

## THE LEGALITY OF TRADITIONAL OIL MINING EXPLORATION IN RANTO PEUREULAK, EAST ACEH: AN ANALYSIS OF THE ISLAMIC ECONOMIC LAW PERSPECTIVE

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### Abstract

This article aims to examine the legality of oil mining resulting from traditional mining exploitation by the Ranto Pereulak community, East Aceh. This research uses descriptive qualitative research methods and the approach used in this research is a sociological normative approach. This research was located in Ranto Peureulak District, which is one of the sub-districts in East Aceh Regency. The results of this research show that the East Aceh Government through Qanun Number 6 of 2009 provides space for the community to manage mining products, in this case oil, by obtaining an IUP issued by the East Aceh government and going through all the conditions therein. The IUP is granted by the Regent after obtaining principle permission or approval from the Governor through the relevant provincial and district level agencies. However, in practice, many people in Ranto Peureulak District, East Aceh Regency, in managing illegal wells traditionally do not follow the applicable SOPs or regulations. Then the oil drilling carried out can endanger the health of workers and the surrounding community. This can also have an impact on the environment, because it does not pay attention to health standards or Health Safety and Environment or abbreviated as (HSE), which is the main priority for mining.

**Keywords:** Aceh, Business, Islamic Economic Law and Mining



## Abstrak

Artikel ini bertujuan untuk mengkaji legalitas penambangan minyak bumi hasil eksploitasi tambang tradisional oleh masyarakat Ranto Pereulak, Aceh Timur. Penelitian ini menggunakan metode penelitian kualitatif deskriptif dan pendekatan yang digunakan dalam penelitian ini adalah pendekatan normatif sosiologis. Penelitian ini berlokasi di Kecamatan Ranto Peureulak yang merupakan salah satu kecamatan di Kabupaten Aceh Timur. Hasil penelitian ini menunjukkan bahwa Pemerintah Aceh Timur melalui Qanun Nomor 6 Tahun 2009 memberikan ruang kepada masyarakat untuk mengelola hasil tambang, dalam hal ini minyak bumi, dengan cara mendapatkan IUP yang dikeluarkan oleh pemerintah Aceh Timur dan melalui segala ketentuan yang ada di dalamnya. IUP tersebut diberikan oleh Bupati setelah mendapatkan izin prinsip atau persetujuan dari Gubernur melalui dinas terkait di tingkat provinsi dan kabupaten. Namun dalam prakteknya, banyak masyarakat di Kecamatan Ranto Peureulak, Kabupaten Aceh Timur, dalam mengelola sumur-sumur ilegal secara tradisional tidak mengikuti SOP atau peraturan yang berlaku. Maka pengeboran minyak yang dilakukan dapat membahayakan kesehatan pekerja dan masyarakat sekitar. Hal ini juga dapat berdampak pada lingkungan, karena tidak memperhatikan standar kesehatan atau Health Safety and Environment atau disingkat (HSE) yang menjadi prioritas utama dalam melakukan pertambangan.

**Kata kunci:** Aceh, Bisnis, Hukum Ekonomi Islam dan Pertambangan

## INTRODUCTION

In the Islamic economic law perspective, mineral resources which are assets contained in a territory are the authority of the State in its management and control, known as *milk al daulah*, which is state property so that all exploitation and utilization requires permission from the government as the state ruler.<sup>1</sup> The Hanafis and Shaafa'is are unanimously agreed that it is not permissible to take possession of a mine except by managing it, and it is not permissible to give it to one of the people, because that will cause harm to the Muslims and restrict them, because of the general interest of the Muslims in it.<sup>2</sup>

The Malikiyah scholars stated that the use of state land that is in possession may not be done either personally or in groups, but for public

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<sup>1</sup> Yusnedi Achmad, *Aspek Hukum Dalam Ekonomi* (Yogyakarta: Deepublish, 2015).

