

The Law of Nanggroe Aceh Darussalam Province

No. 12/2002

Mining, Oil, and Natural Gas

In the Name of Allah the Most Merciful

Governor of Nanggroe Aceh Darussalam

Unofficial translation by Eye on Aceh

- Consider:
- a. that natural resources are the gifts from god which need to be managed effectively and efficiently so that they will be useful for the prosperity of the society.
 - b. That the management of mining, petroleum, and natural gas as the part of natural resources management should be done by considering the interest of the region and state where the action is held.
 - c. That the law no. 18/2008 has given the district an extent of freedom to discover and make use of the districts' natural resources
 - d. That to implement the intended purposes in the point a, b, and c the Law of Nanggroe Aceh Darussalam need to be determined.

- In view:
1. Law No.24/1956 on the establishing of the autonomy region of Aceh Province and the amendment of the establishing regulation of North Sumatra Province (Government Official Gazette of the State Republic of Indonesia No. 64/1956, Additional Government Official Gazette No.1103);
 2. Law No.5/1960 on the Fundamentals of Agrarian Basic Regulation (Government Official Gazette of the State Republic of Indonesia No. 104/1960, Additional Government Official Gazette No. 2043);
 3. Law No. 11/1967 on the Basic Regulation of Mining (Government Official Gazette of the State Republic of Indonesia No. 22/1967, Additional Government Official Gazette No. 2831);
 4. Law No. 23/1997 on Environment Management (Government Official Gazette of the State Republic of Indonesia No. 68/1997, Additional Government Official Gazette No. 3699);
 5. Law No. 44/1999 on Special Implementation, Special Region of Aceh Province (Government Official Gazette of the State Republic of Indonesia No. 172/1999, Additional Government Official Gazette No. 3893);
 6. Law No. 22/1999 on Regional Government (Government Official Gazette of the State Republic of Indonesia No. 60/1999, Additional Government Official Gazette No. 3839);

7. Law No. 25/1999 on Financial Balance between Central Government and Regional Government (Government Official Gazette of the State Republic of Indonesia No. 72/1999, Additional Government Official Gazette No. 3848);
8. Law No.18 on Special Autonomy for Aceh Province as Nanggroe Aceh Darussalam Province (Government Official Gazette of the State Republic of Indonesia No. 114/2001, Additional Government Official Gazette No. 4152);
9. Law No. 22/2001 on Oil and Natural Gas (Government Official Gazette of The State Republic of Indonesia No. 136/2001, Additional Government Official Gazette No. 4152)
10. Government Regulation No. 25/2001 on the State Government Authority and Province as Autonomous Region (Government Official Gazette of the State Republic of Indonesia No. 54/2000, Additional Government Official Gazette No. 3952)
11. Government Regulation No. 75/2001 Regarding the Second Amendment on Government Regulation No. 32/1969 on the Implementation of the Law No II/1967 on the Basic Regulation of Mining (Government Official Gazette of the State Republic of Indonesia No. 141/2001, Additional Government Official Gazette No. 4154)
12. The Decree of President No. 55/1993 on Land Provisioning to Development Implementation for Public Interest.

On Approval

REGIONAL HOUSE OF REPRESENTATIVE OF NANGGROE ACEH DARUSSALAM PROVINCE

DECIDED:

**ESTABLISH THE LAW OF NANGGROE ACEH DARUSSALAM PROVINCE ON
MINING, OIL AND NATURAL GAS.**

CHAPTER I

GENERAL REGULATION

Section 1

In this Law that is meant with:

1. Central Government , hereafter called Government, is Government Staffs of The Unitary State of the Republic of Indonesia which consists of the President and Cabinet Minister
2. The Province is Nanggroe Aceh Darussalam Province
3. The Governor is the Governor of Nanggroe Aceh Darussalam Province
4. Provincial Government is Governor and other Regional Autonomy Staffs as Executive Board of Nanggroe Aceh Darussalam Province

