

# The Gulf-Iranian Dispute

Over Durra Field and its Implications for Yemen

**Situation Assessment**  
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## Overview

The dispute over the Durra gas field between Iran on the one hand and Kuwait and Saudi Arabia on the other resurged after Tehran announced early in July its intention to carry out drilling operations in the site as part of its plan to develop the contested field. Iranian remarks stirred angry Kuwaiti and Saudi reactions. The two GCC states rejected Iranian measures and claims to rights in this field and invited the Iranians to sit at the negotiating table to demarcate the maritime borders. This development comes at a sensitive juncture of Iran's relations with the GCC states. It takes place shortly after resuming diplomatic relations between Tehran and each of Kuwait and Riyadh, and signing the China-brokered Iranian-Saudi agreement, which set the scene for launching a new stage of Iran's relations with its Gulf neighbors and for easing tensions in the region, which has witnessed conflicting positions and interests of both sides, particularly over the Yemeni issue.

The paper sheds light on the dispute over the Durra gas field, and anticipates the likely trajectories of this dispute and potential scenarios. It also examines the implications of this dispute on the rapprochement between Iran and the Gulf states concerning the Yemeni issue.

## Resurfacing Dispute

The Executive Director of the National Iranian Oil Company (NIOC) stated that the company is ready to launch drilling operations in the Durra field. He explained that large resources have been allocated for the implementation of the field development plan. For their part, Kuwait asserted that it "completely" rejected Iranian measures and claims to rights in the Durra field, and that Iran's allegations and intentions regarding the field were at odds with the most basic rules of international relations, while emphasizing that the field is solely owned by Kuwait and Saudi Arabia, and that no other party has any rights to it until the demarcation of maritime borders is resolved. The Saudi position was in conformity with the Kuwaiti one. Riyadh stated that the field and the natural wealth in the submerged surrounding area are jointly owned by Saudi Arabia and Kuwait only. The two countries called Iran to negotiations to demarcate maritime borders in accordance with the provisions of international law.

The conflict over the Durra field is not new. Rather, it dates back to the 1960s, when Iran and Kuwait assigned exploration concessions to two different companies. The dispute led to suspending all gas exploration operations in this field.



Iran again resumed exploration in Al-Durra gas field in 2001, prompting Kuwait and Saudi Arabia to demarcate their maritime borders and plan to develop joint oil reservoirs. In December 2019, the two GCC countries signed a memorandum of understanding for cooperation to develop the Durra field. Following up on this memorandum, Riyadh and Kuwait signed another agreement in March 2022, which aroused Iran's ire, prompting Tehran to describe the agreement as illegal and to assert that it should join any measures to operate and develop the field.

While Kuwait and Saudi Arabia insist that they are the exclusive owners of the field and therefore have the exclusive right to exploit its wealth, Tehran says that it has rights in this field as well, which, it claims, is partially located in its territorial waters. Such an Iranian escalation aims to hinder Kuwaiti-Saudi plans to develop the field, as [revealed](#) by the Saudi Energy Minister in May 2023.

In the context of efforts to resolve this dispute, Saudi Arabia and Kuwait demanded Iran to accept demarcation of maritime borders before claiming any rights to the Durra field. In April 2022, the two countries [issued](#) a joint statement, proposing to hold negotiations with Iran to demarcate the eastern border of the submerged area that includes the field. According to the statement, Kuwait and Saudi Arabia have previously invited Iran to negotiations on the same issue, but received no response.

Although Kuwait and Saudi Arabia accused Iran of maneuvering, delaying the resolution of the dispute, and refusing to sit at the negotiating table, Iran [justified](#) its last move by stating that Riyadh and Kuwait were not ready for negotiations. In March 2023, Iran [called](#) Kuwait to pursue the demarcation of maritime borders. In May, Tehran [stated](#) that it started consultations with both Kuwait and Saudi Arabia to resolve the dispute over the field. Those negotiations were confirmed by the Kuwaiti Foreign Minister before the National Assembly a few days ago. However, those talks failed, and the most recent Iranian escalation is only a result of that failure.

## Prospects and Scenarios of the Dispute

The three countries will continue their contacts and talks to resolve the conflict in a peaceful manner that guarantees keeping the dispute under control and preventing further escalation. They will have initially to reach a framework agreement for negotiations, including agreeing on the mechanism of negotiations and the governing concepts and laws.

In the foreseeable term, this dispute is likely to lead to three scenarios:

**First Scenario:** The three countries will fail to reach an agreement on a mechanism to resolve the dispute and will fail to maintain self-control. In this case, the problem will continue to flare up and cause tension in the region.

**Second Scenario:** The parties to the dispute will agree on a mechanism or framework for resolving the dispute. This may take one of the following forms:

- a. Reaching consensus on a mechanism that governs direct negotiations to resolve the dispute.
- b. Reaching consensus on a third party to mediate an agreement or accepting international mediation that may be proposed to the parties to the dispute.
- c. Agreeing to international arbitration and resorting to the International Court of Justice to adjudicate the dispute.

