility Study, and Mining, shall be as referred to in Law Number 4 Year 2009 concerning Mineral and Coal Mining.
2. Radioactive Mining Business Area hereinafter referred to as radioactive WUP, shall be part of the WP already having available data, potentiality, and/or dominant geological information discovered in radioactive mining commodity.
3. Metal Mineral Mining Business Area hereinafter referred to as metal mineral WUP, shall be part of the WP already having available data, potentiality, and/or dominant geological information discovered in metal mineral mining commodity.
4. Coal Mining Business Area hereinafter referred to as Coal WUP, shall be part of the WP that already has available data, potentiality, and/or dominant geological information discovered in coal mining commodity.
5. Non-Metal Mineral Mining Business Area hereinafter referred to as Non-Metal Mineral WUP, shall be part of the WP that already has available data, potentiality, and/or dominant geological information discovered in non-metal mineral mining commodity.
6. Rocks Mining Business Area hereinafter referred to as rocks WUP, shall be part of the WP already having available data, potentiality, and/or dominant geological information discovered in rocks mining commodity.
7. Business License for Metal Mineral Mining Area shall include its derivative mineral hereinafter referred to as metal mineral WIUP, shall be part of metal mineral WUP provided to business entity, cooperatives and individual person through tender bid.
8. Business License for Coal Mining Area, hereinafter referred to as coal WIUP, shall be part of the coal WUP provided to business entity, cooperatives and individual through tender bid.
9. Business License for Non-Metal Mineral Mining Area hereinafter referred to as non-metal mineral

WIUP, shall be part of non-metal mineral WUP provided to business entity, cooperatives and individual person by means of application.

10. Business License for Rock Mining Area, hereinafter referred to as rock WIUP, shall be part of the rock WUP provided to business entity, cooperatives and individual person by means of application.

11. Tender bid shall be method of offering WIUP or WIUPK in the context of granting Exploration IUP, Production Operation IUP, Exploration IUPK, and/or metal and coal Production Operation IUPK.

12. Work Contract, hereinafter referred to as KK, shall be agreement between the Government of the Republic of Indonesia and Indonesian legal entity in the context of Foreign Capital Investment in operating mineral mining business, excluding natural oil and gas, geothermal, radio active and coal mining.

13. Work Contract for Coal Mining Exploitation, hereinafter referred to as PKP2B, shall be agreement between the Government of the Republic of Indonesia and Indonesian legal entity in the context of Domestic Capital Investment and/or Foreign Capital Investment for operating coal mineral mining.

14. Data shall be all facts, guidelines, indications, and information in writing (character), figure (digital), depiction or illustration, magnetic media, document, coal sampling, fluid, and other forms obtained from the result of research and study on mining, exploration, feasibility study, or mining.

15. Information System on Mining Area, hereinafter referred to as WP information system, shall be any information system that is useful to solve problem and making decision on area matter.

16. National Geodesy Data shall be reference prevailing in Indonesia to state position (coordinate) in conducting national survey and mapping.

17. Minister shall be minister exercising administrative matters on mineral and coal mining.

18. Director General shall be Director General whose duty and responsibility are in mineral and coal mining sector.

CHAPTER II

PREPARATION OF MINING BUSINESS AREA

Part One

General

Article 2

- (1) WP may consist of WUP covering:
 - a. radio active WUP;
 - b. metal mineral WUP;
 - c. coal WUP;
 - d. non metal mineral WUP; and/or
 - e. rocks WUP.
- (2) The Minister shall determine radioactive WUP as referred to in paragraph (1) letter a based on proposal of the agency administering administrative affairs on nuclear matter.
- (3) The Minister shall determine metal mineral WUP and coal WUP as referred to in paragraph (1) letter b and letter c after having coordination with

the local Governor and Regent/Mayor and relevant agency.

