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## IN SECRET AGREEMENT, SHELL NETS 25-YEAR MONOPOLY ON S. IRAQ'S GAS

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**Source:** [Rawstory.com](http://Rawstory.com)

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Royal Dutch Shell oil company and the Iraqi Oil Ministry have struck a secret, as-of-yet non-binding agreement that gives a monopoly over southern Iraq's natural gas to the energy giant. It marks the first time in over 35 years a Western oil company has played a major role in the country's most lucrative industry.

Signed Sept. 22 and obtained by United Press International, the "Heads of Agreement" document -- basically a legal framework for a contract -- delegates Shell sole access to the reserves for the next 25 years, with an option to extend that term.

Shell says the arrangement gives it exclusive rights to all natural gas runoff produced by oil exploration operations in the southern portion of the country. However, like so many other major industrial contracts coming out of Iraq, the process used to reach an agreement is being questioned.

"There hasn't been much transparency in this agreement," said Ali Hussain Balou, chairman of Iraq's Oil and Gas Committee, in a report by Reuters. "They did not give a chance to another company. We want to know why."

"It is only a partnership," Iraqi Oil Ministry spokesman Assem Jihad told UPI. "There will not be a monopoly of the gas."

The agreement does not allow Iraqi's the first rights to the natural gas reserves. Under its terms, state-run companies would capture "non-associated gas" discovered during oil exploration, which would then be sold exclusively to Shell for export.

In Sept., several no-bid Iraqi oil contracts were supposedly canceled after coming under fire from US Senators. Though the deals were allegedly scuttled, the companies were invited to bid for the contracts. Almost immediately, Shell was announced to be on the cusp of becoming the first company to have major dealings in Iraq since the 1960's.

The "Heads of Agreement" document is just the next step in what AlterNet's Nick Turse says is a secretly negotiated arrangement between the Pentagon and the UK's most powerful oil company.

"The Pentagon's Shell deal came during one DoD's periodic petroleum benders - massive multi-day spending sprees where hundreds of millions or billions of taxpayer dollars are paid out to oil companies," writes Turse. "This one, on September 17th and 18th, netted Shell, Chevron, ConocoPhillips and seven other oil

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companies a grand total of over \$1.5 billion."

"These complex issues go ignored because they are viewed as so routine as not to be worth mentioning, but in any other context the confluence of guns, oil and billions of dollars would certainly raise eyebrows," he concludes.

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