

ENHANCING LEGAL OVERSIGHT FOR THE MANAGEMENT OF OLD OIL WELLS IN NORTH ACEH REGENCY, INDONESIA

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ABSTRACT

The control and exploitation of aging oil and gas wells in North Aceh Regency present intricate challenges and conflicts. This article sheds light on the various conflicts arising from this issue and propose potential solutions for their resolution. This article adopts a normative legal research approach, complemented by in-depth interviews, to examine the legal dimensions of control and exploitation by local communities. The findings highlight the necessity of clear regulations in the management of old oil wells to prevent illegal drilling or unauthorized tapping. Specifically, the government should establish robust regulations concerning the mechanism for transferring old oil wells left by companies. In this context, corporations can involve local residents who engage in activities to rejuvenate the wells. While local communities rely on customary law for control and exploitation of old oil wells, the government's approach is based on statutory regulations. By addressing these legal aspects and promoting collaboration between stakeholders, a more effective and harmonious management of aging oil and gas wells can be achieved in North Aceh Regency.

Keywords: Supervision; Management; Old Oil Wells, Oil Companies, North Aceh, Indonesia.

INTRODUCTION

As outlined in PERMEN-ESDM Number 1 Year 2008, paragraph (2), old oil wells are defined as petroleum wells drilled prior to 1970 that have been previously exploited and are situated in uncultivated fields within a cooperation contract-bound work area no longer required by the contractor. The presence of numerous such wells in Indonesia, as emphasized by (Sudarmoyo, Effendi, Prayitno, & Julianto, 2019), underscores their potential for reactivation and further exploration. By considering the regulatory framework provided by PERMEN-ESDM Number 1 Year 2008 and the insights shared by (Sudarmoyo et al., 2019), Indonesia can strategically leverage these old oil wells to maximize their productivity and contribute to the country's energy resources.

To maximize petroleum production in Mining Working Areas (WKP) containing old wells and improve the welfare of communities residing near these sites, the Minister of Energy and Mineral Resources has established Permen-ESDM No. 1 of 2008. This regulation provides comprehensive guidelines for the exploitation of petroleum mining in old wells. Consequently, a Special Task Force for Upstream Oil and Gas Business Activities (SKKMIGAS) was formed in collaboration with the Ministry of Energy and Mineral Resources, including the Directorate General of Oil and Gas and Secretariat General of Energy and Mineral Resources. PT. PERTAMINA EP has also developed Work Procedure Guidelines to serve as a reference for SKKMIGAS and Cooperation Contract Contractors (K3S) when processing KUD/BUMD applications related to petroleum extraction from old wells.

Non-renewable natural resources, such as oil and natural gas, hold significant importance as strategic assets. While these resources are finite, they play a vital role in driving the national economy and are indispensable to many. As highlighted by (Subadi, 2023) it is crucial to manage these resources optimally to enhance societal welfare and foster the prosperity of the country.

Given their significance, effective management of non-renewable natural resources, including oil and natural gas, becomes imperative. By implementing efficient and sustainable practices, we can ensure the long-term benefits for society

and the nation. This entails adopting strategies that balance economic growth with environmental considerations, promoting responsible extraction methods, and maximizing the value derived from these resources.

Through such effective management, we can not only improve the well-being of society but also bolster the overall economic prosperity of the country. By prioritizing sustainable practices and strategic decision-making, we can harness the potential of non-renewable natural resources to create a positive impact on both present and future generations.

The fundamental principles and objectives of the management of petroleum mining in old oil wells are: (a). Optimization of the utilization of old wells; (b). Increase people's economic accessibility around the location of old wells. This shows that petroleum mining activities in old wells do not include natural resource exploitation activities that exceed limits and can be cultivated by the community through procedures and procedures in accordance with existing regulations (Yuwono, 2014).

