

Natural Gas Allocation in Indonesia

Administrative Law Perspective

Zainal Muttaqin, Adrian E. Rompis, Amelia Cahyadini, Rafika Fajriati Nastiti¹

Indonesia's natural resources have its own interest in the international community, specifically oil and natural gas. The conduct of nation and state activities and actualization of the prosperity of the people must be landed by a governing law, including the management of oil and natural gas. Oil and natural gas as one of the contributors to the Indonesian Budget (APBN). With open market projects, privatisation, and energy consumption intervention, in this context the state's mega project is no longer development law politics but natural resource economy occupation, vital economic assets and the control of local markets by foreign companies, therefore globalization poses as a challenge for the government on its authority to manage natural resources, especially non-renewable resources. Natural gas is one of the non-renewable natural resources that controlled by the state. The importance of the use of natural gas, good for development in Indonesia and export needs, also the limited means natural gas itself, so the use of natural gas become important to the government attention. The concept of state sovereignty over the management of oil and natural gas has been raised as a research topic by law graduates because there are still many issues with oil and natural gas management, especially in the field of administration. This paper is about a regulation concerning the implementation of exploration and exploitation of natural gas which has the effect to both parties that involved in the process of the utilization of natural gas in several other businesses upstream. Firstly, the problem needs to review is, how is the authority of Minister of Energy and Min-

Zainal Muttaqin, Adrian E. Rompis, Amelia Cahyadini, Rafika Fajriati Nastiti. Natural Gas Allocation in Indonesia: Administrative Law Perspective. *Central European Journal of International and Security Studies* 12, no. 4: 411-426.

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eral Resources in terms of re-allocation gas based on sovereignty country as stated in the Article 33 paragraph (3) of The 1945 Constitution of the Republic of Indonesia? Secondly, how the regulations of natural gas reallocation in Indonesia associated with the legal certainty?

CEJISS

4/2018

Keywords: sovereignty of the Republic of Indonesia, natural resources, natural gas allocation, natural gas price settlement, Article 33 of the 1945 Constitution

Natural gas in Indonesia has an important role in the export sector. Indonesia has export approximately 26,229.9 tons throughout 2008 to 2015 with FOB value approximately 15,601 million US Dollars per year to several countries such as Japan, China, South Korea, Australia, Singapore, Hongkong and many more.^{1,2} Furthermore, natural gas has an important meaning in contributing to the country income although most of the country income since the tax reform in 1983 is coming from the taxation sector.

Natural gas is one of the non-renewable natural resources which is important for foreign exchange producer in the export sector and country income, also play an important role in human activities that is its very useful in various sectors, such as a source of energy and raw materials industries, are used for refinery industry, fertilizer, petrochemical, and other.^{2,4,5,6}

Non-renewable natural resources strategic contained in Indonesia national wealth is controlled by the state, that the wealth of nation used for prosperity all the people of Indonesia.⁷ This is in line with the policy of national economic system of Republic Indonesia was set out in article 33 of The 1945 Constitution of the Republic of Indonesia in essence that economy developed as mutual effort based on the principle of family; the branches of the production of what is important for the state and who gained control of the life of the people are controlled by the states; the earth and water and the natural resources contained in it are controlled by the states and used for prosperity all the people of Indonesia; national economy is implemented based on economic democracy with the principles of community, efficiency system, sustainable, environmentally sound, independence, and by keeping the balance progress and national economic unity.

Based on that, the authority determines the allocation and utilization of natural gas in Indonesia is on the government, in this case,

Minister of Energy and Mineral Resources of the Republic of Indonesia as the proxy of mining.^{8,9} Allocation gas is taken to ensure the number of the given volume of natural gas to meet the needs of domestic and export in a certain period of time.¹⁰ The allocation of natural gas is a problem that not only relating to the control of a country against non-renewable natural resources in Indonesia, it is also concerned with the economic aspect, in this case, is an attraction for investor to cultivate natural gas in Indonesia since the country and State-owned Enterprise of Indonesia has limited in terms of funds and technology.

