

# **Geographical Distribution of Iraqi Oil Fields And Its Relation with the New Constitution**

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*The following article was first published by Revenue Watch Institute in May 2006. IOF reproduces it here with the author's permission due to its relevance to Iraq's provincial elections and their implications for Iraq's oil and gas sector. **Kamil al Mehaidi** is a petroleum specialist with over 30 years experience in the Iraqi oil industry, currently working as a private oil consultant in Baghdad.*

## **Background and Objective:**

The heavy centralization by which the Iraqi oil sector used to be run meant that it was not necessary to accurately determine the geographic locations of oil and gas fields in relation to the provinces' administrative borders. However, now that the new Constitution has been ratified, it has become necessary to determine these locations due to their relevance to exploration and production operations management. The new Constitution has indeed transferred managerial responsibility for new oil operations to the regions and provinces, as well as allowing the latter to take part in the production operations management of current fields.

It has thus become necessary to accurately determine the geographical distribution of hydrocarbon wealth. This paper is a contribution in that regard. It aims to illustrate the geographic distribution of Iraqi oil and gas fields according to provinces, and to show how this would reflect on these fields' management following the new Constitution.

The articles of the new Constitution which address this topic stipulate that oil and gas are the property of the Iraqi people in all regions and provinces, and that the Federal Government, with the regions and the provinces, will manage present fields provided that their revenue is distributed fairly and proportionately with the country's population distribution. Moreover, these articles indicate that the new fields will be under the jurisdiction of the regions and provinces, and that all parties take part in drawing the strategic policies necessary for the development of oil and gas wealth so as to achieve maximum benefit to the Iraqi people. This should be done according to the most advanced market principles and investment promotion criteria.

It is noticed, in this Constitution, that the oil industry has shifted from one situation to its opposite, from strong central management, with weak regional offices, to decentralized management with strong regional offices and a weak center. This will be the case especially in the long run, when production from current fields plunges and production from new fields rises.

Given that the new Constitution has given legal rights to the producing regions and provinces to participate in the management of current fields and have complete oversight of the new fields, it has become necessary to demarcate the geographic borders of the fields and provinces in order to determine the fields' right of possession, especially those that straddle the border. Based on this study it is noticed

that there are border fields and others that are extending into other provinces and whose belonging needs to be established. Moreover, negotiations must be set in motion in order to determine how to manage these fields so that they would benefit the parties concerned and the country in general. In point of fact, the new situation may be akin to fields straddling different countries, unless there is a third party that is able to settle the issue in case of conflict.

Furthermore, it is important to define the meaning of “current fields”, which are stated in the Constitution, and to determine if they entail fields that are only currently producing or if their meaning also extends to other fields. It is also required to establish whether the currently producing fields include the partially developed fields or not.

Given that there is no map that combines the provinces’ administrative borders with the fields discovered until now; they have been combined manually from two maps with different scales. Thus the consolidated map contains a probable error due to human factor on one hand and on the other the difficulty in determining the fields’ size, due to their small dimensions and because many of them have not yet been fully delineated. Hence, the conclusions related to the boundaries of the fields shared by provinces may contain some errors. Overall, however, they reflect the new situation upon the enactment of the new Constitution.

### **Current Situation:**

The current situation of oil extraction in Iraq may be summarized as follows:

1. The capacity or production potential of the currently producing fields is equal to about 2.5 million barrels per day, broken down by province as per Table 1. It is seen from that Table that most of this production comes from Basra province, followed by Kirkuk province. However, actual production is about 2 million barrels per day. This is due to sabotage acts, which affected production and exports from the northern region, and also due to the uncomfortable position at the two main fields, Kirkuk and Rumaila. Both fields were and are still suffering from technical difficulties that stem for the most part from reservoir mismanagement in the past two decades. As a result, it became impractical to maintain production rates from them at the level they were before the last war.

