

# Land Conversion for Oil Refinery Plant Area in Jenu District, Tuban Regency, East Java, Indonesia

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## ABSTRACT

This article examines the construction of the Tuban-based oil refinery plant that processes crude oil into petroleum products as raw materials for fuel oil and the petrochemical industry. In 2015, the plan was to build an oil refinery in Tuban Regency, specifically in Jenu District. The land in Jenu District was chosen because it requires approximately 840 hectares of land. The construction of an oil refinery in Tuban is one of the list of national strategic projects. The regulations are contained in Presidential Regulation Number 3 of 2016 concerning the Acceleration of Implementation of National Strategic Projects. In 2016 the Minister of Energy and Mineral Resources gave the mandate to manage this project to Pertamina. The need for a large area of land prompted Pertamina to submit an application to the Ministry of Environment and Forestry for obtaining 328 hectares of state lands. The area is strategic because it is close to the existing fuel installation supporting facilities. The conversion of land for the construction and development of an oil refinery in Jenu District, Tuban Regency, caused environmental damage and gave rise to social problems.

**Keywords:** land use, oil refinery, Pertamina Rosneft, Tuban Regency, environmental impact, social impact

## INTRODUCTION

Indonesia as a state of law regulates that ownership of the earth, waters, and other natural resources is controlled by the state to be managed and utilized to the greatest extent for the prosperity of the people. This is based on the mandate of Article 33 paragraph (1) – paragraph (4) of the 1945 State Constitution of the Republic of Indonesia. Paragraph (1) states that “The economy is structured as a joint effort based on the principle of kinship”, the meaning of paragraph (1) is that the state must be present in its role to overcome the socio-economic disparities that exist within the Indonesian nation, therefore based on the principle of kinship. Indonesia’s rich natural resources must be managed wisely for the people by the state, so that there is no sense of dependence on other nations. However, there is another controversy related to this verse because it is unlikely that every nation will always be pure in doing business. The state will certainly cooperate with other countries in matters relating to resource management so that it will increase investment, as a result, the State Budget will be more freely used for the common interest of increasing the prosperity of the people. In this case, of course, the state’s efforts continue, but it is also followed by the involvement of foreign investors from other countries (Warsono, 2016: 91-104).

Paragraph (2) states that “Branches that are important to the state and that control the lives of many people are controlled by the state”, meaning that important and strategic natural resources with broad benefits will be controlled and managed by the state. Examples of such natural resources are petroleum, coal, electricity, etc., which are covered by the Ministry of Energy and Mineral Resources and private investors who take

part in them. The state company managing petroleum is PT Pertamina (Persero), then coal by PT Bukit Asam (Persero), and electricity derived from renewable and non-renewable natural resources is managed by PT Perusahaan Listrik Negara (Persero) (Muhammad Azhar, Dendy Ahmad Setiawan, 2018: 398-412).

Paragraph (3) of the 1945 State Constitution of the Republic of Indonesia reads “The land and water and the natural resources contained therein shall be under the control of the state and shall be used for the greatest prosperity of the people”. Paragraph (3) explicitly states that all natural resources in the territory of Indonesia belong to the Indonesian state and are managed for the greatest prosperity of the Indonesian people (Setiyo Utomo, 2019: 52-72).

Paragraph (4) of the 1945 NRI Law reads “The Indonesian economy is organized based on economic democracy with the principles of togetherness, efficiency, justice, sustainability, environmental insight, independence, and by maintaining a balance of progress and national economic unity.” The meaning of this paragraph is that the administration of the economy, including the management of natural resources by the state, must involve the people and pay attention to the welfare of the people. Natural resource management must not solely pay attention to the principle of efficiency to obtain maximum results only for a small group of capital owners, but must be able to improve people’s welfare in a fair manner (Suyanto Edi Wibowo, 2015:1-57).

An oil refinery is an installation that processes crude oil into petroleum products in the form of fuel oil and petrochemical industries. Products produced from oil refineries include; naphtha oil, diesel fuel, kerosene, gasoline, gasoline and Liquefied Petroleum Gas (LPG). Building an oil refinery is very costly because the oil refineries require complete equipment and facilities to support the production process.