The importance of the use of natural gas, good for development in Indonesia and export needs, also the limited means natural gas itself, so the use of natural gas become important to the government attention. Until now the country still faces the available capital, the quality of human resources, and technology to manage the natural gas. This makes Indonesia needs foreign capital partnership participation in the utilization of natural resources. Hence, the Indonesian government should able to provide a legal instrument in order to protect the interest of the state and the people, also able to guarantee any legal certainty, so that it can be attracted the interest of the company foreign capital to established a partnership. Laws and regulations supporting business insurance is one factor that would influence foreign capital investment.

In practice, natural gas resource utilization in the field of business upstream still faced several problems in regard to the number of requests and need unusually high proportional to the number of gas production, infrastructure, and the costs production with paying ability, until problems on allocation natural gas.¹¹ In this paper, writers will discuss the problems of natural gas allocation in several other businesses upstream, particularly in term of the natural gas reallocation from the perspective of a law the administrations of Indonesia.

Legal perspective of state administrative been a set of regulations as the basics act or what the government to provide opportunities for the company either foreign capital investment and investment of home affair to conduct exploration and exploitation of Indonesian natural resources. As mentioned above regulations changed had influenced by the authorization or power transition from the government itself. The regulations changes that are also by understanding based the interest of the situation and the interest of country with elaboration on the base in the country.

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A case that will be discussed in this writing is as an object research that is one case related re-allocation of natural gas on local business activities upstream was the case between PT. Parna against Minister of Energy and Natural Resources of Indonesia, PT. Perusahaan Gas Negara and Husky-CNOOC Madura limited (HCML). The case up till now is still processed in Judicial State Administrative Jakarta Indonesia and International Chamber of Commerce in Singapore.¹² PT. Parna is a natural gas buyer and HCML as the natural gas seller have both agreed to trade natural gas on Gas Sales Agreement (GSA) 1 October 2007.

Based on GSA, PT Parna Raya receives the allocation and utilization of the natural gas field of BD WK Madura Strait.¹³ Then on 16 September 2011, GSA experienced amendments and has been agreed by PT. Parna Raya with HCML because there was an increase in the price of natural gas from USD 4,2/MMBTU to USD 5,2/MMBTU. Then on 26 February 2014, HCML sent a letter regarding the adjustment prices and explanation for adjustment gas prices produced from the field of BD WK Madura Strait containing about adjustment gas prices produced from USD 5,2/MMBTU to USD 7,2/MMBTU, who do not have been approved by PT. Parna Raya.

Satuan Kerja Khusus Migas(SKK Migas) has made efforts to reach an agreement between HCML with PT. Parna Raya, but has not yet reached an agreement. HCML submit a request to The Ministry of Energy and Mineral Resources of the Republic of Indonesia to determine re-allocation natural gas field. On the request of Minister of Energy and Mineral Resources of the Republic of Indonesia issues a MEM.M on 2 June, 2017 number 4465/13/MEM.M/2017 about re-allocation gas contains agreed to changes natural allocation which was originally for PT. Parna Raya as much as 40 (forty) MMSCFD becoming to PT. PGN (Persero) Tbk early 20 (twenty) MMSCFD to 60 (sixty) MMSCFD. The letter has created problems for PT. Parna Raya.

Based on the above, the direction of this writing is about a regulation concerning the implementation of exploration and exploitation of natural gas which has the effect to both parties that involved in the process of the utilization of natural gas in several other businesses upstream. Firstly, the problem needs to review is, how is the authority of Minister of Energy and Mineral Resources in terms of re-allocation gas based on sovereignty country as stated in the Article 33 paragraph (3) of The 1945 Constitution of the Republic of Indonesia? Secondly, how

the regulations of natural gas reallocation in Indonesia associated with the legal certainty?

Research Methods

Research Specification that is used is descriptive analytical, research by doing check to the fact that in terms of the management of non-renewable natural resources, especially natural gas there are still several problems one of them is problems on legal certainty allocations and re-allocations of natural gas. It is important to examined considering make a difference is interest foreign investor to cultivate natural gas considering there are still the limited time and technology in the country. In this research, the writer uses the method of juridical normative, which is a research emphasis on theory and the results of the study literature.