- (4) The metal mineral WUP or coal WUP referred to in paragraph (3) shall be decided by the Minister after having complied with the criteria below:
- a. has coal carrier rock formation and/or metal mineral carrier formation, including offshore area based on geological map;
 - b. has geological exposure for metal mineral and/or coal;
 - c. has potential metal mineral and/or coal resource;
 - d. has one (1) or more types of metal mineral and/or coal, including derivatives thereof;
 - e. is not overlapping with WPR and/or WPN;
 - f. is are that may be utilized for continuous mining activities; and
 - g. is mining allocated area according to space layout plan.
- (5) The Minister shall determine non-metal mineral WUP and rock WUP as referred to in paragraph (1) letter d and letter e after having coordination with the local Governor and Regent/Mayor and relevant agency.
- (6) The Minister may delegate authority to determine non-metal mineral WUP and rock WUP as referred to in paragraph (1) letter d and letter e to the Governor in accordance with the provisions in the statutory regulation for:
- a. non-metal mineral WUP and rock WUP existing across regency/municipality in one (1) province; and

b. non-metal mineral WUP and rock WUP existing in one (1) regency/municipality.

- (7) If the Minister delegates authority to determine non-metal mineral WUP and rock WUP as referred to in paragraph (6), the Governor shall determine a WUP after having coordination with the Minister and the local Regent/Mayor.
- (8) The coordination referred to in paragraph (5) and paragraph (7) for equal perception relating to the criteria for WUP determination shall be as follows:
- a. has geological exposure to non-metal mineral and/or rock;
 - b. has potential non-metal mineral and/or rock resource;
 - c. has one (1) or more types of non-metal mineral and/or rocks;
 - d. is not overlapping with WPR and/or WPN;
 - e. is area that may be utilized for continuous mining activities; and
 - f. is mining allocated zone according to space layout plan.
- (9) The coordination with the relevant agency referred to in paragraph (3) and paragraph (5) relating to WUP as mining allocated zone in the space layout of the national space layout structured based on the seven (7) islands or archipelago in accordance with the provisions in the statutory regulation on space layout.

Article 3

If the data and information resulting from the

research and study or exploration conducted by:

- a. the Minister, Governor, or Regent/Mayor according to their respective authority; or
- b. assignment made by the State research institution of Regional research institution, there is discovered potential resource and mineral or coal reserve that draw the interest of the market on the WP other than the WUP that has been decided as referred to in Article 2 paragraph (3), paragraph (5), and paragraph (7), then the Minister may decide a new WUP baru.

Article 4

- (1) In one (1) metal mineral WUP or coal WUP one (1) or more WIUPs may be determined.
- (2) The metal mineral WIUP referred to in paragraph (1) is one (1) prime metal mineral mining commodity, including its derivative.
- (3) The mineral derivative referred to in paragraph (2) is other metal mineral mining commodity associated with the prime metal mineral.

Article 5

- (1) In one (1) non-metal mineral WUP or rock WUP one (1) or more WIUPs may be determined.
- (2) The WIUP referred to in paragraph (1) constitutes one (1) non-metal mineral or rock mining commodity.

Article 6

- (1) The Minister is determining radioactive mineral

WUP, metal mineral WUP, and coal WUP referred to in Article 2 paragraph (1) letter a, letter b, and letter c, may overlap with non-metal mineral WUP or rock WUP.

- (2) If the Minister stipulates radioactive mineral WUP referred to in Article 2 paragraph (2) overlaps with the holder of metal mineral WIUP, non-metal mineral WIUP, rock WIUP and/or coal WIUP, the agency implementing administration affairs on nuclear power must coordinate with the holder of metal mineral WIUP, non-metal mineral WIUP, rock WIUP and/or coal WIUP.
- (3) The coordination referred to in paragraph (2) is in the context of preparing cooperation agreement for WIUP exploitation that overlaps with the principles of mutual benefit.
- (4) The agency implementing administration affairs on nuclear power shall be obliged to submit application for assignment to the Minister in the context of determining radioactive mineral WIUP and cooperation agreement of overlapping WIUP exploitation referred to in paragraph (3).