Tuban Regency is located in East Java Province, precisely on the west edge of the North Coast of Java, which also borders Central Java Province. Geographically, Tuban Regency is a strategic area because it is located on the north coast of Java which is relatively busy. In 2014, the plan was to build an oil refinery in Tuban Regency, precisely in Jenu District, which is one of the sub-districts which is located not far from Tuban city, only about 8 km. The majority of livelihoods from Jenu sub-district are farmers, fishermen and entrepreneurs (Siti Kholimatus Sadiyah, 2020:51).

Referring to Regional Regulation Number 9/2012 concerning the provision of a land area of up to 12,000 hectares for industrial purposes. The land included to fulfill industrial needs is spread across Tuban, Jenu, Merakurak, Kerek and Tambakboyo sub-districts. Land in Jenu District was chosen as land for the construction of an oil and gas processing installation in the form of an oil refinery by PT Pertamina Rosneft Processing and Petrokimia. The construction of this project is considered strategic, it is estimated that the construction will cost around Rp. 200 trillion. Because producing and processing oil and gas requires a large area of land, it requires an area of around 840 hectares. Consists of Perhutani forest land, land owned by residents, and land of the Ministry of Environment and Forestry. The residents whose land was affected agreed that their land would be purchased for the purposes of this strategic project with the demand that they be employed in the project (Bayu Priambodo, Muhammad Chabibi, 2021:46).

## **BECOME A NATIONAL STRATEGIC PROJECT**

In order to guarantee the availability of fuel oil (BBM), national energy security, and reduce dependence on fuel imports, the Indonesian Government considers it necessary to build and expand domestic oil refineries. Based on the considerations above, in 2015 the Coordinating Ministry for Economic Affairs issued a letter numbered S-75/D.III.M.EKON/09/2015 dated 17 September 2015 regarding the Construction of the PT Oil Refinery. Pertamina in Tuban Regency. (Kementerian Lingkungan Hidup dan Kehutanan, 2023:167). Before going any further, the central government first formulates and ratifies regulations governing this. As a realization, Presidential Regulation Number 146 of 2015 was issued concerning the Implementation of the

Construction and Expansion of Domestic Oil Refineries (*Peraturan Presiden Republik Indonesia Nomor 146 Tahun 2015 Tentang Pelaksanaan Pembangunan dan Pengembangan Kilang Minyak di Dalam Negeri*). In Articles 4 and 5 of the Presidential Decree it is stated that:

Article 4 states that: “Oil Refinery Construction and Oil Refinery Development shall:

1. Use technology that meets the provisions of environmental management and protection; and
2. Prioritize the use of domestic products.”

Article 5 states that: “In order to improve the economic feasibility, the implementation of Oil Refinery Construction and Oil Refinery Development may be carried out by:

1. Providing fiscal and non-fiscal incentive facilities in accordance with the provisions of laws and regulations; and/or
2. Integrating petrochemical production.”

Based on the two articles above, the government is trying to build and develop environmentally friendly oil refineries in the country, so that it can provide both fiscal and non-fiscal incentives that are integrated with petrochemical production installations. As is known, one of the reasons for selecting the location for a prospective new oil refinery is located in Tuban Regency due to integration with other supporting facilities which are still located within the same scope. These facilities are the PT Trans-Pacific Petrochemical Indotama (PT TPPI) Oil Refinery, the Fuel Terminal Tuban (FT Tuban), and the Tanjung Awar-awar Steam Power Plant (PLTU Tj. Awar-awar), all of which are located on the coast of Tuban Regency, precisely in Jenu District. Still in the complex there is also 328 hectares of land under the control of the Ministry of Environment and Forestry.

