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**THE PRINCIPLE OF SOCIAL JUSTICE AS A SOLUTION IN ILLEGAL MINING ACTIVITIES IN THE OLD WELLS OIL MANAGEMENT****Lego Karjoko<sup>1</sup>, I Gusti Ayu Ketut Rachmi Handayani<sup>2</sup> Abdul Kadir Jaelani<sup>3</sup> Willy Naresta Hanum<sup>3</sup>**

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*The old wells oil management is petroleum management which accentuates the empowerment of local communities in the producing region. The goal of this oil management is to provide maximum prosperity for the people as mandated by Article 33 of the 1945 Constitution. This paper aims to formulate the model of old wells oil management based on the social justice principle. This paper has a normative legal study method that uses a term of old wells management in Wonocolo oil fields, Bojonegoro regency. The result is because old wells oil management in Wonocolo oil field does not fully reflect the social justice principle, then it causes illegal mining activities. Therefore, it is necessary to formulate a model of old wells management based on the principle of social justice with two indicators i.e. 1) The equal distribution of benefits and 2) Participation.*

**Keywords:** *Oil, Old Wells, Illegal Mining, Benefit Distribution, Participation, Social Justice*

**A. INTRODUCTION**

The management of petroleum natural resources in Indonesia is based on Article 33 of the 1945 Constitution of the Republic of Indonesia (hereinafter abbreviated as the Constitution of Indonesia), which is an economic ideology based on economic democracy. More precisely, Article 33 section (3) of the Constitution of Indonesia establishes guidelines for natural resource management to achieve social justice, where state-controlled natural resources are to be handled for the maximum benefit of the people.

Petroleum became a strategic commodity for Indonesia because in the 1970s Indonesia was one of the developing countries. Indonesia was contributed 95% of all world oil production. However, the upstream sector continues to run into

decreased production due to natural decline and low investment in oil exploration and its success. Questioning as the upstream industry's lifeblood plays a vital role in finding new oil reserves, but it doesn't always go well. Meanwhile, without the discovery of further resources, Indonesia's proven oil reserves will only last 12 years (Syeirazi, 2017, p. 88).

One of the steps that can be taken to full fill the national oil demand is to optimize old well's productivity. On the large industrial scale, this is done with the Enhanced Oil Recovery (EOR) tertiary lifting technique, namely by injecting the well with a liquid consisting of gases such as carbon dioxide or nitrogen, steam, polymer, gel, etc. (Goodwin et al., 2013, p.36). EOR can increase output yield up to 73% depending on the material injected and the conditions in the field (Mischenko,

2001, p. 3)

In other conditions, the optimization of old wells in Indonesia is also carried out without being technically intensive, but traditionally. The management of old wells is regulated in the Minister of Energy and Mineral Resources Regulation Number 01 of 2008 on Guidelines of Mining Exploitation at Old Wells (hereinafter abbreviated as the Permen ESDM No. 01/2008). Based on Article 1 point 2 of the Regulation, old wells that can be managed by mining communities through a cooperation agreement between the Contractor and Village Unit Cooperative (known as KUD)/ Regional Owned Enterprises (known as BUMD), are wells drilled before 1970; ever produced, and is located in the Contractor's working area but is no longer cultivated (Kuncoro et al., 2019).

The management of old wells in Wonocolo Village, Bojonegoro Regency, East Java Province is one of several existing old wells. Its government is regulated more specifically in Bojonegoro Regent Regulation Number 30 of 2017 on Guidelines for the Guidance of Mining and Mining Groups at Old Oil Well in Bojonegoro Regency (hereinafter abbreviated as the Perbup Bojonegoro No. 30/2017). The old well management model in Wonocolo has undergone several changes in governance. In 1960 the old well management regime was initially under the authority of the Chief of Village (Naumi & Trilaksana, 2015, pp. 138-139). The old well in Wonocolo had been included in the Pertamina work area until 1988. It is now included in the work area of Pertamina EP, Peseroan Terbatas (PT or known as Limited Company), Asset IV

(hereinafter abbreviated as Pertamina EP, PT), and it's handled by Bojonegoro Bangun Sarana, PT (hereinafter abbreviated as the BBS, PT), which is a Bojonegoro's BUMD.