Article 7

If non-metal mineral WUP or rock WUP overlaps with metal mineral WUP or coal WUP referred to in Article 6, then the condition to obtain priority right or primary right to exploit metal mineral and coal within non-metal mineral WIUP or rock WIUP does not apply.

Article 8

- (1) If within part of the stipulated WP there is an area that is not prospective yet to be developed as metal mineral WUP or coal WUP, the Minister may decide such area as non-metal mineral WUP or rock WUP.
- (2) If within the location of non-metal mineral WUP or rock WUP referred to in paragraph (1) there exists class of metal mineral or coal mining commodity that is prospective to be developed, the Minister may determine it as metal mineral WUP or coal WUP after having coordination with the Governor and Regent/Mayor according to their respective authority.
- (3) If within the location of non-metal mineral WIUP or rock WIUP referred to in paragraph (2) there exists class of metal mineral or coal mining commodity that is prospective to be developed, the requirement to submit application for priority right or primary right for exploitation of metal mineral or coal mining does not apply.

Part Two

Preparation for Metal Mineral WIUP and Coal WIUP

Article 9

- (1) The Director General shall prepare metal mineral WIUP or coal WIUP within the WUP that has been stipulated as referred to in Article 2 paragraph (3) to be offered by tender bid to business entity, cooperatives and individual person.
- (2) Preparation of metal mineral WIUP or coal WIUP

referred to in paragraph (1) shall be based on the data such as:

- a. result of mining research and study activities in the context of stipulating WP;
- b. exploration within the WP;
- c. result of evaluation of metal mineral WIUP or coal WIUP being relinquished by the holder of IUP;
- d. result of evaluation of KK area or PKP2B area that has been relinquished based on the provisions in the statutory regulation;
- e. result of evaluation of metal mineral WIUP of coal WIUP which IUP has expired; and/or
- f. result of evaluation of KK area and/or PKP2B area which contract or agreement has expired.

Article 10

- (1) The Governor or Regent/Mayor based on their respective authority may submit application for proposal to stipulate metal mineral WUP or coal WUP that overlaps with non-metal mineral WUP or rock WUP as referred to in Article 8 paragraph (2) to the Minister based on proposal from business entity, cooperatives and individual person as holder of non-metal mineral WIUP or rock WIUP.
- (2) If the holder of non-metal mineral WIUP or rock mineral WIUP wishes to exploit metal mineral or coal referred to in paragraph (1), the holder shall be obliged to apply to be tender bid participant for metal mineral WIUP or coal WIUP in accordance with the provisions in the statutory regulation.

Article 11

- (1) Preparation of metal mineral WIUP or coal WIUP referred to in Article 9 paragraph (2) letter a and letter b must be structured based on the data and information resulting from the research and study on mining and/or exploration conducted by:
- a. the Minister;
 - b. the Governor;
 - c. the Regent/Mayor; and/or
 - d. State-owned institution and regional research institution by means of assignment for conducting research and study on mining, according to the provisions in the statutory regulation.
- (2) Metal mineral WIUP or coal WIUP from relinquished WIUP or WIUP that has expired as referred to in Article 9 paragraph (2) letter c through letter f must be compiled based on the data and information resulting from exploration, feasibility study, and/or mining conducted by:
- a. the IUP holder;
 - b. the KK Contractor; and/or
 - c. the PKP2B Contractor.
- (3) The data and information resulting from research and study of mining and/or exploration referred to in paragraph (1) and information resulting from exploration, feasibility study, and/or mining referred to in paragraph (2) and proposal from the Governor or Regent/Mayor as referred to in Article 10 must be submitted to the Minister c.q. Director General with copy to the Head of Geol-

ogy Department and Head of Energy and Mineral Resource Data and Information Center supported by the summary of geoscientific and mapping data.

