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GENERAL

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THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

**DECREE OF THE MINISTER OF ENERGY AND MINERAL RESOURCES
NUMBER : 1454 K/30/MEN/2000 ; DATED : NOVEMBER 3, 2000**

ON

**TECHNICAL GUIDELINES ON ORGANIZING THE TASKS OF THE
GOVERNMENT IN THE FIELD OF OIL AND NATURAL GAS**

THE MINISTER OF ENERGY AND MINERAL RESOURCES

- Considering :
- a. that as an implementation of the provisions of Article 6 and Article 9 of Government Regulation Number 25 of 2000 on the Authority of the Government and the Authority of the Province as an Autonomous Region, it is necessary to lay down the *Technical Guidelines on the Organizing of the Tasks of the Government in the Field of Oil and Natural Gas*.
 - b. that the Technical Guidelines as referred to in letter a may be used by the Regional Legislative Agency as well as the Regional Administration in laying down the legislative regulations in the field of conducting business in oil and natural gas both in the framework of the Regional Autonomy, Deconcentration and the Task of Assisting;

CAFI 104/DECEMBER 29, 2000

Bearing
in Mind

1. Act Number 44 Prp of 1960 on Oil and Natural Gas Mining (State Gazette of 1960 Number 133, Supplement to the State Gazette Number 2070);
2. Act Number 8 of 1971 on the State Owned Oil and Natural Gas Mining Company (State Gazette of 1971 Number 76, Supplement to the State Gazette Number 2971);
3. Act Number 22 of 1999 on the Regional Administration (State Gazette of 1999 Number 60, Supplement to the State Gazette Number 3839);
4. Act Number 25 of 1999 on Financial Equilibrium between the Central and the Regional Government (State Gazette of 1999 Number 72, Supplement to the State Gazette Number 3848);
5. Government Regulation Number 19 of 1973 on the Regulation and Supervision on Occupational Safety in the Field of Mining (State Gazette of 1973, Number 25, Supplement to the State Gazette Number 3003);
6. Government Regulation Number 17 of 1974 on Supervision of the Exploration and Exploitation of Oil and Natural Gas at offshore Regions (State Gazette of 1974 Number 20, Supplement to the State Gazette Number 3031);
7. Government Regulations No. 11 of 1979 on Occupational Safety at the Purification and Processing of Oil and Natural Gas (State Gazette of 1979 Number 18, Supplement to the State Gazette Number 3135);
8. Government Regulations Number 45 of 1985 on Goods Used for the Operation of Oil and Natural Gas Mining (State Gazette of 1985 Number 67, Supplement to the State Gazette Number 3311);
9. Government Regulations Number 35 of 1994 on the Guidelines and Conditions of the Production Sharing Contract of Oil and Natural Gas (State Gazette of 1994 Number 64, Supplement to the State Gazette Number 3571);
10. Government Regulation Number 25 of 2000 on the Authority of the Government and the Authority of the Province as an Autonomous Region (State Gazette of 2000 Number 54, Supplement to the State Gazette Number 3952);
11. Decree of the President Number 18 of 1988 dated June 22, 1988 on the Supply and Services of Lubricants.
12. Decree of the President Number 234/M of 2000 dated August 23, 2000 on the Formation of the Cabinet for the Period of 2000 through 2004;

13. Decree of the Minister of Mines and Energy Number 1748 of 1992 dated December 1992 on Organization and Working Procedure of the Department of Mines and Energy as it has been amended with the Decree of the Minister of Mines and Energy Number 169 of 1998 dated February 17, 1998 on Organization and Working Procedure of the Directorate General of Electricity and Development of Energy;

HAS DECIDED :

To lay down : THE DECREE OF THE MINISTER OF ENERGY AND MINERAL RESOURCES ON THE TECHNICAL GUIDELINES FOR ORGANIZING THE TASKS OF THE GOVERNMENT IN THE FIELD OF OIL AND NATURAL GAS.