It has become necessary to reexamine and assess these two fields in order to modify incompetent reservoir management and to reach a reasonable production policy that will be unaffected by pressures stemming from the country’s financial demands, as is now the case and as it was in the past two decades. For that reason, the Oil Ministry appointed Shell Oil Co. to study the Kirkuk field, and British Petroleum (B.P.) to examine Rumaila field. It is hoped that these two studies will soon be completed. This will make it possible to draft a sound production policy that will take into account the extraction efficiency from these fields.

As far as management, the current fields used to be run by the Oil Ministry on the basis of a strict centralized system that interfered with all technical and managerial details. Although that system consolidated the Iraqi oil industry, it burdened it with red tape, bogged it down and led to sluggish performance. Consequently, it failed in

terms of development and growth, and lagged behind similar industries in neighboring countries. Yet, this does not mean that the new Constitution, in its present form, will usher better results than was the case earlier. The reason is that the Constitution's articles that pertain to hydrocarbon wealth include enough overlap and ambiguity to hinder the creation of a desired oil industry. These articles are shown in Appendix No.1.

2. The fields that were discovered but are still undeveloped represent the backbone of the future oil industry in the short and medium term. If these fields are sufficiently developed in the next five years, they will add new production of about 3.5 to 4 million barrels per day. If the remaining production from the current producing fields is added, Iraq's production capacity will approximately reach 5.5 to 6 million barrels a day. In case the provinces develop all their capacities, the production map will be as shown in Tables 1 and 2, and total production from these fields will reach 5.4 million barrels daily, plus what remains of current production.

According to the new Constitution, if the fields are not deemed current, managing them will be the responsibility of the producing regions and provinces. This does not apply to the drafting of the necessary strategy for developing hydrocarbon wealth in order to achieve maximum benefits for the Iraqi people. That drafting will be the joint responsibility of headquarters and the regional offices.

### **Distribution of Oil Wealth According to Provinces:**

The currently producing fields (Table No. 1) are concentrated in the provinces of Basra and Kirkuk. There is little production from the other fields located in the provinces of Mesan, Baghdad, Salaheddin, Diala and Mosul. There are also several discovered and undeveloped fields that are scattered throughout most of the country's provinces, except for four where neither oil nor gas have so far been discovered. These four provinces are Diwaniya, Babel, Anbar and Dahouk (Table No. 2).

As is shown in Table 3, Basra owns the greatest oil wealth in the country. It has a total of 15 fields, 10 of which are producing while 5 are awaiting development and production. The rock beds of those fields contain oil reserves of some 65 billion barrels, which represent 59% of total Iraqi oil reserves.

Furthermore, there are 11 fields in Mesan, of which 3 are productive and 8 unproductive, comprising some 8.5 billion barrels of oil reserves. If we add the reserves of Nasiriya fields, which are about 5 billion barrels, the existing reserves in these three provinces, Basra, Mesan and Nasiriya, will be about 79.4 billion barrels, representing 71% of all Iraqi reserves.

Kirkuk province has 6 fields, consisting of 4 that are productive, and 2 that are unproductive and awaiting development. Existing oil reserves in that province are estimated at about 13.5 billion barrels, including 12.3 billion barrels in the current fields, and the remaining in new undeveloped fields. This means that oil reserves in Kirkuk represent about 12% of total reserves, broken down at 7.5% in the Kirkuk field and 4.5% in the other province's fields. It should be pointed out that production at the Kirkuk field started in 1934 and its accumulated production until now has

attained 62% of the original reserves existing in the field. That means that this super giant field is at the final stages of its life and that its current daily production capacity, amounting to about 470,000 barrels daily, will plunge to about half of that ten years from now, and to less than 100,000 barrels a day twenty five years from now.

It is worth pointing out that the region of Kurdistan, in its current borders, possesses 5 oil fields, including the Khurmala dome, which is the northern extension of Kirkuk field. These fields contain about 3.1 billion barrels, with daily production capacity estimated at 375,000 barrels a day. That means that Kurdistan's currently known oil reserves represent about 3% of the total. Additionally, the Sulaimaniya province possesses two large gas fields, Chemchemal and Kormor.

