

**Agreement concerning the sovereignty over the islands of Al-'Arabiyah and Farsi and the delimitation of the boundary line separating submarine areas between the Kingdom of Saudi Arabia and Iran (with exchanges of letters, map and English translation),
24 October 1968**

The Royal Government of Saudi Arabia, represented by His Excellency Shaikh Ahmed Zaki Yamani, Minister of Petroleum and Mineral Resources, of the one part and the Imperial Government of Iran, represented by His Excellency Dr. Manoochehr Eghbal, Chairman of the Board and General Managing Director of the National Iranian Oil Company, of the other part,

Desirous of resolving the difference between them regarding sovereignty over the islands of Al-'Arabiyah and Farsi and Desirous further of determining in a just and accurate manner the boundary line separating the respective submarine areas over which each party is entitled by international law to exercise sovereign rights,

Now therefore and with due respect to the principles of the law and particular circumstances,

And after exchanging the credentials, have agreed as follows:

Article 1

The Parties mutually recognize the sovereignty of Saudi Arabia over the islands of Al-'Arabiyah and of Iran over the island of Farsi. Each island shall possess a belt of territorial sea twelve nautical miles in width, measured from the line of lowest low water on each of the said islands. In the area where these belts overlap, a boundary line separating the territorial seas of the two islands shall be drawn so as to be equidistant throughout its length from the lowest low water lines on each island.

Article 2

The boundary line separating the submarine areas which appertain to Saudi Arabia from the submarine areas which appertain to Iran shall be a line established as hereinafter provided. Both Parties mutually recognize that each possesses over the seabed and subsoil of the submarine areas on its side of the line sovereign rights for the purpose of exploring and exploiting the natural resources therein.

Article 3

The boundary line referred to in article 2 shall be:

(a) Except in the vicinity of Al-'Arabiyah and Farsi, the said line is determined by straight lines between the following points whose latitude and longitude are specified hereinbelow:

<u>Point</u>	<u>North latitude</u>	<u>East longitude</u>
1	27°10.0'	50°54.0'
2	27°18.5'	50°45.5'
3	27°26.5'	50°37.0'
4	27°56.5'	50°17.5'
5	28°08.5'	50°06.5'
6	28°17.6'	49°56.2'
7	28°21.0'	49°50.9'
8	28°24.7'	49°47.8'

9	28°24.4'	49°47.4'
10	28°27.9'	49°42.0'
11	28°34.8'	49°39.7'
12	28°37.2'	49°36.2'
13	28°40.9'	49°33.5'
14	28°41.3'	49°34.3'

(b) In the vicinity of Al-'Arabiyah and Farsi, a line laid down as follows:

At the point where the line described in paragraph (a) intersects the limit of the belt of territorial sea around Farsi, the boundary shall follow the limit of that belt on the side facing Saudi Arabia until it meets the boundary line set forth in article 1 which divides the territorial sea of Farsi and Al-'Arabiyah; thence it shall follow that line easterly until it meets the limit of the belt of territorial sea around Al-'Arabiyah; thence it shall follow the limit of that belt on the side facing Iran until it intersects again the line described in paragraph (a).

The map prepared by the A.M. Service Corps of Engineers U.S. Army compiled in 1966 was used and shall be used as the basis for the measurement of the co-ordinates described above and the Boundary Line is illustrated in a copy of the said map signed and attached hereto.

Article 4

Each Party agrees that no oil drilling operations shall be conducted by or under its authority within a zone extending five hundred (500) metres in width in the submarine areas on its side of the Boundary Line described in article 3, said zone to be measured from said boundary.

Article 5

This Agreement is done in duplicate in the Arabic and Persian languages, both texts being equally authentic. An English translation thereof is also signed by both Parties and annexed thereto.

This Agreement shall enter into force upon the date of exchange of the instruments of ratification which shall take place at Jeddah as soon as possible.

IN WITNESS WHEREOF, the above-named plenipotentiaries, duly authorized by their respective Governments, have signed this Agreement.

DONE at Teheran, this Second day of Sha'ban, 1388 (Hejira calendar), corresponding to the Second day of Aban, 1347 (Iranian calendar), and to the Twenty Fourth day of October 1968.

EXCHANGES OF LETTERS

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Your Excellency:

With reference to the offshore boundary agreement signed by us today (hereinafter referred to as "the Agreement") on behalf of our respective Governments, I have the honour to propose the following technical arrangement to facilitate the determination of geographical locations offshore in the Marjan-Fereydoon area:

As soon as possible after the entry into force of the Agreement a joint technical committee of four members shall be established composed of two experts appointed by each Government. This committee shall be charged with establishing agreed positions defined by co-ordinates of latitude and longitude with reference to the map attached to the Agreement, for the following offshore at which tangible markets of various kinds already exist:

On the Iranian Side:

1. The well site known as Fereydoun 3
2. The well site known as Fereydoun 2

On the Saudi Arabian Side:

3. The well site known as Fereydoun 7, or in case there shall be no tangible markets therein, the well site known as Marjan 1. It is understood that whenever a new well is drilled on the Saudi Arabian side with tangible markets on it and conveniently close to the boundary line, such a well shall also be included in the reference points, thus making the number of the reference points four altogether.