CHAPTER 1 GENERAL PROVISIONS

Article 1

In this Decree of the Minister referred to as :

1. The organizing of the Oil and Natural Gas Business is the authority to organize Oil and Natural Gas business activities which is carried out by the Minister, Governor and Regent/Mayor in accordance with their respective scope of authority.
2. A Permit is the authority which is given to a Business Entity to carry out certain activities in the field of oil and natural gas.
3. An approval is the statement of approval which is given in writing to a Business Entity to carry out certain activities in the field of oil and natural gas.
4. A recommendation is a statement which is given to a Business Entity as a condition to obtain a Permit.
5. Minister shall be the Minister whose scope of duty and responsibility covers the oil and natural gas business activities.
6. Central Government hereinafter called the Government is the instrument of the unified State of the Republic of Indonesia consisting of the President and the Ministers.
7. The Regional Administration is the Head of the Region and the other instruments of the Autonomous Region as Regional Executive Board.
8. Director General shall be the Director General whose scope of duty and responsibility covers the activities of the oil and natural gas business.
9. A Business Entity is every legal entity which carries out the type of business of a permanent and continuous nature and which is established in accordance with the legislative regulations in force and is working, domiciled within the territory of the Republic of Indonesia.
10. A Permanent Establishment is a business entity which is established and is a legal entity outside the territory of the Republic of Indonesia and carries out activities within the

territory of the Republic of Indonesia.

11. A Supporting Service Company is a Business Entity which carries out supporting business activities in the field of oil and natural gas.
12. A Mining Concession or Contractor Working Territory is a certain region within the Indonesian Mining jurisdiction to carry out oil and natural gas exploration and exploitation activities.

Article 2

The organizing of Oil and Natural Gas Business which may be carried out by the Regional Administration consists of :

1. The agreement of utilizing the Mining Concession or Contractor Working Territory for activities other than oil and natural gas activities;
2. The Recommendation on the procedure for the utilization of the forest zone for the interest of oil and natural gas activities.
3. The permit for the construction and utilization of the warehouse for explosives in the shore operation region and in the 12 (twelve) sea miles operation area.
4. The permit to open a company Representation Office in the Oil and Natural Gas sub-sector.
5. The recommendation for the location of construction of a refinery.
6. The permit for the construction of a local depot;
7. The permit to construct a Public Petrol Filling Station ("SPBU");
8. The permit for marketing the Types of Special Fuel Oil for 2 (two) stroke engines;
9. The permit to accumulate and distribute used lubricants;
10. The Approval for the Certificate of Registry of the Supporting Service Company except those operating in the field of fabrication, construction, manufacturing, consultant and high technology.

CHAPTER II PROCEDURE FOR THE FILING OF AN APPLICATION AT THE UPSTREAM ACTIVITIES

Article 3

The technical guidelines for the application and the granting of an approval for the utilization of a Mining Concession or Contractor Working Territory for other activities as referred to in Article 2 point 1 are as follows :

1. The Business Entity files an application for the utilization of land to the Regional Administration with a copy to the Director General by attaching at least :
 - a. the company's bio data

- b. the location map
 - c. the location permit
 - d. the date regarding utilization of land.
 - e. a guaranty to adhere to the technical provisions.
2. When necessary the Business Entity is obliged to technical presentation.
 3. The Regional Administration issues an Approval for the utilization of the Mining concession or Contractor Working Territory after having obtained a Recommendation from the Director General.
 4. The Business Entity which has already obtained an approval, is obliged to enter into an agreement for the utilization of land with the holder of the Mining Concession or Contractor Working Territory.
 5. A Business Entity is obliged to adhere to the provisions on occupational safety, environmental protection, evaluation and reporting conform with the legislative regulations in force.

Article 4

The technical guidelines on the application and the granting of a Recommendation on the utilization of the forest zone for the interest of oil and natural gas activities as referred to in Article 2 point 2 are as follows :

1. The Business Entity or Permanent Establishment must file an application to the Regional Administration with a copy to the Director General by attaching at least :
 - a. the company's biodata;
 - b. the data concerning the coordinates of the region that will be used;
 - c. the data regarding the type of activities which will be carried out;
 - d. the map of the Mining Concession Territory or the Contractor's Working Territory.
2. On the application as referred to in point 1, the Regional Administration carries out an administrative research and evaluation.
3. Based on the research and evaluation results, the Regional Administration gives a Recommendation to the Business Entity or the Permanent Establishment to be subsequently submitted to the authorized agency to obtain a permit for the utilization of the forest zone for the interest of the oil and natural gas activities.

