

Mid-East Oil at a Glance

By a WALL STREET JOURNAL Staff Reporter

The strategic importance of the Mid-East derives largely from its vast oil riches—actual production as well as reserves. Today, the area accounts for about one-fourth of the Free World's total crude output, and some 67% of known reserves.

Production of Mid-East oil has nearly quadrupled in the past 10 years. In the first five months of 1958 production in the area averaged 4,113,000 barrels daily. About 90% of this oil is exported, with some 60% going to Western Europe, especially Britain and France; 25% to Africa and the Far East, and about 13% to the Western Hemisphere. The Mid-East supplies two-thirds of the petroleum products that fuel European factories and transportation.

Here's a country-by-country rundown on Mid-East oil production, reserves and the various companies involved in ownership:

IRAQ is the Free World's sixth-largest oil-producing nation, according to the U.S. Bureau of Mines. The U.S. is first. Crude oil production in April totaled 836,700 barrels (42 gallons each) daily, 15.5% of the Mid-East's total production. Proved reserves total some 25 billion barrels, compared to about 33 billion for the U.S.

Most of Iraq's crude moves via pipelines to the Mediterranean ports of Baniyas in Syria and Tripoli in Lebanon and thence by tanker to Western Europe. Iraq Petroleum Co., Ltd., which operates the oil concession in Iraq, is owned by U.S., British and French companies.

Ownership breaks down this way: British Petroleum Co., Ltd., 23.75%; Royal Dutch Shell Group, 23.75%; Compagnie Francaise des Petroles, 23.75%; Near East Development Corp. (which is owned jointly by Standard Oil Co. of New Jersey and Socony Mobil Oil Co.) 23.75%; and the C. S. Gulbenkian Estate, 59%.

For the first five months of 1958, Jersey Standard's share of Iraq's crude production was 76,472 barrels daily, or about 3% to 4% of Jersey Standard's total world-wide gross crude oil production for the period.

Like most Mid-East oil-rich nations, Iraq gets 50% of the profits from the sale of its oil. Last year the Iraq government received \$136,803,410 from this source. The country's oil production was lower last year than in 1956 because of damage to pumping stations along the pipelines. Much production of Mid-East oil was disrupted in 1957, of course, due to Egypt's seizure of the Suez Canal, as well as damage caused to pipelines by saboteurs.

KUWAIT, an independent sheikdom alongside the Persian Gulf and Iraq, ranks third behind the U.S. and Venezuela in world petroleum production (excluding the Soviet Union). Although production began only in 1945, daily output in April was 1,397,900 barrels, 34% of the total Mid-East production. Reserves are

about 60 billion barrels, probably the world's largest. They are under concession to the Kuwait Oil Co., Ltd., jointly owned by the British Petroleum Co. and the Gulf Oil Corp.

SAUDI ARABIA, Iraq's principal southern neighbor, produced about 361 million barrels of crude oil last year, putting it in fourth position in Free World production. Daily output in April was 928,300 barrels, 26% of the Mid-East's total. Reserves total about 45 billion barrels. The concession belongs to Arabian American Oil Co., 30% of which is owned by Standard Oil Co. of California, 30% by the Texas Co., 30% by Jersey Standard and 10% by Socony Mobil.

IRAN now ranks fifth in world oil production, pumping 848,000 barrels daily in April. Reserves are about 32 billion barrels. Under the leadership of the fanatical Premier Mohammed Massadegh, Iran nationalized its oil industry in 1951.

Iran's oil is produced by a group of Western oil companies for the National Iranian Oil Co., under a 50-50 profit-sharing agreement. The companies and their shares of the half-interest are: British Petroleum, 40%; Royal Dutch, Shell Group, 14%; Compagnie Francaise de Petroles, 6%; Jersey Standard 7%; Standard Oil of California, 7%; Texas Co., 7%; Gulf Oil, 7%; Socony Mobil, 7% and Iricon Agency, Ltd., 5%. This latter concern is owned, in varying proportions, by Richfield Oil Corp., American Independent Oil Co., Standard Oil Co. (Ohio), Getty Oil, Signal Oil and Gas Co., Atlantic Refining Co., Hancock Oil Co., Tidwater Oil Co. and San Jacinto Petroleum Corp.

QATAR, a small peninsular sheikdom jutting into the Persian Gulf from Saudi Arabia, produced 187,000 barrels of crude oil daily in April, putting it in 10th place in world output. It produces 4.5% of total Mid-East oil. Reserves are about 1.8 billion barrels. Ownership of Qatar Petroleum Co., Ltd., is the same for ownership of the Iraq Petroleum Co., Ltd.

BAHREIN, an island sultanate in the Persian Gulf, produced about 40,000 barrels of petroleum daily in April, about 1% of the area's total production. Proved reserves are 200 million barrels. Oil rights are controlled by the Bahrein Petroleum Co., Ltd., which is owned jointly by Standard Oil of California and the Texas Co.

The remainder of the Mid-East's oil production comes from Israel (1,200 barrels daily in April) and the neutral zone between Saudi Arabia and Kuwait (70,000 barrels daily). The American Independent Oil Co., owned by several U.S. companies, has the concession in the Kuwait portion of the neutral zone and Getty Oil Co. has it in the Saudi Arabian section. Reserves in the whole zone are some 5 billion barrels.

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