Article 12

- (1) The preparation of WIUP in the context of WIUP offer by tender bid as referred to in Article 9 shall be conducted by the Director General by means of technical and economical evaluation.
- (2) For implementation of technical and economical evaluation as referred to in paragraph (1), the Director General may establish a team for WIUP preparation.
- (3) Members of the WIUP preparation Team referred to in paragraph (2) comprise representatives of:
- a. the Directorate General of Mineral and Coal;
 - b. Geology Department;
 - c. Energy and Mineral Resources Research and Development Agency;
 - d. the Secretariat General of the Ministry of Energy and Mineral Resources;
 - e. the relevant agency; and
 - f. the local provincial government and/or regency/municipality government.
- (4) The WIUP preparation Team referred to in paragraph (3) shall report the result technical and economical evaluation to the Director General.

Article 13

- (1) Based on the result of technical and economical

evaluation referred to in Article 12, the Director General shall prepare proposed plan for determining WIUP specifying:

- a. the location;
- b. the extent and borders of WIUP using WUP geo-reference;
- c. the quality of WIUP data;
- d. the compensation price of WIUP data and information or the total cost for investment compensation according to the provisions in the statutory regulation; and
- e. land use.

(2) The extent and borders of WIUP referred to in paragraph (1) letter b must comply with the criteria below:

- a. geographical location;
- b. rule of conservation;
- c. environmental supporting power;
- d. optimization of mineral and/or coal resources; and
- e. level of population density.

(3) Environmental supporting power referred to in paragraph (2) letter c based on study on living environment based on the provisions in the statutory regulation on living environment protection and management.

(4) Proposed WIUP determination plan referred to in paragraph (1) shall be coordinated by the Director General with the relevant agency, the local Governor, and Regent/Mayor pertaining to the determination plan on borders, coordinates, and ex-

tent of a certain WIUP deemed potentially contains metal mineral and/or coal in the WIUP.

Article 14

Based on the result of coordination referred to in Article 13 paragraph (4) proposal shall be submitted to the Minister on the determination of WIUP supported by:

- a. coordinates of the WIUP compiled as specified in Attachment I to this Regulation of the Minister; and
- b. map of WIUP as illustrated in the format specified in Attachment II to this Regulation of the Minister.

CHAPTER III

INFORMATION SYSTEM ON MINING AREA

Article 15

(1) WP information system is meant for standardization, such as:

- a. coordinates system;
- b. basic map issued by the Government agency carrying out administration affairs in national survey and mapping; and
- c. map of WP, WUP, WPR, WPN, or WIUP of radioactive mineral, metal mineral, non-metal mineral, rocks, and coal.

(2) WP information system referred to in paragraph (1) must be established applying universal geographical information system.

Article 16

- (1) WIUP mapping coordinate system shall use National Geodesy Data having the parameter equivalent with the Ellipsoid World Geodetic System parameter.
- (2) WUP, WPR, WPN, or WIUP are illustrated in situation map using A3 size plain paper scale and in the form of closed polygon bordered by lines parallel to horizontal line and vertical line with minimum multiplication of one-tenth (0,1") second and using coordinates system referred to in paragraph (1).
- (3) The WUP, WPR, WPN, or WIUP maps referred to in paragraph (2), must specify the following:
 - a. the borders, coordinates, and extent;
 - b. code of WUP, WPR, WPN, or WIUP;
 - c. administrative border;
 - d. status of land use;
 - e. data of the map, such as line scale, source of map, and map location; and
 - f. approval of WUP, WPR, WPN, or WIUP maps.
- (4) Approval of the maps referred to in paragraph (3) letter f must be signed by the official appointed by the Minister, Governor, or Regent/Mayor according to their respective authority.
- (5) The code referred to in paragraph (3) letter b shall be structured according to the guideline specified in Attachment III to this Regulation of the Minister.

CHAPTER IV

WIUP STIPULATION

Article 17

- (1) The Minister shall stipulate metal mineral WIUP and coal WIUP for offering to business entity, cooperatives, and individual person based on proposal of the Director General referred to in Article 14.
- (2) The Minister may reject the stipulated metal mineral WIUP or coal WIUP proposed by the Governor or Regent/Mayor referred to in Article 10 based on the result of technical and economical evaluation conducted by the Director General.