<sup>2</sup> Jaribah bin Ahmad Al-Haritsi, *Economic Jurisprudence of Umar bin Al-Khatib*, Cet. I, (Translation: Asmuni Solihan Zamakhayari), (Jakarta: Pustaka Al-Kautsar, 2006), pp. 200.



purposes, the use of state land must be licensed by the government.<sup>3</sup> For example, trading on the side of the road permanently because the business building is permanent. This will bring mudharat to others, such as narrowing the road, can cause traffic vulnerabilities such as accident prone and can create road clutter so that the road looks less orderly.<sup>4</sup> According to Ahmad bin Hanbal, state land is land that is not owned by someone personally, because the land must be controlled by the state and its utilization is carried out for the public good and must not be turned off, in the sense that the land must be empowered and utilized for various interests of the public good.<sup>5</sup>

In the concept of muamalah fiqh, state property (*Milk al-daulah*) such as roads and markets, is a common property, which is intended for common interests and benefits, where the community can equally utilize it in accordance with the laws and regulations. The community that utilizes the property must not damage the property, act arbitrarily by violating the rights of others, and must not make it private property by prohibiting others from utilizing it.<sup>6</sup>

Oil and gas is one of the promised economic mining development sectors contained in Indonesia's mining jurisdiction, a gift of remaining natural wealth, which plays an important role in meeting the needs of many people's lives. Therefore, the management system must be controlled by the state. Only in this way can we add real value to the national economy enterprises strive to achieve the prosperity of the people fairly. These natural resources cannot be renewed or restored, including gold, silver, copper, oil, natural gas, coal, each of which may be very abundant on Indonesian soil, especially Aceh.<sup>7</sup>

The above provisions emphasize that exploration of mining materials with various minerals cannot be carried out individually and by community groups without a license issued by the government which has the authority over licensing and provisions for oil and gas exploration in Indonesia. In some areas, exploration and mining of oil and gas and various other minerals have been carried out by the community traditionally using manual tools that have

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<sup>3</sup> MadonaKhairunnisa Musrifah, "Settlement of Sharia Economic Disputes Through Sharia Arbitration," *Economic Journal AL-AMWAL* 9, no. 1 (2020).

<sup>4</sup> Nasrun Haroen, *Fiqh Muamalah*, (Jakarta: PT. Gaya Media Pratama, 2004), pp. 21.

<sup>5</sup> Mahli Ismail, *Fikih Hak Milik Atas Tanah Negara*, (Yogyakarta: Kaukaba Dipantara, 2013), p. 37.

<sup>6</sup> Chairul Fahmi, "The Impact of Regulation on Islamic Financial Institutions Toward the Monopolistic Practices in the Banking Industrial in Aceh, Indonesia," *Jurnal Ilmiah Peuradeun* 11, no. 2 (May 30, 2023): 667-86, <https://doi.org/10.26811/peuradeun.v11i2.923>.

<sup>7</sup> See, *Law No. 4/2009 on Mineral and Coal Mining*, (July 20, 2024), <https://peraturan.bpk.go.id/Details/38578/uu-no-4-tahun-2009>.



been carried out for generations, even though the community's knowledge of mining and mining is very minimal so that it can pose various risks to the community directly and to the surrounding environment and nature.<sup>8</sup>

In the case of traditional mining carried out by the people of Pereulak Subdistrict and its surroundings, traditional oil mining has become an important profession and income as a necessity of life. The community has carried out oil mining only based on habits inherited as tradition, not based on mining knowledge and Safety provisions in their work. Based on information obtained by the author, that mining was carried out by the community increasingly rampant during the conflict period which led to the departure of PT Asamer in oil mining. This is due to unfavorable security in Aceh during the conflict between the Free Aceh Movement (*Gerakan Aceh Merdeka*, [GAM]) and the government of the Republic of Indonesia.<sup>9</sup>

This led to hundreds of oil and gas spots in the Peureulak Block area, which has been abandoned since 1999. After that, it went to the Pacific Oil company, which then made seismic movements. However, the results were shallow (wells), so the location was abandoned drilling. At that time, the local community was experiencing economic difficulties due to the drop in the price of palm oil, rubber and other commodities, utilizing the remaining hundreds of oil wells closed by the PO company. The community was determined to reactivate oil wells illegally, due to the worsening economic situation.<sup>10</sup>

Illegal mining is done partly through cutting well heads, inserting pipes and then pumping them with machines to produce crude oil. These miners are also actively drilling new places in the vicinity using traditional methods.<sup>11</sup> The latest data obtained by the author is that in 2011, the local community began digging new oil wells and these oil wells can produce dozens of drums of oil per day. This result is of course very attractive to various groups of people to use their financial capabilities to continue to pursue this illegal oil mining.

Based on information from 2012 in the middle of the 5th month and this activity cannot be counted anymore. At that time, oil well drilling was done manually. The people who did the drilling for oil mining came from various

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<sup>8</sup> Annisa Purwatiningsih and Masykur, "Exploration and Exploitation of Oil and Gas Mining in the Northern Natuna Sea of National Jurisdiction to Improve Community Welfare in the Natuna Islands", *Journal of Reformasi*, Vol. 2, No. 2, December 2012, p. 60. 60.