The right to control the state reflected in Article 33 paragraph (2) of the 1945 Constitution does not mean owning. But the state as an organization is given authority from which it is possible to arise rights, such as management rights, terms of business. The right to control the state in relation to gas and natural resources includes the right to regulate and determine the legal status of oil and gas management and exploitation (Azhar, 2018). The state does not reject the idea of competition between business actors, provided that the petition does not eliminate control by the state. Such dominion includes the power to govern (*Regelensdaad*), take care of (*berstuursdaad*), manage (*Beheersdaad*), and supervise (*Toezichthoudensdaad*) branches of production branches important to the country (Azhar, 2018)

With clear regulations and supervision, the development of old well management can be an economic engine for local residents. Aspects related to security, environment, health of citizens and the business world can be well maintained. With the participation of BUMD/KUD in the management of old wells, it is expected to initiate the role of regional companies in the Indonesian oil and gas

sector. The management of old oil wells is different from the management of active oil wells in the petroleum industry in general. The use of existing Petroleum Technology Standards cannot run optimally. Proper mining rig innovation and pumping machines equipment that match the characteristics of old wells are needed to be more efficient, economical and meet Health Safety Environment (HSE) standards in the petroleum industry.

Indonesia encounters a significant challenge in effectively managing old oil wells located across different regions, particularly in North Aceh. These wells possess the potential to serve as valuable sources of income and contribute to regional development. However, the management of these old oil wells is hindered by various obstacles, including illegal drilling, oil theft, and environmental degradation. To tackle these challenges and unlock the full potential of these resources, it is imperative to establish clear and robust legal regulations. These regulations should specifically address the management of old oil wells in North Aceh, falling under the jurisdiction of Indonesia. By implementing such regulations, the government can ensure proper oversight, prevent illegal activities, and mitigate environmental damage associated with the management of these wells. This will pave the way for sustainable utilization and maximize the benefits derived from these valuable assets.

According to the Regulation of the Minister of Energy and Mineral Resources Number 01 of 2008, old wells are oil wells drilled before 1970, which are produced and located in uncultivated fields in work areas related to cooperation agreements. This is no longer done by Business Partners Contractor Cooperation (KKKS). Oil production in an old well is an attempt to extract, raise and/or lift oil from an old well to a point of delivery agreed between the parties. In the Production Service Compensation Contract (PSCC), the Contractor provides Production Service Compensation (*fee*) to KUD/BUMD in exchange for oil production at the agreed price up to the point of delivery agreed by both parties in the oil well agreement in the form of money, not in the form of goods or oil.

The utilization of old wells has strategic and economic potential. On the other hand, the inauguration of old BUMD/KUD wells has a positive impact on

improving the community's economy, including the welfare of the local community. In addition to potential, old wells also have a negative impact if old wells are not managed according to applicable regulations. The improvement of illegal wells requires serious attention through socioeconomic and political approaches of reliability, environment and safety with all stakeholders at the central and local levels in the management of old oil wells in a local regulation (qanun), especially related to the diversion of old oil wells. Having left the company involved in the use of old oil wells, the entrepreneur can cooperate with local residents to carry out the reconstruction of the well. In this way, the district / city government, KUD or BUMD can control the drilling of old oil wells with the correct drilling rules and guaranteed technology according to *Good Mining Practice*.

The extensive exploitation of oil and gas resources has been pursued with the intention of generating revenue for the state, aiming to accelerate economic progress and fulfill the aspirations of the people as outlined in the Preamble to the 1945 Constitution. However, this relentless exploitation has led to a depletion of Indonesia's oil and gas reserves, making the discovery of new sources increasingly challenging. Meanwhile, domestic oil demands continue to rise (Yurista, 2015).

In light of these circumstances, it is imperative to strike a balance between the economic benefits derived from oil and gas exploitation and the long-term sustainability of these resources. The government should adopt measures to ensure responsible resource management, promoting efficient utilization and exploring alternative energy sources. By doing so, we can safeguard the interests of future generations while meeting the growing energy needs of the nation. Furthermore, investing in research and development, as well as fostering international collaborations, can contribute to the discovery of innovative technologies and techniques for oil and gas exploration. This will help address the challenges posed by diminishing reserves and facilitate the transition towards a more sustainable energy landscape. Ultimately, by pursuing a balanced approach to oil and gas exploitation, Indonesia can achieve sustainable economic growth and realize the greatest prosperity for its people, in line with the objectives set forth in the Preamble to the 1945 Constitution.

The article highlights legal issues revolving around conflicting perspectives on the control and utilization of old oil and gas wells. This clash primarily involves the government, specifically Pertamina, and local communities or mining groups. The disagreement stems from differing interpretations of control rights, as the government relies on established laws and regulations, while communities assert their rights based on local customary law. Moreover, challenges in obtaining mining permits contribute to the perception of illegality in community mining areas, which hinders the optimal exploitation of old oil wells. To address these issues, the research proposes the development of sustainable policies, provision of legal assistance, and continuous supervision to facilitate legal compliance and promote the contribution of community mining businesses to the economy. Partnership collaboration and effective policies are necessary to address the legal complexities and harness the potential benefits of traditional oil mining activities. The seeks to contribute insights into legal complexities, propose effective policies, and explore opportunities for sustainable management of old oil wells to benefit both the economy and local communities in the management of old oil wells in North Aceh.