Article 5

The technical guidelines of the application and the granting of a permit to construct and use a warehouse to store explosives at the operating region onshore and at the 12 (twelve) sea-miles operation region as referred to in Article 2 point 3 are as follows :

1. The Business Entity or Permanent Establishment files an application of a permit to construct and use a warehouse or container as the place for storing explosives to the Regional Administration with at least attached :
 - a. construction drawing of the godown/container for the storage of the explosives;
 - b. drawing of the layout of the warehouse/container for the storage of the explosives;

- c. situation map of the working territory;
 - d. the type, weight and measurement of the case/box of explosives which will be stored;
 - e. The recommendation from the Director General;
 - f. A statement of having no objections issued by the local Chief of the Regional State Police.
2. On the application as referred to in point 1, the Regional Administration shall carry out an administrative research and evaluation.
 3. Based on the results of the research and evaluation the Regional Administration grants a Permit for the construction and utilization of the warehouse or container for the storage of explosives at the operating region on shore and at the operating region 12 (twelve) sea miles.
 4. The Business Entity or Permanent Establishment is obliged to adhere to the provision on occupational safety, environmental protection, technical standards, evaluation and reporting conform with the legislative regulations in force.

Article 6

The technical guidelines for the application and granting of a Permit to Open a Company Representation Office in the Oil and Natural Gas Sub Sector as referred to in Article 2 point 4 are as follows :

1. A Business Entity or Permanent Establishment files an application for a Permit to open a Representation Office to the Regional Administration accompanied by the reasons thereto while attaching at least :
 - a. A Business Registration Certificate or a document similar thereto from the country of origin;
 - b. A Recommendation from the Embassy of the Republic of Indonesia at the country of origin containing the Name and Address of the Company, the Name of the Owner and the Board of Directors and the Plan of the activities which will be carried out in Indonesia;
 - c. A Power of attorney for the Head of the Representative Office from the Company Management at the Head Office;
 - d. The Organizational Structure of the Head Office and the Representative Office in Indonesia;
 - e. The plan of activities of the Representative Office/ realization of the activities in Indonesia/for extension);
 - f. A Recommendation from the Director General.
2. An the application as referred to in point 1, the Regional Administration shall carry out a research and evaluation.
3. Based on the results of the research and evaluation the Regional Administration issues a Perrnit to open a Representation Office.

**CHAPTER III
PROCEDURE OF FILING AN APPLICATION
AT THE DOWNSTREAM ACTIVITIES**

Article 7

The technical guidelines for the application and the granting of Recommendation for the location of the Construction of a Refinery as referred to in Article 2 point 5 are as follows :

1. The Business Entity files an Application for the Recommendation of a location for the Construction of a Refinery to the local Regional Administration by attaching at least :
 - a. the biodata of the company;
 - b. the location map;
 - c. the production capacity;
 - d. the utilization of equipment and the number of manpower.
2. On the application as referred to in point 1, the Regional Administration carries out a research and evaluation.
3. Based on the results of the research and evaluation the Regional Administration issues a Recommendation for the location to Construct a Refinery.
4. The Business Entity is obliged to adhere to the provisions on occupational safety, environmental protection, technical standards, evaluation and reporting conform with the legislative regulations in force.

Article 8

The technical guidelines for the application and the granting of a Permit to construct a local depot as referred to in Article 2 point 6 are as follows :

1. The Business Entity files an application to the Regional Administration with a copy to the Director General and attaching at least :
 - a. Biodata of the company;
 - b. location map;
 - c. data concerning the storage capacity;
 - d. data on the estimation of distribution;
 - e. inventory taking of the equipment and facilities used;
 - f. Recommendation from Pertamina.
2. On the application as referred to in point 1, the Regional Administration carries out an administrative research and evaluation.
3. On the basis of the results of the research and evaluation, the Regional Administration issues a Permit for the construction of a local depot.
4. The Business Entity is obliged to adhere to the provisions on occupational safety, environmental protection, technical standards, evaluation and reporting conform with the legislative regulations in force.