5. Law is the Regional Regulation as the Implementation of Law in the Region of Nanggroe Aceh Darussalam Province in Implementation of Special Autonomy.
6. Mining Project is an activity in order to know potential, availability, quality, quantity of minerals, mining activity, processing/purifying, carrying and sale.
7. Minerals are chemicals substances, mineral ore of any rocks, coals, peats which are natural deposits or suspensions.
8. Natural Gas is a natural process product which is hydrocarbon in the atmosphere pressure and temperature becoming liquid or solid phase including asphalt, ozokerit (wax mineral), and butimen obtained from mining process, but these are not included coals and other solid hydrocarbon deposits obtained from other activities which are not related to oil and gas mining activity.
9. Natural Gas is a natural process product which is hydrocarbon that is in the atmosphere pressure and temperature becomes liquid or solid phase obtained from oil and natural gas mining such as Liquefied Natural Gas (LNG), natural gas altered into liquid to make it easier to be carried.
10. Fuel oil is a fuel derived or process from oil.
11. General observation is general geological or geophysics observation, on the land, water and from air, everything to make general geology map or to determine symbols of the existence of minerals in general.
12. Exploration is an exploration to obtain information thoroughly and accurately regarding quality and quantities of minerals as well as their availability and spread.
13. Exploitation is a phase in the mining work to produce and utilize the minerals.
14. Cooperation contract is a production sharing contract or any other working contract forms in exploration and exploitation cooperation activities that give more benefits to State and Region with the products are used for the best of people's welfare.
15. Working territory is a definite territory to do exploration and exploitation
16. Processing/Purifying is a phase in mining work to increase the quality of minerals to get reached substances from the minerals and to utilize them as well.
17. Carrying is a phase in the mining work to carry the mining material and processed / purified products of the minerals from the region where the exploration and exploitation activities are held and from the processing/purifying places.
18. Selling is a phase in the mining work to sell minerals and the products of processing and purifying minerals.
19. Mining authority is an authority given to an enterprise/individual to do mining activities.
20. Citizenry Mining is a mining activity done by the surrounding community.
21. Waste is the ground/rock founded on (overburden), between (inter-burden) or around minerals which are deliberately dug but unused.
22. Mining Service is a service activity to do an activity related to mining authority and other supporting activities.

23. License is an authority given to an enterprise to do certain activities in oil and natural gas sectors.
24. Agreement is an agreed declaration given to an enterprise to do a certain activity in the oil and natural gas sector.
25. Lifting is a part of oil and natural gas product that is sold.
26. Recommendation is an explanation given to an enterprise as a qualification to get the license.
27. Minister is the minister whose duty and responsible range covered oil, natural gas and general mining activities.
28. Enterprise is every legal entity enterprise that does permanent and continuous work, founded suitably with the valid legislation regulation, and work and is located in Indonesian Republic territory.
29. Permanent Establishment is an Enterprise that is established and has legal entity outside Indonesian Republic territory and does activities in Indonesia.
30. Mining authority territory or working territory of contractor is a certain area in Indonesian mining territory to do Exploration and Exploitation of oil and natural gas activities.

CHAPTER II

OWNERSHIP OF MINERALS

Section 2

1. All mineral substances existing in the Province of Nanggroe Aceh Darussalam territory whether they are from under the ground and on marine waters, natural wealth, belong to the National Republic of Indonesia and are accordingly under the state control and used for the best of people's welfare.
2. Minerals as stipulated here in article (1), consist of:
 - a. Strategic category minerals
 - b. b, vital category minerals; and
 - c. Category minerals other than class a and b.
3. Ownership as stipulated here in article (1), is done by the Government, Provincial and District's/City's Government.

CHAPTER III

GENERAL MINING EXPLOITATION

Section 3

1. Every General Mining Exploitation can be done only if Mining Right (KP), Contract of Work (KK), Coal Mining Exploitation Working Arrangements (PKP2B), Local Mining

Permit (SIPD), and Citizenry Mining License (SIPR) have been obtained from Governor/Regent/Mayor according to their authority.

2. Issuing Strategic minerals group (non-oil and gas) and non-vital (frequently referred to as “category c”) mining authority by Regent/Mayor are given after principal license or agreement from Governor have been obtained.
3. Issuing non-strategic minerals and non-vital (frequently referred to as “category c”) mining authority for a > ten-hectare area or using heavy equipments and or explosives only can be given by Regent/Mayor after principal license or agreement from Governor have been obtained.
4. Mining Exploitation in order to give Mining Right can be given to:
 - a. State-owned Enterprise
 - b. Regional Enterprise
 - c. National Private Enterprise
 - d. Cooperation
 - e. Individual
 - f. Enterprise with financial capital come from State/Enterprise on one side and Province and or Regency or Local Enterprise on the other side; and
 - g. Enterprise with financial capital comes from State/State-owned Enterprise and or Local/Local Enterprise on one side and Agency and or Private Individual on the other side.
5. General Mining Exploitation for Contract of Work (KK), Coal Mining Exploitation Working Arrangements (PKP2B) is done by Indonesian Corporation run in General Mining, and for further regulation is determined in Governor’s Decree.
6. Deviate from the regulation as stipulated in article (4), Radioactive Minerals are only exploited by authorize agency.