RESEARCH METHOD

This article employs the normative legal research method, specifically using the statutory approach to analyze regulations, legislations, and case law pertaining to the effective management of old oil wells in the North Aceh District. Furthermore, a comparative analysis is conducted to determine whether the current regulations adequately address conflicting perspectives on control rights and the challenges associated with obtaining mining permits. The primary legal materials utilized in this study include laws and regulations, while secondary legal materials consist of journals, books, and the official websites of governmental agencies such as Indonesia BPMIGAS. The data collection technique employed in this research is a comprehensive literature study. Through the evaluation and legal reasoning technique, this research aims to refine existing regulations, establish clearer legal guidelines for sustainable management, and promote community participation.

RESULTS AND DISCUSSIONS

1) Welfare of People

The primary objective of managing old oil wells in Indonesia, particularly those under the management of regional business entities like BUMD or KUD (Gunanto, 2017), is to enhance the welfare of the surrounding communities. This involves reorganizing oil extraction efforts in abandoned wells left by the Dutch, with the aim of establishing proper management practices within the district. By doing so, the management aims to prevent illegal drilling and crude oil theft, thereby ensuring the integrity of operations. Furthermore, effective management of old oil wells contributes to the increase in the district's Original Revenue (PAD) through taxes and levies. This revenue boost supports the district's economic growth, which is pursued with a focus on quality, balance, and sustainability. The overall objective aligns with both the national economy and the region's unique strengths, fostering a robust and prosperous economic environment.

Based on the results of historical traces, oil and gas management in Indonesia has been started since the era of the Dutch East Indies government (1800-1942), through institutions *Vereenigde Oost-Indische Compagnie* (VOC) in operation since 1816 (Bakhri, 2012). There have been three periods of oil and gas management in Indonesia. *First*, during the colonial period of the Dutch East Indies government (1800-1942). At that time, Aeilko Jans Zylker in 1883 exploited oil wells in the Langkat area after asking the Sultan of Langkat for concessions (Departemen Pertambangan dan Energi, 1985). Furthermore, Aeilko Jans Zylker was taken over by Royal Dutch Shell (otherwise known as *Bataffche Petroleum Matschappij* abbreviated BPM) where the Dutch East Indies Government obtained royalties of 20% of the profits obtained by the BPM.

Second, after the surrender of Japan, and followed by the proclamation of independence of the Republic of Indonesia, the first established in Indonesia was the Indonesian State Oil Mining Company (PT. MNRI), later changed to PT. North Sumatra Oil Mine. While specifically in Central Java stands PT. National Oil Mine (PT.MN) which later became PT. PERMINA and eventually became PT. PERTAMINA (Amariski, 2010).

Third was in the era of PT. Pertamina (Persero). At this time the oil and gas industry in Indonesia reached a golden age because it succeeded in innovating and expanding to several countries. However, in its latest development, PT. Pertamina is involved not only in the oil and gas sector, but also in the petrochemical business by building an olefin center project, *Aromatic Center*, *methanol* and *carbon black* (Harbert & Yergin, 1991).

The conflict over control and exploitation of old oil and gas wells in Bojonegoro Regency was a latent conflict, between the people or mining groups and the government, in this case Pertamina. This is due to the different points of view of the control of old oil wells by the government based on laws and regulations, with the community who base their rights according to local customary law (Subadi, 2023).

In Musi Regency, it has been discovered that mining areas sourced from old oil wells, remnants of the Dutch colonial era, have proven to be valuable assets for the local community. These areas have contributed to job creation and have opened up new business opportunities, thus bringing significant economic benefits. However, the establishment of such community mining sites faces numerous challenges, particularly concerning mining permits, and is currently considered illegal by the government. As a result, the potential for optimal utilization of the old oil wells, which still holds various untapped opportunities, remains untapped. Despite this setback, these mining areas possess immense potential for further development and growth (Yuswalina & Candra, 2017). To effectively promote community mining businesses sourced from old oil wells, it is imperative to establish collaborative partnerships with key stakeholders and policymakers who have control over these fields. These partnerships should be based on forming strategic patterns that facilitate the implementation of sustainable technical and operational policies.