Based on the findings of the author's review of non-legal materials, illicit mining activities are known to occur in the excavation of old wells in Wonocolo and impact environmental harm. Illegal mining takes place at stage 1) operations in the form of drilling new wells and 2) production of petroleum refining activities before the sale of its distillates to other than contractors. That is done by miners who feel disadvantaged in old wells mining (Hartati & Marita, 2017, p. 763). Meanwhile, based on Total Petroleum Hydrocarbon (TPH), soil and surface water pollution at the mining site in Wonocolo is included in the highest hazard level (category A) (Sari & Trihadiningrum, 2018, p. 191).

This is because of the many social, economic, and legal issues that have arisen since 70 years ago. William Ophuls (2011) menyatakan pemanfaatan dan eksploitasi lingkungan sumber daya alam pada akhirnya dapat menghasilkan bentuk baru dari keadaan lingkungan (Whitehead, 2017. p. 9). Based on the findings of interviews with miners, BUMD 's Legal Manager Bojonegoro, Supervisor of the Pertamina EP, PTProduction Unit, the researchers concluded that three factors triggered the rampant illegal mining activities, namely:

1. Waiver and unclear position of miners;
2. Unfair distribution of fees; and
3. The absence of supervision over the management of petroleum in old wells.

As a result of illegal mining that

occurs, of course, reduces the welfare of many parties for the sake of only a few groups of people so that the greatest prosperity of the people is impossible to materialize. This certainly injures the concept of the principle of social justice, which has been institutionalized in Article 33 of the 1945 Constitution of the Republic of Indonesia. Illegal mining and environmental pollution problems do not only occur in the management of old wells in Wonocolo. Where this shows the issue of illegal mining is not casuistic, but problems arise from the time it is regulated, whereas Indonesia is a state of law (*rechtsstaat*) (Baranyanan et al., 2019, 494). It cannot be denied that the mining industry is a source of employment and income. However, its presence does not see the problems and challenges itself, instead, it has an impact on society and the environment (Kolala & Bwalya Umar, 2019, pp. 1-2). Therefore, an old well-managed model focused on social justice must be conceived. The Constitutional Court's decision offers four benchmarks to assess that a law is intended to provide the people with the greatest opportunity possible as a means of economic justice that will eventually bring about social justice. The following are the criteria as the purpose of the monitoring according to the Constitutional Court (Arizona, 2011, p. 299), two of them are the level of distribution of natural resources' benefits and the level of people's participation in determining the benefits of natural resources. At the same time, the benefits of petroleum and the recognition of customary rights are deemed fulfilled by the author. The definition of economic justice belonging to Louis Kelso and Mortimer Adler both promotes the use of those

metrics. Three basic values are interdependent in economic justice, namely: 1) participation; 2) distribution; and 3) harmony. The three of them are related to each other to sustain a build of economic justice.

## B. FIELD FINDING

### Petroleum Natural Resources Mastery at Old Well

Indonesia, through the constitution, states that it is a state based on law. Therefore, it has the aim of avoiding disturbances, maintaining order, security, and peace, and maintaining needs and interests to achieve justice. Where everyone gets what they have right to achieve mutual prosperity and happiness, that is, the fulfillment of their needs and interests (Notonagoro, 1994, p. 16). In Indonesia, justice is articulated in the fifth principle of Pancasila, which reads "Social Justice for All Indonesians." According to Kaelan, the fifth precept has a doctrinal meaning and animates it, since it is an aspect of Pancasila (Kaelan, 1996, p. 152).