Section 4

1. Mining Right (KP) as stipulated in article 3, section (1) is given in form of:
 - a. Decree of Issuing Mining Right
 - b. Decree of Mining Instruction ; and
 - c. Decree of Citizenry Mining License.
2. Mining Rights consist of:
 - a. General Investigation Mining Right
 - b. Exploration Mining Right
 - c. Exploitation Mining Right
 - d. Processing and Purifying Mining Right

- e. Transporting Mining Right ; and
3. Selling Mining Right.

CHAPTER IV

PROCEDURES TO GET MINING RIGHT

Section 5

1. Mining Right Proposal is submitted in writing form to the Governor by enclosing the necessary requirements.
2. Proposal Form and Requirements, as stipulated in article (1) is determined by the Governor's Decree.
3. If there is more than one proposal in one area, the first priority will be given by the Governor based on the order and completeness of proposal.

CHAPTER V

LANDMASS

Section 6

1. Land mass that can be given to one General Investigation Mining Right Territory is a maximum of 25,000 hectares.
2. Landmass that can be given to one Exploration Mining Right is 10,000 hectares.
3. Landmass that can be given to one Exploitation Mining Right is 5,000 hectares.

Section 7

1. Total number of areas that can be given to an Enterprise or Individual area is a maximum of 5 areas.
2. To get Mining Right Landmass or total Mining Right Areas more than that stipulated in Section 6 and 7, Article 1, must have the agreement of the Governor.
- 3.

CHAPTER VI

VALIDITY PERIOD OF MINING AUTHORITY

Section 8

General Investigation Mining Right is given by the Governor for 1 (one) year and can be extended to 1 more year if needed.

Section 9

1. Exploration Mining Right is given by the Governor for 3 (three years) period.
2. Governor can extend the period as stipulated in the Article (1) for two years.

3. If the holder of Exploration Mining Right states to increase the mining activity to exploitation phase, the Governor can give more time for Exploitation Mining Right for maximum three years to establish Exploitation Facilities.

Section 10

1. the validity period of the mining exploitation which is given by the Governor shall not exceed twenty (20) years, counted from the date of their signature.
2. Governor can extend the validity of mining authority which is called in article (1) for two (2) times five (5) years.

Section 11

1. The processing and mummifying mining authority and is given by the Governor shall not exceed twenty (20) years, counted from the date of their signature.
2. Governor can extend the validity of processing and mummifying mining authority which is mentioned in article (1) for two (2) times five (5) years.

Section 12

1. The transportation and selling mining authority which is given by the Governor shall not exceed ten (10) years, counted from the date of their signature
2. Governor can extend the validity of the transportation and selling mining authority which is called in article (1) for five (5) years each extension.

CHAPTER VII

MINING ASSIGNMENT

Section 14

1. the mining assignment authority can be given to the government institution or college with a view to quarry mining research.
2. Further regulations will be established by Governor decree.

Chapter VIII

People Mining

Section 15

1. The Governor shall point the people mining area before it is legalized, which have technical consideration from the Governor or related departments, by regent/ mayor.
2. People mining work is just given to individual or group of people.

3. Further regulations about People Mining Work Area will be established based on the regent/ mayor decree by orienting “provincial mining Zone” map.

CHAPTER IX

STATE AUTHORITY AND MINING RIGHTS

Section 16

1. The mining authority has authority to do activities in rights mining region appropriate to section 4 article (1).
2. The general investigation of mining authority has right to improve his corporation up to exploration stage by enclosing necessary requirements submitted in written form to the Governor.
3. The exploration mining authority has right to improve his corporation up to exploration stage by enclosing necessary requirements submitted in written form to the Governor.
4. The exploration or exploitation mining authority has rights to have graving materials by enclosing necessary requirements submitted in written form to the Governor.

Section 17

1. The mining authority have obligation to convey reports to the Governor which are related to investigation and expansion output which have done phase in 3 months.
2. Besides the responsibilities in section 16 article (1) so-called, the mining management owner is obligated to convey the annual final report to the Governor concerning working development which has been done.
3. The mining authority is obligated to pay fixed contribution appropriate to broad and phase activities every year.
4. The exploitation mining management owner is obligated to pay quarry material exploration contribution appropriate to a valid constitutively tariff.
5. The exploitation mining authority is obligated to pay exploitation/ production contribution by gaining the production output appropriate to a valid constitutively tariff.
6. Further regulations about rate of contribution and fixed payment procedure, exploration and exploitation/production contributions, are defined by Governor’s decree.

