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Management of the crisis of the Oil fields

By

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Abstract

The international dispute over the shared oil fields is one of the international issues that have political, legal, and economic dimensions, and which need to follow peaceful and diplomatic means, such as: negotiations, good offices, mediation, investigation, conciliation, and political settlement. As for legal ones, such as: arbitration, And the international judiciary, through the nomination of the conflicting countries to the negotiating team, which is entrusted with the tasks of proposing and finding appropriate legal solutions such as agreements, treaties, or legal contracts regulating how to manage the production, exploitation and development of joint oil fields, with the approval of the concerned parties and preserving their interests.

Keywords: oil fields, Types of joint oil fields, international conflict, Resolving disputes and international agreements.

Introduction

The hydrocarbon sector is considered one of the strategic sectors in the oil-producing countries, which was also opened to competition (Thurber et al., 2011). It is no longer a monopoly only on the state, as its raw material is one of the most prominent raw materials, as well as the largest economic and industrial materials based on its exploitation. It is one of the most important modern industrial activities in the global economy. In general, and in the economies of oil countries in particular, and it is in the light of global concepts that its content is measured as material wealth. Oil has become a major and influential source of power in the world, after it was proven that it was extremely needed in peace and war, and after the major countries relied on it in the construction of its modern industrial renaissance. The developing countries that produce it relied on it as a basic source of national income and for the economic development of their societies. Perhaps the importance of the role of oil in monitoring the concepts of world peace through drawing up a policy and strategy that both the industrial consuming countries and the developing countries that produce it seek to achieve. In fact, it can be said within the framework of the latter (i.e. legal studies) that it is limited to some aspects related to oil wealth, as is the case in the matter of disputes that take place within the framework of oil contracts and the peaceful means they contain, whether diplomatic such as Mediation, negotiation, conciliation, legal, such as arbitration, or resorting to international courts to resolve the existing dispute over joint oil fields (Layachi, 2021). The research also included a topic of great importance, especially for foreign oil companies investing in this field, which is how to manage the process of exploration and extraction of oil in the common fields.

The joint oil fields (their concept, how to manage them, the governing principles for resolving the disputes of the joint oil fields)

The concept of the joint oil fields

Definition of the joint oil fields: They are the fields that have an extension across the borders of two or more countries, as the oil field extends within the borders of Two or more countries, starting from country (Y) and passing through country (K)(Weaver & Asmus, 2006). The common fields are described as having geological extensions that cross the borders, as they are fields whose production or stock extends across the borders of the two countries, with different proportions of production and stock from one field to another and from one country to another according to the nature of the formation of the field, the land and its height, and the way the field is exploited and invested in terms of exploration and exploration.

Types of joint oil fields: Joint oil fields are divided in terms of several aspects

In terms of the number of participating countries, and it is divided into two types:

A Bilateral joint fields, which are located between the borders of two countries.

B. Shared collective fields, which are located or extend within the borders of more than two countries, so there is a triangular area that contains oil fields shared by three or more countries (Johannes et al., 2015).

In terms of the location of the oil field, and it is divided into two types:

1 Shared onshore oil fields, which are the fields that lie within the international borders of the state's parties involved in the oil field, whether they are two or more.

2 Shared offshore oil fields, which are the fields that extend or are located within the international maritime borders of the countries that share the oil field.

Characteristics of the joint oil fields

The joint oil fields are distinguished by several characteristics, as follows:

1- They are giant fields in terms of production and stocks, as they are fields with large production and huge oil reserves (Difiglio, 2014).

2- They are cross-border fields between two or more countries.

3- It needs an agreement between the joint parties to exploit, invest and develop it in order to preserve and perpetuate it for the longest possible period (joint exploitation).

4- No party can unilaterally exploit these oil fields without the consent of other countries, otherwise this would be a cause for disagreement and provoking conflicts between countries, which may reach the point of war (Meierding, 2020).

5- Equality in benefiting from the oil produced in accordance with a bilateral or collective agreement specifying the rights and obligations of all concerned parties.