The State's aim of pursuing equity in the area of natural petroleum resources also applies to Pancasila's fifth concept. No provision for the historically performed extraction of petroleum in old wells. In general, justice is related to economic justice in the field of natural resources. Justice, however, has many aspects and dimensions, including legal justice, economic justice, political justice, and social justice. Social justice is not a synonym for economic or legal justice. But the ultimate objective of thoughts and dreams of justice is social justice in real life, embodied in the collective experience system of society. This means that social justice is an aim that the state needs to

accomplish, in order to bring prosperity to all its citizens (Jaelani et al., 2019).

The concept of justice adopted by a country has a strong influence on the state's way of realizing welfare for its people. In managing natural resources in Indonesia, the embodiment of the principle of social justice is institutionalized in Article 33 of the Constitution of Indonesia. Article 33 of the Constitution of Indonesia is an economic constitution that explains that control of natural resources is in the hands of the state. In other words, Indonesia adheres to state regimes. This understanding provides a shield so that a few influential people or groups do not control natural resources. Because the principle of people's economy brought about in Article 33 of the Constitution of Indonesia explains that the authority of natural resources is to prioritize the community (togetherness or mutualism), not on individual prosperity (individualism).

This is very different from the concept of private regimes, where individuals are the owners of rights in exploiting natural oil resources, which are common property. Garret Hardin in "The Tragedy of the Commons" agrees that the unhappiness caused by the exploitation of shared resources will continue to occur if there are no limits to recognizing needs. This is closely related to the inability of the human population to continue to exploit natural resources excessively (Hardin, 2017, p. 1248). State control is exercised in the management of old wells in Wonocolo through cooperation between state-owned enterprises (hereinafter referred to as BUMN), namely Pertamina EP, PT (Contractors) and, BUMD Bojonegoro, namely BBS, PT (Subcontractors). BUMN

's existence is one of the minimal types directly present by the state for controlling its natural resources. Where this can impact management performance, which has consequences for the degree of distribution of profits from natural resources themselves, the calculation of how much wealth people get from the outcomes of managing petroleum in old wells can also be seen from the level of state control over natural resources. Ideally, the state is the one that includes natural resources entirely.

The management of petroleum was decided between Pertamina EP, PT and BBS, PT (BUMD Bojonegoro) in the old Minya Field well, Wonocolo. The Mining Group mines it, which still leaves unresolved legal, social, and economic issues. George Soros in Macartan Humphreys (2007) notes that the presence of natural resources in a country is like a double-edged knife, or is called a resource curse, since natural resources will help people if properly managed, but will cause many problems such as loss and harm if not properly managed (Handayani, 2014, p. 51). Naturally, the existence of a mine resource deposit always interacts and is related to the surrounding environment (Zulkifli, 2014, p. 7), both in interactions that have a positive impact and businesses that have a negative effect. Likewise, the issue of illegal mining is still serious, and it seems complicated to stop in the mining process in Wonocolo.

The issues that emerged in the Wonocolo case study were not caused exclusively by casuistic factors (only happened in Wonocolo). However, cases of illegal mining and environmental damage may also occur in the management of old wells in other regions, for example in Samarinda (Desmawangga, n.d.) and the

Musi Banyuasin area (Yuswalina; Candra, 2017, *Jurnal Muamalah*, p. 62). Because basically, the problem of illegal mining arises from the level of content of the regulatory material governing how the exploitation of old wells is carried out.

Establishing a strong legal foundation is the starting point for protecting and recognizing strategies for promoting ecological democracy rights. In the concept of environmental democracy, public participation in forming standard policies has an important role (Pratisti & Wibawa, 2017, p. 151). Ecological democracy cannot be distinguished from current, closely connected concepts of environmental justice and sustainable justice. Law and Gleeson (1998) discuss two aspects: fairness in generation-to-generation environmental distribution, and justice in human relationships and others in nature (Baxter, 2005, p. 7). This concept is the basis for maintaining ecological sustainability and balance.

