

**THE MINISTER OF ENERGY AND MINERAL RESOURCES
OF THE REPUBLIC OF INDONESIA**

**MINISTER OF ENERGY AND MINERAL RESOURCES REGULATION
NO. 36 OF 2008**

CONCERNING

COAL BED METHANE (CBM) COMMERCIAL UTILIZATION

THE MINISTER OF ENERGY AND MINERAL RESOURCES,

- Considering:
- a. that coal bed methane (CBM) as one of strategic natural resources that is sufficiently potential to supply domestic needs of energy. As such, CBM should be optimally developed for energy diversification;
 - b. that to improve CBM commercial utilization as stipulated by Minister of Energy and Mineral Resources Regulation No. 33 of 2006, it is necessary to re-stipulate CBM commercial utilization and revoke the said Minister of Energy and Mineral Resources Regulation No. 33 of 2006;
 - c. that based on the consideration as meant in paragraphs (a) and (b), it is necessary to stipulate Minister of Energy and Mineral Resources Regulation concerning CBM commercial utilization.

- In view of:
1. Law No. 11 of 1967 concerning principle mining provisions on mining activities (State Gazette of the Republic of Indonesia No. 22 of 1967, State Gazette Supplement of the Republic of Indonesia No. 831);
 2. Law No. 22 of 2001 concerning oil and natural gas (State Gazette of the Republic of Indonesia No. 136 of 2001, State Gazette Supplement of the Republic of Indonesia No. 4152);
 3. Law No. 30 of 2007 concerning energy (State Gazette of the Republic of Indonesia No. 96 of 2007, State Gazette Supplement of the Republic of Indonesia No. 4776);
 4. Government Regulation No. 32 of 1969 concerning the principle implementation of Law No. 11 of 1967 with regard to principle provisions on mining activities (State Gazette of the Republic of Indonesia No. 60 of 1969, State Gazette Supplement of the Republic of Indonesia No. 2916) as twice amended and last amended by Government Regulation No. 75 of 2001 (State Gazette of the Republic of Indonesia No. 141 of 2001, State Gazette Supplement of the Republic of Indonesia No. 4154);
 5. Government Regulation No. 42 of 2002 concerning Oil and Natural Gas Upstream Business Activities Executive Agency (State Gazette of the Republic of Indonesia No. 81 of 2002, State Gazette Supplement of the Republic of Indonesia No. 4216);
 6. Government Regulation No. 35 of 2004 concerning upstream oil and natural gas upstream business activities (State Gazette of the

Republic of Indonesia No. 123 of 2004, State Gazette Supplement of the Republic of Indonesia No. 4435) as amended by Government Regulation No. 34 of 2005 (State Gazette of the Republic of Indonesia No. 81 of 2005, State Gazette Supplement of the Republic of Indonesia No. 4530);

7. Presidential Decree No. 187/M of 2004 dated 20 October 2004 as several times and last amended by Presidential Decree No. 77/P of 2007 dated 28 August 2007;
8. Minister Energy and Mineral Resources Regulation No. 30 of 2005 dated 20 July 2005 concerning the organization and work procedures of the Ministry of Energy and Mineral Resources;
9. Minister Energy and Mineral Resources Regulation No. 35 of 2008 dated 12 November 2008 concerning the procedures for the stipulation and offering of oil and natural gas working areas;

HAS DECIDED:

To stipulate: MINISTER OF ENERGY AND MINERAL RESOURCES REGULATION CONCERNING CBM COMMERCIAL UTILIZATION.

CHAPTER I GENERAL PROVISIONS

Article 1

Based on this Ministerial Regulation, what is meant by:

1. Coal bed methane hereinafter referred to by CBM shall be natural gas (hydrocarbon) which is naturally made from methane gas as the main component in the process of coal purification (coalification), trapped and absorbed in coal and/or coal seams;
2. CBM working area shall be a certain location within the Indonesian legal mining territory to be used for CBM exploration and exploitation activities;
3. Indonesian legal mining territory shall be all of the Indonesian land, sea, and continental shelves;
4. CBM exploration activities shall be activities aimed at obtaining information on the geological condition to find and obtain CBM reserve estimate within CBM working areas;
5. CBM exploitation activities shall be activities conducted to produce CBM from CBM working areas which includes well drilling and completion, construction of transportation facilities, and on-site processing for CBM separation and refinery, as well as other auxiliary activities;
6. Oil and natural gas working areas shall be certain locations within the Indonesian legal mining territory to be used for oil and natural gas exploration and exploitation activities;
7. Coal mining commercial utilization contract of work areas hereinafter referred to by CCCoW areas shall be locations stipulated by the Government in the