Section 18

1. The mining authority is responsible and obligated to follow health and safety rules where appropriate.
2. The mining authority obligates to manage and maintain environment conservation appropriate to a valid constitutively at environmental.

CHAPTER X

THE TERMINATION OF MINING OF AUTHORITY

Section 19

1. If the licensee of the mining authority doesn't submit the escalation or the prolongation by the end of mining authority epoch, all of the mining effort must be stopped.
2. The licensee of the mining authority can return the mining authority to the Governor by submitting the written application together with the reasons of the return.
3. The restitution of mining authority will be valid after getting the agreement from the Governor.
4. If the licensee of the mining authority cannot fulfill the role of the mining authority or another validity regulation either, the mining authority can be canceled by Governor although it still has validity.
5. The licensee of the mining authority must finish the incomplete a valid duty of mining authority as consequent of the end of mining authority due to the article (1), (2), (3).

CHAPTER XI

THE TRANSFERENCE OF MINING AUTHORITY

Section 20

1. Increasing the exertion, so the mining authority can be removed to the body on the Governor's agreement.
2. The procedures and requirements of the mining Authority transference which is appointed in article (1) is stated by the Governor's decree.

CHAPTER XII

THE STIPULATION OF CORPORATION

Section 21

1. The mining authority can't be used as a capital with a third party

2. The Mining concessionaire can work with others parties with the Governor's approval.
3. The way of corporation as appointed in article (2) maintained further by the Governor.

CHAPTER XIII

THE CONCESSION OF OIL AND NATURAL GAS

Section 22

1. The implementation of oil and natural gas that can be executed by the government of district/town consists of:
 - a. The agreement of using mining authority area or the working area of contractor for another implementation outside of oil and natural gas.
 - b. Recommendation the procedure for using the forest area for oil and natural gas interests.
 - c. The license of building and using explosive-stores in land operation and operations 12 miles from the seashore.
 - d. Building permission of representative office in sub sector of oil and natural gas.
 - e. Recommendation of factory for processing natural product.
 - f. The license for building local depot
 - g. The license for building gasoline station.
 - h. The license for marketing the special fuel is two steps for gasoline.
 - i. The license for collection and dealer of spent fuel.
 - j. The approval of explanation letter registered as supporting company, exception being the company that runs in production, construction, manufacture, consultant and high technology.
2. Giving permission in upper course exertion as appointed I article (1) letter c, d and in the lower course exertion is letter f, g, h, i; are given by the Head of Regency/ major after getting the Governor's approval.
3. The oil and natural gas concession as appointed I article (1) letter a to j can be implemented by:
 - a. State-Owned enterprises
 - b. State-Owned enterprises
 - c. Corporation
 - d. Private-Owned enterprise

Section 23

1. The working area that is offered to company or permanent company is decided by the Ministry after consultation with the Governor.
2. To each company or permanent company only one working area is allocated.
3. In case of the company and permanent company kept some working areas, it has to form the legal entity for each working area.

Section 24

The program of sphere development firstly will be produced in a working area; it has to get Ministry's approval based on the consideration of implementer after consultation with the Governor.

Section 25

1. Program and implementation of the corporation contract and its extension held by government together with the Governor.
2. In study and determine yearly program also cost finding (Work Program and Budget), requires the participation of Province Government.
3. Production Sharing Contract obligated to deliver production and finance report each quarter and yearly report also to the Governor.

Section 26

In doing the task as appointed in section 23, 24 and 25, the Governor forms the Region Technical Consideration Team that consists of relevant elements.

Section 27

The tasks of the Region Technical Consideration Team are:

- a. Help/cooperate with implementer and regulator in implementation of upper and lower course oil and natural gas.
- b. Give consideration and suggestion to the Governor of local government task as appointed in section 23, 24 and 25, doing monitoring of available and distribution of fuel and natural gas.
- c. Conduct monitoring of transport facility utilization and oil fuel storage and gas.
- d. Conducting monitoring on receipt of balance of oil and gas fund base on the lifting determined by the government.
- e. Conducting monitoring and evaluation from the pre and after activity.