One of the crucial policy instruments required for this purpose is the provision of legal licensing assistance. By offering guidance and support in obtaining the necessary licenses, communities can navigate complex legal processes and ensure they meet all regulatory requirements. This assistance is

instrumental in setting the foundation for a successful and compliant mining business. Additionally, continuous supervision, both technical and non-technical, is essential for the growth and development of these community mining ventures. This supervision ensures that the operations are conducted in accordance with best practices, enhancing efficiency and productivity while minimizing environmental impact. By providing ongoing guidance and monitoring, communities can improve their mining techniques and contribute significantly to the economic growth and stability within their regions. Overall, partnering with parties who have control over these fields and policymaking is vital for the success of community mining businesses sourced from old oil wells. Through sustainable technical and operational policies, coupled with legalistic licensing assistance and continuous supervision, these ventures can thrive and become valuable contributors to the economy (Yuswalina & Candra, 2017).

Traditional oil mining based on cooperatives has effectively generated new employment opportunities, boosted income levels, mitigated unemployment rates, and enhanced the overall welfare of rural communities with a comprehensive approach that includes empowering individuals through capital investment, infrastructure development, and the improvement of human resources quality (Setiawan, Taufiq, & Astrika, 2017).

Traditional oil mining activities can be categorized into popular economic activities which in fact are a "social safety net" for the bottom community that replaces the absence of basic services that should be provided by the government. Some people in this activity are in the survival stage and make the activities they undergo as preparation to enter into other economic activities that are more. The context of natural resource-based implementation is contrary to the principle of sustainability, but if we look at it from the point of view of the management model, it can be determined and measured in categories at the sustainable level (Kurnain, Siregar, Indarti, & Suwondo, 2021).

Old oil wells are oil wells that are no longer productive and abandoned by the oil company that manages them. Old oil wells are often used by the surrounding

community to conduct illegal drilling or illegal drilling, which can have negative impacts on the environment, health, and safety. Therefore, there is a need for effective and efficient legal supervision to prevent and crack down on illegal drilling actors. We have found some relevant references that can be used to support this research (Kang et al., 2023)

The existing literature provides a comprehensive overview of the issues surrounding illegal oil drilling in Aceh, particularly in the context of *fiqh siyasah*, local knowledge systems, environmental impact, and law enforcement. Maulana, Faiz Ahwal, and Syofiaty Lubis focus on the violation of positive law and the principles of *fiqh siyasah*, proposing recommendations for legal socialization, strict sanctions, and increased community participation to address the problem (Maulana & Lubis, 2023). Kamil explores the knowledge and management system of community oil mining in Gampong Alue Dua, emphasizing the rich local knowledge passed down through generations and the collective, democratic management system. However, there is a need to bridge the gap between customary practices and applicable legal regulations (Fitriani & Kamil, 2020). Nur Afni delves into the environmental and health impacts of illegal oil mining in Gampong Pasir Putih, advocating for government assistance and law enforcement (Afni, 2020). Raihanah exposes political and economic interests behind illegal drilling in Pasir Putih, highlighting the role of unscrupulous government officials, security forces, and local businessmen. The call for firm and transparent government actions and community empowerment is evident (Raihanah, 2019). Alfaizar examines law enforcement against illegal drilling from the perspective of Islamic criminal law, proposing alternative legal sanctions (Alfaizar, 2023).

Despite these insights, there is a gap in connecting these perspectives and proposing a comprehensive legal supervision framework for the management of old oil wells in North Aceh District. The integration of these diverse viewpoints can contribute to interdisciplinary research and provide a more holistic understanding of the challenges and potential solutions related to petroleum mining issues in Aceh.

2) Old Oil Well in Indonesia

Extracting oil in old wells is not a business without obstacles. Oil development in old wells is expected to meet the needs of national oil production. Decree of the Minister of Energy and Mineral Resources No. 01 of 2008, to use old wells must be submitted to the contractor with copies to the Minister, Director General and BP for oil and gas procurement, plus administrative and technical documents. The request is based on the proposal of the district / city government and coordinated with the district government.

