

TECHNICAL GUIDANCE FOR OFFSHORE OIL AND NATURAL GAS INSTALLATION REMOVAL

(The Regulation of The Minister of Energy and Mineral Resources Number 01 Year 2011, 7 January 2011)

BY THE GRACE OF ONE AND ALMIGHTY GOD
THE MINISTER OF ENERGY AND
MINERAL RESOURCES,

Considering:

That in order to guarantee safety, to guarantee the implementation of environmental management, to keep condition of offshore installation as state property and to keep sailing safety also according to the law in Article 21 of the Government Regulation Number 17 Year 1974 concerning Supervision on the Implementation of Offshore Oil and Natural Gas Exploration and Exploitation, it is necessary to stipulate Regulation of the Minister of Energy and Mineral Resources on Technical Guidance for Offshore Oil and Natural Gas Installation Removal;

In view of:

1. Law Number 22 Year 2001 on Oil and Natural Gas (State Gazette of the Republic of Indonesia Year 2001 Number 136, Supplementary State Gazette of the Republic of Indonesia Number 4152);
2. Law Number 17 Year 2008 on Sailing (State Gazette of the Republic of Indonesia Year 2008 Number 64, Supplementary State Gazette of the Republic of Indonesia Number 4849);
3. Law Number 32 Year 2009 on Environment Protection and Management (State Gazette of the Republic of Indonesia Year 2009 Number 140, Supplementary State Gazette of the Republic of Indonesia Number 5059);
4. Government Regulation Number 17 Year 1974 on Supervision of the Implementation of Offshore Oil and Natural Gas Exploration and Exploitation (State Gazette of the Republic of Indonesia Year 1974 Number 20, Supplementary State Gazette of the Republic of Indonesia Number 3031);
5. Government Regulation Number 35 Year 2004 on Upstream Business Activities of Oil and Natural Gas (State Gazette of The Republic of Indonesia Year 2004 Number 123, Supplementary State Gazette of the Republic of Indonesia Number 4435), which has been changed the last time with Government Regulation 55 Year 2009 (State Gazette of the Republic of Indonesia Year 2009 Number 128, Supplementary State Gazette of the Republic of Indonesia Number 5047);
6. Presidential Decree Number 84/P Year 2009, 21 October 2009;
7. Regulation of the Minister of Mining Number 05/P/M/PERTAM/1977, 22 October 1977 concerning Mandatory Possession of Certificate of Construction Feasibility for Offshore Oil and Natural Gas Platform;

8. Regulation of Minister of Energy and Mineral Resources Number 18 Year 2010 on Organization and Management of Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia Year 2010 Number 552);

DECIDED :

To stipulate :

REGULATION OF MINISTER OF ENERGY AND MINERAL RESOURCES CONCERNING TECHNICAL GUIDANCE FOR OFFSHORE OIL AND NATURAL GAS INSTALLATION REMOVAL.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Minister Regulation there are definitions as follows:

1. Oil and Natural Gas, Exploration, Exploitation, Operational Territory, Minister, Executive Body, are as meant in Article 1 Law Number 22 Year 2001 concerning Oil and Natural Gas.
2. Offshore installation is oil and natural gas installation built offshore to carry out oil and natural gas business activities.
3. Removal is the work of cutting off parts or whole of installation and transferring/transportation if removed stuff to decided location.
4. Offshore is area that covers Indonesian water and continent shelf.
5. Mudline is boundary line of soil surface that can change due to sea current movement.

6. Director General is the Director General whose duties and responsibilities involves Oil and Natural Gas Business Activities.

7. Contractor is Business Entity or Permanent Business Form decided to execute exploration and exploitation at an operational territory based on Cooperation Contract.

Article 2

The removal of offshore installation is done in case offshore installation is not used anymore or will be reused for exploration and/or exploitation activities of oil and natural gas at other place.

Article 3

Regulation on technical guidance for offshore installation removal is meant:

- a. to guarantee the safety of oil and natural gas;
- b. to guarantee the implementation of environmental management;
- c. to keep offshore installation condition as state property;
- d. to safeguard sailing; and
- a. to optimize the usage of state property.

Article 4

Offshore installation removal is obliged to be done by using technology suitable to Indonesian national standard or regional standard or international standard and good engineering rule as well as fulfilling workplace safety aspect and workplace health as well as environmental protection.

Article 5

The execution of offshore installation removal as meant in Article 4 is done by Contractor accordingly to the law and regulation.

CHAPTER II

REMOVAL PLANNING

Article 6

- (1) Removal of offshore installation is done by Contractor after obtaining approval for offshore installation removal from Director General.
- (2) To get approval for offshore installation removal as meant at paragraph (1), Contractor submit request to Director General through Executive Body by completing planning document for offshore installation.
- (3) Planning document for offshore installation removal as meant at paragraph (2) involves:
 - a. list of instruments at offshore installation planned to remove;
 - b. latest map of offshore installation location with other activities;
 - c. possessed environmental documents;
 - d. statement letter that states all facilities related to platform have been separated from concerned installation;
 - e. early design or re-qualification and modification analysis ever done;
 - f. operational history log as well as result of annual and/or special inspection;
 - g. chosen alternative of removal technology;
 - h. well closing procedure (Plug and abandonment);

- i. procedure of removal, transfer, and/or transportation;
- j. risk analysis in the execution of removal, transfer, and transportation;
- k. procedure of workplace safety and health as well as environmental protection in executing removal, transfer, and transportation;
- l. implementation schedule;
- m. emergency response plan;
- n. security plan for left facilities and/or related to post-removal;
- o. transfer and/or storage location of offshore installation removal result.

