

THE HUNT FOR OIL

Does it surprise you that the first company to sign an oil deal with Iraqi Kurds is Hunt Oil, a company with very close ties to Bush and our country's intelligence infrastructure?

Texas' Hunt Oil Co. and Kurdistan's regional government said Saturday they've signed a production-sharing contract for petroleum exploration in northern Iraq, the first such deal since the Kurds passed their own oil and gas law in August. A Hunt subsidiary, Hunt Oil Co. of the Kurdistan Region, will begin geological survey and seismic work by the end of 2007 and hopes to drill an exploration well in 2008, the parties said in a news release.

Nope. It doesn't surprise me, either. But I am interested in what it portends for long-term plans in Iraq.

First, some background. The Hunt family that owns Hunt Oil (it's privately held, so we don't get to scrutinize financial statements) is one of the big money Texas donors behind the Bush family political empire. Ray Hunt, the current chair of the company, is also on the board of Halliburton and the King Ranch, meaning he probably knows to duck when he goes quail hunting with Dick Cheney. Hunt is also on the board of trustees for Shrub's new presidential library, which has just announced its plans for a wacky democracy institute that will give cover for more imperialism around the world. Oh, and Hunt is also on PFIAB, which means he gets to review a huge amount of intelligence information and then refuse to reveal its classification and declassification activities—not to mention weigh in on whether or not the President's illegal intelligence activities are illegal or not.

It's also worth noting that one of Hunt Oil Company's planes has been spotted taking off and

landing at a CIA training facility.

In short, Hunt Oil Company is as wired in as oil companies get—which is saying something.

Now do you see why I find it interesting that Hunt Oil Company is the first company into Kurdistan's oil fields?

What I don't know is how to interpret the deal. Perhaps it means nothing more than that Ray Hunt, having reviewed BushCo's plans and the real underlying intelligence personally, is sufficiently comfortable that Kurdistan will exist as a viable entity, with the oil laws in Iraq remaining as they are, with sufficient security, to conduct oil exploration over the long term (and this is oil exploration, so we are talking a long term indeed). Or perhaps Hunt has signed this deal as a favor to Bush, to push other, publicly held oil companies (which might—out of concern for shareholder value—hesitate before signing such a deal) to invest in Iraqi oil. The NYT article suggests both may be factors in this deal.

Despite Iraq's vast oil reserves, major international companies have sat on the sidelines, not only for security reasons but because of the absence of legislation governing the industry and offering protection for investments.

A draft oil law for all of Iraq has been bogged down for months, in part because of disputes over who will control the proceeds.

In August, however, the Kurdish self-governing region in northern Iraq enacted its own law governing foreign oil investments. The move angered the central government in Baghdad, but the Kurds are determined to push ahead with oil exploration.

Most interestingly, this deal suggests those close to Bush believe the US will retain its

ties with Kurdistan, as a distinct entity, for some time. There is a growing body of evidence to suggest that recent developments in Iraq reflect a slow, but irreversible, split into three countries. If that happens, Turkey, Iran, and Syria are sure to be mightily involved in attempts to destabilize Kurdistan. But never fear, because Hunt Oil will be there, looking for oil. Among other things, I'm sure.

If I had to guess, I'd suggest this is pretty solid evidence that BushCo has grown comfortable with the idea of Iraq splitting apart.