It should be mentioned that exploration operations are still under way in Iraq. When they are completed the provinces' oil and gas wealth distribution map may radically change. However, the position of Basra will most likely remain at the forefront. In addition, there are studies that indicate that the provinces in which oil has not been discovered until now have solid oil and gas prospects, especially in the case of the two provinces of Anbar and Mosul.

### **Joint Fields:**

It can be seen in the enclosed map that there are several joint fields among provinces and that some of them are so close to the borders that they could be considered joint too. Among the most important fields are the following:

#### **1. Kirkuk Field**

This super giant field comprises three domes that extend from the southeast to the northwest by about 100 km. The two main domes (Baba and Avana) are located in Kirkuk, while the third one (Khurmala) is located within Erbil and currently produces an average of 30,000 barrels daily.

Following this geographic distribution, Erbil will also take part in managing this field. This requires a pre-agreement among the parties concerned regarding their roles in the management process.

#### **2. East Baghdad Field**

This field lies in the two provinces of Baghdad and Salaheddin, and probably extends southward within the province of Wasit. Hence, it should be jointly managed by the provinces of both Baghdad and Salaheddin, and perhaps that of Wasit too.

#### **3. Kifl Field**

This field consists of two domes, the eastern one lying within the province of Najaf, and the western one seemingly astride Najaf and Karbala. This requires a joint management agreement by both provinces.

#### **4. Ajl Field**

The Ajil field (formerly Saddam) is situated in the province of Salaheddin. Given that it is a boundary field with Kirkuk, the border between the two provinces ought to be accurately determined in order to make sure that the field is not astride the two. There are other similar fields, such as the Rafidain in Nasiriya and the fields of Anjana, Gelabat and Chemchemical which may extend into the neighboring provinces.

#### **5. Fields Not Yet Discovered:**

Geological studies have shown that Iraq has about 530 geological structures with good oil prospects. Only about one-fourth of these have been drilled until now, and the remaining ones are still pending. It is thus expected that many other joint fields, straddling provinces, will be discovered.

The difference between joint fields and those that are not, technically speaking, is that production in the latter can be unified and balanced, according to the demands of sound reservoir management, while managing joint fields requires a unitization agreement. If there is no such agreement, the extraction's efficiency will be jeopardized and would ultimately lead to the extraction of smaller oil volume from the field than would be the case if management was sound and unified.

In addition to the production operations management, there is the exploration operations management as well as the management of transit infrastructure which cross all of Iraq's provinces. These activities cannot be managed separately and efficiently at the same time.

It is possible to apply Article 110 (III) with respect to this, as it stipulates that federal authorities must organize trade policy across the regions' and provinces' borders.

There is then a lot to think about and plan for, with regard to managing oil and gas wealth, in order to put the new Constitution within the proper framework.

#### **Current Fields:**

What are the "current" fields provided for in Article 112 (I) of the Constitution? Are they the currently developed and producing fields or are they all fields that have been discovered until now? If they are solely the developed fields, what about those fields that are partially developed? It is clear from these questions that, in addition to the need to identify joint fields, there is also a need to explain the meaning of "current fields" and separate them from "new fields". The Constitution stipulates that the Federal Government must jointly manage the oil and gas produced from current fields with the governments of the producing regions and provinces. Are the undeveloped fields considered present fields or not? If they are included in the current fields, that constitutes no problem. However, if they are not among the current fields, there is room for debate regarding some of the giant fields that have been partially developed. Among these fields are the following:

#### **Majnoun Field**

This super giant field is located in the province of Basra. Recently temporary installations were erected for the initial production of 100,000 barrels daily, compared with a total daily capacity of 600,000 barrels if it were fully developed. On that basis, some may argue that this field belongs to current fields because its production has started, even if at modest rates. Others may say that the field is new because its production is considered a preliminary production for evaluative purposes, preceding actual production.

### **Nahr Omar Field**

This field lies also in the province of Basra. Its production began a long time ago from the layer called Nahr Omar's formation, with modest rates of about 1,000 barrels a day. However, the main reservoirs of that field, which are those of Yamama, Zubair and Mishrif, are still undeveloped. Once developed, a production capacity of 400-500 thousand barrels per day could be obtained.