Djatmiati (2007) notes that to prevent conflicts of norms, it is more necessary to draft correct legislation before addressing legal problems that arise in the field due to permits that have been issued (Djatmiati, 2007, p. 5). Essential components which must be the basis for the establishment of a legal and political framework for the management of natural oil resources relating to state control which reflects national sovereignty are a) ownership of natural resources; b) state control; c) authority of State-owned enterprises in the oil mining sector to cooperate with third parties (especially with third parties) (Ulfatun Najicha et al., 2020, p. 1204).

### **Recognition of the Participation of the Mining Community**

The miners who are members of the Mining Community are the parties who carry out petroleum extraction in old wells. However, there is inadequate control of the miners who are the most important participants in this management. Article 2 section (3) Permen ESDM No. 01/2008 carries only KUD or BUMD, and Contractors only. Old wells governance is aimed at developing the local economy through community engagement. Likewise, the uncertain relationship between the Mining Community and the BUMD Bojonegoro has disrupted the sense of responsibility for the social and environmental effects of maintaining old wells, and the recognition of Community participation in mining (Sukmoro et al., 2019).

Haedjasoemantri (1990) needs more specific community engagement to be successful, namely the process through which the rights of the community in environmental management are recognized. Arnstein (1969) stated that the sense of attendance can fall into a void ritual (pseudo-ceremony), which is only symptomatic of regulations. Followed by a culture of silence for different reasons, it may cause the loss of a sincere sense of duty to engage in saving nature to fall to a rhetorical level alone by the next century (Wijaksono, 2013, p. 29). Therefore, the Mining Group's recognition as an independent entity from the elements of the community needs to be regulated even at the level of the Minister of Energy and Mineral Resources Regulation, which controls the mining of petroleum in old wells. This means that it is not only regulated in Regional Regulations because not all of the Regional Regulations regulate the existence of miners in the exploitation

of old wells. The inclusion of the Mining Group in the regulation will strengthen the spirit of community participation in the legal, social, and economic sectors (Karjoko et al., 2020).

The Mining Industry is a company that has been around for decades. Through prioritizing shared principles, they implement conventional management. Hartig and the Rules (1993) in (Mitchell et al., 2016, p. 257 & 259) stated that effective participation is not only assessed by the number of people participating, but one of which is also influenced by trust, communication, opportunity, and flexibility. In this case, Mitchell also conveyed one of the critical elements of successful participation and partnership, which lies in the balance of trust and power.

The balance of guardianship and power is an aspect which recognizes the involvement of the parties involved. Many who may have less resources or capabilities than others need to be formed in order to remain active. Without question, the thoroughly acknowledged engagement would give birth to people who are not apathetic to the survival of good old management. Arnstein (1969) suggests that engagement reflects the transfer of power between managers and society. At the level of citizen control, the highest level of participation is where society can also influence policies (Arnstein, 1969 p. 217)). Therefore, in recognition of community involvement as an independent entity, it should be regulated in a Regulation of the Minister of Energy and Mineral Resources.

At this level, the community has the power to regulate programs or institutions related to their interests. The organization has the authority and can negotiate with outside parties who wish to make changes.

This is because the Indonesian economy concept is based on economic democracy so that the State must control the essential production branches. Suppose the Indonesian State cannot do all this. In that case, the authorities will handle the production leadership, and the people will only be spectators and be affected by the destruction of natural resources and the environment (Ulfatun Najicha et al., 2020, p. 1202).

There are law firms in Ukraine, for example, that include members of the public who wish to be active in deciding important government policies. Where Ukraine strategically positions civic evaluation and group engagement (Kravchenko, 2002, pp. 204, 208). Besides, the recognition that miners deserve also emphasizes the local wisdom of the local community. It is undeniable that in the life order, traditional communities uphold values that are near related to customary law which originate from within their communities (Hanifah et al., 2018, p. 412). Furthermore, Wildavsky (1987) stated that culture influences the formation of viewpoints or preferences by embed cultural norms and values (Ramsay, 1996, p. 99).