<sup>9</sup> Interview with Firya,a worker in an oil mine, on February 20, 2023.

<sup>10</sup> *Ibid.*

<sup>11</sup> Hadi Daryono, *Dari Pangkalan Brandan Migas Indonesia Mendunia*, (Jakarta: Petrominer, 2013), p.30.



regions in Aceh, but there were also those from Sumatra. Drilling trials were carried out in Gampong Benteng with a depth of 30 meters-40 meters which took one month to four months to make. Gampong Benteng was the first village to start drilling oil wells because there was a Dutch heritage lake in the village, so it was believed by people from the Stabat area that there was a potential source of oil in the area. Where oil well drilling was carried out in Gampong Benteng it bore fruit. Initial extraction of oil The initial extraction of oil from the drilling production wells reached 10-15 large drums per day. So, the success of the first drilling carried out in Gampong Benteng is an example of the local population to carry out further drilling.

In the concept of Islamic Economi Law, state property (*Milk al-daulah*), such as roads, markets, water, pastures, irrigation, and rivers are common property, this is for the common good and benefit, the State and the community can benefit equally from it by law.<sup>12</sup> people who use property It must not damage the property, not like arbitrary acts violating the rights of others and not turning it into private property and not prohibiting others in its use.

## RESEARCH METHODS

This research uses descriptive qualitative research method analysis, which is a method that examines a condition, a thought or an event at the present time, which aims to make descriptive, systematic, factual and accurate descriptions or paintings about the facts, properties and relationships between the phenomena being investigated.<sup>13</sup> The type of research used in this scientific work is field research, namely research conducted by researching and observing the field about the legality of buying and selling oil from traditional mining exploration in Ranto Peureulak District, East Aceh in the perspective of *milk al-daulah*.<sup>14</sup>

The approach taken in this research is a sociological normative approach, namely research that examines the implementation of a provision of Islamic law empirically / sociologically clearly on the object, examining the applicable legal provisions and what has happened in people's lives. Data collection

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<sup>12</sup> Ridwan Nurdin & Anggie Wulandari, The Legality of Income on State-Owned Land in the Perspective of Milk Al-Daulah (Study of the Utilization of Irrigation Embankments for Business Places in Mukim Tungkop), *Al-Mudharabah Journal*, Vol. 1, No. 1, June 2020, p. 2. 2.

<sup>13</sup> Imam Gunawan, *Research Methods in Theory and Practice*, (Jakarta: Bumi Aksara, 2013), pp. 162.

<sup>14</sup> Sugiyono, *Understanding Qualitative Research*, (Jakarta: Alfabeta, 2013), p. 64.



obtained through *field research* (field research) and *library research* (library research) related to the legality of the sale and purchase of oil from traditional mining exploration in the eastern district of Ranto Peureulak Aceh in the perspective of *milk al-daulah*. This research can reveal the problems that exist behind the implementation of law enforcement.<sup>15</sup>

## RESULTS AND DISCUSSION

### A. Legality of Oil from Traditional Mining Exploration by the Community of Ranto Peureulak Subdistrict

Before further exploring the legality of the mining activities carried out, it is necessary to briefly discuss the general description of the location of the research. This research is located in Ranto Peureulak District, which is one of the sub-districts in East Aceh Regency with an area of 182'70Km<sup>2</sup>, has a population of 26,541 people with 7,250 family heads. Ranto Peureulak is an expansion of Peureulak Subdistrict, which was originally only a settlement called the Rantau Panjang settlement consisting of 22 villages.

Then in 1991 it was transformed into a definitive sub-district called Ranto Peureulak Sub-district, which currently has 23 villages in total, one village was added from the expansion of Beurandang village in 2008. Currently, Ranto Peureulak Sub-district has 3 settlements, 23 villages and 76 hamlets.<sup>49</sup> In this research, the author set three research locations, namely in Alue Dua Village, Mata Ie, and Pasir Putih Village, this is because the center of the most illegal oil mining is in the three villages.