Article 18

- (1) The Minister, Governor, or Regent/Mayor based on their respective authority shall issue map of non-metal mineral WIUP or rock WIUP based on application of the business entity, cooperatives, and individual person that have complied with the requirements of the provisions in the statutory regulation.
- (2) The Governor, or Regent/Mayor based on their respective authority prior to issuing map of non-metal mineral WIUP or rock WIUP referred to in paragraph (1), must coordinate with the Minister if:
 - a. it overlaps with metal mineral WIUP and/or coal WIUP that has been stipulated by the Minister for tender bid;
 - b. it overlaps with non-metal mineral WIUP and/or coal WIUP that has been granted to the

holder of metal mineral or coal IUP;

- c. it is located within non-metal mineral WUP or rock WUP that overlaps with radioactive mineral WUP, metal mineral WUP, and/or coal WUP.

Article 19

- (1) If within the metal mineral WIUP location that has been stipulated in the initial WIUP as referred to in Article 17 there is found other metal mineral mining commodity, the Minister shall decide new WIUP for the other metal mineral mining commodity.
- (2) If within the metal mineral WIUP or coal WIUP location duly stipulated in any initial WIUP there is found different class of mining commodity, the Minister shall decide a new WIUP for such class of mining commodity in a new WUP.
- (3) The metal mineral WIUP or coal WIUP referred to in Article 17 paragraph (1) that overlaps non-metal mineral WIUP or rock WIUP shall be determined by the Minister after having coordination with the local Governor and Regent/Mayor.
- (4) If within the metal mineral WIUP or coal WIUP there is found non-metal mineral mining commodity or rock mining commodity that draw the attention of the business entity, cooperatives, and individual, then non-metal mineral WIUP and/or rock WIUP shall be stipulated by the Governor or Regent/Mayor according to their respective authority after having coordination with the Minister.

Article 20

- (1) The holder of metal mineral WIUP that first obtained priority in obtaining in obtaining WIUP for other class of metal mineral mining commodity as referred to in Article 19 paragraph (1) without tender bid and is obliged to establish new business entity in accordance with the provisions in the statutory regulation.
- (2) WIUP for different mining commodity as referred to in Article 19 paragraph (2) shall be granted to the first holder of WIUP without tender bid and is obliged to establish new business entity in accordance with the provisions in the statutory regulation.
- (3) To obtain WIUP for metal mineral or WIUP for coal referred to in Article 19 paragraph (3) the first holder of WIUP must apply as tender bid participant in accordance with the provisions in the statutory regulation.
- (4) To obtain non-metal mineral WIUP or rock WIUP referred to in Article 19 paragraph (4) business entity, cooperatives, and individual person shall be obliged to submit application for area to the Minister, Governor or Regent/Mayor according to their respective authority.

CHAPTER V

CLOSING PROVISION

Article 21

By the time this Regulation of the Minister takes effect, Decision of the Minister of Energy and

Mineral Resource Number 1603 K/40/MEM/2003, dated December 24, 2003 concerning Guideline for Preservation of Mining Area and Decision of the Minister of Energy and Mineral Resources Number 1614 Year 2004, dated October 18, 2004 concerning Guideline for Processing Application for Work Contract and Work Agreement for Coal Mining Exploitation in the context of Foreign Capital Investment is hereby revoked and declared null and void.

Article 22

This Regulation of the Minister takes effect on the date it is stipulated.

For public cognizance, this Regulation of the Minister shall be announced by placing it in the State Gazette of the State of the Republic of Indonesia.

Stipulated in Jakarta

On August 11, 2011

MINISTER OF ENERGY AND MINERAL RESOURCE
OF THE REPUBLIC OF INDONESIA,

sgd.

DARWIN ZAHEDY SALEH

Enacted in Jakarta

On August 11, 2011

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

sgd.

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA

YEAR 2011 NUMBER 487

(MA)