The construction of an oil refinery in Tuban is one of the list of national strategic projects. The regulations are stated in Presidential Regulation Number 3 of 2016 concerning the Acceleration of Implementation of National Strategic Projects. In 2016 the Minister of Energy and Mineral Resources gave the mandate to manage this project to PT Pertamina (Keputusan Menteri ESDM Nomor 807 K/12/MEM/2016). Over time, this presidential regulation was updated with changes twice, namely in 2017 (*Peraturan Presiden Nomor 58 Tahun 2017 tentang Perubahan Atas Percepatan Pelaksanaan Proyek Strategis Nasional*), dan terakhir pada 2020 (*Peraturan Presiden Nomor 109 Tahun 2020 tentang Perubahan Ketiga Atas Peraturan Presiden Nomor 3 Tahun 2016 tentang Percepatan Pelaksanaan Proyek Strategis Nasional*). In these changes the name of the oil refinery construction project in Tuban still exists and is not deleted because it is considered important (*Peraturan Presiden Nomor 109 Tahun 2020 tentang Perubahan Ketiga Atas Peraturan Presiden Nomor 3 Tahun 2016 tentang Percepatan Pelaksanaan Proyek Strategis Nasional*).

## **ESTABLISHED COOPERATION WITH RUSSIA**

Energy needs are a need that concerns the need for fuel used in each country as one of the driving wheels of a country's economy and as a driving force in the industrial sector. Oil is one of the important types of energy in the industrial sector to meet the energy needs of every country which certainly has problems in meeting it, due to the uneven distribution of natural resources. Indonesia is a country that has abundant natural resources, therefore Indonesia should be able to overcome the problem of energy needs so that they can be met and not depend on other countries. In addressing energy availability, PT Pertamina (Persero) is carrying out this strategic project with a Russian oil and natural gas company called Rosneft Oil Company as the partner of choice to carry out a plan to fulfill this oil energy. In 2015 Pertamina and Rosneft met and made a cooperation agreement. The result of this agreement was that it was decided that an oil refinery would be built in the Tuban area, East Java. This collaboration in opening an oil refinery is one of

Indonesia's efforts to meet Indonesia's urgent need for energy and fuel oil stocks.

Oil production in Indonesia itself experienced a decline from 1996 to 2015. By producing oil and gas that can guarantee availability it can improve the country's economy. Even though Indonesia has very abundant natural resource potential, it is still experiencing a significant decline in oil production and availability. In 2008, oil in Indonesia was around 8.21 billion barrels and ten years later in 2018 production was around 7.5 billion barrels. Therefore, opening a new oil refinery in Tuban is very necessary so that oil needs can be met (Saskia Aulia Putri, Stivani Ismawira Sinambela, 2023:376).

Tuban, which has an area of around 1,904.70 km<sup>2</sup>, is a strategic location on the border of East Java and Central Java. This coastal area of the North Coast of Java is crossed by the Daendels highway which stretches from Anyer-Panarukan, making it strategic because there is adequate access to transportation for processing oil and gas. The Java Sea, whose waves are relatively calm, is ideal for ship navigation, so if a port is built for oil tankers, it will really support oil refineries. The Indonesian government together with Rosneft are trying to overcome the energy crisis and reduce Indonesia's dependence on oil imports. Therefore, the opening of this oil refinery is included in the national level strategic project because Indonesia, apart from being able to maintain the availability of oil energy, also reduces the cost of purchasing imports.

On November 28 2017, a company called PT Pertamina Rosneft Processing and Petrochemical was formed, which is a joint venture between Pertamina and Rosneft. This company was given the mandate to build and operate the Tuban Oil Refinery. The shares consist of 55% in the name of Pertamina and 45% in the name of Rosneft (PT Kilang Pertamina Internasional, 2021:55).

## **LAND PROCUREMENT FOR THE EX-MINISTRY OF ENVIRONMENT AND FORESTRY**

Mentoso Village, Rawasan Village and Wadung Village are administratively located in Jenu District, Tuban Regency and are included in the Tanjung Awar-awar area. In 1982, the Forestry Department planned a construction project for the Tuban Wood Center at this place, which was located in the three villages. The approved land has an area of 4,295,588 m<sup>2</sup> or 429.5 hectares. Some of it is Village Cash Land (TKD) belonging to Wadung Village, 13 plots with a total area of 152,731 m<sup>2</sup> and Mentoso Village, 9 plots with a total area of 32,469 m<sup>2</sup> (Kementerian Lingkungan Hidup dan Kehutanan, 2023:187-188), the rest is homestead and agricultural land owned by residents.