In addition, the researcher instructed the Mining Group not only to conduct administrative ties with BUMD by registering the Mining Group with BUMD, in order to increase public awareness of their involvement. However, a good civil partnership is bound to a formal agreement between the Mining Community and the BUMD. The Mining Company must first be legalized as a company to be able to do so. The Regional Government and the Village Government should question credibility in such a way that the Mining Company entity

as the manager of old wells is factually more legitimate. Of course, by paying attention to the requirements of whether or not anyone who is part of the Mining Community will become a miner.

### **Closing the Profits Sharing Model 70% of Investors and 30% of Miners**

The results of petroleum production from old wells, which all have to be deposited with the Contractor through KUD or BUMD, are alleged to be the most potent trigger for illegal mining practices. Drilling of new wells, refining crude oil, transporting it until it is sold to Collectors or 'Parengkek'/Retailers are activities that violate the law because they are not by those stipulated in Article 9 and Article 10 paragraph (1) Permen ESDM No. 01/2018. This practice persists since the payments paid are insufficient to meet the mining community's welfare. However, at the end of the day researchers would agree with the idea of turning over all the oil production from the mining of old fields. This is because the effects of output from the old wells were originally planned to increase the supply of national oil. This means that the production of old wells is used to meet the national fuel oil requirements. Depositing all the crude oil will also reduce unfair rivalry between refining miners. Pertamina EP, PT also purchases oil for January 2020 according to Indonesian crude oil price, which amounts to IDR 3645.64/litter. The amount of the price of crude oil is then used for subsequent calculation of the value of the invoice.

Most often arises in cases of illegal mining because miners are not profitable if they service wells for which the Group of Miners bears the costs. In contrast, wells that have been serviced may not necessarily

produce significant oil. Second, the unfair distribution of fees as a form of profit between Pertamina EP, PT and BUMD Bojonegoro for the miners. The miner feels that the proceeds from depositing oil are not even sufficient for the production costs. Pertamina EP, PT and BUMD Bojonegoro have arranged the percentage sharing of fees. The purchase price of oil is also determined dynamically following the market price of crude oil. The amount of the purchase price is notified by Pertamina EP, PT to BUMD Bojonegoro through an official letter every month. Therefore, according to the second author, it is no longer relevant in current management. Moreover, the Mining Group has received direct payments from the Trader Group, which complicates sharing the 90% service fee, which should be invoiced directly by the Mining Group to BUMD Bojonegoro. (Sukmoro et al., 2019)

Researchers evaluate the deprivation of the miners as a result of the limited income they earn due to investors' entry into the management of old wells. Investors get 70% of the profits from petroleum reserves, while the Mining Party gets just 30%, so it has to be split between representatives of 15-50 individuals. This, of course, greatly lowers the yields miners are receiving. This image is similar to the argument by Paul Wolfowitz, since more than 50% of the output is given to other parties. Many poor people in the world live in countries that are rich in natural petroleum resources (Setyadi, 2017, p. 9). For this reason, the authors are introducing a new model of management to close the door to investments detrimental to the Mining industry. It is governed, based on Article 8 of the Perbup Bojonegoro No. 30/2017, that the financing of good old management is

carried out by the owners of the WK (Contractor), BUMD, and the banking sector, and miners. Sadly, this system is not being fully enforced. The proof is that there are so many Mining Groups that rely on investments from other parties, even from outside the country, for their management.

Through this paper, a model for capital assistance can be formulated for miners by Pertamina EP, PT, BUMD Bojonegoro and the miners together. Capital assistance is carried out by adopting the 10% Participating Interest (PI 10%) system implemented in the oil industry nationally (Kemenko Bidang Perekonomian, 2019, p. 3). The regulation can be included in the Minister of Energy and Mineral Resources at the same time so that it has more substantial legal consequences. However, still pay attention to the laws and regulations that preceded it, such as Law Number 22 of 2001, The Government Regulation Number 35 of 2004, Permen ESDM Number 37 of 2016, as well as other laws and regulations that could be related to the adoption of this PI 10% scheme. When talking about PI 10% in the actual context, the Contractor is obliged to offer PI 10% to BUMN in their working area, since the first approval of the field development plan (Plan of Development) by the Minister of Energy and Mineral Resources (Kemenko Bidang Perekonomian, 2015, p. 28). Then the Contractor will provide financing for the PI 10% rights owned by BUMD.