- attachment to CCCoW that may be amended by reductions and expansions as meant in the said CCCoW;
8. Coal mining license areas shall be locations stipulated by the Minister, Governor, and Regent/Mayor pursuant to their respective authority as meant in the attachment to the coal mining license;
 9. CBM open areas shall be parts of Indonesian legal mining territory that have not been decided as CBM working areas, oil and natural gas working areas, CCCoW areas or coal mining license areas;
 10. Oil and natural gas contractors shall be business enterprises or permanent establishments that perform oil and natural gas exploration and exploitation activities in oil and natural gas working areas based on production sharing contracts with the executive agency;
 11. Coal mining commercial utilization contractors hereinafter referred to by CCCoW contractors shall be private companies that perform coal mining commercial utilization within CCCoW areas;
 12. Coal mining license holders shall be domestic private enterprises or individuals that are provided with mining licenses to perform coal mining within coal mining license areas;
 13. Executive agency shall be an agency incorporated to control oil and natural gas upstream business activities;
 14. Business entity shall be a legal entity that operates a permanent type of business activity continuously, and incorporated pursuant to prevailing statutory regulations and operating and domiciled within the territory of the unitary state of the Republic of Indonesia;
 15. Permanent establishment shall be an enterprise incorporated and having a legal entity outside the territory of the unitary state of the Republic of Indonesia and performing activities within the territory of the unitary state of the Republic of Indonesia and required to comply with prevailing statutory regulations in the Republic of Indonesia;
 16. Joint study shall be a joint activity that is mutually conducted by business entities or permanent establishments and the Directorate General in conducting a direct offering of CBM working areas to perform inventory, processing, and interpretation of data in open CBM areas or available working areas in order to find out data on CBM potentials and economic value;
 17. Joint evaluation shall be a joint activity conducted by oil and natural gas contractors or CCCoW contractors or coal mining license holders and the Directorate General in conducting a direct tender of CBM working area to perform inventory, processing, and interpretation of data available in their working area in order to find out any CBM potentials and economic value;
 18. Data shall be all facts, signs, indication, and information in characters, digital, analog, or magnetic media, documents, sample rocks, fluid, and other formats obtained from oil and natural gas general survey, exploration and exploitation;
 19. Joint cooperation contract shall be a production share contract or other formats of exploration and exploitation cooperation contract that render bigger profit to the state and the result of which can be used for the optimal prosperity of the people;
 20. Minister shall be a minister whose tasks and responsibilities comprise oil and natural gas business activities;
 21. Research agency shall be a government institution within the Ministry of Energy and Mineral Resources that is responsible for conducting oil and natural gas research and development activities;

22. Certain agencies shall be other government agencies, institutions, or bodies that conduct CBM research, assessment, and development;
23. Ministry shall be the ministry whose tasks and responsibilities deal with oil and natural gas;
24. Director General shall be the director general whose tasks and responsibilities deal with oil and natural gas;
25. Directorate General shall be the directorate general whose tasks and authorities deal with oil and natural gas;
26. CBM working area tender team hereinafter referred to by tender team shall be a team assigned to provide considerations in the execution of CBM working area tender.

CHAPTER II CBM CONTROL AND COMMERCIAL UTILIZATION

Article 2

- (1) CBM as a strategic renewable natural resource contained within the Indonesian legal mining territory shall constitute of national assets controlled by the state;
- (2) CBM control by the state as mentioned in paragraph (1) shall be operated by the state as the mining license holder.

Article 3

- (1) CBM commercial utilization shall comply with prevailing statutory regulations in oil and natural gas business activities;
- (2) The development and supervision as well as business administration of CBM commercial utilization shall be centralized at the Directorate General.

Article 4

- (1) The Minister shall stipulate the policies for the preparation, selection and offering of CBM working areas based on technical, economic, level of risks, and efficiency considerations, while observing the principles of transparency, justice, accountability, and fair business competition;
- (2) The preparation, selection and offering of CBM working areas as meant in paragraph (1) shall be conducted by the Directorate General taking into account considerations of the Executive Agency;
- (3) In the preparation, selection and offering of CBM working areas, the Directorate General shall prioritize the utilization of data and information that are available at the ministry;
- (4) For the preparation, deciding and offering of CBM working areas, the Directorate General shall form a team for working area negotiation, offering and evaluation the members of which shall consist of the representatives from units within the ministry, executive agency, universities, and related institutions;

- (5) The CBM working areas negotiation, offering, and evaluation teams as meant in paragraph (4) shall have tasks and responsibilities stipulated by a ministerial regulation concerning the procedures for oil and natural gas area deciding and offering.