The positions for these points fixed by the committee shall be regarded as accepted by both Governments if neither Government objects within one month after the committee has presented its reports, which report shall be submitted to both Governments on the same date.

Thereafter, for all purposes arising under the Agreement positions for oil operations in the Marjan-Fereydoon area carried on under the authority of either Government shall be established by reference to these points in accordance with standard survey techniques.

If the foregoing proposal is acceptable to Your Excellency, this letter and your reply to that effect shall constitute an agreement between our respective Governments, effective on the date on which the Agreement comes into force.

With assurance of my high esteem.

Teheran on 2nd Sha'ban 1388 corresponding to 2nd Aban 1347 and 24 October 1968

For the Royal Government of Saudi Arabia:
Ahmed Zaki Yamani
Minister of Petroleum and Mineral Resources

His Excellency Dr. Manoochehr Eghbal
Chairman of the Board and General Managing
Director of the National Iranian Oil Company
and Representative of the Imperial Government of Iran

IIa

Your Excellency:

I have the honour to inform Your Excellency that I have received Your Excellency's letter of the following text:
[See letter Ia]

I have the pleasure to convey to Your Excellency my Government's approval of the contents of your letter, the text of which is hereabove stated, considering that the letter and my reply thereto shall constitute an agreement between our respective Governments, effective on the date on which the Agreement comes into force.

With renewed assurance of my high esteem.

Teheran on 2nd Sha'ban 1388 corresponding to 2nd Aban 1347 and 24 October 1968.

For the Imperial Government of Iran:

Dr. Manoochehr Eghbal
Chairman of the Board and General Managing
Director of the National Iranian Oil Company

His Excellency Ahmed Zaki Yamani
Minister of Petroleum and Mineral Resources
Representative of the Royal Government
of Saudi Arabia

1b

Your Excellency:

With reference to the offshore boundary agreement signed by us today on behalf of our respective Governments, I have the honour to propose, for the more effective implementation of this Agreement (hereinafter referred to as "the Agreement") the following understandings:

(a) The oil drilling operations which are prohibited by article 4 of the Agreement within the zone therein described (hereinafter referred to as "the Prohibited Area") shall include exploitation carried out directly from the Prohibited Area and shall also extend to all drilling operations which could be carried out within the Prohibited Area from installations which are themselves located outside it.

The term "oil drilling operations" as used in article 4 of the Agreement shall mean drilling operations for oil and/or gas.

Our two Governments shall ensure that the wells drilled in the immediate vicinity of the Prohibited Area shall be vertical wells; however, when a deviation is technically inevitable at a reasonable cost, such a deviation shall not be deemed as encroachment on the Agreement, provided that the party concerned does not contemplate, by such deviation, the violation of the provisions set forth in the Agreement and this letter.

Should our two Governments mutually agree that gas injection and/or drilling an observation well is technically beneficial and advisable for the Marjan-Fereydoon reservoir, our two Governments shall agree on the location, the conducting of drilling the wells and their operations in the Prohibited Area for the sole purpose specified in this paragraph, provided that the wells to be drilled shall be conducted by each Government, directly or through its authorized agent, on its respective side of the Prohibited Area under the terms and condition to be agreed upon by our two Governments.

(b) Our two Governments shall, directly or through authorized agents, exchange with each other all obtained directional survey information during the course of drilling operations carried out as from the effective date of the Agreement within two kilometres of the Boundary Line. This exchange shall be made on a reciprocal and continuous basis.

(c) Each Government shall ensure that the companies operating under its respective authority shall not carry out operations that may, for technical inconsistency with the conservation rules according to sound oil industry practice, be considered harmful to the oil and gas reservoir in the Marjan-Fereydoon area.

This letter and Your Excellency's reply thereto shall constitute an agreement between our respective Governments, to become effective on the date on which the Agreement enters into force.

With renewed assurance of my high esteem.

Teheran on 2nd Sha'ban 1388 corresponding to 2nd Aban 1347 and 24 October 1968.

For the Royal Government of Saudi Arabia:
Ahmed Zaki Yamani
Minister of Petroleum and Mineral Resources

His Excellency Dr. Manoochehr Eghbal
Chairman of the Board and General Managing
Director of the National Iranian Oil Company
and Representative of the Imperial Government of Iran

IIb

Your Excellency:

I have the honour to inform Your Excellency that I have received Your Excellency's letter of the following text:

[See letter IIa]

I have the pleasure to convey to Your Excellency my Government's approval of the contents of your letter, the text of which is hereabove stated, considering that the said letter and my reply thereto shall constitute an agreement between our respective Governments, effective on the date on which the Agreement comes into force.

With renewed assurance of my high esteem.

Teheran on 2nd Sha'ban 1388 corresponding to 2nd Aban 1347 and 24 October 1968.

For the Imperial Government of Iran:
Manoochehr Eghbal
Chairman of the Board and
General Managing Director of the
National Iranian Oil Company

His Excellency Shaikh Ahmed Zaki Yamani
Minister of Petroleum and Mineral Resources
and Representative of the Royal Government
of Saudi Arabia