Then in the practice of traditional oil mining carried out by the community of Ranto Peureulak District, East Aceh Regency, there are several aspects that need to be considered, including:

1. Legality Aspect
  - a. Law Number 22 Year 2001

This law regulates oil and gas, including illegal oil drilling. Article 11 paragraph (1) stipulates that: "Upstream Business Activities as referred to in Article 5 number 1 shall be carried out by a Business Entity or Permanent Establishment based on a Cooperation Contract with an Implementing Agency." It is clear that every activity, be it in terms of mining or oil drilling, must have cooperation with the implementing agency. Faced with what is

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<sup>15</sup> Mardalis, *Research Methodology: A Problem Approach*, (Jakarta: Bumi Aksara, 2008), p. 28.



meant by a work contract is a production sharing contract or other forms of cooperation contracts in exploration and exploitation activities that are more profitable for the state and the results are used for the greatest prosperity of the people.<sup>16</sup> Furthermore, Article 52 stipulates that: "Any person who conducts Exploration and/or Exploitation without having a Cooperation Contract as referred to in Article 11 paragraph (1) shall be punished with imprisonment for a maximum of 6 (six) years and a maximum fine of Rp 60,000,000,000.00 (sixty billion rupiah)." Based on the explanation above, it can be understood that based on the contents of Article 52 of Law Number 22 of 2001 concerning Oil and Gas, all forms of oil and gas exploration and exploitation activities can only be mined by the government, but local and foreign companies can apply for cooperation contracts in accordance with laws and regulations.<sup>17</sup>

b. Law Number 3 of 2020

Whereas in Law No. 3 of 2020 concerning Coal Mineral Mining on the amendment of Law No. 4 of 2009, specifically regarding licensing in article 35, which reads that licensing is carried out on business licensing from the central government. Then the Central Government can delegate the authority to grant Business Licenses as referred to in paragraph (2) to the provincial Regional Government in accordance with statutory provisions. Article 36 reads that IUP consists of two stages of activity:

- 1) Exploration which includes General Investigation, Exploration, and Feasibility Study activities;
- 2) Production Operation which includes Construction, Mining, Processing and/or Refining or Development and/or Utilization, as well as Transportation and Sales activities.

c. Law Number 6 of 2023

Article 4 of the Job Creation Law paragraph (3) reads Oil and gas business activities as referred to in paragraph (2) consist of upstream

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<sup>16</sup> Republic of Indonesia, *Law Number 22 of 2001 concerning Oil and Gas*, Supplement of the Republic of Indonesia Number 4152.

<sup>17</sup> Chairul Fahmi et al., "The State's Business Upon Indigenous Land in Indonesia: A Legacy from Dutch Colonial Regime to Modern Indonesian State," *Samarah: Jurnal Hukum Keluarga Dan Hukum Islam* 8, no. 3 (August 24, 2024): 1566–96, <https://doi.org/10.22373/sjhk.v8i3.19992>.



oil and gas business activities and downstream oil and gas business activities. Which is in accordance with the Constitutional Court Decision that abolishes the Executive Agency. Article 5 paragraph (1) reads that oil and gas business activities are carried out based on Business Licenses from the Central Government. Which means that it does not provide certainty regarding who has the authority to grant licenses in the upstream, including the form of Contract that has been in existence. Is it the president, minister or delegated to a special agency. Article 23 paragraph (3) reads that the Business Licenses that have been granted as referred to in paragraph (1) can only be used in accordance with the designation of business activities. And paragraph (4) reads that the Business Licensing Application as referred to in paragraph (1) must be carried out using an electronically integrated licensing system managed by the Central Government. What is meant is that the work copyright law still opens up opportunities for business entities to obtain many business licenses in accordance with business activities (PT Deed) so that a business can carry out all activities in oil and gas, it will be easier for entrepreneurs to open more business activities. IT systems are mandatory, will reduce the potential for KKN, and increase the speed of the licensing process.

d. East Aceh District Qanun Number 6 of 2009

East Aceh District Qanun Number 6 Year 2009 on Retribution for Non-metallic Mineral and Rock Mining Business License This draft Qanun regulates the procedures for community oil mining licenses in Aceh, including in East Aceh. Article 4 paragraph (1) of East Aceh District Qanun Number 6 Year 2009 stipulates "Every new general mining business can be carried out if it has obtained a Mining Business License (hereinafter referred to as IUP), Coal Mining, People's Mining License (hereinafter referred to as SIPR) from the Regent in accordance with applicable regulations." The granting of IUP, Coal Mining, SIPR Letter is given by the Regent after obtaining a principle permit or approval from the Governor through the relevant provincial and district level offices. Mining business in the context of granting IUP can be given to: a. State companies; b. BUMD; c. Private companies; d. Cooperatives; and e. Individuals. Cooperatives; and e. Individuals. IUP consists of two stages,



namely: a. Exploitation IUP includes general investigation, exploration and feasibility study activities; and b. Exploration IUP holders and Production Operation IUP holders can carry out part or all of the activities as contained in Qanun. Furthermore, Article 13 of the Exploration IUP must contain provisions at least:

