

August 19, 1948

NOTE BY THE EXECUTIVE SECRETARY  
to the  
NATIONAL SECURITY COUNCIL  
on  
SANACC 398/4  
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At its 12th Meeting the National Security Council referred SANACC 398/4 to the NSC Staff to prepare comments and recommendations thereon for consideration by the Council. Accordingly the NSC Staff, with the advice and assistance of representatives of the Departments of State, the Army, the Navy, and the Air Force, and of the National Security Resources Board and the Central Intelligence Agency, submits the enclosed Report for consideration by the National Security Council as an alternative to SANACC 398/4.

It is recommended that, if the enclosed Report is adopted by the Council, it be submitted to the President with the recommendation that he approve the Conclusions contained therein and direct that they be implemented by all appropriate Executive Departments and Agencies of the U. S. Government under the coordination of the Secretary of State.

It is suggested that special security precautions be taken in the handling of the enclosed Report.



SIDNEY W. SOUERS  
Executive Secretary

Distribution:

The Secretary of State  
The Secretary of Defense  
The Secretary of the Army  
The Secretary of the Navy  
The Secretary of the Air Force  
The Chairman, National Security  
Resources Board

August 19, 1948

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D R A F T

REPORT BY THE NATIONAL SECURITY COUNCIL

on

DEMOLITION AND ABANDONMENT OF OIL FACILITIES  
AND FIELDS IN THE MIDDLE EAST

Reference: SANACC 398/4

THE PROBLEM

1. To determine the policy of the United States with respect to demolition and abandonment of oil facilities and fields in the Middle East.

ANALYSIS

2. Throughout this study the expression "abandonment" of oil wells should be interpreted as indicating the proper "plugging" of oil wells.

3. The Joint Chiefs of Staff have concluded that for the present the Allies cannot expect to hold Middle Eastern oil against a determined attack by the USSR and have pointed out the consequent desirability of making plans and preparations for the abandonment of oil wells and the destruction of oil facilities in the Middle East.

4. If as a result of Soviet attack the Allies evacuated the Middle East leaving oil facilities and fields intact, the enemy could utilize Middle Eastern oil for military operations. If surface installations such as refining, loading, storage and transportation facilities were destroyed, the enemy would be unable to utilize the oil, even if the wells were not plugged. However,

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if the wells were not plugged, the enemy upon being driven from the area at a later date might fire the wells. The unrestricted flow of oil and gas might deplete the oil reserves.

5. Surface oil facilities such as refining, loading, storage and transportation installations could be effectively destroyed by demolition within a few hours if the necessary personnel and material were available on the spot. Plugging of the wells would require from 30 to 60 days with the personnel and equipment that might reasonably be made available. Such abandonment requires moving a derrick over the producing well and placing therein an effective concrete block. A well abandoned in this manner could never again be used for producing oil, but would hold the oil and gas at the producing levels for later drilling development. While it would be impossible to plug the wells completely in less than 30 to 60 days, it would be advantageous to plug as many wells as possible after a decision to abandon had been made.

6. Neither destruction of surface oil facilities nor plugging of the wells can be effectively accomplished at the time of need unless adequate plans and preparations are made in advance. Such plans and preparations would necessarily include stockpiling of demolition material and plugging equipment (which are not now available in sufficient quantities in the oil area), organizing and training of crews, and definite assignment of responsibility for issuing the necessary orders to proceed to demolition and abandonment. Such plans and preparations would at relatively little cost give the United States the capability under favorable conditions of denying



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Middle Eastern oil to the enemy and of making more difficult damage or destruction of the oil resources. This capability need be exercised only as a last resort, after it is determined that there is no reasonable probability of keeping any particular field out of the possession of the enemy.

7. The desirability of regarding abandonment and demolition as a last resort operation is indicated by the following considerations:

a. Such plugging and demolition might create the impression that the United States intends to abandon the Middle East.

b. Abandonment of the Middle East at the opening of hostilities would have a serious psychological effect upon the people of the Middle East, Africa, and Asia, as well as upon those of the USSR and Europe.

c. Middle Eastern oil is highly important to the economic well-being of the western world and of the Middle East and to the capabilities of the United States and its allies for waging a major war.

d. The United States does not have the right under international law to enter the territory of a friendly power in time of peace and destroy or damage its natural resources without its consent.

8. The principal Middle East oil fields and facilities are the British-owned refinery and fields in Iran, American-owned refineries and fields in Saudi Arabia and Bahrein, joint US-UK-owned field in Kuwait and joint US-UK-French-owned fields in Iraq and

Qatar. Saudi Arabia, Iraq, and Iran are sovereign states, members of the UN. Under treaty arrangements Great Britain controls the foreign relations of Kuwait, Bahrein and Qatar. Plugging and demolition plans in all these areas except Saudi Arabia must be made in consultation with the British.