Article 9

The technical guidelines for the application and the granting of a permit to construct a "SPBU" (Public Petrol Filling Station) as referred to in Article 2 point 7 is as follows :

1. The Business Entity files an application to the Regional Administration with copy to the Director General and attaching at least :
 - a. the company's biodata;
 - b. the location map;
 - c. the data regarding the storage capacity;
 - d. the data on the estimation of distribution
 - e. inventory taking of the equipment and facilities used;
 - f. Recommendation from Pertamina.
2. On the application as referred to in point 1, the Regional Administration carries out an administrative research and evaluation.
3. Based on the results of the research and evaluation, the Regional Administration issues a permit to construct an "SPBU".
4. The Business Entity is obliged to adhere to the provisions on occupational safety, environmental protection, technical standards, evaluation and reporting conform with the legislative regulations in force.

Article 10

The technical guidelines for an application and the granting of a Permit for the Marketing of Special Fuel in the form of Fuel for 2 (two) stroke Engines as referred to in Article 2 point 8 are as follows:

1. The Business Entity files an application for a Permit to the Regional Administration with a copy to the Director General by attaching at least :
 - a. the company's biodata;
 - b. technical information;
 - c. certificate of domicile;
 - d. Trading Business Licence ("SIUP");
 - e. statement on compulsory company registration.
2. If required the Business Entity is obliged to carry out technical presentation.
3. On the application as referred to in point 1, the Regional Administration carries out an administrative research and evaluation.
4. The Business Entity is obliged to adhere to the provisions on occupational safety, environmental protection, technical standards, evaluation and reporting conform with the legislative regulations in force.

Article 11

The technical guidelines for an application and the granting of a Permit for the Accumulation and Distribution of Used Lubricants as referred to in Article 2 point 9 are as follows :

1. The Business Entity files an application to the Regional Administration, by attaching at least:
 - a. the company biodata;
 - b. Trading Business Licence ("SIUP");
 - c. Place of Business Licence ("SITU") for the accumulation of lubricants;
 - d. the data concerning the accumulation facilities;
 - e. the data on the equipment used.
2. On the application as referred to in point 1, the Regional Administration carries out administrative research and evaluation.
3. Used lubricants which is produced must be distributed to companies holders of the permit to process used lubricants.
4. The Business Entity is obliged to adhere to the provisions on occupational safety, environmental protection, technical standards, evaluation and reporting conform with the legislative regulations in force.

**CHAPTER IV
PROCEDURE OF FILING AN APPLICATION
TO THE SUPPORTING SERVICES COMPANY**

Article 12

The technical guidelines for an application to obtain an Approval for the Certificate of Registration of the Supporting Services Company as referred to Article 2 point 10 are as follows :

1. Each Supporting Services Company which will carry out activities at the Business Entity or Permanent Establishment which carries out oil and natural gas exploration and exploitation activities is obliged to obtain an Approval for the Certificate of Registration.
2. To obtain an Approval for the Certificate of Registration as referred to in point 1, the Business Entity files an application to the Regional Administration, by attaching at least :
 - a. the company's biodata;
 - b. Trading Business Licence ("SIUP");
 - c. Place of Business Licence ("SITU");
 - d. bank reference;
 - e. Suppliers' Registration Certificate ("TDR").
3. On the application at referred in point 1, the Regional Administration carries out an administrative research and evaluation.
4. Based on the results of research and evaluation, the Regional Administration grants an Approval for the Certificate of Registration to the Business Entity with a copy to the Director General.

**CHAPTER IV
OTHER PROVISIONS**

Article 13

The Minister carries out the nation wide development and supervision on the oil and natural gas business.

Article 14

The Business Entity that has obtained a Permit, Recommendation and Approval based on this Decree of the Minister is obliged to submit a periodic report to the Minister.

**CHAPTER V
TRANSITIONAL PROVISIONS**

Article 15

On the Licencing Or Recommendation or Approval which has been issued before this Decree of the Minister has been laid down is declared to remain in force until the expiry of the said licence or recommendation or approval.

**CHAPTER VI
CONCLUDING PROVISIONS**

Article 16

The policy in the form of the regulation of authority and the other guidelines which are considered necessary and are not mentioned in these Technical Guidelines will be regulated and laid down later on.

Article 17

This Decree of the Minister comes into force on the date it is laid down.

Stipulated in Jakarta
on November 3, 2000

THE MINISTER OF ENERGY AND MINERAL RESOURCES

SIGNED

PURNOMO YUSGIANTORO

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