- 1) Company name;
- 2) Location and area;
- 3) General spatial plan;
- 4) Guarantee of sincerity;
- 5) Investment capital;
- 6) Extension of activity stage time;
- 7) Rights and obligations of IUP holders;
- 8) The period of validity of the activity stage;
- 9) Type of business provided;
- 10) Community development and empowerment plan around the mining area;
- 11) Taxation;
- 12) Dispute resolution;
- 13) Fixed fees and exploration fees;
- 14) EIA.<sup>18</sup>

With the issuance of this Qanun, it is expected that the community in carrying out mining practices can be carried out in an orderly manner and follow existing regulations. In the research process, researchers found that in practice, quite a lot of people actually ignore these rules. This neglect should be fatal to personal safety and the surrounding environment. The reason why people carry out illegal oil mining practices is to obtain profits easily without going through proper procedures.<sup>19</sup>

e. Legal Arrangements

Law enforcement against illegal oil mining in Ranto Peureulak District, East Aceh Regency is not optimal. Much illegal oil mining occurs without a license and there is no serious law enforcement.

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<sup>18</sup> Government of East Aceh District, *East Aceh District Qanun Number 6 of 2009 concerning Retribution for Non-Metallic Mineral and Rock Mining Business License*, Supplement to East Aceh District Gazette Number 27

<sup>19</sup> Interview with Firya, a worker in an oil mine, on February 20, 2023.

Communities in Ranto Peureulak District are widely involved in illegal oil drilling, both as miners and investors.<sup>20</sup> There are obstacles faced by the police in enforcing the law on illegal oil drilling in Ranto Peureulak District, East Aceh Regency, namely the lack of understanding and legal awareness of the community about oil drilling and how it is licensed. Then besides that, illegal oil drilling is a community job and a source of community livelihood. Efforts made by law enforcers are to conduct socialization to the community regarding the dangers of illegal oil drilling and its legal arrangements, as well as taking action if there are fires and explosions in illegal oil drilling places.<sup>21</sup>

## 2. Sociological Aspects

The sociological aspects of oil mining in East Aceh demonstrate the complex interactions between economics, social and law.<sup>22</sup> While this activity provides economic opportunities, its negative impacts, such as social conflict, health risks and environmental damage, need to be seriously addressed. Efforts to increase legal awareness and improve the social conditions of the community are essential in managing natural resources sustainably.

### a. Violation of Oil and Gas Law

Illegal oil mining activities in East Aceh violate Article 52 of Law No. 22/2001 on Oil and Gas which requires a Cooperation Contract to conduct Exploration or Exploitation. Most of the oil mining in East Aceh is conducted without a valid license and cooperation contract.

### b. Ineffective Law Enforcement

Law enforcement against illegal oil mining activities in East Aceh has not been effective. This is due to the lack of legal awareness of the community, weak law enforcement, and the role of the government that has not been optimal. Efforts by law enforcement officials to tackle illegal oil mining include increasing guidance,

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<sup>20</sup> Nur Afni, "The Impact of Illegal Oil Mine Drilling in Gmpong Pasir Putih, Rantau Peureulak District, East Aceh Regency" (Thesis, UIN Ar-Raniry, Banda Aceh, 2020), p.2.

<sup>21</sup> Renita Ningsih, "Law Enforcement Against Illegal Oil Drilling in Ranto Peureulak District, East Aceh Regency", (Thesis, Samudra University, Langsa, 2021), p. 42. 42.

