

CP/PC



Foreign and Commonwealth Office
London SW1A 2AH

16 January 1989

mf
David Charles

R. N. Peirce
CP/169

The Prime Minister will wish to be aware that the US company Occidental Petroleum (of which Dr Arnold Hammer is Chairman and Chief Executive) have signed a contract with the Argentine National Oil Company for exploration and subsequent exploitation of a 14.2m acre block between Patagonia and the Falklands, part of which extends on to the Falklands continental shelf (see map attached).

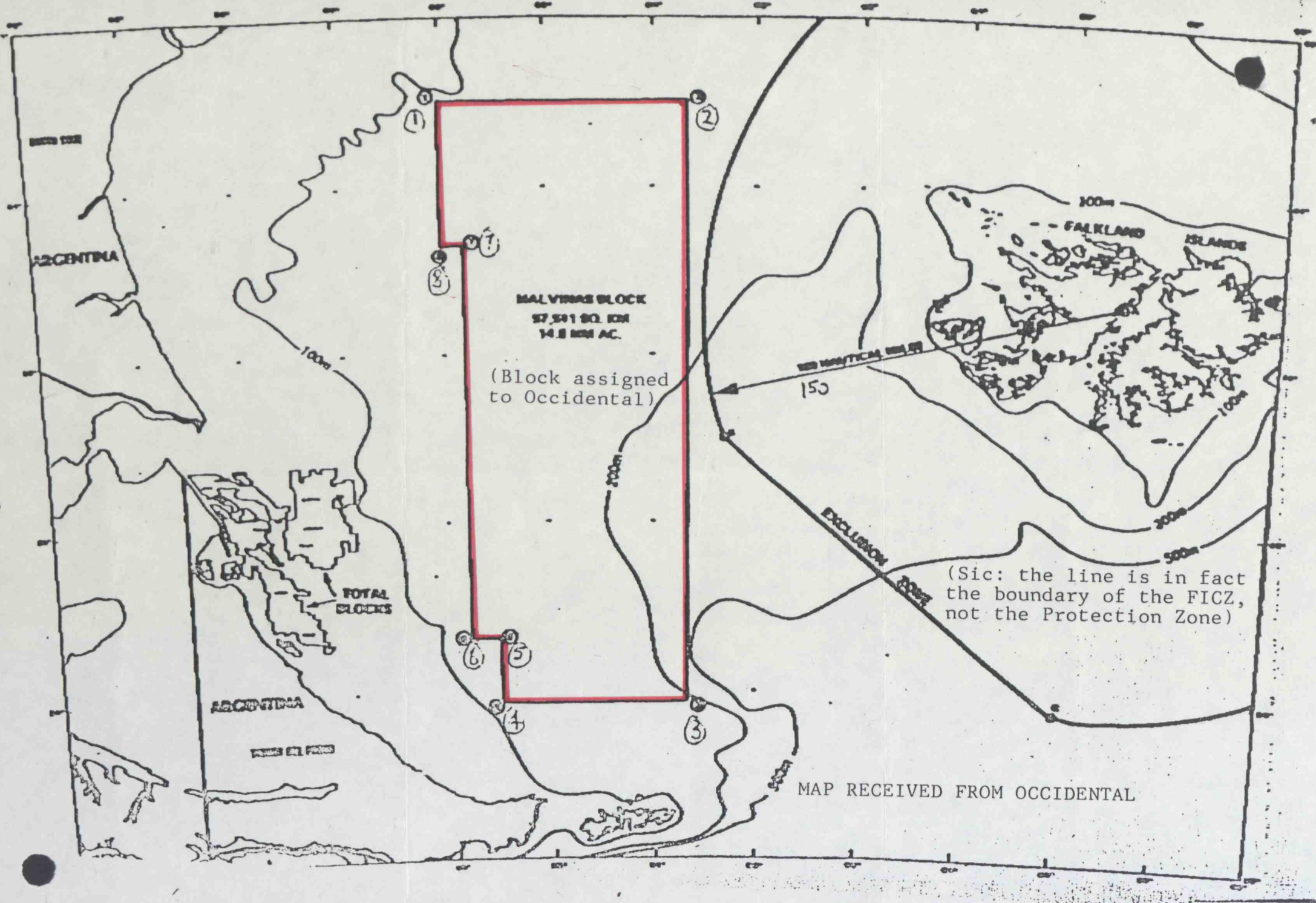
The Embassy in Washington have spoken to Occidental's Head Office, pointing out that the block in question appears to encroach on areas which, under international law, appertain to the Falklands shelf. The Department of Energy has done the same here and Mr Morrison has written to the Chairman of Occidental Petroleum (Caledonia) Ltd to make the position clear. Occidental claim to have been unaware that our jurisdiction extended beyond the boundaries of the FICZ, but that does not make the situation any more acceptable.

We await a formal response from Occidental. In the meantime, however, we need to protect our position under international law and the Foreign Secretary has asked the Swiss to deliver a formal protest Note to the Argentine Government on our behalf.

I am sending a copy of this letter to Stephen Haddrill (Department of Energy).

Yours ever
R N Peirce
(R N Peirce)
Private Secretary

C D Powell Esq
10 Downing Street



100m

ARGENTINA

100m

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MALVINAS BLOCK
 57,541 SQ. KM
 14.8 MM AC.

(Block assigned to Occidental)

200m

150

EXCLUSION

200m

(Sic: the line is in fact the boundary of the FICZ, not the Protection Zone)

100m

FALKLAND ISLANDS

300m

500m

ARGENTINA

TIERRA DEL FUEGO

MAP RECEIVED FROM OCCIDENTAL

15. I.  2011-09