6- Determining and demarcating the international borders between the concerned parties, which entails defining the mechanisms in the light of which the common fields will be exploited..

7- Joint cooperation in research, exploration, and exploration. Research, exploration, and exploration operations require joint efforts and mutual cooperation between the parties involved. It is not permissible for one of the parties to be alone in these operations, given the importance of what they entail in determining the production capacity of the oil field, and the number of wells that exist in it. And the estimated stock or reserve, in addition to what these operations need in terms of huge financial and technical capabilities carried out by specialized agencies.

8- The search, exploration and exploration operations are characterized by risks that may lead to high losses incurred by the concerned parties, due to the failure of the oil exploration, extraction and production operations.

The management and exploitation of joint oil fields shall be according to the agreement between the concerned parties (Blondeel & Bradshaw, 2022), as follows:

1- Direct joint management (direct exploitation): An agreement is concluded between the directly concerned parties, through which each party undertakes its obligations. Most of the time it is carried out by the specialized companies in the concerned countries, where agreement is reached on all the details related to the operations of research, exploration, extraction, production, development, transportation and export of oil from the joint field. Production and exploitation of the joint oil fields can also be managed through the formation of committees to follow up and monitor what has been agreed upon. and implementation by the concerned parties (Judeh & Hamdan, 2022).
2- Indirect joint management: All concerned parties agree to entrust the tasks of managing the production and exploitation of joint oil fields to a specialized oil company, whereby the concerned countries get an equal amount of oil produced or the value of this share, and it is worth noting that there are many Western oil companies A specialized company that has sufficient experience and possesses modern technological means, such as the Chevron company under study.
3- Delegating management and exploitation to one of the countries: This is by authorizing one of the countries and entrusting it with all operations related to managing the production and exploitation of shared oil fields, provided that the rest of the parties obtain a share or percentage of the production (a share of the oil) or an amount of the value of the oil sold. It should be noted Here, this method is rare (Le Roy et al., 2021).

The governing principles for resolving disputes in the common oil fields
(Orazgaliyev & Araral, 2019)

The concept of international conflict

Definition of international conflict: It is the dispute that arises between two countries over a legal issue, or a specific incident, or because of a conflict in their economic, political, or military interests, also known as International conflict is defined as: “a situation arising from a collision of viewpoints between two or more countries or a conflict of interests between them on a subject or issue, and these matters appeared at first glance to be contradictory between them, but in the case of rapprochement between the two parties, this dispute can be addressed and resolved peacefully through amicable and diplomatic means.

In the Mavromets case, it is defined as "a disagreement between two states over a legal issue or a specific incident, or due to a conflict of their legal views or interests.

Principles for resolving disputes related to shared oil fields:

1- The principle of balance of interests: It is intended to take into account the interests of both countries in a manner that achieves their interests in a fair and equal manner, such as agreeing on equal shares of the production of the joint field, and bearing the expenses of developing the field according to the share of each party(Degiannakis et al., 2018).

2- The principle of not harming others, as it is not permissible to cause harm to the other party in the joint oil field, whether this damage is serious or minor, and forms of this damage include extracting quantities that exceed the decided and agreed quota, or extracting quantities without the knowledge of the other party, or using techniques harm oil production.

3- The principle of joint ownership of the oil field, which means the agreement of the joint parties to manage and exploit the joint oil fields by following the method of direct or indirect joint management, or by delegating the management and exploitation to one of the countries, and we have previously explained that above(Dirani & Ponomarenko, 2021).