Once more, it is seen that this field could be classified as a current field because it has been producing for a long period of time; and yet because its main reservoirs are still undeveloped, it may also be argued that it is a new field.

### **East Baghdad Field**

As aforementioned, this field lies in the provinces of Baghdad and Salaheddin, and may extend southward to the province of Wasit. Initial production has averaged 20,000 barrels per day from its Baghdad section compared with a potential production of about 120,000 barrels a daily.

There is no production from the fields' extension in Salaheddin. Does that extension qualify as an independent field belonging solely to the Salaheddin province or is it part of East Baghdad's only field, which is jointly managed with the Federal Government?

### **West Qurna Field**

This field comprises the northern extension of the North Rumaila field. It is currently partially producing at about 300,000 barrels a day compared with 800,000 barrels a day when development is completed. Thus there are those who may argue that this field belongs to the current fields, while others would argue that it belongs to the new fields.

It is clear therefore, assuming that the current fields comprise the producing fields only, that determining the ratio of current field reserves to new field reserves depends on the classification of the fields that may be subject to debate in this regard.

If the fields of Majnoun, Nahr Omar, West Qurna and East Baghdad are considered to be current fields, as is shown in Tables 1 and 2, the current fields' reserves would represent 78% of the country's overall reserves, versus 22% for the new fields.

If however, these fields are considered among the new fields, the current fields' reserves would represent 36% of total reserves, versus 64% for the new fields.

This conclusion entails that 78% of the known oil reserves will be included in the distribution for all Iraqis, pursuant to Article 112 (I), versus 22% that will remain in the hands of the producing provinces, if we consider that the four huge fields (Majnoun, Nahr Omar, West Qurna and East Baghdad) are current fields. However, if we consider them as new fields, the proportion that would be distributed to all Iraqi people will drop to 36%, versus 64% for the producing provinces. This enormous difference between the two scenarios may stir new conflicts between the producing provinces and the remaining regions and provinces.

The Table below illustrates the above conclusions:

	Oil Reserves Million of Barrels	Percentage of Total %	Accumulated Percentage %
(1) Producing Fields	40,250	36.1	36.1
(2) Partially Producing Fields	46,380	41.7	77.8
(3) Non-Producing Fields	24,680	22.2	100.0
	111,310	100.0	

It can thus be seen that what will be distributed to all parties depends on the group of partially producing fields, which are West Qurna, Majnoun, Nahr Omar and East Baghdad fields and whether these fields will be considered current or non-current fields.

The optimal solution is to consider all fields discovered until now as current fields, provided that an additional share of the revenue is allocated to the producing provinces so they do not feel aggrieved.

### **Exploration and Production Operations Management:**

The enactment of the new Constitution will not be easy given constitutional complexities. A number of oil experts have provided opinions and recommendations in order to iron out the difficulties and facilitate oil sector management.

Among the most important suggestions provided until now are the following:

1. In October 2005, a number of Iraqi oil experts submitted an open letter addressed to the President of the current National Assembly and the future president of Parliament. In that letter, which was published in a number of newspapers, it was urged not to split the oil sector among the provinces and center as set forth in the new Constitution. They instead recommended enacting new legislation for the oil industry which will be jointly drafted by experts and those specialized in the oil industry, and which will take advantage of oil laws that are in force in other countries. In addition, they recommended that this legislation should take into consideration sound management

principles, such as clear goals and responsibilities, and should not lead to overlapping functions and responsibilities. They also suggested that the central government should draw up oil policies, draft plans, recommend legislation and monitor their enforcement, as well as ratify strategic treaties and agreements, while the regional offices will be in charge of operations management and the execution of oil projects, and the two should not overlap.

2. On November 25, 2005, the Iraqi Center for Development and International Dialogue organized a colloquium in Amman which was attended by many economic and oil experts from within Iraq and abroad. The colloquium concluded with recommendations that confirmed the importance of revising some articles of the Constitution and issuing a law that will govern the hydrocarbon industry and will entrust the Federal Government with the responsibility of developing the discovered and producing fields. It calls for the establishment of a national oil holding company whose board of directors will include delegates from the regions and provinces, and which will be in charge of exploration and development operations throughout Iraq. The Oil Ministry will be responsible for drafting policies, negotiating with foreign countries, entering into agreements with international corporations and overall supervision.