The research was done by the writer covering research literature, namely law research done by the study of literature or secondary data. Data collection technique which used in this research is a study of literature, namely research of secondary data that deals with the authority the government of Indonesia to the management of natural gas and regulations on the allocation and re-allocation of natural gas in Indonesia.

Results And Discussion

Legislation that provides the authority of the government

The Constitution of The Republic of Indonesia asserted that Indonesia is a law state.¹⁴ As a law state, Indonesia has the characteristics of independent reflected in the application of law through the concept or a pattern, that has been adjusted on Pancasila, either as a basis of the state or as a source of all sources of law. Law for some scholar and jurist often placed as a security for order in society,¹⁵ either on daily interaction and their activity as a citizen in conjunction with state or government legitimate. In addition to order, law also placed as surety for the law subject certainty in the form of norms or rules who brought up or giving guidance to them in doing intercommunication also becoming a guidance to lead them in putting their rights and duties as a citizen, so that in the end is a security for being justice in size has been the norm and or violation of rules mentioned above.¹⁶

The policy of national economic system of Republic Indonesia was set out in article 33 of The 1945 Constitution of the Republic

of Indonesia in essence that economy developed as mutual effort based on the principle of family; the branches of the production of what is important for the state and who gained control of the life of the people are controlled by the states; the earth and water and the natural resources contained in it are controlled by the states and used for prosperity all the people of Indonesia; national economy is implemented based on economic democracy with the principles of community, efficiency system, sustainable, environmentally sound, independence, and by keeping the balance progress and national economic unity.

Meaning contained in Article 33 paragraph 3 of The 1945 Constitution of the Republic of Indonesia is realised through consideration of decisions the Constitutional Court number 001-021-022/PUU-I/2003 about testing Law number 20 years 2002 about electricity, who in consideration of law, the Constitutional Court gave the discussion regarding the position of the state sovereignty to the source of the wealth of the country.¹⁷

In consideration of the Constitutional Court, the meaning is controlled by the state was the people collectively that construed by The 1945 Constitution of the Republic of Indonesia gives a mandate to government to run and make function of policy determination (*belied*) and function in the management (*bestuursdaad*), regulatory function (*regelendaad*), management function (*beheersdaad*), and supervisory function (*toezichthoudensdaad*) which is aimed with intent for prosperity all the people of Indonesia.¹⁸ The most of important things that must be considered in terms of the primary function of the arrangement by the state (*regelendaad*) affirmed in the consideration of the Constitutional Court be through the use of under the authority of the legislation by both parliament with governments, and regulation determination by the government (executive), so that clear the relationship between house of representative with the government, is to run legislation function namely, together to determine the law.¹⁹ While the primary function pertaining to mastery to the wealth of the country as intended in Article 33 paragraph (3) The 1945 Constitution of the Republic of Indonesia, as the determination of policy (*beleid*) and the action of the management (*bestuursdaad*) and the act of management (*beheersdaad*) and implement action in order supervision (*toezichthoudensdaad*) over-all it is the job of the government.²⁰

Implementation of the constitutional court on act number 22 the year 2001 about oil and natural gas

The presidential decree in 1959 restore The 1945 Constitution of the Republic of Indonesia, put article 33 as a philosophy of the formation law related to the earth, water and natural resources in it as being controlled by the state. Pertaining to a philosophy of article 33 of The 1945 Constitution of the Republic of Indonesia, and the is meaning of mastery of the country upon “earth, water, and natural resources in it...”. The right to control giving authority to the state to regulate the allocation, the use of, supply and maintenance of; set and determine legal relation between peoples with the “earth, water, and natural resources....etc”; set and determine the regulation between peoples and the “earth, water, and natural resources....etc.” The right of control set functions the state to withdraw the natural resources in it.