The land acquisition process took place in 1985-1986 by purchasing land by the Directorate General of Forestry. This land acquisition project has completely wiped out several local hamlets administratively. Referring to colonial era topographic maps, several hamlets affected by the Wood Center project are Blarak Hamlet in total, and part of Wadung Hamlet in Wadung Village, part of Rawasan Hamlet in Rawasan Village, Klepu Hamlet and Bogoran Hamlet in total, and part of Mentoso Hamlet in the Village. Mentoso ("Name: 05120-319 Java Res. Rembang Blad Indeeling B, Batavia, Topografische Dienst, 1923", Universiteit Leiden). In 1989 the Wood Center project was stopped on the grounds that the wood distribution map for Indonesia had changed, the budget was insufficient, and there were plans to make it a bonded area. The Forestry Department then asked Bappenas to utilize the former Wood Center land for national interests. (Kementerian Lingkungan Hidup dan Kehutanan, 2023:187-188)

In 2009-2010, at the former Wood Center location, there was a lot of news that a Regional Wood Terminal and port would be built, but this was not realized. (Dinas Kominfo Provinsi Jawa Timur, 2010). Furthermore, the State Electricity Company (PLN) received the mandate to build Steam Power Plants (PLTU) in several areas, one of which was in Tuban. This PLTU has a capacity of 2 x 350 MW and began

operating in 2014 (Ahmad Amiruddin, Irfan Kurniawan, 2015:42-43). The land is 80 hectares on the coast of Jenu District, Tuban Regency, occupying the ex-Wood Center Ministry of Environment and Forestry land. The process was carried out using a land exchange scheme covering an area of 813,279.40 m<sup>2</sup> with a fair value of IDR 41,573,200,000.00 paid by PLN. The remaining land area of the former Wood Center Ministry of Environment and Forestry is 3,482,309 m<sup>2</sup> or 348.2 hectares. In 2015 and 2018 land certificates were issued in the name of the Government of the Republic of Indonesia which were registered as State Property (BMN) assets at the Ministry of Environment and Forestry which inherited the former Wood Center land. This certification is not complete because there is a land area of 194,463 m<sup>2</sup> or 19.4 hectares for which a Right to Use Certificate cannot be issued because it is affected by sea abrasion, so the certificate is issued for an area of 3,287,846 m<sup>2</sup> or 328.7 hectares. (Kementerian Lingkungan Hidup dan Kehutanan, 2023:187-188).

The need for very large land for the needs of building an oil refinery prompted Pertamina to request the Ministry of Environment and Forestry to obtain cooperation in utilizing BMN in the form of 328 hectares of land. This land is strategic because it is close to supporting facilities for existing fuel installations. This step was attempted from 2015 to 2017, but was unsuccessful. The next step involves hearing both parties and finding a solution through a land exchange mechanism. The implementation only received presidential approval, which was conveyed through a letter from the Minister of State Secretary dated February 18 2019 and approval from the Ministry of Finance. Through a letter from the Minister of Finance dated March 6 2019, it was stated that PT Pertamina (Persero) was given permission to carry out activities on the 348 hectare land after paying a land exchange agreement. Based on a letter from the Minister of Finance dated 29 August 2019, it was stated that BMN's assets previously under the control of the Ministry of Environment and Forestry were 1 (one) plot of land for the land terminal building covering an area of 3,287,846 m<sup>2</sup> and 1 (one) unit of permanent fence covering an area of 2,734 m<sup>2</sup> with a total value reasonable amount of Rp. 1,638,422,867,000.00 was transferred to PT Pertamina (Persero) because it had been paid to the state treasury (Kementerian Lingkungan Hidup dan Kehutanan, 2023:187-188).