Meanwhile, Pertamina EP, PT (Contractor) and BUMD Bojonegoro (Subcontractor) are jointly introducing a hierarchical scheme of work in this model. Then provide pre-financing of the amount of capital the Mining Group needs for the maintenance of old fields. The repayment

of the financing will be made every particular period without interest from the output of the Mining Group while also maintaining a fair share of the revenue for the Mining Group.

The percentage of well-opening and operational capital financing provided by the Contractor and BUMD can be determined by deliberation. Likewise, the return on the funding that must be returned, the total production percentage is also determined by review. In this case, thinking is intended by the author to have an attitude of the mutual understanding of the management conditions of old wells. This is because the amount of petroleum reserves in each oil field is different. The financing percentage is adjusted to the Mining Group's needs and the condition of oil production from old wells. Therefore, Contractors and BUMD must also be concerned with the amount of production of old wells and the natural decline rate. If the plan is taken, 70% will be allocated to return on capital and 30% to operations, with a benefit of IDR 3,000,000/week (after deducting the Workers' Group's salaries) and money to open a well of IDR1-1.3 billion (assuming no funds from the Mining Group) then, within 10-12 years, the funding will be completely refundable. For this reason, while there is a financing cost that the BUMD owes to the Contractor, the funding can be paid in full and the miners can expect better results in management.

### **Involvement of all Parties in Old Well Mining Supervision**

One of the implications that must be carried out is proper monitoring in the maintenance of old wells. This is particularly true when the Mining Group is introducing a capital financing scheme. If illicit mining activities



are not regulated and prevented, the financing party will suffer detriment. Supervision is also needed to prevent irregularities from mining old wells that can cause environmental damage. BUMD Bojonegoro, as the owner of an oil mining permit in an old well, is the party most responsible for what happens in its mining area. Therefore, a license is a preventive instrument to prevent behavior that violates existing rules or norms (Djatmiati, 2007, p. 3).

The license issued is a way for the government to regulate and control all commercial activities undertaken by the state, legal entities (companies), or businesses in the case of environmental harm resulting from mining activities. Currently, though, actions that affect the environment due to the issuance of a permit are no longer the community's intervention where the action is being carried out. As a result, this just becomes the Government's full authority (Prabowo et al., 2019, pp. 58-59). The authors propose a new model for controlling the maintenance of old wells to discourage illicit mining activities in the event of more serious harm to the environment. In his Course Book, *Recent Trends in General Administrative Law in The Netherlands*, J.B.J.M. Ten Berge claims that there are 2 (two) compliance instruments in administrative law, namely controlling and implementing sanctions. Leadership is a proactive move to force enforcement while implementing sanctions is a punitive phase in moving enforcement to be completed (Sembiring et al., 2014, (Sembiring, Rahman, Napitupulu, Quina, & Fajrini, 2014, p. 178).

Supervision in maintaining old wells in Wonocolo Village is now basically ineffective. Maintenance would be

pointless when law enforcement is not in operation. Poor law enforcement is sometimes viewed as an important issue. Administrative law enforcement standards have greater competitive advantages in activities requiring community involvement, such as controlling natural resources and the environment, than civil and criminal law instruments (Santosa, 2001: 248):

1. Enforcement of administrative law in the environmental sector can be a preventive tool.
2. Preventive administrative law enforcement can be more efficient in terms of financing. Funding for administrative law enforcement includes routine field surveillance costs that are cheaper than the effort to gather evidence, employ expert witnesses to prove aspects of causality (cause and effect) in criminal and civil cases.
3. Administrative law enforcement is more capable of inviting public participation. Public participation is carried out starting from the licensing process, monitoring arrangement/supervision, and involvement in filing objections and asking administration officials to impose administrative sanctions.