Article 5

- a. Coal methane gas commercial operation comprises coal methane gas exploration and exploitation activities.
- b. Coal methane gas commercial operation shall be carried out by business entities or permanent business enterprises based on production share contract with the Executive Agency.
- c. Supervision of the execution of coal methane gas commercial operation Production Share Contract shall be carried out by the Executive Agency.

Article 6

- (1) CBM commercial utilization shall include CBM exploration and exploitation activities;
- (2) Production share contracts as meant in paragraph (1) shall at least contain the following basic provisions, namely:
 - a. state revenue;
 - b. CBM working areas and the investment return;
 - c. fund expenditure obligation;
 - d. CBM production yield's transfer of ownership;
 - e. contract term and conditions for extension;
 - f. dispute settlement;
 - g. CBM domestic market obligation;
 - h. contract termination;
 - i. post-operational mining activities obligation;
 - j. work safety and health requirements;
 - k. environmental management;
 - l. transfer of rights and obligations;
 - m. required reporting;
 - n. site development plan;
 - o. prioritization of domestic goods and services utilization;
 - p. community development and guarantee for traditional community's rights;
 - q. prioritization of domestic human resources;
 - r. CBM generated from dewatering; and
 - s. pilot project;
- (3) In the event that the contract constitutes a production share contract, it shall mention provisions concerning the operational costs return.

CHAPTER III PROCEDURES FOR CBM WORKING AREAS DECIDING AND OFFERING

Article 7

CBM commercial utilization may be conducted in CBM open areas, oil and natural gas working areas, CCCoW areas, and/or coal mining license areas with a capacity of 3,000 km² (three thousand square kilometers).

Article 8

The procedures of preparation, deciding and offering of CBM working areas in open CBM areas, oil and natural gas working areas, CCCoW areas, and/or coal mining license areas shall comply with the statutory regulations concerning oil and natural gas working area deciding and offering procedures, unless otherwise stipulated by this ministerial regulation.

Article 9

- (1) The Minister should initially appoint CBM working areas for tenders of CBM working areas, CBM open areas, oil and natural gas working areas, coal commercial utilization contract of work areas, and/or coal mining license areas;
- (2) In selecting CBM working areas as meant in paragraph (1), the Minister shall initially consult with the governor whose administrative area comprises the CBM working areas to be selected;
- (3) The Directorate General shall conduct the offering of the decided CBM working areas as meant in paragraph (1) in a working area tender or a direct working area tender pursuant to the procedures for deciding and offering oil and natural gas working areas.

Article 10

Proposal may be made to the Directorate General for CBM that is found in open CBM areas or available working areas by business enterprises or permanent establishments in a joint study in accordance with the provisions of statutory regulations concerning the deciding and offering of oil and natural gas working areas.

Article 11

- (1) CBM contained in oil and natural gas working areas may be operated by oil and natural gas contractors who have fulfilled confirmed 3 (three) initial years commitment of exploration period in the said oil and natural gas working areas;
- (2) Oil and natural gas contractors as meant in paragraph (1) shall be provided with the first opportunity to submit direct tender proposal through a joint evaluation to the Director General.

Article 12

- (1) Oil and natural gas contractors, CCCoW contractors or coal mining license holders whose contracts are approved or whose licenses are issued after the proposing of a joint study to be followed up by CBM commercial utilization will not obtain the first opportunity to submit CBM commercial utilization direct tender proposal in the areas;
- (2) In the event that proposal is already submitted for joint evaluation of CCCoW areas and coal mining license areas, and the areas have been decided as oil and natural gas working areas, oil and natural gas contractors in those working areas shall not be able to receive the first opportunity to submit direct offering proposal for CBM commercial utilization in the areas.

Article 13

- (1) CBM contained in CCCoW areas or coal mining license areas may be operated by CCCoW contractors or coal mining license holders who have performed coal exploitation activities for no less than 3 (three) years in the said CCCoW areas or coal working areas;
- (2) CCCoW contractors or coal mining license holders as meant in paragraph (1) shall be provided with the first opportunity to submit direct offering proposal through a joint evaluation to the Director General.