## LAND PROCUREMENT FOR PERHUTANI'S EX-TEAK FOREST

The Tuban Oil Refinery Project still requires a larger area of land and direct access to the main road. In this case, the PRPP sees an opportunity for expansion into teak forest land owned by Perhutani which is located on the edge of the Daendels highway. Meanwhile, based on the Minister of Environment and Forestry Regulation Number 97 of 2018, it is explained that when there is forest land that is to be converted, it must be exchanged for new forest land. (*Peraturan Menteri Lingkungan Hidup dan Kehutanan Nomor: P.97/menlhk/setjen/kum.1/11/2018 Tahun 2018 Tentang Tukar Menukar Kawasan Hutan*”).

The teak forest land that Perhutani needed at that time was recorded at 109 hectares. As a follow-up, in 2020 it will be based on the 2020 Semester I Achievement Report (Sekretariat Kabinet, 2020: lampiran 8), The Cabinet Secretariat gave the direction that:

“a. The Governor of East Java to provide recommendations for replacement land that is in accordance with the designation in the RTRW according to the location of the replacement land;

1. “The Minister of Environment and Forestry should immediately issue an agreement for the exchange of forest areas in accordance with the provisions of statutory regulations.”

In 2021, the Forest Area Exchange (TMKH) principle permit was granted by the Head of the Investment Coordinating Board (BKPM) a.n. Minister of Environment and Forestry regarding land belonging to Perum Perhutani in Jenu District, Tuban Regency. The land was recorded as 125 hectares, which is different from the previous recording in 2020 of 109 hectares by the Cabinet Secretariat. The scheme used is to exchange

269 hectares of land belonging to PT Perkebunan Nusantara XII (PTPN XII) in Banyuwangi for subsequent forestation. Approval for dispensation to use forest areas was also given by the Minister of Environment and Forestry on April 16 2021 and is valid until January 11 2023. On this occasion, PRPP carried out physical work on Perhutani land after a letter of dispensation to start work on the land was issued. (“Nota Dinas Asisten Deputi Minyak dan Gas, Pertambangan dan Petrokimia Nomor: AK.3.1/01/D.III.M.EKON.1/01/2022”, 2021:20).

## LAND PROCUREMENT FOR EX-LOCAL CITIZENS

In the construction of an oil refinery by PT. Pertamina needs land so that oil refineries can be produced. This collaboration between Pertamina and Rosneft was formed in 2017, this project was delayed for a long time, one of which was land acquisition problems. Based on the Decree of the Governor of East Java, there are five villages in Jenu District that have been designated as locations for the construction of an oil refinery, namely Sumurgeneng Village, Wadung Village, Mentoso Village, Rawasan Village, and Kaliuntu Village. (“Surat Keputusan Gubernur Jawa Timur No. 188/23/KPTS/013/2019”). However, in the liberation efforts carried out by PT. Pertamina experienced problems because it received rejection from Sumurgeneng Village residents in 2019. The conflict that occurred between Sumurgeneng Village residents was triggered by the location determination written in the East Java Governor’s Decree. The village residents feel that the land that will be designated as the location for the oil refinery is productive agricultural land with three harvests a year. Apart from that, the residents are worried that they will not be able to get their income back from their livelihood as farmers.

Residents of Sumurgeneng Village rejected land acquisition by holding demonstrations. At that time, residents unfurled banners saying they rejected the oil refinery to coincide with President Jokowi’s visit. However, this was anticipated by members of the police on duty, not only that, residents also held demonstrations in front of the Tuban DPRD building, and also blocked the road when BPN was going to carry out land measurements. Residents of Sumurgeneng Village also held joint deliberations and prayers as well as *bancaan* rituals as an action to reject the oil refinery. They were disappointed with the determination of the location for the construction of an oil refinery on residents’ land. Residents from Sumurgeneng Village and Wadung Village signed a petition against the oil refinery which had the signatures of 4,100 residents (Yustanti, M. Jacky, 2023:145). There is also a group in the name of “Tuban Darurat Agraria” which conveys their aspirations and protests via social media such as YouTube and Facebook. The delivery is carried out using hashtags #TUBANORADIDOL and #TUBANTIDAKBAIK-BAIKSAJA. Meanwhile, via the YouTube platform they upload demonstration actions documented with poetic narratives. Several efforts were made through an agreement between PT. Pertamina and land owners in Sumurgeneng Village. Land acquisition efforts are carried out using a consignment scheme or by appointing a third party as an appraisal team to determine the land price. This process was completed in 2020. The land obtained from the land acquisition of residents was 377 hectares. The land is spread across Wadung Village, Kaliuntu Village, and Sumurgeneng Village (Muhammad Idris, 2021).