When it comes to illicit mining activities in the oil, gas, and mining sectors, the crucial factor lies in the rigorous oversight and enforcement of laws, which should be carried out not only by the central government but also by regional authorities and other law enforcement agencies. Pertamina EP has asserted that the issue of unauthorized drilling in abandoned wells is not limited to Aceh, but rather extends to various other regions in Indonesia, including South Sumatra, Jambi, Central Java, and East Java.

Furthermore, the local community has regarded drilling operations as a means of sustaining their livelihood. However, there appears to be a lack of initiative on the part of both the Regional Government and the Central Government in seeking alternative sources of income for the community in order to deter the illegal drilling of old oil wells. It is claimed that the Aceh Oil and Gas Management Agency (BPMA) has been responsible for overseeing and providing guidance on the community's oil drilling endeavors, irrespective of their legality, given that these activities pertain to upstream oil and gas operations.

According to Sulaksono, there are two types of old well management, the management is distinguished based on the technology that supports it (Hedar, 2018) that is:

(1) Conventional Technology

The traditional techniques currently utilized in old wells involve manual and mechanical bucket methods. The hand bucket method is the simplest technique for extracting fluid from an old well. It stands out for its low investment costs and user-friendly nature. However, despite its simplicity and affordability, this method has a

few drawbacks that impose limitations on production. It heavily relies on human labor and necessitates space for the steel cable/wire that pulls the bucket to the surface of the well. On the other hand, the Mechanical Bucket method is a refined version of the manual bucket method, where human power is substituted with machines. One significant advantage of this technology is that production is not reliant on human labor strength. Furthermore, there is no need for space to accommodate the steel rope, as it is rotated by the machine and doesn't need to be pulled to the well's depth. However, implementing this method requires additional investment in transportation machinery, such as car or truck engines with power equivalent to the load.

(2) Appropriate Technology

Well method *jet pump* is an alternative variant of the method that has several advantages, namely production can be carried out continuously, so it is expected that production can be higher and continuous over time. This technology is used to overcome the limitations of traditional technology which is still simple today. However, its use requires a large investment. With this technology, it is indeed possible to continuously increase production by cleaning (acidifying) wells. Working conditions in these old pit mines are very disturbing and very vulnerable for miners, both physically and mentally. The reason is that mining itself by the community does not consider various aspects, especially security, because miners do not have the ability to provide the right tools (Hartati, Kussujaniatun, & Marita, 2018).

Conventional oil well management is believed to require clear rules to avoid illegal drilling activities and illegal drilling amid soaring world oil prices. Many communities in former drilling areas are trying their luck to develop oil and gas wells that are no longer suitable for the company's mining technology. Strict government regulations should be applied to the handover of reclaimed oil wells, in which case companies can cooperate with local residents in well rebuilding activities. This allows the company to monitor the drilling activity of old wells through correct drilling rules using certified technology in accordance with good mining practices. All mining companies are required to implement *Good Mining*

Practice From the beginning to the end of the mining operation. *Good Mining Practice* is a good mining practice that contributes to regulatory compliance, is well planned, implements appropriate techniques for effectiveness and efficiency, conserves soil, and manages and maintains environmental functions, ensures work safety, responds to community demand and participation, creates value, improves the skills and welfare of surrounding communities, and generates sustainable development (Ariffin, Dudi Nasrudin Usman, & Sriyanti, 2022).

These old oil wells are natural resources that are impossible to renew, have the value of strategic economic commodities, export commodities, and are vital in increasing the strength of the national economy. Therefore, its management must be carried out optimally and optimally in order to increase the prosperity and welfare of the people. Efforts to optimize petroleum production management can be carried out by indigenous peoples to be pursued with the aim of improving the welfare of the community around the location of old wells by involving the participation of the surrounding community.

The principles of *good mining practice* basically guide mining from the prospecting stage of mineral deposits, which is carried out with feasibility studies, to the stage of land acquisition and post-mining revegetation. A good mining practice is a mining system that follows and follows the rules and is well designed. In accordance with PERMEN-ESDM No. 26 of 2018 Article 3 paragraph (3), *Good Mining Practice* covers six aspects, namely:

1. Technical mining.
2. Mineral and Coal Conservation.
3. K3 mining (Occupational Safety and Health mining).
4. Safety of mining operations.
5. Environmental management of mining, reclamation, and post-mining, as well as post-operation.
6. Utilization and application of technology, engineering capabilities, design, development, and application of mining technology (Kementrian ESDM, 2018).