Resolving disputes by diplomatic and political means

There are many classifications of jurisprudential schools for the means of settling international disputes according to the approved standard for classification, since the instillation of the rules of modern peaceful coexistence, which prohibits resorting to war and all aspects of power to resolve disputes, a general trend has been observed towards the development of pre-procedures for resolving future disputes by peaceful means (Verdinand, 2019)

Article 1 of the first Hague Convention signed on 10/18/1907 CE stipulates that: "...the contracting states agree to exert all their efforts to ensure the amicable settlement of international disputes", the text of the Covenant of the League of Nations (Article 12), and the Charter of Nations The Charter of the United Nations (Article 33) and the Charter of the League of Arab States (Article 5, 2 / c) on resolving disputes by peaceful means. As for the Charter of the Organization of American States (Bogota Pact, Articles 24 and 25), it also stipulated that international disputes between member states must be resolved by means. What is meant by the principle of peaceful settlement of disputes is the resort of sovereign states to resolve their international disputes by peaceful means in accordance with the principle of freedom of choice between means and the principle of justice and international law, and the international community has stressed the obligation of states to settle their disputes by peaceful means in accordance with Chapter Six of the Charter including, when appropriate, resorting to the International Court of Justice (Document No. 60/1/A/RES/2005, p. 28) and Article 2, Paragraph 3, of the Charter of the United Nations stipulates that: "All members of the Commission shall settle their international disputes by peaceful means." , on the face of It does not endanger international peace, security, and justice".

First: Negotiations

Diplomatic negotiations are considered one of the oldest and most widespread means of settling international disputes (Nguyen, 2006). Negotiations usually involve confrontation between the conflicting parties with the aim of reconciling conflicting opinions through a common appreciation of the concerns expressed by the other side. Negotiations also offer many advantages to the parties, which makes them the basic method for settling disputes. Negotiations also help to mutually clarify the points of disagreement that exist between the conflicting parties, in addition to shedding light on the various possible solutions to settle the dispute. Perhaps this is what was stipulated in Article 283 of the United Nations Convention on the Law of the Sea, and among the conditions for conducting negotiations effective, not presenting any preliminary conditions by the parties to the conflict, many delegates of the countries in the International Law Commission of the United Nations stressed that not setting preconditions helps in the successful resolution of the issues in dispute, and many jurists believe that presenting the conditions can explain Lack of sincere enough desire to resolve the conflict or lack of trust between the two parties.

Second: Good Offices

The Hague Convention relating to the Peaceful Settlement of International Disputes of 1899 and 1907 CE stipulated that the parties to the conflict must resort to good offices and mediation offered by one or more friendly countries. Good offices are volunteering in a reform mission aimed at bringing the points of view of the conflicting parties closer, in order to find a common ground that enables them to initiate negotiations or resume them in order to reach a settlement of the outstanding issue between them. Some Arab countries regarding the Iraqi-Kuwaiti dispute regarding the issue of joint oil fields in 1990 AD. The good offices were embodied in the role played by the American president in 1906 AD in ending the Russo-Japanese war, or the role played by France in launching the negotiations between the United States of America and North Vietnam in Paris (Pillar, 2014).

Third: Mediation

It is a friendly endeavor undertaken by a state, a group of countries, an agency of an international organization, or even an individual with a high position in his quest to find a solution to the existing dispute between the two states, such as the role that Pope John Paul II played in the Beagle Canal dispute between Chile and Argentina. The Pope has always been welcomed as a prominent and successful figure for conducting mediation to settle disputes, also the role of France in mediating in the Paris peace negotiations to end the Vietnam War 1963-1973 AD by "Anouk Lauder", also used mediation to prevent the aggravation of the dispute over the oil fields And thus prevent the outbreak of a conflict between the parties, such as the Algerian mediation between Iraq and Iran, which resulted in the signing of the Algiers Agreement, as well as the American mediation between Saudi Arabia and Kuwait regarding the current dispute (2009-2019 AD) over the joint oil fields (Al-Khafji party and the Wafra field). And the mediating state is not satisfied. In the presence of the parties, it proposes the rules of negotiation and mediates directly in the negotiations in the full sense of the word, and strives to make the countries concerned make mutual concessions.

Fourth: Investigation

It is the method that shows the facts in one of the disputed incidents between the two conflicting states, because clarifying the facts in a dispute and revealing its truth facilitates reaching an appropriate solution (*), and the provisions related to the investigation were put in place for the first time at the Hague Peace Conference of 1899 -1907 A.D. Article 12, paragraph No. 1 of the Covenant of the League stipulated the investigation, and Article 33 of the Charter of the United Nations stipulated the investigation as a peaceful means of resolving international disputes.