Article 14

- (1) In the event that CBM gas is contained in oil and natural gas working areas and CCCoW areas or coal mining license areas, oil and natural gas contractors shall be provided with the first opportunity to submit direct offering proposal through a joint evaluation to the Director General;
- (2) Oil and natural gas contractors that are interested in operating CBM in the working areas as meant in paragraph (1) shall submit CBM commercial utilization to the Director General.
- (3) Based on the proposal as meant in paragraph (1), the Director General shall notify CCCoW area contractors or coal mining license holders with regard to the planned CBM commercial utilization by oil and natural gas contractors.

Article 15

- (1) Coal mining business contract of work (CCCoW) contractors or coal mining license holders that are interested in operating CBM commercial utilization in their working areas as meant in Article 14 (paragraph (1)) may propose CBM commercial utilization to the Director General.
- (2) Based on the proposal as meant in paragraph (1), the Director General of Tax shall notify oil and natural gas contractors on the CBM commercial utilization plan by CCCoW contractors or coal mining license holders and ask the clarification from the said oil and natural gas contractors concerning their interest in operating CBM commercial utilization.

- (3) In the event that oil and natural gas contractors do not make any proposal within 6 (six) months as of the date of notification as meant in paragraph (2), the first opportunity for oil and natural gas contractors shall be declared as no longer effective and the proposal of the CCCoW contractors or coal mining license holders may be processed further pursuant to the provisions of statutory regulations.

Article 16

The Director General shall approve the joint study as meant in Article 10 or joint evaluation as meant in Articles 11, 13, and 14, following the clarification with the regional government and/or related units for the inventory of oil and natural gas work area coordinate points, CCCoW areas and/or coal mining license areas and the commercial utilization status that is included within the proposed joint study or joint evaluation area.

Article 17

Oil and natural gas contractors and/or CCCoW contractors or coal mining license holders that perform CBM commercial utilization shall be required to establish a separate business entity or permanent entity.

Article 18

- (1) In the event that the government intends to develop commercial CBM utilization in oil and natural gas work areas, CCCoW areas or coal mining license areas, the Director General shall notify the CBM commercial utilization development plan to oil and natural gas contractors, CCCoW contractors or coal mining license holders in the related areas.
- (2) Oil and natural gas contractors, CCCoW contractors or coal mining license holders that intend to operate CBM commercial utilization in the areas as meant in paragraph (1), shall be required to make direct offering proposal through a joint evaluation no later than 60 (sixty) calendar days, as of the date of receipt of the notification letter from the Director General.
- (3) Oil and natural gas contractors, CCCoW contractors or coal mining license holders that do not make direct offering proposal through a joint evaluation within a period of no longer than 60 (sixty) calendar days as meant in paragraph (2) shall be deemed to have no interest and the first opportunity shall be declared to be ineffective, and furthermore the Director General shall stipulate the commercial utilization policy through a tender.

Article 19

- (1) In the event that the government intends to develop CBM commercial utilization in the oil and natural gas work areas, CCCoW areas or coal mining license areas, the Director General shall notify the CBM commercial utilization development plan to oil and natural gas contractors, CCCoW contractors or coal mining license holders in the related areas.

- (2) In the event that oil and natural gas contractors as meant in paragraph (1) intend to operate CBM commercial utilization, they are required to submit a direct offering proposal through a joint evaluation no later than 60 (sixty) calendar days as of the date of receipt of the notification from the Director General.
- (3) Oil and natural gas contractors who do not submit direct offering proposal through a joint evaluation within a period of no longer than 60 (sixty) calendar days as meant in paragraph (2) shall be deemed to have no interest, and the first opportunity shall be declared ineffective, and subsequently the Director General shall notify this to CCCoW contractors or coal mining license holders.
- (4) In the event that CCCoW contractors or coal mining license holders do not submit any proposal within 60 (sixty) calendar days as of the date of receipt of the notification, the CCCoW contractors or coal mining license holders shall be deemed to have no interest in the said work area and subsequently the Director General shall stipulate the commercial utilization through a tender.

Article 20

- (1) In the event that the findings of the joint evaluation as meant in Articles 11, 13, and 14 will be followed up by a commercial utilization, a direct offering tender shall be held of the said working areas and the joint evaluation executors shall be entitled to the right to match on condition that it matches the highest offer pursuant to the provisions of statutory regulations concerning the procedures of oil and natural gas working area deciding and offering.
- (2) The execution of the joint evaluation as meant in Articles 11, 13, and 14 shall be held no longer than 6 (six) months and shall be extendable 1 (one) time for no longer than 4 (four) months.