In 2021, social media was shocked by the billionaire’s village because it went viral that residents of a village in Tuban bought up to 176 cars. They are residents of Sumurgeneng Village who initially rejected the oil refinery and finally gave up their land and received compensation money from PT. Pertamina which will be used as an oil refinery. This land acquisition process reached 99% of Pertamina’s target of 377 hectares of residents’ land, the majority of residents whose land was affected also received compensation from Pertamina. The price offered by Pertamina itself is in the range of IDR 600 thousand to IDR 800 thousand per meter, but on average not all land residents get this price. According to the Head of Sumurgeneng Village, Gianto, initially the release was rejected by Sumurgeneng residents, they thought that each meter of land would only be valued at 4 x NJOP, which is the same as Rp. 14,000. After the higher price was announced, many Sumurgeneng residents changed their minds. (Faisal Zamzami, 2021). The money that

residents receive also varies depending on the size of the land they own, some can be IDR 3 billion, IDR 1.5 billion, IDR 8 billion to IDR 26 billion. After disbursing the money via consignment at the Tuban District Court, most residents used it to buy cars, renovate houses and make deposits at banks.

## IMPACT OF LAND CONVERSION

### • Environmental Impact

Land conversion for the construction and development of an oil refinery in Jenu District, Tuban Regency causes environmental damage. The land that originally belonged to residents and the former Wood Center, which was initially known to residents as agricultural land, has now turned into ordinary empty land. When it was still agricultural land, the needs of local residents and the wider community were supplied economically through harvests and the provision of basic goods. In terms of the environmental aspect, especially land that is in a fertile and productive condition is planted with agricultural plants and shade trees with the natural ability to produce oxygen and absorb carbon from dirty air in the surrounding environment.

After obtaining permission to manage the former teak forest land, Pertamina Rosneft then cleared the land by cutting down all the teak trees. Instead, President Director of PT Pertamina Rosneft Processing and Petrochemical Kadek Ambara Jaya confirmed that his party had replaced the previous forest land covering 125 hectares with new land covering 269 hectares located in Banyuwangi. The 40,000 teak trees were also replaced with the planting of 20,000 sea pine trees planted on the coast of Jenu District, Tuban Regency. Sea cypress is said to be able to absorb up to 154.36 kg/year of carbon, greater than teak with an absorption of 135.27 kg/year. (Lili Sunardi, 2021).

Environmental problems are not only in the form of air pollution, but also have an impact on the condition of the land from being fertile to becoming polluted when it later turns into industry. Likewise, ground water will also be polluted. Therefore, local residents are the parties who will be most affected by the activities of this oil refinery when it operates.

### • Social Impact

Land acquisition carried out by PT. Pertamina should have a positive impact on residents affected by the land it purchased. Compensation money given by PT. Pertamina has a relatively high rate of residents who receive compensation money on average getting more than 1 billion depending on the land they own. However, there are also residents who have difficulty managing the money given by PT. Pertamina, instead of investing the money they earned, many residents actually bought them a new car. On average, residents who work as farmers are not yet proficient in driving cars, so many of the new cars they buy are damaged and there are 15 car accidents. (David Oliver Purba, 2021).

There is also regret felt by residents affected by land acquisition for an oil refinery. Musanam (60), one of the residents who sold his land and received compensation of Rp. 2.5 billion and was promised that his children could work at Pertamina, admitted that he regretted selling his land. The land he owns is usually planted with corn and chilies. One harvest can produce 40 million, but now he has no income (Panji Prayitno, 2022).