Oil and natural gas are a Non-renewable natural resources strategic are in the control of the country as well as are most the vital control life of the many and have an important role in the national economy so that must be able to be maximally efficiency confer prosperity and social wealth. Oil and natural gas business activities have an important role in providing added value in a tangible manner to the national economic growth that rises and sustainable. The implementation of activities of oil and natural gas business as regulated in the Law of Oil and Natural Gas evenly economic society-based, integration, benefits, justice, a balance, even distribution, prosperity together, security, safety, and legal certainty and environmentally sound.

Business activities upstream oil and natural gas include exploration and exploitation. ²¹ Business activities upstream until now implemented through the contract, as in accordance with the terms on the Law of Oil and Natural Gas. The corporation contract which existing in Law of Oil and Natural Gas load that the ownership of natural resources in the government to the submission and control operations management is at the executive body, in this matter is SKK Migas. Meanwhile, capital and risks entirely are borne by business entities who perform the contract with the government. ²²

In terms of the management of natural resources oil and the earth that is within the territory of Indonesia is in their mastery of the state and is organized by the government to make the country the company exploration activities and exploitation or as holders of mining. Based on it is known that he said the government had legitimacy to exercise

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Function of policy determination (*belied*) and function in the management (*bestuursdaad*), regulatory function (*regelendaad*), management function (*beheersdaad*), and supervisory function (*toezichhoudensdaad*) in the event that the management of Non-renewable natural resources strategic, in writing this is especially natural gas, who is aimed addressed with a view for the prosperity all of the people. The Legitimacy is authority given by The 1945 Constitution of the Republic of Indonesia.

The authority of the government is considered as a skill for carrying out the laws positive so that it can be created the legal relationship between the government and its citizens.²³ The authority is defined as power agencies and/or official government or the other countries to act in the law public.²⁴ Theoretically, ways to earn authority can be distinguished to the attribution, delegates, and a mandate. Providing authority to agencies and/or official government by The 1945 Constitution of the Republic of Indonesia or law called the attribution.²⁵ To the agency and/or officials governance which had been received the authority of through the attribution, the responsibility of the authority on agency and/or officials governance concerned. The authority of the attribution cannot be delegated, except set in The 1945 Constitution of the Republic of Indonesia and/or Law. This is reflected in regulation that regulations regarding the authority of Minister Energy and Mineral Resources in exploration and exploitation.

Based on the authority, the government (President and Minister of Energy and Mineral Resources) as the holder of the authority of mines forming the executive body, who has the tasks of controlling of business activities upstream of in the field of oil and natural gas.²⁶ The executive body that is referred to is a unit special working the executor of the upstream oil and natural gas business.

The regulation of natural gas allocation for legal certainty

The allocation of natural gas regulated in the Minister of Energy and Mineral Resources Regulation as mandated by Law of Oil and Natural Gas.²⁷ As a management function (*beheersdaad*) should be conducted as an instrument institutional, namely the government use the capability over natural resources for optimal public welfare, can be seen that Minister of Energy and Mineral Resources has an obligation to provide guidance to the activities of upstream, which includes the government business in the field of business activities upstream and of policy deter-

mination the activities upstream business.²⁸ Of policy determination done should be based on reserve and potential resources oil and natural gas owned, production capacity, fuel requirements oil and natural gas domestic, technology mastery, the aspect of environmental and the environmental conservation, the national, and development policy.²⁹

The function of the management (bestuurdaad) own is embodied in the implementation of administrative matters in the field of business activity providing an upstream involving planning, in regards to licensing, the basis of an agreement, and recommendations. In addition, supervision function (toezichthoudensdaad) be in the form of the supervision activity that done Minister of Energy and Mineral Resources for the work and implementation of business activities upstream to devoutly the provisions of and regulations.³⁰ Implementation and control business activity upstream done through the contract between a company or form the permanent business, in this case, HCML with executive body, which in this case is SKK Migas.³¹ Authorities to supervise and control over contracts is SKK Migas, through the control the management and implementation of the cooperation contract.³²

About the allocation policies for natural gas, it is of authority from Minister Energy and Mineral Resources, aimed at to ensure efficiency and effectiveness the availability of natural gas as fuel, raw materials, or other purposes to meet the needs of within the state-oriented to benefit natural gas.³³ The allocation policies were based on energy policy national and through taking into account the public interest; interests of a country; the balance sheets natural gas Indonesia; reserve and opportunities gas market the earth; infrastructure available and who in planning according to a plan parent tissue transmission and distribution national natural gas; and/or economies of the field from oil and natural gas reserves to be allocated.³⁴