<sup>22</sup> Nurul Maghfirah et al., "UNDERSTANDING INTELLECTUAL PROPERTY RIGHTS IN THE INDONESIAN TRADING BUSINESS," *Al-Mudharabah: Jurnal Ekonomi Dan Keuangan Syariah* 3, no. 2 (2022): 89–103, <https://doi.org/10.22373/al-mudharabah.v4i2.3384>.



socialization, law enforcement, and making regulations. In order to improve the legality of oil mining in East Aceh, a strong commitment from the local government and law enforcement officials is needed to enforce the rules. In addition, the legalization of community oil mining through Qanun Aceh is also expected to provide legal certainty for the mining community. The government also needs to improve supervision and tighten safety and environmental aspects in oil mining activities.

c. Economic Impact

Oil mining activities, although illegal, are often a source of income for local communities. Many individuals engage in oil well drilling for income, especially in areas with limited employment opportunities. However, reliance on these illegal activities can create economic instability, as income is not guaranteed and can be cut off at any time due to law enforcement or accidents.

d. Social Change

Illegal oil mining often changes the social structure of communities. The emergence of economic opportunities can increase social mobility, but it can also create divisions within communities. For example, shifts in traditional values and conflicts between individuals or groups competing for access to oil resources.

e. Legal and Environmental Awareness

Communities in East Aceh tend to have little understanding of mining-related laws. Many do not realize that their activities violate the law, so they do not feel the need to comply with existing regulations. In addition, the environmental impacts of these activities are often overlooked, which can result in damage to ecosystems and public health.

3. Risk Aspects

a. Accidents and Hazards

Accidents and hazards are a high risk in traditional oil mining activities. Oil well fires are an example of a frequent accident case in the area. In an unexpected incident that occurred in 2023, a disaster due to the explosion of an oil mining well in Gampong Mata Ie East Aceh caused 3 workers to become victims and one of them died. The



three workers were carrying out the process of refining oil from the storage well, suddenly there was a strong explosion. Then a spark that in a short time caused a large blaze and caused a strong enough explosion to kill one of the three workers.<sup>23</sup> This proves how dangerous the process of extracting oil is done with improper SOP, it would be better if we are wiser and in assessing all the risks faced in the process.

b. Health and Safety Risks

Illegal oil drilling activities carry high risks, including accidents that can cause injury or death. Several incidents of fires and explosions have been reported, causing trauma and fear among communities. This shows the need for more attention to occupational safety and community protection around mining sites.

c. Fire Risk

Illegal oil drilling activities in East Aceh are often carried out without regard to adequate safety standards. This can lead to serious accidents, including fires and explosions. For example, in April 2018, ten illegal oil wells in Ranto Peureulak sub-district caught fire and exploded, resulting in material losses and a potential threat to the safety of nearby residents.

d. Financial Risk

Investments in illegal oil mining are often high-risk. Many individuals attempt to drill oil wells in the hope of making a profit, but it is not uncommon for them to incur heavy losses. For example, a keuchik who invested in illegal oil drilling lost IDR 150 million in capital after finding no oil in the drilled well. This uncertainty creates significant financial risk for local communities.

e. Environmental Risks

Illegal oil mining can cause severe environmental damage. Oil spills and waste from drilling activities can contaminate soil and water sources, threatening the health of local communities and

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<sup>23</sup> Muhamajir, in the news, "AcehTrend, Oil Well Explodes", accessed from, <https://www.acehtrend.com/news/1-pekerja-tambang-minyak-tradisional-di-ranto-peureulak-meninggal-dunia/index.html>, on August 5, 2024.



ecosystems. In addition, unsustainable practices can result in biodiversity loss and habitat destruction.

f. Social Risk

Illegal mining activities often cause social tensions among communities. Competition for access to oil resources can lead to conflict between individuals or groups, creating social injustice. The involvement of local elites in these illegal activities can also exacerbate community dissatisfaction with the government and legal institutions.

g. Legal Risks

Illegal oil mining activities clearly violate applicable laws, including Law No. 22/2001 on Oil and Gas. These violations can lead to legal action from the authorities, which is not only risky for the individuals involved in illegal activities, but can also have a negative impact on the wider community.

## B. Traditional Oil Mining Process Conducted by the Community of Ranto Peureulak Sub-district

The traditional oil mining process carried out by the community of Ranto Peureulak Sub-district involves several stages and unique characteristics as well as the sustainability of the after-effects. The following is an explanation of the process:

1. Oil Refining

Refining petroleum from wells to reservoirs is a traditionally conducted process. Although safety procedures are followed, it is still a high-risk activity as not all miners have adequate knowledge of work safety.

2. Use of assembled tools

Oil drilling in Ranto Peureulak is done traditionally using assembled tools consisting of three-inch iron pipes, paralon, rope, drill bits, and pumping machines, dongfeng machines, kotrek, and pulley heads. The number of iron pipes used in each oil well is at least 70, with each pipe six meters to 90 long. At each oil well, a six-ton kotrek pulling machine is used to hoist the oil-carrying pipes into drums.<sup>24</sup> This shows that

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<sup>24</sup> Interview with Firya, a worker in an oil mine, on February 20, 2023.



traditional oil mining activities in the area do not use advanced technology, but rather rely on skills and simple tools.