Policy-drafting at the Oil Ministry will be undertaken by a consultative council that will represent the regions and the provinces.

The difference between the two alternatives is that the first one divides the functions and responsibilities for managing the oil and gas sector between the Federal Government on one hand and on the other the producing regions and provinces under the supervision of the federal government.

The second alternative calls for establishing a national oil holding company that will oversee the management of the country's overall oil sector, assisted in this regard by regional companies from the regions and the provinces. The Oil Ministry will have the power to draw up policies and assume overall supervision as well as other strategic issues.

### **Financial Returns:**

Article 112 (I) of the Constitution provides for the Federal Government to jointly manage the oil and gas extracted from the current fields with the governments of the producing regions and provinces, provided that their revenue is fairly and proportionately distributed according to population distribution throughout the country.

It is clear that joint technical management has been limited to current fields, and it would be better if it includes all fields, whether current or not, including prospective fields. This is in order to ensure the fields' sound management, prevent efforts' dispersion and take optimal advantage of the few technical cadres that are still available in the country. Revenue distribution, on the other hand, is a political topic that can be agreed upon independently of technical considerations.

Moreover, the obvious meaning of this Article provides for revenue to be distributed fairly according to population distribution throughout the country with regard to current fields only, while revenue from the other fields will remain with the regions and provinces. This is inconsistent with the spirit of Article 111 which stipulates that oil and gas are owned by all Iraqi people. It is also clear that in the short term the new Constitution will favour the non-producing and small-producing provinces and regions, because they benefit from the subsidies of producing provinces such as Basra, Kirkuk and Mesan. For the long term, when production from current fields drops, these same non-producing or small-producing provinces will be impoverished because they will lose the subsidies from the wealthy provinces.

In order to compensate the producing provinces for supporting the weak provinces, for past practices and for environmental pollution caused by the oil industry, it is recommended that the Constitution allocate an additional share for these provinces in order for them not to feel aggrieved.

### **Conclusions and Recommendations:**

- Currently known Iraqi oil reserves are estimated at about 111.3 billion barrels, broken down, percentage-wise, among the country's provinces from a minimum of 0% for the provinces of Dahook, Anbar, Babel and Dewaniya, and a maximum of about 59% for the province of Basra. Between these two extremes we have about 12% for Kirkuk, 7.6% for Maysan and 4.5% of the total in Nasiriya. The Kurdistan region, with its current borders, has about 3% of total Iraqi reserves.
- There are several joint fields astride the provinces. Management for these fields ought to be unified in order to avoid impairing them and to ensure their sound production according to proper oil practices and efficient reservoir management. Otherwise, these fields may cause problems and stir up conflicts among the parties concerned.
- Current fields may be divided into developed fields, partially developed fields and others that are not developed or that are new. It is necessary to define "current fields", whose revenue the Constitution stipulates must be distributed to all parties, and separate them from the other fields which are not included in that distribution. It should be known, though, that what is to be distributed to all parties ranges between 78% and 36% of Iraq's overall reserves, depending on whether the partially producing fields now will be considered among the current fields or not. In case all of the discovered fields up to now are considered current fields, then all the proceeds from these fields will be included in the distribution to all parties, in conformity with the Constitution.
- Oil industry technical management is different from revenue distribution financial management. The first one is technical, while the second one is political. It is recommended to deal with technical management pursuant to a special law that will be jointly drafted by expert and experienced parties, following an oil law that will be drafted and passed as soon as possible.
- The ultimate authority for current fields' management is different from that of the new fields' management. Given that oil and gas are the property of all Iraqis, it is recommended to consolidate those managements in order to prevent complications and conflict.