In the case of above, HCML as a seller of natural gas has done termination trading contracts gas between HCML with PT Parna Raya on April 10, 2017, and applying to change the field gas BD Madura to Minister of Energy and Mineral Resources.³⁵ A request for the allocation of natural gas can be requested both by a contractor and by a potential buyer natural gas to The Minister of Energy and Mineral Resources through the Director-General and the Director-General would ask for consideration from SKK Migas at the request a potential buyer natural gas.³⁶

A request for the allocation of natural gas both submitted by contractors and buyers assessed by the Director-General set by coordinate with other relevant agencies, one of them is SKK Migas.³⁷ Minister of Energy and Mineral Resources also received petition letter to re-allocation from HCML and recommendations from BPMIGAS (currently SKK Migas) about the proposal re-allocation to natural gas in the field BD KKKS HCML.³⁸ The head of SKK Migas provides consideration seen a reasonable principle of business which it is perfect, openness, justice, and accountability.³⁹ The Director-General would consider based on the balance natural gas Indonesia; provisions allocation determination natural gas to the needs of domestic; status and the ability of natural gas buyers; type and capacity facilities the distribution and/or natural gas use will, and, and was attached or established.⁴⁰

Next, The Minister of Energy and Mineral Resources will set out or may reject the application for the determination of allocations natural gas.⁴¹ In this case, after obtaining the consideration as in accordance with the Minister of Energy and Mineral Resources Regulation number 16 year 2016 then Minister of Energy and Mineral Resources issued a letter of Minister of Energy and Mineral Resources dated 2 June 2017 number 4465/13/MEM.M/2017 about re-allocation gas contains agreed to changes natural allocation which was originally for PT. Parna Raya as much as 40 (forty) MMSCFD becoming to PT. PGN (Persero) Tbk early 20 (twenty) MMSCFD to 60 (sixty) MMSCFD. If PT. Parna Raya committed to absorbing the gas from WK Madura Strait, SKK Migas can supply other sources of gas. SKK Migas and HCML, SKK Migas and HCML, adapt over the gas had been granted before, and then SKK Migas asked to pass on the report on the implementation of the agreement letters re-allocation of gas to the Minister of Energy and Mineral Resources c.q. The Director-General of Oil and Natural Gas, Minister of Energy and Mineral Resources has issued a letter is because there is the allocation of natural gas from contractors in this matter is HCML.

Minister of Energy and Mineral Resources issuing of the letter implement guidance covering of policy determination on the oil and natural gas business based on its reserve and the potential of oil resources and natural gas owned, production capacity, fuel requirements oil and natural gas inland, command of new technology, the aspect of environmental and the preservation of the environment, the ability national, and development policy, as stated in article 39 the Act of Oil and

Natural Gas. Minister of Energy and Mineral Resources set a policy of the utilization of natural gas from the reserve natural gas with make an effort for domestic demand were met optimally by considering the interests of the public, interests of a country, and a national energy policy of as well as the technical aspects of which includes its reserve and natural gas market opportunities.⁴²

In its consideration, Minister of Energy and Mineral Resources agreed with the re-allocation of gas after taking into account the situation that hcml is under final preparation commissioning and the testing upstream facility where is no longer process can delay startup upstream facilities.⁴³ Authorities have given the opportunity to PT. Parna Raya to immediately confirm the gas field, but there is unpreparedness from Raya to receive gas, can be seen from the request from PT. Parna Raya to HCML to permit the and the use of a right of gas pipeline channelling way. Meanwhile, the results of progress project upstream HCML has reached 100 % in April 2017 and on the other hand, PGN is ready to absorb gas marked by the exercise of commissioning since may 2017 and agreed to receive gas field bd of 60 MMSCFD.