Chapter XIV

Business Partnership and Community Development

Section 28

1. Holders of Mining Authority (KP), Contract of Work (KK), Coal Mining Exploitation Working Arrangements (PKP2B), Local Mining Permit (SIPD), and Sharing Production Contract (KPS) are obligated to make partnership relation in running their business in order to avoid the present of enterprise branch from the work they run.
2. Holders of Mining Authority (KP), Contract of Work (KK), Coal Mining Exploitation Working Arrangements (PKP2B), Local Mining Permit (SIPD), and Sharing Production Contract (KPS) are obligated to fund Community Development Program as much as 1% of the total fund used by the enterprise. Community Development is not as an expense but as the part enterprise profit.
3. Community Development Territory consists of the environment and community that directly contact with the enterprise work (30%) District (30%) and Province (40%)
4. Program and activity of the Community Development is focused on the effort of development of the community which is appropriate with priority scale of community and target area.
5. Planning, implementation, and monitoring are managed in a synergic way between the enterprise and the local governments. The local governments are:
 - a. The village, residence, and sub-district for the areas that directly contact
 - b. The pertinent District/city
 - c. Nanggroe Aceh Darussalam Province

Section 29

1. The partnership forms as stipulated in the section 28 are:
 - a. Giving the local community and/or corporation part of the land that contains mining material and it's potential.
 - b. Buying the production outcome of the mining activity done by community.
 - c. Developing or acting as a foster father of the community's mining activity
 - d. Giving chance for the local community to be involved in implementing reclamation
2. Holders of Mining Rights are obligated to give priority to the local workers in their business
3. Holders of Mining Right that reach to the exploitation/production phase are obligated to do regional and community development covering human resources, health, infrastructure and economic development.
4. Holders of Mining Right that reached the exploitation/production phase are obligated to build and develop and to become foster father of the local's small and middle business.
5. Planning and Implementation of the regional and community development are conducted together with the provincial development and local community.

Section 30

1. Governor together with the local social institutions do monitoring on the planning, and implementation of the regional development, partnership and community development.
2. Further implementation regulations as stipulated on the article (1) are determined by the Government Decree.

Chapter XV

Environment Management

1. Holders of Mining Right obligate to do conservation principles of mineral and mining
2. Holders of Mining Right are obligated to do environment management and monitoring as well as reclamation of the ex-mining done appropriately with the approved Analysis on Environment Impact.
3. Allocation of ex-mining area and productivity rate after reclamation is determined by the Governor according to his or her authority by involving community and land owner.
4. Allocation of ex-mining area is grafted in land using treaty.

Section 32

1. Before doing mining activity or production operation, the Holders of Mining Right obligate to make a reclamation guaranty.
2. Regulation on the customs and manners of storage and the amount of reclamation guaranty as stipulated on the article (1) is arranged by the Government Decree.

Section 33

1. Governor according to his authority supervise on the implementation of environment management conducted by the holders of mining right.
2. The implementation of environment management as stipulated on the article (1) is conducted in and after mining period

Chapter XVI

Relation between the holder of mining right and land right

Section 34

1. Whether it is intentionally or not, Holders of Mining Right obligate to indemnification to the one who reserves the right on any damage caused to the land, in or outside the mining right territory as the result of their activity.
2. The amount indemnification can be paid at one time or as long as the land right cannot be used based on the agreement between mining right holders and someone who reserve the right on the land.

Section 35

1. Beside they have to pay the indemnification as stipulated on section 34 article (1), The holders of mining right also obligate to pay for the land used in their activity.

2. Loss that caused by the work of two or more mining right holders is subjected to them collectively.

Section 36

1. If mining right on the certain area is purchased, the holder of land right is permitted to do mining work on the land only after indemnification on the land is paid based on discussion and agreement.
2. All the costs related to indemnity process is burdened to the principal of mining

Section 37

1. If the side don't reach the agreement about the replacement of financial as in section 34 and 35, the decision will rest with the Governor.
2. If the related side can't be accepted the Governor's decree as in article (1), so its completion will be handled by local court.

Section 38

When the Mining Domination License is given in a plot of land and it has no authority, so the land can't be given the authority on the other land exception by Governor's agreement appropriate with his authority.

Section 39

The system of realization and the replacement of financial on the land as in section 34, 35, 36 and 37 are held appropriate with valid legislation.