**Third Scenario:** The three countries will fail to agree on a mechanism to resolve the dispute, while at the same time walking the tight rope to avoid escalation. Both parties will seek to keep the situation as it is; that is, they will not indulge in any investment and production in the field.

The third scenario is the most likely to date. It is based on available data and on evidence of available factors that contribute to de-escalation and seem to preclude the exacerbation of the dispute into a crisis that increases tension in the region. Tension is not in the interest of any party. Rather, the interest of the various parties lies in keeping the dispute within a legal framework. This is especially true for Iran, which will lose much by escalation in view of its endeavor to mend its regional and international relations. Current indirect Iranian nuclear negotiations with the United States also press Iran to opt for de-escalation. It is in Tehran's interest not to disturb the atmosphere of these talks, but to create the conditions that are conducive to the success of negotiations. The Saudi-Iranian rapprochement and the Beijing Agreement still constitute a framework that allows Riyadh, its ally – Kuwait, and Tehran to sit at the negotiating table.

Moreover, the parties to the dispute have so far demonstrated tendency to maintain contacts and negotiations. For example, the Kuwaiti government, which is also negotiating on behalf of Saudi Arabia, stated that it [continues](#) to meet with the Iranian and Iraqi sides, and that demarcation of the borders with both Iran and Iraq is a priority. The remarkable decline in the volume of media coverage of this dispute merely indicates the propensity of the three countries to ease tensions and keep the dispute under control.

On the other hand, reaching consensus on a solution in which there is no loser is difficult. Statements by officials of the three countries indicate that each party tenaciously holds to its position. Such polarization will constitute a real obstacle to negotiations, which has been evident so far. The uncompromising positions of the two parties account for the failure of the first [round](#) of talks that took place in March between Kuwait (which also represented Saudi Arabia) and Iran. This failure, which suggests that the parties had reached a dead end, led to this last escalation. This round failed to resolve the dispute over the mechanism of demarcation of maritime borders. The Kuwaiti side insisted on demarcation of maritime borders first under international law, while the Iranian side raised the issue of demarcating the borders and at the same time agreeing on a joint investment of the field. Even if Iran accepts maritime border demarcation, it still insists that demarcation shall be based on the [continental shelf](#) approach, which guarantees that 40% of the field will be in [Iranian territorial waters](#), while Kuwait and Saudi Arabia insist on demarcation according to the closed seas law or land borders, which excludes Iran from the scene. The huge gas reserves in this field will make the parties to the dispute more stubborn on their positions and will make concessions difficult.

On the other hand, in contrast to the position of both Kuwait and Saudi Arabia, for Iran, resorting to the International Court of Justice and accepting demarcation of maritime borders according to the enclosed seas legal regime involve a risk of losing its claims of ownership of the field. Therefore, it is unlikely that Iran will agree to putting the dispute before the International Court of Justice, especially as Tehran has long rejected proposals of negotiation and arbitration to solve controversial issues with its neighbors, as in the case of the dispute over the Emirati islands claimed by Iran. Moreover, in the case of Iran, it may be noted that the national factor is strongly present and is therefore difficult to ignore. The dispute over the Durra field is not new as shown above. The current Iranian regime inherited this issue from the Shah regime. Although this factor seems to undermine the assumption that Iran intentionally opts for escalation to achieve other goals, it does suggest that a change in the Iranian position and Iranian concessions to facilitate rapprochement or accept international arbitration are improbable.

The Iranian [reaction](#) to the joint closing statement released after the meeting of the foreign ministers of the GCC countries and Russia a few days ago in support of an Emirati initiative to reach a resolution of the dispute over the three Emirati islands— which are controlled by Iran—

through negotiations or through the International Court of Justice is an example of the extent to which national sentiment informs political positions.

It also highlights Iran's rejection of bringing the issue before the International Court of Justice. Iran protested the Russian support of the statement and summoned the Russian ambassador. The Legal Advisor of the Iranian Presidency stated that Iran's sovereignty over these islands cannot be contested. Moreover, the Iranian Foreign Minister stated, "We will not butter up anyone about the integrity of Iranian territory."

Iraq's entry into the dispute complicates the matter even further. Iraq maintains that it has rights in the Durra field. Some Iraqi legal and civil voices go further to assert that the field solely belongs to Iraq. Recent [voices](#) in the Iraqi parliament called on the Iraqi government to submit a memorandum of reservation to the Security Council on any negotiations between Kuwait, Saudi Arabia and Iran regarding the demarcation of the maritime borders, and demand that Iraq be a party to any such negotiations. It may be noted in this context that there are those who doubt that the issue was raised independently by Baghdad and say that the Iraqi position is instigated by Iran in its attempt to exert pressure on Kuwait and Saudi Arabia and to undermine the unified position of the two GCC countries.