The people of Gampong Alue Dua are involved in the ownership and drilling of an oil well, with approximately 8-10 individuals being the owners. The capital required for this endeavor is funded through profits. Given the significance of this venture, it is crucial for the government to allocate special attention and institute specific regulations to effectively manage these aging oil wells. One of the primary purposes of these regulations is to prevent illegal mining activities. Consequently, the North Aceh Regency Government must take initiative in formulating a Regent Regulation that governs the mining and exploitation practices related to the old oil wells. This regulation should encompass various aspects, such as the proper management of these wells and the inclusion of specific entities that are legally allowed to exploit them. These entities may include Regional Owned Enterprises (BUMD) and Village Unit Cooperatives (KUD). Moving forward, it would be prudent for contractors to collaborate with BUMD and KUD in order to exploit these old oil wells, with compensation being provided through service reward contracts. Undoubtedly, such arrangements would yield positive outcomes for both the community and the North Aceh district government. The community would experience economic assistance, while the government would observe an increase in tax revenue. Ultimately, this would greatly contribute to the overall economy

Petroleum is one of the commodities that is widely used by almost all industrial sectors and household players (private vehicles) throughout the world, including Indonesia. In historical records in several regions of Indonesia, crude oil discoveries have been reported, one of which is in North Aceh which is now an old well. Old wells are Dutch wells drilled before 1970 and are not used by any oil and gas contractors. Entrepreneurs (business or permanent establishment) have obligations based on technical and economic considerations to plant and produce oil from old wells that still contain oil. If the contractor does not take or produce oil from old wells, KUD or BUMD can extract and produce oil after obtaining approval from the Minister. KUD or BUMD is responsible for the use and production of oil based on oil production contracts with contractors. (Fitriani & Kamil, 2020)

The juridical basis for the management of old oil wells is actually in state-owned enterprises, as stipulated in Article 33 paragraph (2) of the 1945 Constitution which reads: "The branches of production that are important to the state and that control the livelihoods of many people are controlled by the state". Furthermore, paragraph (3), states; "Earth and water and the natural resources contained therein are controlled by the state and used for the greatest prosperity of the people".

The essence of the provisions of the article is as a basic norm, a work ideology that contains the philosophy that all sectors of production that are vital / important and needed by many people, must be controlled by the state and used for the greatest prosperity of the people. Article 33 (2) and (3) of the 1945 Constitution, has subsequently been interpreted authentically in Law No. 22 of 2001, as stipulated in Article 1 number 5, which gives authority to the state, namely; "Mining Power granted by the state to the Government to carry out exploration and exploitation activities".

Furthermore, in the provisions of Article 4 of the Law, in essence it explains, 1) That because oil and gas is one of the natural (agrarian) resources that are strategic, non-renewable and constitute national wealth in the mining jurisdiction (jurisdiction) of the Indonesian state, it must be controlled by the state; 2) Furthermore, on the basis of control by the state as mentioned in paragraph (1) must be held by the Government as the holder of mining authority; 3) As the holder of the mining authority, the Government is authorized to establish an Implementing Agency as referred to in Article 1 number 23 (Azhar, 2018).

Article 4, further reaffirmed in the provisions of Article 9 paragraph (1), is broadly explained, that; "Upstream Business Activities and Downstream Business Activities can be carried out by: (a) state-owned enterprises; (b) regionally owned enterprises; (c) cooperatives, small businesses; and (d) private business entities. In other words, based on the mandate of Law No. 22 of 2001, it is very clear that only State-Owned Enterprises (SOEs), cooperatives, small businesses and private business entities are given the opportunity to manage oil and gas".

Furthermore, still in the framework of affirming the clause of Article 4 Paragraph (1), then in the General Explanation, it is explained, that; "Based on the

spirit of Article 33 paragraph (3) of the 1945 Constitution, oil and gas as strategic natural resources contained in the earth of Indonesia's mining jurisdiction, is the wealth of the Indonesian nation must be controlled by the state. This mastery is intended to be useful to increase the prosperity of all Indonesian people optimally. Therefore, individuals, communities, business actors, although they have the right to a piece of land they are only entitled to the surface or skin of the earth and do not have the right to control or own, the oil and gas contained therein (Gunanto, 2017)

The Law on Oil and Gas (Law No. 22 of 2001), has been amended several times through judicial review in the Constitutional Court of the Republic of Indonesia, one of which regarding the "right to control the state" has undergone developments as stated in "Decision of the Constitutional Court of the Republic of Indonesia Number 0021PUU-112003, dated December 21, 2004 (State Gazette of the Republic of Indonesia Number I of 2005)". In the legal consideration of the Constitutional Court decision, "the right to control the state" has clearly been interpreted, "that all Indonesian people have collectively been constructed by the 1945 Constitution to give the state the mandate and authority to issue policies (*Beleid*) and perform management actions (*bestuursdaad*), settings (*Regelendaad*), management (*Beheersdaad*), and surveillance (*Toezichthoudensdaad*) to achieve the greatest goal of the prosperity of the people". (Azhar, 2018) .