Article 7

- (1) Director General does evaluation on planning document of offshore installation removal in 30 (thirty) working days at the latest after the document is received completely.
- (2) In order to evaluate and to clarify planning document of offshore installation removal as meant at paragraph (1), Contractor is obliged to carry out presentation of the document.
- (3) In case the result of evaluation and clarification of planning document for offshore installation removal is stated complete and correct, Director General gives approval for offshore installation removal in 10 (ten) working days at the latest.
- (4) Approval for offshore installation removal is given with validity 3 (three) years at maximum.
- (5) Removal approval as meant at paragraph (4) is not valid if change on planning occurs or if after 3 (three) years the removal of offshore installation is not yet executed.

(6) After getting approval for offshore installation removal as meant at paragraph (4), Contractor is responsible for the wellbeing of the offshore installation.

Article 8

In arranging planning document for offshore installation removal as meant in Article 6, Contractor is obliged to have planning operational staff with suitable competency and qualification or using national company service, which has obtained Certificate of Registration from Director General.

CHAPTER III REMOVAL EXECUTION

Article 9

- (1) Based on approval for offshore installation removal as meant at paragraph (7), Contractor is obliged to prepare the execution of offshore installation removal soon.
- (2) In 7 (seven) working days at the latest before the execution of offshore installation removal, Contractor is obliged to inform Director General.
- (3) The execution of offshore installation removal is obliged to use qualified instruments that have met standards of work safety accordingly to the law and regulation.

Article 10

In carrying out the execution of offshore installation removal as meant in Article 9, Contractor is obliged to have planning operational staff with suitable competency and qualification or using national company service, which has obtained Certificate of Registration from Director General.

Article 11

Before carrying out offshore installation re-

moval, Contractor is obliged:

- a. to implement the socialization of removal, transfer, and transportation activities plan to related society and instances;
- b. to install navigation signs around the removal location;
- c. to make sure that all wells are closed permanently accordingly to Indonesian National Standard or regional standard or International Standard, and good engineering rules;
- d. to make sure that all infrastructures related to offshore installation have been cut off;
- e. to make sure that all piping and other instrument systems are free from hazardous and poisonous materials;
- f. to make sure that offshore installation are free from hazardous and poisonous materials waste.

Article 12

- (1) In carrying out the execution of removal, Contractor is obliged:
 - a. to cut conductor 5 (five) meters under mudline or parallel to sea bottom in case distance between mudline and sea bottom is less than 5 (five) meters;
 - b. to cut conductors to segments with 12 (twelve) meters maximum length;
 - c. to remove top side facility by cutting welded joint between pole with deck foot;
 - d. to cut pole and its seating 5 (five) meters under mudline or parallel to sea bottom in case distance between mudline and sea bottom is less than 5 (five) meters;
 - e. to cut pipeline above riser bend point and at 3 (three) meters from installation foot base;
 - f. to blank off left pipeline and other end of it buried 1 (one) meter or protected with safety material.

g. to cut pipeline that will be transferred into short parts with 9 (nine) meter up to 12 (twelve) meters length.

- (2) Contractor is obliged to place removal result at approved storage location.
- (3) Contractor is obliged to carry out sea bottom clearance from removal work waste or from rate period production activities with minimum coverage of clearing area accordingly to forbidden area with 500 (five hundreds) meters.
- (4) Contractor is obliged to make sure sea bottom is clean from waste of removal work by using site scan sonar system and/or test trawling.

Article 13

Contractor is obliged to guarantee work safety and health as well as environmental management at the time of removal, transfer/transportation and storage of offshore installation removal result.

CHAPTER IV

FOUNDING AND MONITORING

Article 14

- (1) Director General does the founding and monitoring upon the implementation of offshore installation removal accordingly to the rules and regulations.
- (2) Contractor is obliged to report to Director General through Executive Body concerning the implementation of offshore removal in 14 days at the latest after removal activities have been completed.
- (3) If the report can be accepted as meant at paragraph (2) based on technical evaluation, in 30 (thirty) working days at the latest after report has been accepted, Director General issues site clearance certificate.

CHAPTER V

TRANSITIONAL PROVISIONS

Article 15

Contractor who has done the activities of offshore installation removal before the enactment of this Minister Regulation is obliged to report the activities to Director General through Executive Body in 1 (one) year at the latest after the enactment of this Minister Regulation to have evaluation done for the issuance site clearance certificate.

CHAPTER VI

FINAL PROVISIONS

Article 16

This Minister Regulation starts to take effect since the enactment date.

For everybody to acknowledge this regulation, ordering the enactment of this Minister Regulation to be placed in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta

on 7 January 2011

THE MINISTER OF ENERGY AND MINERAL RESOURCES,

Sgnd.

DARWIN ZAHEDY SALEH

Promulgated in Jakarta

on 7 January 2011

THE MINISTER OF LAW AND HUMAN RIGHTS
THE REPUBLIC OF INDONESIA

Sgnd.

PATRIALIS AKBAR

THE STATE GAZETTE OF THE REPUBLIC OF
INDONESIA YEAR 2011 NUMBER 4

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