The existence of large national scale industrial projects is strategic for the interests of the country and wider society. The existence of large projects also has a negative impact on the environmental and socio-cultural conditions of the people living around the project area. The Wood Center project that took place during the New Order government resulted in 779 heads of families from Wadung Village, Rawasan Village, and Mentoso Village selling their agricultural land and houses, changing residences, and moving the graves of their relatives to other public cemeteries. The land acquisition occurred in 1986 for 400 hectares of land.

Residents value their land at Rp. 500 per meter for land and houses, and Rp. 400 per meter for rice fields. (Budi Utomo, 2022a).

It turned out that the Wood Center project was never built, the land changed ownership to the Ministry of Environment and Forestry. Local residents were also given permission to process the former Wood Center land into agricultural land until the time limit when the land was needed by the government. The 400 hectare stretch of land is cultivated by 779 local residents. There are 404 people from Wadung Village cultivating 199 hectares, 226 people from Mentoso Village covering an area of 71,0297 hectares, 49 farmers from Kaliuntu cultivating 21 hectares, and 100 people from Rawasan Village working on 35 hectares of land. (Budi Utomo, 2022b).

When an oil refinery was to be built, PT Pertamina Rosneft Processing and Petrochemical provided a profit compensation of IDR 20,000,000 per hectare. These funds have been handed over to residents who manage the fields from April to May 2017. However, not all local residents quickly found other jobs outside their skills as farmers. There are factors such as age limits, skills, capital and education, ultimately those who no longer have land to farm will be unemployed and work odd jobs. The residents most affected are agricultural laborers because they work for the owners/managers of agricultural fields, although they also receive a share of the profit compensation, but their numbers are not small so the share they receive is also limited. (Budi Utomo, 2022b).

The Tuban Regency Government has regulated the priority of local residents as workers in companies. This regulation is regulated in Regional Regulation number: 19 of 2016, and Regional Regulation number: 69 of 2017, provided that the job applicant meets the necessary administrative requirements. However, what is ironic is that based on data from the Tuban One-Stop Integrated Licensing, Manpower and Transmigration Investment Service there are not any of the 1,927 oil and gas education-based job applicants. Even working age residents around the oil refinery in Jenu District do not have this background (Budi Utomo, 2019).

## CONCLUSION

The construction of an oil refinery, which is included in the national strategic project, is being carried out in collaboration between PT. Pertamina and Rosneft are in Jenu District, Tuban Regency. The project requires a large area of land, namely around 840 hectares, the project is carried out by PT Pertamina (Persero), the very large need for land requires PT Pertamina to ask for assistance from the Ministry of Environment and Forestry to obtain utilization in the form of 328 hectares of land. This land is very necessary because it is very strategic and close to land for existing fuel supporting facilities. The reason for building this oil refinery is to provide fuel availability, create national energy security, and reduce dependence on foreign fuel imports.

The establishment of relations between Russia and Indonesia occurred on December 28, 2017, in the form of an oil refinery joint venture whose shares consisted of 55% in the name of Pertamina and 45% in the name of Rosneft. Apart from that, because the land required for this large oil refinery requires land from the forestry department. This land is supposed to be used as a Tuban wood center. Pertamina, which has obtained permission to manage the former forest land, then carries out the cleaning, namely by thickening all the teak trees. Then, as a replacement, Pertamina Rosneft changed the land which was originally 126 hectares to 269 hectares in the Banyuwangi area. Apart from that, all the 40,000 teak trees that were lost have also been replaced with 20,000 Sea Pine trees planted on the coast of Jenu sub-district.

The last impact that was felt from this development was the social impact where initially all residents whose land was evicted received compensation. With a price above 1 billion, and given a promise that their children would be employed there. There are also village residents who are so carried away that they waste

the money without thinking about the long term, which ultimately makes them regret that they don't have savings, and the promise to employ their children is unclear.

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