Within the framework of the implementation of state functions performed by the government is divided into several functions, namely; (1) The function of taking care of (*bestuursdaad*), i.e. the authority of the Government to issue or revoke permits (*Vergunning*), concession (*consessie*), license (*licentie*); (2) Function set (*Regelendaad*), that is; the authority of the Government in the field of legislation carried out by the House of Representatives (DPR) together with the Government, and the authority of regulation by the Government; (3) Management function (*Beheersdaad*), that is; authority possessed by the Government in the shareholding mechanism (*share-holding*) and/or direct involvement in the management of SOEs or BHMN as institutional instruments and in utilizing their control over resources to be used for the greatest prosperity of the people; (4) Supervision function (*Toezichthoudensdaad*), that is; the authority of the

Government to supervise and control so that the implementation of control by the state over natural resources is really carried out for the greatest prosperity of the people (Azhar, 2018).

That in order to optimize petroleum production in a working area in which there are old wells and to improve the welfare of the community around the location of old wells, Pertamina as a achievement of the Government authority as well as a Contractor has the inevitability to cultivate, produce, manage old wells that are still active while still considering technical aspects and economic calculations (Subadi, 2023).

Illegal drilling and illegal mining are things that must be considered to avoid adverse events such as fires in old oil wells. It can even cause casualties and property damage. Such drilling carried out in Gampong Alue Dua is privately managed and not supervised by the government (Lioly, 2017). Illegal drilling be an unlawful oil drilling activity (Fatahillah, Irawan, & Wicaksono, 2023) Illegal mining is a form of oil theft by making connections (*Tapping*) pipe in Unlawful on a pipeline that actively flows oil produced from an oil and gas company to a certain shelter that has been prepared by the perpetrator (Suzananalisa & Andriany, 2013).

The need for regulation on the mining rights of old oil wells by these communities needs to be reaffirmed, so that legal aspects can be found in the control and exploitation by indigenous peoples. This is necessary to minimize the occurrence of conflicts of interest between the government and indigenous peoples themselves (Subadi, 2023).

CONCLUSIONS

To ensure efficient and lawful management of old oil wells in North Aceh Regency, it is crucial for the government to improve coordination and synergy among relevant agencies. This includes the Ministry of Energy and Mineral Resources, SKK Migas, Ministry of Environment and Forestry, Ministry of Home Affairs, Regional Governments, and others. By doing so, overlapping authorities, conflicts of interest, and potential legal violations can be avoided. Additionally, the government should establish comprehensive standards that

encompass technical, operational, environmental, safety, and health aspects. These standards must be tailored to the specific conditions of old oil wells in North Aceh Regency. All parties involved in the management of old oil wells, including Production Service Reward Contractors (KIJAP) and Village Unit Cooperatives/Regional-Owned Enterprises (KUD/BUMD), should adhere to these standards to ensure compliance and responsible practices. Additionally the government must conduct regular supervision and assessments to evaluate the performance and compliance of all involved parties with the established standards. This will help maintain accountability and adherence to the regulations. Finally, to support the Village Unit Cooperatives/Regional-Owned Enterprises (KUD/BUMD) that hold the rights to these old oil wells, the government should provide incentives and facilities. These can include capital assistance, equipment, technology, training, guidance, and other resources. By doing so, the capacity and quality of KUD/BUMD in managing the old oil wells professionally, efficiently, and responsibly can be improved.

It is crucial for the government to enforce the law strictly and fairly in cases of violations related to the management of old oil wells. These violations may include oil theft, environmental pollution, damage to facilities, neglect of the rights of the surrounding community, and others. Legal sanctions should be proportionate to the level of culpability and the impact caused by the violation. Furthermore, the government must provide legal protection to individuals who are victims or witnesses of such violations. This will ensure their safety and encourage them to come forward with information without fear of retaliation.

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