Chapter XVII

THE ACCEPTANCE OF FINANCES

Section 40

1. The mining principal must obey the following obligation
 - a. Permanent contribution for the mining principal area.
 - b. The contribution of production for the quarry material that is sold or used.
 - c. Tax of income on the property that is accepted by the principal of mining.
 - d. The obligations of cutting the tax of income on the dividend payment, interest, include compensation for the guarantee of debt restitution.
 - e. The tax of property and land (PBB) for the permitted area of mining and using the soil and building where the principal of mining the facility of the mining operation.
2. The certainty as appointed in article (1) will be arranged by the Governor's decree.
3. (PNB) Non taxation income from a effort of oil and gas consist of:
 - a. The balancing fund
 - b. Permanent contribution
 - c. Contribution of exploration and exploitation
 - d. Compensation

4. To optimize the acceptance as in Article (4) need to audit first the financial corporation or the permanent exertion by independent auditor.

Section 41

The mining principal is not obligated to pay the local tax and contribution of production because of quarry waste.

CHAPTER XVIII

STATE OF EMERGENCY

Section 42

1. When there is the compulsion that cannot be predicted before, so that the work in a permitted mining area has to be stopped completely or in part, the Governor can determine the time of moratorium that is counted in period of the mining principal on offering from the relevance mining principal
2. In the moratorium as in article (1), right and obligation of the mining principal is not valid.
3. Governor issues decree about the period of moratorium about compulsion in the location of mining area that can do the mining project or not.
4. Governor has to issue the decree that determine of acceptance or refusal of the moratorium as in article (1) at least in six months after offering the application.

Section 43

1. The mining principal can postpone his exertion with the Governor's agreement as a result from something that blocks his project.
2. Each postponement as in article (1), it does not decrease implementation of right and obligation of the Mining Principal.

CHAPTER XIX

CULTIVATION AND CONTROL

Section 44

1. In cultivation, government also gives compass, guidance, purpose and supervision of the mining implementation in province.
2. In the mining implementation in district/town, Governor prepares and gives education and training to apparatus in district/town.

Section 45

The cultivation of public Mining Project also gives a guidance, elucidation and training to the mining principal, mining citizenry, and others mining groups.

Section 46

1. The cultivation and control of the public mining exertion is held by Governor, Non Government Organization, and local society.
2. The control as in article (1) it is continuing arranged by Governor's decree.

Section 47

The control of public Mining Project is held in any phase of Mining Project till post mining include safety and healthy of mining activity, environment, conservation, production, marketing, finance, manpower, management of data, the implementation of local production, authority, developing and assembling of technology and also standard assembling of public mining.

Section 48

The control of the safety and healthy aspect of Mining Project and environment as in section 46, it is held by implementer of Mining Inspection.

CHAPTER XX

THE COMPLETION OF THE QUARREL

Section 49

1. If there is a dispute of the Mining Project implementation, so sides who have the dispute can solve it through Arbitration Corporation.
2. In the settlement the dispute through consolidation is not reached, so the settlement will be solved through the appropriate law.

CHAPTER XXI

INVESTIGATION

Section 50

1. The Officials Civil Government in Province Administration is given authority as an investigator to help the investigation process on a criminal act in Mining Project
2. The investigation as appointed in article (1) notifies that the investigation and delivery of its result to public prosecutor with the arranged stipulation in the criminal law.

CHAPTER XXII

STIPULATION OF CRIMINAL

Section 51

1. Any person, who executes the Mining Project without having mining authority of exploitation phase as appointed in section 3 article (1) and section 13 article (1) executing the mining until causes the country and province suffering a financial loss and detriment of environment will be punished appropriately with the stipulation of law that is valid in environment.
2. Any person, who does exploration expressly without the authority of mining exploration, will be punished appropriately with the valid law.

3. The principal of mining who deliver the wrong report expressly that causes the country and province to incur a financial loss, will be sentenced to prison at least 6 (six) months or paying fine as much as Rp. 5.000.000,- (five millions rupiah)
4. The principal of mining who executes the mining project before complying obligations to land owner will be sent to prison 1 (one) year or paying fine as much as Rp. 10.000.000,- (ten millions rupiah)

Section 52

The owner of authority of the land and the things on it that bother the legal mining project after the principal comply the requirement as appointed in section 34 with the punishment by sending to the prison at least 6 (six) months or paying fine as much as Rp. 5.000.000,- (five millions rupiah)

Section 53

The criminal act as appointed in section 50 article (1) and (2), wickedness and other actions are infraction.

Section 54

Besides the stipulation as appointed in section 50 article (3) and (4) to the Mining Principal will given additional punishment like take off the authority and expropriation of the objects that is used in the criminal act.

CHAPTER XXIII

STIPULATION OF CHANGING

Section 55

When the law is still valid, all the stipulations that are not contradiction with the law are declared valid.

CHAPTER XXIV

STIPULATION OF CLOSING

Section 56

The things that are not arranged yet in this law, it will be arranged with Governor's decree as long as concerning on realization management by paying attention the valid law.