As for the investigation procedures, they are divided into two main stages: the stage of receiving written notes, and the oral stage, and the committee may take other measures to supplement its information (such as inspection, for example, or visiting a place), and the issue of procedures is resolved before the committee according to one of the following solutions:

1- Either by referral to a pre-prepared model (such as the Hague Convention of 1907 AD).
2- Or by referral to the same committee.
3- Or by preparing rules by the parties to the conflict themselves - if the committee was formed by states - or the concerned international organization.

The function of the investigation committee is two things: establishing the facts and submitting the report.

Fifth: Conciliation (reconciliation)

The conciliation process relies on a third party investigating a dispute and presenting it that could form the basis for settling the dispute. Conciliation or conciliation appears in international law by several names, such as conciliation and arbitration treaties, conciliation treaties and judicial settlement, and the reason is that it is done by committees.

Conciliation, and these committees are not limited to investigating legal issues, but rather seek to raise all issues that would find a solution to the dispute and settle it.

Conciliation committees are characterized by the following

1- Collective, ie consisting of three, five, seven or more members.
2- Persistence, as it is established in advance according to an international treaty and not temporarily to deal with a particular dispute.
3- The power of the conciliation committees is represented in studying the dispute and submitting a report about it to the parties that includes proposals that it deems sufficient to settle the dispute. The report has no compulsory quality in order to settle disputes related to the mutual interests of countries.
4- The procedures of the conciliation committees. The procedures are taken in secret, and the report is not binding. Decisions are taken by the majority.

A number of multilateral treaties provide for conciliation as a mechanism for settling disputes, the American Treaty for the Peaceful Settlement of Disputes in 1957 AD and the 1964 Protocol regarding the Mediation, Conciliation and Arbitration Committee in the Treaty Law Charter, and includes the 1981 Treaty to establish the Organization of Eastern Caribbean States and the 1985 Vienna Convention on the protection of the ozone layer includes provisions that include conciliation as a dispute settlement mechanism.

Among the means used to resolve disputes related to shared oil fields are international agreements concluded between two or more countries, which aim to produce certain legal effects, and can be classified as follows

1- Bilateral agreements, which are agreements concluded between two disputing countries over the shared oil field Through which it aims to settle the existing differences between them in a consensual manner, in a way that achieves the interests of both parties, and it is very possible to resort to this type of agreement in resolving the current problem between Kuwait and Saudi Arabia regarding the joint oil fields in the neutral zone (the fields of Al-Khafji and Al-Wafra).
2- Contractual agreements, which are concluded between two or more countries in matters of their own. Like a bilateral agreement, they are binding only on its parties.
3- Legislative (collective) agreements, which are the general agreements that are concluded between a large group of countries whose will agrees to establish rules or abstract systems that concern all countries, as they set legal rules that bind countries, so they are called Sharia treaties.
4- The role of international and regional organizations in resolving the dispute over shared oil fields: The Charter of the United Nations is keen to present the dispute first to regional organizations or specialized agencies before presenting the dispute to the Security Council, as we find that regional organizations have an important role in resolving international disputes and disputes, especially disputes related to Shared oil fields as part of its main tasks aimed at resolving them by peaceful means to reconcile the parties, and finding appropriate solutions for all concerned parties.

Conclusion

The principle of resolving international disputes by peaceful means (particularly disputes over shared oil fields) is one of the main principles in the field of international law and international relations. Hence, prior and preventive measures to resolve international disputes over shared oil fields are represented in resorting to peaceful and legal means. Therefore, priority must be given to negotiation, mediation, conciliation, and investigation, and the international arbitration clause may also be included when concluding international treaties and agreements, especially in the case of disputes that have political and economic dimensions, and that threaten international peace and security. Among the current international practices, to resolve internal conflicts through mediation and negotiation between the ruling and opposition regimes, are the efforts made by the African Union in Libya and the United Nations in Syria, although they did not show any positive results, due to the achievement of international peace and security. Depends on the extent of the international community's commitment to international legitimacy.

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