If the government does not agree with proposals did re-allocation so was predicted to create the problems and potential harm the state, including gas supply for industrial gas users in the East Java is cannot be met and will affect mapping demand and the fulfilment of gas supply in the East Java that had been developed the government so that can affect national energy security.⁴⁴ If not done the re-allocations gas which was formerly supposed to can be commercialized to produce income for the state of being have to be in a flaring (burned gases) which also to get to the environmental damage. Infrastructure in upstream and downstream cannot be used optimally when not done the re-allocation. In addition, if not done a re-allocation, there is a potential loss of income can be frankly bad for the country per day as much as USD\$ 13,140 along with total loss as much as USD\$ 617,512,000.

The readiness of the parties, in terms of either to capital, infrastructure humans resources and so on, in the utilization of Non-renewable natural resources strategic become a very important thing to continue to do the exploration and the exploitation. For reasons mentioned above, The Minister of Energy and Mineral Resources agree to natural gas re-allocation so that a project to develop the field of BD will be immediately so that project among the various relevant parties kind of economy of the field of BD can be defended. A letter from The Minis-

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ter of Energy of Mineral Resources number 4465 will be expected to be the solution to problems arising.

Legal certainty is one element that should appear for the sake of the law. Certainty in the law intended that every a norm law must be able to be formulated by the words of in it not containing and therefore caused diverse interpretations.⁴⁵ Legal certainty could also mean it can be determined by law in concrete things.⁴⁶ Law had the task of creating certainty a law because aims to establish the order in the community. Law without value certainty will lose significance because they were can be used as guidelines behaviour for everyone.⁴⁷

A letter from The Minister of Energy and Mineral Resources number 4465 is the perfect solution for the matter will rise to and it is not revoked or remove allocation gas PT. Parna Raya for in terms of pt parna raya remains committed to absorbing allocation gas, they will be sent the opportunity to get allocations from other sources.

Approval re-allocation of natural gas to be distinguished with the cancellation of the determination of the allocations natural gas as a form of administration sanction contained in the minister energy and mineral resources number 6 the year 2016. Minister of Energy and Mineral Resources can provide administration sanction to contractor or buyer of natural gas who did not follow the rule in the manner determined in the approval of the biggest allocated and the utilization of natural gas. The cancellation can be given after the twice reprimand written.⁴⁸ After the reprimanded written, but the contractor or the buyer of natural gas still not fix or meet the stipulated terms, the Director-General can propose to Minister of Energy and Mineral Sources to repeal allocation and utilization of natural gas.⁴⁹ In terms of the Director-General proposed to Minister of Energy and Mineral Resources to repeal the allocation of natural gas, the Director-General warned SKK Migas to find for a potential natural gas buyer.⁵⁰ Next, Minister of Energy and Mineral Resources published the determination of the repeal of the allocation of natural gas and at the same time decide on the allocation of natural gas to the new natural gas buyer, and then followed up by SKK Migas to redistribute distribution and/or delivery of natural gas.⁵¹

Meanwhile, provisions on allocations and re-allocation of natural gas were on equal terms. Need to be the attention is that the allocation of natural gas is an agreement which had been included in an agreement between contractor for buyers of natural gas which a thing is the domain of a private law. Minister of Energy and Mineral Resources

has the authority to approve the allocation and give the allocation of natural gas previously filed by contracting or buyers of natural gas who are considered and recommendations from the Director-general and SKK Migas. So, for the regulation of natural gas allocation in Minister of Energy and Mineral Resources regulations number 6 the year 2016 has quite definitely set and provide legal certainty for the venture or permanent business form.

Conclusion

From the above, so it can be concluded that The Minister of Energy and Mineral Resources in terms of re-allocation of gas based on sovereignty as stipulated in Article 33 paragraph (3) of The 1945 Constitution of the Republic of Indonesia is the authority the attribution, namely implement of function of policy determination (belied), function in the management (bestuursdaad), regulatory function (regelendaad), management function (beheersdaad), and supervisory function (toezichthoudensdaad) in terms of management the natural gas resources. The regulation of re-allocation of natural gas accordance with the Minister of Energy and Mineral Resources Regulation number 6 the year 2016 has upheld the principle of legal certainty.