In the management of old wells in Wonocolo, despite the fact that the community has the potential to cause environmental damage due to oil spills due to mining activities. But legally, it is the license holder responsible for the damage and not solely the miner's responsibility. This is because the miners are not the parties granted the concession permit, but

the Bojonegoro BUMD. However, BUMD Bojonegoro will not be able to do much against all types of damage because BUMD is not the mining party. The problems between the company and the community around the mine are closely related to the absence of government supervision (Wicaksono, Handayani, et al., 2020, p. 7173).

The authors therefore propose that regulations are in effect for the control of the mining activities of old wells. This is to discourage illegal mining, and Pertamina EP, PT handles environmental degradation as the owner, the concession licensing party BUMD Bojonegoro, and the Mining Company, which actually mines in the Wonocolo Oil Field. This is done to regulate the parties that have the right to supervise mining activities in the Ministry of Energy and Mineral Resources, particularly in activities carried out at the mining sites. The Parties are monitored in an interconnected way, not individually. How much oil is produced every day can be monitored, so that all the oil can be deposited to Pertamina EP, PT.

Assume that the funding made using the participating interest model can be adequately carried out. In that case, there should be mutual oversight by stakeholders or groups who play a role in managing old wells. This is, of course, to sustain the trust given to the Mining Group to fund it. But the Mining Company is not entirely responsible for the harm to the environment and the fear of crude oil refining. Indeed, communication and public education are important and influential in carrying out government policies (Bräutigam, 2000, p. 259).

Local governments can also engage in real regulation and play a state

administrative law supervisory role in government administration. To avoid deviations from the government duties outlined and to correct any differences that occur. Participation of all parties is important, especially on central and regional level stakeholders. Includes attempts to incorporate ecological management policies in the application of local autonomy (Akib et al., 2019, p. 84). Integrated supervision and in accordance with the principle of important supervision is carried out before or after mining activities (Wicaksono, Rachmi, et al., 2020, 2984). When talking about Strategic Environmental Assessment, from the start, stakeholder participation is very important to determine the policies taken. The impact is on increasing environmental priorities, increasing social responsibility, and becoming policy learning (Slunge & Loayza, 2012, p. 248). It is true that if the government's way of thinking in making policies is not renewed and developed, collaborative stakeholder participation will not occur (Ngo et al., 2019, p. 1).

What is more critical, however, than that, is community engagement. In the book *Citizen Involvement in Planning*, Arent (1972) notes that the secret to successful community engagement is managers' and policymakers' ability to engage the population. Otherwise, it would just end up being a hoax (Fagence, 1977, p. 18). And in the end, the management of the old well will continue to have legal, social, and economic problems without strong community involvement. This would inevitably lead to deprivation in natural resources themselves so that the world will be far from a stable and healthy state. For this reason, the three above models may be implemented in laws and regulations based

on the concept of social justice, which is calculated using measures of equal income distribution and involvement in society. Considering, therefore, the harmonization of laws and regulations. Without a valid legal framework, the government cannot guarantee the fulfillment of the rights of individuals with policies geared towards the maximum welfare of the people.

### C. CONCLUSION

Based on an analysis of the laws and regulations related to the exploitation of old wells and a case study in the Wonocolo Village Oil Field, a model for petroleum management in old wells based on social justice principles can be constructed. This model can be adopted to make changes to laws and regulations, i.e. giving admission to the local community as a party of factual mining activities in the ESDM Ministerial Regulation, changing the funding system of old wells operation using the concept adapted from the scheme of 'Participating Interest 10% and Stakeholder involvement consist of Local Government, Contractor, KUD/BUMD, and mining groups in integrated supervision of old wells oil management.

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