Article 21

Provisions concerning the joint study shall be subject to provisions stipulated in the Ministerial Regulation on the procedures for deciding and offering oil and natural gas work areas.

Article 22

Business entities or permanent establishments shall submit joint evaluation performance bond issued by a prime bank domiciled in Jakarta amounting to US\$1,000,000 (one million US dollar) within a period of no longer than 14 (fourteen) working days as of the date of issuance of the approval of the working area direct offering.

Article 23

- (1) In obtaining the findings of an optimal joint evaluation based on appropriate scientifically accountable technical principles, the Directorate General may

- involve units within other ministries and other parties that have the capacity and expertise and/or data.
- (2) All costs and risks required in the execution of the joint evaluation shall be borne and be the responsibility of the business entities or permanent establishments that execute the joint evaluation and shall not be charged as an operational cost of the production share contract.
 - (3) Business entities or permanent establishments and other parties that perform a joint evaluation shall be required to keep confidential all data generated and used pursuant to the provisions of the statutory regulations as mentioned in a confidentiality statement.

Article 24

- (1) For business entities or permanent establishments executing the joint evaluation that fail in completing the joint evaluation on the ground of resigning or fail in complying with the provisions mentioned in the approval letter for work area direct offer, the approval letter shall be declared ineffective and the Directorate General shall be entitled to cash in the joint evaluation's performance bond and instead shall be deposited at the State Treasurer's as non-tax state revenue.
- (2) In the executing of the joint evaluation, business entities or permanent establishments shall submit periodic reports and a final report to the Director General.

CHAPTER IV UTILIZATION OF DATA AND INFORMATION AND THE USE OF FACILITIES

Article 25

Contractors that perform CBM commercial utilization in their operational activities may utilize data and information controlled by oil and natural gas contractors, CCCoW contractors, and coal mining business license holders pursuant to provisions of statutory regulations.

Article 26

- (1) Contractors performing CBM commercial utilization may use the facilities for operational activities that are owned by oil and natural gas contractors taking into account the efficiency, safety, and acceleration of the execution of oil and natural gas business activities.
- (2) The use of facilities as meant in paragraph (1) shall be mandatory for activities that are directly related to CBM commercial utilization based on the principle of proportional operational cost charging and shall not be designated for the purpose of obtaining profit and or revenue.
- (3) Approval shall be obtained from the execution agency for the use of facilities as meant in paragraph (1).

Article 27

- (1) Contractors that perform CBM commercial utilization may use the facilities for operational activities that are owned by CCCoW contractors and/or coal mining business license holders taking into account the efficiency, safety, and acceleration of the business activities of oil and natural gas contractors and/or coal mining business license holders.
- (2) The use of facilities as meant in paragraph (1) shall be mandatory for activities that are directly related to CBM commercial utilization based on the agreement of both parties and shall remain under the responsibility of CCCoW contractors and/or coal mining business license holders.

CHAPTER V RESEARCH, ASSESSMENT AND DEVELOPMENT OF COAL BED METHANE

Article 28

- (1) Related research agencies or certain institutions may perform CBM research, study and development in the legal Indonesian mining territory.
- (2) The execution of research, study and development by certain institutions as meant in paragraph (1) shall initially be provided with the license issued by the Director General.
- (3) Research, study, and development performed by research agency as meant in paragraph (1) shall be further stipulated by the Director General after receiving the consideration of the Research Agency.
- (4) The findings of research, study, and development as meant in paragraph (2) shall be reported to the Director General no later than 15 (fifteen) working days after the completion of the research execution.
- (5) In the event that the findings of CBM research, study and development by research agencies and certain institutions are followed up by commercial utilization, it shall refer to this Ministerial Regulation as a guideline.
- (6) The rights and obligations incurring in the commercial utilization as meant in paragraph (5) shall be further stipulated by the Minister.

CHAPTER VI DISPUTE SETTLEMENT

Article 29

- (1) In the case of dispute occurring between CBM contractors and oil and natural gas contractors or coal mining business contract of work contractors or coal

- mining business licence holders, settlement shall be made through deliberation for consensus.
- (2) In the case of deliberation for consensus fails to be achieved, the Minister may facilitate the dispute settlement as meant in paragraph (1).
 - (3) In the case of dispute settlement as meant in paragraphs (1) and (2) fails to be achieved, settlement can be made through the Indonesian National Arbitration Agency.