Notes

- 1 Badan Pusat Statistik. <https://www.bps.go.id/statictable/2014/09/08/1013/ekspor-gas-menurut-negara-tujuan-utama-2000-2015.html> (accessed 11 April 2018)
- 2 Alfiandri (2017), 'X Strategic Resources, Use Of Performance Measurement System And Hospital Performance In West Of Indonesia,' *Journal of Administrative and Business Studies* 3(1), p. 26-37.
- 3 Sampe L. Purba (2016), "Talking Points Gas Indonesia", <https://www.slideshare.net/pwypindonesia/talking-points-gas-indonesia> (accessed 01 September 2018) and on general explanation of Act Number 22 year 2011 about Oil and Natural Gas.
- 4 C Sutthipornphalangkoon (2016), 'A Study On The Relationship Between Company Characteristics, Demography Of Engineers And Their Perception Of The AEC And Its Environment Influencing The Decision To Develop Their Foreign Language Skills, In Bang Poo Industrial Area, Samuthprakarn, Thailand,' *International Journal of Humanities, Arts and Social Sciences* 2(1), p. 13-27.
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- 6 Hiransomboon K (2017), 'Using Convenience Store Service Of Foreign Backpacker Tourists In Bangkok, Thailand.' *International Journal of Business and Economic Affairs* 2(1), p. 1-7.

- 7 Act Number 22 year 2011 about Oil and Natural Gas, art 4 paras (1) and explanation
- 8 Minister of Energy and Mineral Resources Regulation Number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 2 paras (2). jo. Act Number 22 year 2001 about Oil and Natural Gas, art 4 paras (2)
- 9 Piyachat B (2017), "The Relationships Among Resources' Commitment Reverse Logistics Innovation Reverse Logistics Performance And Reverse Logistics Cost Savings: Manufacturing Vs Service Industry,' *Journal of Administrative and Business Studies* 3(3), p. 122-135.
- 10 Minister of Energy and Mineral Resources Regulation number 6 year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 1 number 8.
- 11 Sampe L. Purba, "Talking Points Gas Indonesia", <https://www.slideshare.net/pwypindonesia/talking-points-gas-indonesia>, accessed on 01-09-2018 and on general explanation of Act Number 22 year 2011 about Oil and Natural Gas.
- 12 Administrative Court Verdict Number 181/G/2017/PTUN-JKT on 21 February 2018 and State Administration High Court Verdict Number 136/B/2018/PT.TUN.JKT on 19 July 2018.
- 13 Minister of Energy and Mineral Resources Verdict Number 7142/12/MEM.M/2008 on 19 Desember 2008 about The approval of the price of natural gas between HCML and PT. Parna Raya.
- 14 The 1945 Constitution of the Republic of Indonesia, art 1 paras (3).
- 15 Utrecht (1957), *Pengantar Dalam Hukum Indonesia*, Jakarta : Ichtiar, 1957, p. 9
- 16 Compare with the statenebts from Apeldoorn, stating that : " Is certainly does not mean that, the rule of law we have to investigate, does he according to to it depend on a consciousness or legal awareness of the people, to find out whether he really the rule of law". On Apeldoorn (1954), *Pengantar Ilmu Hukum*, Jakarta : Noorfdhoff-Kolff N.V., p. 62
- 17 Judicial review proposed by APHI stand for Asosiasi Penasihat Hukum dan Hak Asasi Manusia Indonesia (Indonesian: Indonesian Lawyers and Human Rights Defenders Association); PBHI (Perhimpunan Bantuan Hukum dan Hak Asasi Manusia Indonesia); dan Yayasan 324.
- 18 Law consideration of after the Constitutional Court Verdict number 001-021-022/PUU-I/2003. p. 334
- 19 Idem
- 20 Idem
- 21 Act Number 22 year 2001 about Oil and Natural Gas, art 5.
- 22 Act Number 22 year 2001 about Oil and Natural Gas, art 6 paras (1) and (2).
- 23 Ridwan H.R. (2011), *Hukum Administrasi Negara*, Jakarta : PT RajaGrafindo Persada, p. 101.
- 24 Act Number 30 year 2014 about Public Administration, art 1 number 6.
- 25 Act Number 30 year 2014 about Public Administration, art 22
- 26 Act Number 22 year 2001 about Oil and Natural Gas, art 4 paras (3) and art 1 number 23.
- 27 Considering the Government Regulation Number 35 Year 2014 about the Business activity the upstream oil and natural gas jo. Government Regulation Number 55 Year 2009 about the second amendment of Number 35 Year 20014 about the Business activity the upstream oil and natural gas