Section 57

The law is valid on the invited date.

In order all people know this, ask the invitation of the law with its placement in the province book.

Legalized in Banda Aceh

On 14th October 2002

7th Sya'ban 1423

GOVERNOR OF

NANGGROE ACEH DARUSSALAM PROVINCE

ABDULLAH PUTEH

Released in Banda Aceh

On 15th October 2002

8th Sya'ban 1423

**PROVINCIAL SECRETARIAT
NANGGROE ACEH DARUSSALAM PROVINCE**

TANTHAWI ISHAK

**THE NANGGROE ACEH DARUSSALAM PROVINCE STATUTE BOOK 2002 NO 55
SERI E NO 4**

EXPLANATION

ON

LAW PROGRAM OF NANGGROE ACEH DARUSSALAM PROVINCE

NUMBER 12 2002

ABOUT

PUBLIC MINING, OIL AND NATURAL GAS

A. GENERAL

The quarry material of the unreformed natural resources is wealth of Indonesian Republic as a gift from god and dominated by the country, so in its exertion and usage is obligated paying full attention for prosperity of the society for today and for the next generation to use the natural resources. It needs to be managed by Central Government and Government of Nanggroe Aceh Darussalam efficiently, clearly and has environment conception and fair.

The developing of Mining Project that entered the globalization era, where the free competition based on the technology and information progress, the mining has been a world demand, and a firmer law is required.

Besides that, in urge and optimize the autonomy through cultivation of the region in organizing of the quarry material for local society prosperity, increase the act national private in mining project. To cultivate a small exertion and cooperation to even the prosperity and gives the opportunity to decrease negative impact of the mining project, it is needed the law arrangement can base on good the mining project and capable to increase the competition

capability of the small exertion and cooperation until getting the higher efficiency and productivity.

B. MAIN IDEAS

1. According to section 3, article (3) the constitution 1945, Indonesia Nation gives authority to the country to manages, maintains and uses the wealth in order to reach the prosperous and equitable society.
2. In urge the implementation of particular autonomy, so implementation of the material of quarry concession that dominated by country and its management is also held by the government of Nanggroe Aceh Darussalam such as Governor, head of district and mayor close to the quarry area. By enthusiasm of autonomy, the local society can get the advantage of mining concession so that the prosperity will be reached.
3. The authority of the central government is still needed in the mining concession, appropriate with the Particular Autonomy that is explained in Laws No 18 2001 pervades public policy and the operational authority of quarry material concession 12 ml outside of seashore and the operational authority of quarry material concession exclusively based on Indonesian continent outside of national territorial sea area.
4. The small exertion is strong enough in facing economic pressure in the recent monetary crisis, because the small exertion scale is very efficient in its implementation. Double effect of this is big enough especially in providing the employment for many populaces in order that roles of public in mining concession can be increased and it also can compete. So the small scale exertion and roles of local populaces need to be pushed and helped by the central government and the government of Nanggroe Aceh Darussalam as well as by the big scale employers.
5. The law is arranged based on principles in: legal security, the advantage and conservation of the quarry material, balance between right and obligation of the Permitted Mining Concession Principal. Deconcentration, populist and privatization; social prosperity for the local society around the Permitted Mining Concession Area and environment

C. SECTION BY SECTION EXPLANATION

Section 1

Sufficiently clear

Section 2

Article (1)

Sufficiently clear

Article (2)

- a. The strategic quarry material categories are
 - Oil, liquid bituminous, wax land, gas;
 - Solid bituminous, asphalt;
 - Anthracite, coal, bituminous coal;
 - Uranium, radium, thorium and others quarry material of radio active.
 - Nickel, cobalt.
 - Tin
- b. The vital quarry materials are:
 - Iron, manganese, molybdenum, chrome, wolfram, vanadium, titanium.
 - Bauxite, copper, timbale, zinc.

- Gold, platinum, silver, mercury, diamond.
 - Arsenic, antimony, bismuth, yttrium, ruthenium, cerium, and rare metal.
 - Beryllium, corundum, zircon, quartz-crystal.
 - Kryolite, fluorspar, barite.
 - Iodine, bromine, khlor, sulphur.
- c. The quarry material that is not included a and b categories are:
- Nitrates, phosphates, rock salt (halite).
 - Asbestos, talcum, mica, graphite, magnetos.
 - Yarosit, leusit, alum, ocher.
 - Precious stone, a half precious stone.
 - Quartz-sand, kaolin, feldspar, gypsum, bentonite.
 - Pumice, trass, obsidian, perlit, diatome land, absorption land (fullor earth)
 - Marmer, schist, lime stone, dolomite, calcite
 - Granite, andesite, basalt, trakhit, loam and sand as long as it doesn't contain a or b categories mineral substances in significant quantity of economic mining sector.