9. In the light of the above considerations it would appear desirable that the Secretary of State should exercise general control over abandonment and demolition plans and preparations and should be responsible for issuing the orders to execute such plans. The Secretary of State would of course receive assistance and advice from other agencies of the Government and could delegate such authority as he considered desirable.

10. The oil companies have personnel stationed in Saudi Arabia, Kuwait, Bahrein Island, Iraq and Iran, or can assign such personnel as is necessary, for the effective planning and implementation of the abandonment and destruction programs in these countries. These companies have expert knowledge of how the underground oil reserves may best be protected and how the destruction of the surface facilities can best be accomplished. These companies, with the assistance of the United States and UK Governments, can take the necessary steps including the accumulation of the necessary materials for the effective abandonment and destruction of facilities. It is therefore considered advisable that a few key officials of the oil companies be requested in the National interest to take the necessary measures within their organizations for the effective implementation of abandonment and destruction programs as contemplated herein, bearing in mind the security classification of this project.

11. If it becomes necessary to implement these programs affecting a primary economic resource of a friendly sovereign country, due consideration must be given to minimizing unfavorable political and economic consequences. Steps to this end might under favorable conditions include prior consultation with the government directly concerned. However, so far as concerns Saudi Arabia, it is of the greatest importance that the existence of an abandonment and demolition program be made known to King Ibn Saud or his government only in the discretion of the Secretary of State.

12. No policy recommendation about possible compensation is made in this paper, but justice would require that the United States consider compensation for damages suffered or requests for economic assistance at the time of implementation of this program.

#### CONCLUSIONS

13. Plans for abandonment and demolition of Middle Eastern oil facilities are in no way to be construed as lessening the importance of holding the Middle Eastern oil areas if such action be considered feasible and in accordance with accepted strategic concepts.

In view of the essential nature of Middle Eastern oil to the United States, abandonment and demolition plans for the Middle East oil fields shall be implemented only as a last resort.

14. The Secretary of State in cooperation with the Secretary of Defense should initiate high-level secret conversations with the British Government concerning the possibility of working out a common plan for abandonment and demolition programs in those oil-producing areas of the Middle East where the British either control



the foreign relations or have entire or partial ownership of the operating companies.

15. The interests of the United States dictate that prior to the occupation of the Saudi Arabian oil fields and facilities by an enemy:

a. The refinery and other surface facilities, or such portions thereof as would render such facilities inoperable by the enemy, should be destroyed.

b. The oil wells should be plugged to the extent practicable.

16. The Secretary of State is empowered, at his discretion, to issue orders directing the abandonment of oil wells and the destruction of surface facilities in Saudi Arabia and in any other area where it may be determined in consultation with the British Government that the United States Government should have the primary responsibility for such decisions. He is authorized to delegate such responsibility and authority as he considers desirable.

17. The Secretary of State, in his discretion, should consult with the government directly concerned in an endeavor to obtain prior consent or acquiescence to the abandonment and demolition program, in order to minimize unfavorable consequences.

18. The Secretary of State should avail himself of, and United States agencies concerned should make available to him assistance, information and intelligence in connection with the program for abandonment of oil wells and destruction of the surface facilities.

19. The plans and organization to accomplish the abandonment and demolition programs should be evolved in consultation with the American owners of the fields and facilities. The company should be requested by the Secretary of State to form this organization which, to the extent practicable, should be composed of American employees of the oil company. An arrangement should be promptly worked out for the appointment by the company of a Chief and a Deputy Chief of this organization and for the appointment by the Secretary of State of an appropriate government official to whom the organization may look for advice and instructions.

20. The materials used for the demolitions and plugging should be located in the oil fields without delay in such quantities as may be considered normal for local oil field operations or in such additional increments as will not arouse suspicion. The oil company should be requested to locate the materials so as to facilitate the accomplishment of the demolitions and plugging when necessary. The United States Government should, if necessary, facilitate the acquisition of these materials.

21. The Secretary of State should designate an officer of the United States Government at Dhahran, Saudi Arabia, as his representative to determine that an adequate organization has been established; that the organization is properly trained; that the required materials are on hand; and that the Chief of the organization is advised in the case of any enemy threat to the oil fields which is known to this officer. The oil company should be requested to agree to the assignment of duties to, and to assure the cooperation of, its personnel in Saudi Arabia.



22. All military forces of the United States stationed in Saudi Arabia and all facilities at their disposal should be made available to assist in the preparation or execution of plans envisaged in this paper so far as possible consistent with their primary mission.