### 3. Social and Environmental Impacts

The practice of oil mining carried out by the people of Ranto Peureulak, East Aceh, has had positive impacts as well as negative impacts on the community itself and the surrounding environment. The positive impact felt by oil miners in Ranto Peureulak through mining is that it has become the main livelihood for many people in Ranto Peureulak. They earn extra money from the withdrawal of oil, which helps improve the economy of the local community.<sup>25</sup> Besides the positive impacts, there are also adverse or negative impacts, without management in accordance with certain standard operational procedures (SOPs), it can cause environmental damage. Waste oil can pollute and contaminate water sources in the mining area, negatively affecting environmental quality. Traditional oil mining without management in accordance with certain standard operational procedures (SOPs) can cause environmental damage. Oil waste can pollute and contaminate water sources in the mining area, which has a negative impact on environmental quality. Furthermore, environmental damage is one of the significant negative impacts of artisanal oil mining in Ranto Peureulak. Oil waste can flow into rivers and contaminate water sources, negatively impacting environmental quality.<sup>26</sup>

## C. *Milk Al-Daulah* Perspective on the Traditional Oil Mining Process Conducted by the Community of Ranto Peureulak District

### 1. The concept of *Milk Al-Daulah*

Milk comes from the Arabic word (ملک) which means belonging,<sup>27</sup> while Al-Daulah is an Arabic word (دولۃ) which means government, state.<sup>28</sup> Then the word belonging also has a meaning that is elaborated, in the Big Indonesian Dictionary belonging means ownership, rights or fortune. In

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<sup>25</sup> *Ibid.*

<sup>26</sup> Chairul Fahmi, Sri Wahyuni, and Laila Muhammad Rasyid, "THE ROLE OF COURTS IN RESOLVING CASES OF BANKRUPTCY OF ISLAMIC BANK CUSTOMERS," *JURISTA: JURNAL HUKUM DAN KEADILAN* 6, no. 2 (October 1, 2023): 1-22.

<sup>27</sup> Ahmad Warson, *Al-Munawwir Arabic-Indonesian Dictionary*, (Bandung: Pustaka Progressif 1997), pp. 1358.

<sup>28</sup> Nasrun Haroen, *Fiqh Muamalah*, (Jakarta: Gaya Media Pratama 2007), p. 31. 31.



the concept of milk al-daulah, the state has the duty to determine the direction and submit the management of these assets to certain groups in accordance with the provisions that have been determined to apply. In the Islamic concept, ownership is basically always related to Milk al-Daulah, namely state property or state ownership of assets within the territory of a country. Mining goods as assets that fulfill the livelihood of many people and are owned by the state, where the management must be carried out by the state and the results must be returned to the people in the form of services to meet basic needs.<sup>29</sup>

Based on the concept of milk al-daulah, public property is the responsibility of the state, in this case the East Aceh District government which has carried out its responsibilities as the owner and manager of state property. In protecting these assets, legal protection is carried out. The results of the protection carried out have reduced illegal miners. In other words, traditional oil mining carried out by the people of Ranto Peureulak Subdistrict has decreased, although not completely. Meanwhile, mining carried out traditionally for personal use without damaging the condition of the river is allowed. This means that people are not prohibited from mining in Ranto Peureulak Subdistrict, if it is done traditionally and to meet their needs and the needs of other communities.<sup>30</sup>

## 2. Limitations on the Utilization of *Milk Al-Daulah*

In the Islamic concept, land ownership is based on the concept of property rights. In Islamic economics, ownership is divided into three, namely: Individual ownership, public ownership, state ownership.<sup>31</sup> Individual ownership is control over substances (objects) or benefits that make it possible for those who obtain them to be utilized directly or take advantage of these goods.<sup>32</sup>

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<sup>29</sup> Chairul Fahmi, "Revitalisasi Penerapan Hukum Syariat Di Aceh (Kajian Terhadap UU No.11 Tahun 2006)," *Tsaqafah: Jurnal Peradaban Islam* 8, no. 2 (May 3, 2016): 295–309, <https://doi.org/10.21111/tsaqafah.v8i2.27>.