- The oil and gas wealth development principle that should lead to maximum benefits to the people through the application of market-based principles entails that oil reservoirs must be run with superior efficiency. This requires managerial clarity and preventing overlap in the distribution of functions and responsibilities among the parties concerned.
- The principle which entails that oil and gas are the property of all Iraqis mandates that the Federal Government must have the powers to oversee all of the oil industry in all regions, given that it is the sole authority that represents all Iraqi people. This will be implemented either through the Oil Ministry or through the establishment of a national oil company with branches in the regions and provinces, according to need.
- Article 111 of the Constitution will govern the subsequent articles, and its enactment should invalidate laws and rules that are inconsistent with its provisions.
- For the above reasons, and on the basis that if oil is positively used it may become one of the most important factors for unifying the Iraqi people, it is necessary to give the Federal Government, as the sole authority representing all Iraqi people, the main role in managing that wealth. This can be done if some amendments are introduced to those articles of the Constitution that relate to the exploration and exploitation of oil and gas. The following amendments represent an attempt in that direction:

### **Article 111**

Oil and gas shall be the property of all Iraqi people in all regions and provinces. The Federal Government shall oversee this wealth and distribute its revenue given that it represents all Iraqi people.

### **Article 112**

Section I. The Federal Government shall oversee all phases of oil and gas production and shall jointly manage exploration and production operations for all fields with the governments of the producing regions and provinces, provided that duties and functions are clearly allocated without overlap or duplicate tasks. This shall be regulated by a separate Law.

Section II. All oil and gas revenue from all Iraqi fields shall be distributed fairly according to population distribution throughout the country, as well as defining an extra share, not exceeding ( %) of their production returns, to producing regions and provinces, while taking into consideration balanced development in the country's various regions.

Section III. The Federal Government shall coordinate with the governments of the regions and provinces in the drafting of the strategic policies that are needed to develop oil and gas wealth in order to achieve maximum benefits for the Iraqi people, based on the most modern applications, techniques, market principles and investment promotion criteria.

**Table No. 1:**  
**Oil Reserves and Production from the Developed Current Fields**  
**According to Provinces**

Province	Number of Fields	Oil Reserves Million of Barrels (1)	Available Production One Thousand Barrels Per Day (2)	Additional Production One Thousand Barrels Per Day (3)	Remarks
Basra	10	61,360	1,800	1,700	Includes the fields of Nahr Omar, Majnoon and West Qurna
Amara	3	2,650	40	100	Abu Ghrab, Buzurgan and Fakkah
Nasiriya	--	--	--	--	--
Samawa	--	--	--	--	--
Diwaniya	--	--	--	--	--
Hilla	--	--	--	--	--
Najaf	--	--	--	--	--
Karbala	--	--	--	--	--
Wasit	--	--	--	--	--
Anbar	--	--	--	--	--
Baghdad	1	6,500	20	80	East Baghdad field, excluding the joint part with Salaheddin
Salaheddin	1	500	25	20	Ajil field, which shares a border with Kirkuk
Diala	1	30	10	10	Naft khana field
Kirkuk	4	12,350	570	155	Kirkuk, (excluding Khurmala Dome), Jambour, Bai Hasan, Khabbaz
Sulaimaniya	--	--	--	--	2 gas fields
Erbil	1	2,200	30	70	Khurmala Dome
Dahook	--	--	--	--	--
Mosul	3	1,040	30	115	Kabbara, Ain Zala and Sufaya
<b>Total</b>	<b>24</b>	<b>86,630</b>	<b>2,520</b>	<b>2,640</b>	

**Remarks:**

- (1) Oil reserves existing in the currently producing fields
- (2) Production capacity available from the currently producing fields
- (3) Production capacity which will be available after completing the development of the currently producing fields