CHAPTER VII PROVISIONS ON COAL BED METHANE AS A BY-PRODUCT RESOURCE

Article 30

- (1) Commercial utilization by companies or individuals of CBM as a by-product found in CCCoW areas or coal mining business license areas (originating from underground mines) that will be operated in commercial utilization shall comply with this Ministerial Regulation.
- (2) In the event that companies or individuals conduct coal commercial utilization in CCCoW areas or coal mining business license areas and find CBM as a by-product (originating from underground mines) to be used for their own interest, it is mandatory for them to report it to the Minister.
- (3) In the event that companies or individuals conduct coal commercial utilization in CCCoW areas or coal mining business license areas and find CBM as a by-product (originating from underground mines) and flared, it is mandatory for them to obtain the approval of the Minister.
- (4) In the event that companies or individuals conduct coal commercial utilization in CCCoW areas or coal mining business license areas and find CBM as a by-product (originating from underground mines) to be utilized for the development of the local community, it is mandatory for the plan to be approved by the Minister.

CHAPTER VIII UTILIZATION OF COAL BED METHANE FOR DOMESTIC NEED

Article 31

The utilization of coal bed methane generated by CBM commercial utilization activities shall be prioritized to meet the domestic need for energy.

CHAPTER IX TRANSFER PROVISIONS

Article 32

With this Ministerial Regulation taking effect:

- a. Any request for Joint Evaluation or Joint Study applied by business entities or permanent business entities that meet the requirements, shall be processed pursuant to the provisions of Minister of Energy and Mineral Resources Regulation No. 033 of 2006 concerning CBM commercial utilization;
- b. New request shall be applied pursuant to provisions in this Ministerial Regulation for any Joint Evaluation or Joint Study request applied by business entities or permanent business entities that have not met the requirements;
- c. First opportunity shall not be granted for CBM commercial utilization to oil and natural gas contractors whose contracts are signed after a joint evaluation is proposed by CCCoW contractors or coal mining license holders.

Article 33

- (1) With this Ministerial Regulation taking effect on the application or execution of joint evaluations in oil and natural gas work areas and CCCoW areas or coal mining business license areas the commercial utilization agreement of which has not been made between oil and natural gas contractors, and CCCoW contractors or coal mining business license holders, the interest (rights and obligation) ownership for oil and natural gas contractors, and CCCoW contractors or coal mining business license holders in the work areas shall be set out of 50% (fifty percent) pursuant to business to business practice and processed pursuant to the provisions in Minister of Energy and Mineral Resources Regulation No. 033 of 2006 concerning CBM commercial utilization.
- (2) In the event that within a period of no longer than 1 (one) month as of the effective date of this Ministerial Regulation, a commercial utilization agreement has not been made, the Minister shall request the related oil and natural gas contractors, and CCCoW contractors or coal mining business license holders to submit a performance bond of respectively US\$1,000,000 (one million US dollar).
- (3) In the event that after 1 (one) month as of the request by the Minister of the performance bond as meant in paragraph (2) only one of the oil and natural gas contractors and CCCoW contractors or coal mining business license holders submit performance bond, the oil and natural gas contractors and CCCoW contractors or coal mining business license holders that submit performance bond shall receive the right to propose the commercial utilization proposal.
- (4) In the event that oil and natural gas contractors and CCCoW contractors or coal mining business license holders have not or have submitted the performance bond as meant in paragraph (3) and no agreement has been made within a period of no longer than 6 (six) months as of the dead line for submitting the performance bond as meant in paragraph (3), the performance bond shall be returned to the guarantee provider and the work area shall be offered to be sold in a tender.

- (5) In the event that a commercial utilization agreement is made between oil and natural gas contractors and CCCoW contractors or coal mining business license holders, the performance bond as meant in paragraph (2) shall be returned to the guarantee provider.

Article 34

With this Ministerial Regulation taking effect on the execution of CBM research, review and development that had been performed by certain research agency or institution prior to the stipulation of this Ministerial Regulation shall continue to be conducted and the findings shall be required to be reported to the Minister with a copy delivered to the Director General.

CHAPTER X CLOSING PROVISIONS

Article 35

With this Ministerial Regulation taking effect, Regulation of the Minister of Energy and Mineral Resources No. 033 of 2006 concerning CBM commercial utilization shall be revoked and deemed null and void.

Article 36

This Ministerial Regulation shall take effect as of the date of its promulgation.

Enacted in Jakarta
On 12 November 2008

MINISTER OF ENERGY AND MINERAL SOURCES

[signature]

PURNOMO YUSGIANTORO