## Repercussions of the Dispute Over the Iranian-GCC States Rapprochement

The dispute over the Durra field is important as it came at a time in which the regional scene is tested by a change in some political facts, especially with regard to Iran and its relations with the Gulf states. It comes after Kuwait resumed its relations with Iran in 2022, and after months of the China-brokered Saudi-Iranian reconciliation. This development will undoubtedly cast shadows on the Iranian-Gulf states rapprochement, especially as this agreement is still in its initial stage and is far from mature. Tehran's intentions and commitments are still being tested. One important implication of the dispute is that the deal with Iran cannot preclude new problems or prevent the reemergence of dormant disputes.

With regard to the repercussions of this dispute over the Iranian-Gulf states rapprochement, the issue is subject to the course taken by developments. This in turn depends on the development of the positions of the two parties. The more the parties insist on their uncompromising positions and the more escalatory measures they take, the more the rapprochement is negatively affected. The dispute will likely reach a climax if the first scenario comes to pass.

In any case, the Iranian refusal to demarcate borders and accept international arbitration to resolve the dispute will raise questions on Iran's intentions towards the rapprochement with other countries in the region, and the relevant commitments, as well as on the obligations imposed on Tehran towards the Yemeni and other thorny issues in which Iran's interests and policies conflict with those of GCC countries.

A probable outcome regardless of the course of events is that the dispute will lead to a decline in the enthusiasm for this rapprochement. Such a deterioration will be more evident in economic cooperation. In short, it is difficult to say that, in the foreseeable future, things will be back to square one as a result of this dispute, as some analysts maintain.

## Implications of the Dispute Over the Durra Field for Yemen

On the other hand, the Iranian-Gulf states dispute over the Durra field comes at a sensitive stage of the Yemeni conflict. Efforts to bring peace are at their peak, and have succeeded in reaching a relatively stable truce that has survived for more than a year. The Saudi-Iranian agreement revived hopes of ending the conflict and bringing peace to Yemen. It was assumed that, after its reconciliation with the Saudi Arabia, Iran would play a role in facilitating the peace process and reaching an agreement that ends the conflict in Yemen through persuading and pressuring its Houthi allies to change their positions and adopt a positive approach to peace efforts. In addition to Iran's pledge to stop providing the Houthis with weapons, statements of Iranian officials in this regard were positive.

Given that this issue is at the heart of interests of Iran and the Gulf states and a key issue in the Iranian-Saudi rapprochement, the impact of the dispute on the situation in Yemen is governed by almost the same considerations and factors. Yet, for this very reason, it is likely to be affected by this dispute more than any other issue. Iran will likely use it to enhance its position and to use any concession it might make in relation to this issue in exchange for obtaining concessions in the Durra field. Iran's escalation is still reflecting a sense of victory in Yemen and elsewhere. This is suggested by the audacity with which the Iranians expressed their position on this disagreement and the confident tone which suggested a resilience to obstruct the plans of Kuwait and Saudi Arabia in the Durra field. Accordingly, this dispute will weaken Iran's fulfilment of its pledges concerning Yemen.



In addition, it is likely that this Iranian position will negatively affect the active peace negotiations, especially Saudi-Houthi talks, which constitute the bedrock on which peace in Yemen largely depends.

No sooner the media releases on the Iranian-Gulf states dispute over the Durra field began to appear than the Houthis carried out major military violations that threatened the fragile truce which had been described as the longest ceasefire in the Yemeni war since the Houthis took control of the capital, Sana'a in September 2014. The violations included military maneuvers in which helicopters participated, just a few kilometers away from the Yemeni government military camps and headquarters, and oil and gas installations in Marib. The Yemeni government described the Houthi maneuvers as "[a threat to the truce and peace efforts.](#)"

Before, after and during the maneuver, the Houthis also carried out limited military operations, the most lethal of which was the missile attack on the square of Sahn al-Jinn Camp in Marib, which serves as the headquarters of the staff of military operations and the Yemeni Ministry of Defense. The Houthis also carried out offensives in Taiz. All of these escalatory measures convey a clear message of the possibility of resuming war.

## Conclusion

In general, the dispute over the Durra field may cast a shadow over the Iranian-Gulf countries rapprochement and on the Yemeni conflict in various ways. Based on the most likely scenario, repercussions of this dispute over the Iran-Gulf states rapprochement and the Yemeni conflict in the foreseeable future will be kept within the minimum limits. So far, the dispute has entered into a state of de-escalation and did not accelerate into a crisis. However, it is by no means excluded that Yemen will be a field of settling the accounts on the Durra field dispute and other outstanding issues between the Gulf states and Iran whenever the Iranian-Gulf states dispute resurges.



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