**Table No.2:**  
**Oil Reserves and Production from the Undeveloped Discovered Fields**  
**According to Provinces**

<b>Province</b>	<b>Number of Fields</b>	<b>Oil Reserves Million of Barrels (1)</b>	<b>Expected Production From New Fields One Thousand Barrels Per Day (2)</b>	<b>Remarks</b>
Basra	5	4,450	855	Ratawi, Rachi, Nahr Omar, Jaysan, Toba, Seeba
Amara	8	5,825	430	Halfaya, Huwayza, Nour, Kumait, Rafidayn, Refa'e, Dejaila
Nasiriya	3	5,070	490	Nasiriya, Ghraf, West Rafidayn
Samawa	1	20	5	Abu Khayma field
Diwaniya	--	--	--	--
Najaf	1	200	20	East Kefil field, which is a joint field with Karbala
Karbala	2	340	30	Marjan and West Kefil fields
Babel	--	--	--	--
Wasit	3	1,350	150	Ahdab, Dhafriya and Badra fields
Anbar	--	-	--	--
Baghdad	--	--	--	--
Salaheddin	4	2,225	125	North (east Baghdad) field and the fields of Balad, Tikrit and Pulkhana
Diala	7	620	115	Khasham al-Ahmar, Injana, Nawdoman, Chiasurkh, Qamar, Naft Khana and Jeria Peka + 3 gas fields
Kirkuk	2	1,125	85	Hemrin and Jedayda
Sulaimaniya	--	--	--	2 gas fields, which are Chemchemal and Kormor
Erbil	4	960	275	Qara Choq, Makhmour, Taq taq and Damirdagh
Dahouk	--	--	--	--
Mosul	7	2,470	190	Najma, Jawan, Qasab, Alan, Sarjoun, Ibrahim and Butma
Total Undeveloped Fields	47	24,680	2,770	
<b>Grand Total</b>	<b>71</b>	<b>111,310</b>	<b>5,410</b>	

**Remarks:**

(1) Oil reserves existing in the undeveloped discovered fields that have not been developed until now.

(2) Expected production from these fields once they are developed.

**Table No. 3:**  
**Total Oil Reserves Currently Known**  
**According to Provinces**

<b>Province</b>	<b>Number of Fields</b>	<b>Total Oil Reserves Million of Barrels</b>	<b>Percentage of Total %</b>	<b>Remarks</b>
Basra	15	65,810	59.1	
Amara	11	8,500	7.6	
Nasiriya	3	5,070	4.5	
Samawa	1	20	--	
Diwaniya	--	--	--	
Najaf	1	200	0.2	
Karbala	2	340	0.3	
Babel	--	--	--	
Wasit	3	1,350	1.2	
Anbar	--	--	--	
Baghdad	1	6,500	5.8	
Salaheddin	5	2,725	2.5	
Diala	8	650	0.6	Plus 3 gas fields, which are Tall Ghazal, Mansouriya, and Jaria Peka
Kirkuk	6	13,475	12.1	
Sulaimaniya	--	--	--	2 gas fields which are Chemchemical and Kormor
Erbil	5	3,160	2.9	
Dahouk	--	--	--	
Mosul	10	3,510	3.2	
<b>Total</b>	<b>71</b>	<b>111,310</b>	<b>100.0</b>	

**Appendix No. 1:  
Articles of the Iraqi New Constitution  
Related to Oil and Gas**

**Article 111**

Oil and gas shall be the property of all Iraqi people in all regions and provinces.

**Article 112**

Section I. The Federal Government shall jointly manage oil and gas extracted from current fields with the governments of the producing regions and provinces, provided that the proceeds from these shall be allocated fairly and proportionately with the population distribution throughout the country. Furthermore, for a specific period only, the share of the aggrieved regions which have been unjustly neglected during the previous regime and which have sustained losses later on shall be determined insofar as this shall ensure balanced development for the various Iraqi regions. This shall be regulated by law.

Section II. The Federal Government, along with the governments of the producing regions and provinces, shall draft the necessary strategic policies for developing oil and gas wealth in order to achieve maximum benefits for the Iraqi people, based on the most modern market principles and investment promotion criteria.

**Article 115**

Anything that is not the exclusive jurisdiction of the Federal authorities shall be the competence of the regions and provinces that are not organized into a region; moreover, laws of regions and provinces that are not organized into a region shall govern the other powers shared by the Federal Government and the region in case of conflict between the two.

**Remark:**

The numbers of the above Articles have been modified pursuant to the Constitution that was published in the Iraqi Facts newspaper, No. 4012, dated 12/28/2005.

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