- and considering Minister of Energy and Mineral Resources Regulation Number 3 Year 2010 about allocation and utilization of natural gas to the fulfillment of domestic demand jo. Minister of Energy and Mineral Resources Regulation Number 37 Year 2015 about The rules and procedures of determining the allocation and utilization of natural gas and prices jo. 8 Minister of Energy and Mineral Resources Regulation number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices.
- 28 Government Regulation Number 55 Year 2009 about about the second amandement of Number 35 Year 20014 about Business activity the upstream oil and natural gas, art 86 paras (1) and (2).
 - 29 Government Regulation Number 55 Year 2009 about about the second amandement of Number 35 Year 20014 about Business activity the upstream oil and natural gas, art 86 paras (2)
 - 30 Based on Government Regulation Number 55 Year 2009 about about the second amandement of Number 35 Year 20014 about Business activity the upstream oil and natural gas, art 86 paras (3).
 - 31 Based on Government Regulation Number 55 Year 2009 about about the second amandement of Number 35 Year 20014 about Business activity the upstream oil and natural gas, art 86 paras (4)
 - 32 Based on Government Regulation Number 55 Year 2009 about about the second amandement of Number 35 Year 20014 about Business activity the upstream oil and natural gas, art 86 Paras (5) and (7)
 - 33 Minister of Energy and Mineral Resources Regulation Number 37 Year 2015 about The rules and procedures of determining the allocation and utilization of natural gas and prices jo. 8 Minister of Energy and Mineral Resources Regulation number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 2 paras (1) and (2)
 - 34 Minister of Energy and Mineral Resources Regulation Number 37 Year 2015 about The rules and procedures of determining the allocation and utilization of natural gas and prices, art 2 paras (3) jo. 8 Minister of Energy and Mineral Resources Regulation number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices.
 - 35 Evidence T-4 from Minister of Energy and Mineral Resources, Verdict Number 181/G/2017/PTUN-JKT, pp. 191-192.
 - 36 Minister of Energy and Mineral Resources Regulation Number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 19 paras (1) and art 20 paras (1)
 - 37 Minister of Energy and Mineral Resources Regulation Number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 21 paras (1) and (2)
 - 38 EvidenceT-5 from Minister of Energy and Mineral Resources, Putusan Nomor 181/G/2017/PTUN-JKT p.192.
 - 39 Minister of Energy and Mineral Resources Regulation Number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 22 paras (2)
 - 40 Minister of Energy and Mineral Resources Regulation Number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 22 paras (3)

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- 41 Minister of Energy and Mineral Resources Regulation Number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 22 paras (4)
- 42 Based on Article 50 Government Regulation Number 35 Year 2004.
- 43 Administrative Court Verdict Number 181/G/2017/PTUN-JKT, pp. 37-38.
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- 45 Syafruddin Kalo (2007), "*Penegakan Hukum yang Menjamin Kepastian Hukum dan Rasa Keadilan Masyarakat*", <http://www.academia.edu.com>, pp. 4, (accessed 15 September 2018).
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- 48 Minister of Energy and Mineral Resources Regulation Number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 31 paras (1) and (3)
- 49 Minister of Energy and Mineral Resources Regulation Number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 31 paras (4)
- 50 Minister of Energy and Mineral Resources Regulation Number 6 Year Tahun 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 31 para (5)
- 51 Minister of Energy and Mineral Resources Regulation Number 6 Year 2016 about The rules and procedures of determining the allocation and the utilization of natural gas and prices, art 31 para (6)