<sup>30</sup> Chairul Fahmi and Wira Afrina, "ANALYSIS OF LEGAL ASPECTS ON DEBT TRANSFER FROM CONVENTIONAL BANK TO SHARIA BANK POST THE APPLICATION OF QANUN ACEH NO. 11 OF 2018," *Al-Mudharabah: Jurnal Ekonomi Dan Keuangan Syariah* 4, no. 1 (July 23, 2023): 28–39.

<sup>31</sup> Dwi Condro Triono, *Islamic Economics of the Hamfara School*, (Yogyakarta: irtikaz, 2011), p. 317. 317.

<sup>32</sup> Chairul Fahmi, "The Application of International Cultural Rights in Protecting Indigenous Peoples' Land Property in Indonesia," *AlterNative: An International Journal of*



Basically, there is no limitation in terms of individual property rights, but Islam gives an obligation to the owner of individual rights to provide a social function for every property and wealth he owns. These obligations include the following; zakat, alms, infaq, waqf, wills and so on. Public ownership (Milkiyyah al-'Ammah) is the control to utilize an object by a community with the permission of the state. The objects in question include three categories: public goods in the form of water resources, energy, forests and so on. Large mining goods in the form of gold, silver tin, copper and so on. And natural resources in the form of roads, rivers, bridges, mountains, seas and so on.

### 3. Utilization Protection Mechanism in *Milk Al-Daulah*

Islam's regulation of all the types of ownership mentioned above aims to provide protection and avoid the occurrence of two problems.

- a. Excessive control of property by a person and making it unlimited, as stated in Surah al- 'Alaq verses 6-7;
- b. The rise of poverty and other negative effects, both individually and socially.

The foundation related to Allah's ownership of all assets is found in the Qur'an surah Al-Baqarah verse 284 which means:

"To Allah belongs all that is in the heavens and the earth, and if you give birth to what is in your hearts or conceal it, Allah will surely reckon with you for what you have done. So Allah forgives whom He wills, and Allah is over all things." (QS. AlBaqarah[2]:284)

In Tafsir Al-Azhar explains, that this verse raises firmness in the hearts of believers, that all power on the surface of the earth and the sky is absolute for Allah SWT. The verse above explains that wealth is a gift from Allah given to all creatures in this universe, both humans, animals and other creatures scattered throughout the universe. With His gift, humans get facilities as a support to facilitate life in the world and become a means of carrying out worship to Allah SWT.



## CONCLUSIONS

Based on the description above, it can be concluded that the Government of East Aceh through Qanun No. 6/2009 provides space for the community to manage mining products in this case oil by obtaining an IUP issued by the East Aceh government and going through all the conditions therein. IUP is granted by the Regent after obtaining a principle permit or approval from the Governor through the relevant provincial and district level offices. IUP consists of two stages, namely: a. Exploitation IUP includes general investigation, exploration and feasibility study activities; and b. Exploration IUP holders and Production Operation IUP holders can carry out part or all of the activities as contained in the Qanun.

In Law Number 22 of 2001 which regulates oil and gas, including illegal oil drilling, Article 11 stipulates that Upstream Business Activities as referred to in Article 5 number 1 are carried out by Business Entities or Permanent Establishments based on Joint Work Contracts with the Implementing Agency. Then in Article 4 of the Job Creation Law paragraph (3) which reads Oil and gas business activities as referred to in paragraph (2) consist of upstream oil and gas business activities and downstream oil and gas business activities. The implementation of oil and gas mining activities regulated in this law is based on populist economy. Integrity, expediency, justice, balance, equity, common prosperity and the welfare of many people, security, safety, and legal certainty and environmentally sound. Article 36 reads that IUP consists of two stages of activity: a) Exploration which includes General Investigation, Exploration, and Feasibility Study activities; and b) Production Operation which includes Construction, Penetration, and Exploration activities. Production Operations which include Construction, Mining, Processing and/or Refining or Development and/or Utilization activities, as well as Transportation and Sales.

However, in practice, the community of Ranto Peureulak District, East Aceh Regency, in managing illegal wells traditionally, many do not follow the SOP or applicable regulations. Then also the oil drilling carried out can endanger the health of workers and the surrounding community. This can also have an impact on the environment, because it does not heed health standards or Health safety and environment or abbreviated (HSE) which is the main priority of mining. From safety as well, it often catches fire and causes casualties, workers and residents. Because drilling oil and gas wells is a very



complex process and at each step required procedures, requirements and important decisions that must be considered and implemented very carefully.

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