Section 3

Sufficiently clear

Section 4

Article (1)

The decree of giving authority mining concession means the mining authority that is given by Governor appropriate to his capability on the state, local, another company or individual to implement the mining concession. The decree of mining assignment is the mining authority that is given by the Governor appropriate to his capability to government institution to implement the mining concession.

Decree of Mining License is mining right given to citizen by Governor according to his authority to do mining activity. Article (2)

Sufficiently clear

Section 5

Sufficiently Clear

Section 6

Sufficiently Clear

Section 7

Sufficiently Clear

Section 8

Sufficiently Clear

Section 9

Sufficiently Clear

Section 10

Sufficiently Clear

Section 11

Sufficiently Clear

Section 12

Sufficiently Clear

Section 13

Sufficiently Clear

Section 14

Sufficiently Clear

Section 15

Sufficiently Clear

Article (1)

Sufficiently Clear

Article (2)

The priority will be given to the local community.

Section 16

Sufficiently Clear

Section 17

Sufficiently Clear

Section 18

Sufficiently Clear

Section 19

Sufficiently Clear

Section 20

Sufficiently Clear

Section 21

Sufficiently Clear

Section 22

Sufficiently Clear

Section 23

Article (1)

Consultation with the Local Government is done to give explanations and to get information regarding offer plan on the certain areas considered to have oil and gas sources to be as the work territory.

Consultancy implementation with the Local Government is done with the Governor who coordinates the Local Government according to Law regulation on the Local Government.

Article (2)

Sufficiently clear

Article (3)

These regulations are aimed to avoid burden consolidation and or taking over Exploration and Exploitation fund from another Working Territory.

These regulations avoid vague revenue distribution between Central Government and Local Government concerning the aimed Work Territory.

Section 24

Ministry Approval in these regulations is necessary since development in the first territory determine whether the operation of the work area will be returned or continued by the Enterprise or Permanent Business. Approval for the next development plan in the aimed work area will be given by Executor Agency.

Consultation with the Local Government in these regulations are needed so that the suggested area development plan can be coordinated with Local Provincial Government, especially concerning organization plan and local revenue plan from the oil and natural gas on the region according to the prevailing law.

Section 25

Article (1)

In the formulation of the co-operational contract, the Governor knows content of the contract and also signed the cooperation document.

Article (2)

Sufficiently clear

Article (3)

Sufficiently clear

Section 26

Sufficiently clear

Section 27

Sufficiently clear

Section 28

Sufficiently clear

Section 29

Sufficiently clear

Section 30

Sufficiently clear

Section 31

Sufficiently clear

Section 32

Reclamation means the fund provided by the holder of Mining License as a guarantee to do reclamation in General Mining.

Section 33

Sufficiently clear

Section 34

Destruction of the land means directly damage resulting from mining effort to the cultivation plants, buildings, infrastructures or the other things.

Section 35

Sufficiently clear

Section 36

Sufficiently clear

Section 37

Sufficiently clear

Section 38

Sufficiently clear

Section 39

Sufficiently clear

Section 40

Sufficiently clear

Section 41

Article (1)

State of emergency means gunfight, rebellion, civil disturbance, general strike, labor dispute, epidemic, earthquake, gale, flood, fire, or another out of human capability disaster.

Article (2)

Sufficiently clear

Article (3)

Sufficiently clear

Article (4)

Sufficiently clear

Section 42

Sufficiently clear

Section 43

Sufficiently clear

Section 44

Sufficiently clear

Section 45

Sufficiently clear

Section 46

Sufficiently clear

Section 47

Sufficiently clear

Section 48

Sufficiently clear

Section 49

Sufficiently clear

Section 50

Article (1)

Region loss means the region without revenue such as taxes, permanent contribution, royalty, environment, etc.

Article (2)

Sufficiently clear

Article (3)

Sufficiently clear

Article (4)

Sufficiently clear

Section 51

Sufficiently clear

Section 52

Sufficiently clear

Section 53

The extra punishment is to prosecute the sanction to anyone who does an injustice.

Section 54

Sufficiently clear

Section 55

Sufficiently clear

Section 56

Sufficiently clear

Section 57

Sufficiently clear