

CARDUCHI CONSULTING

HAWLER BLOCK

An in-depth, on-the-ground demographic, geopolitical, and security due diligence risk assessment of the Hawler oil and gas block for prospective operators and investors.

GEOPOLITICAL & ADMINISTRATIVE CONTEXT

HIGHLY DISPUTED BORDERLANDS

The Hawler block sits directly across three administrative districts: **Bartella and Nimrud** (Hamdaniya/Ninewa), **Gwer** (Makhmour/Erbil), and **Kalak/Daratu** (Bardarash/Duhok) [cite: 2].

This physical complexity causes overlapping legal frameworks and duplication of administrative directorates, adding severe operational friction [cite: 2].

Baghdad views KRG's unilateral concession awards in these disputed zones as part of a wider territory expansion, yielding long-term jurisdictional risks [cite: 2].



CONCESSION & PSC TIMELINE



CORE DISCOVERED FIELDS

1. DEMIR DAGH & ZEY GAWRA

Demir Dagh: Discovered in 1960, developed in 2012 [cite: 2]. Features early processing infrastructure linked directly to the Kurdistan export pipeline [cite: 2].

Zey Gawra: Discovered in 2013; planned to tie into the nearby Khurmala Dome infrastructure to maximize export capacity [cite: 2].

2. BANAN & AIN AL SAFRA

Banan: Discovered in 2014 [cite: 2]. Development entails pipeline infrastructure to connect wells back to Demir Dagh processing plants [cite: 2].

Ain Al Safra: Discovered in 2013 [cite: 2]. Positioned to serve as a standalone facility, though production is suspended since the 2014 IS conflict [cite: 2].

MULTI-DIMENSIONAL RISK PROFILE

8.0

HIGH OVERALL RISK

CONSOLIDATED OPERATIONAL RISKS

Carduchi Consulting rates the overall operating landscape as **High Risk** across major categories (scale 1–10) [cite: 2]:

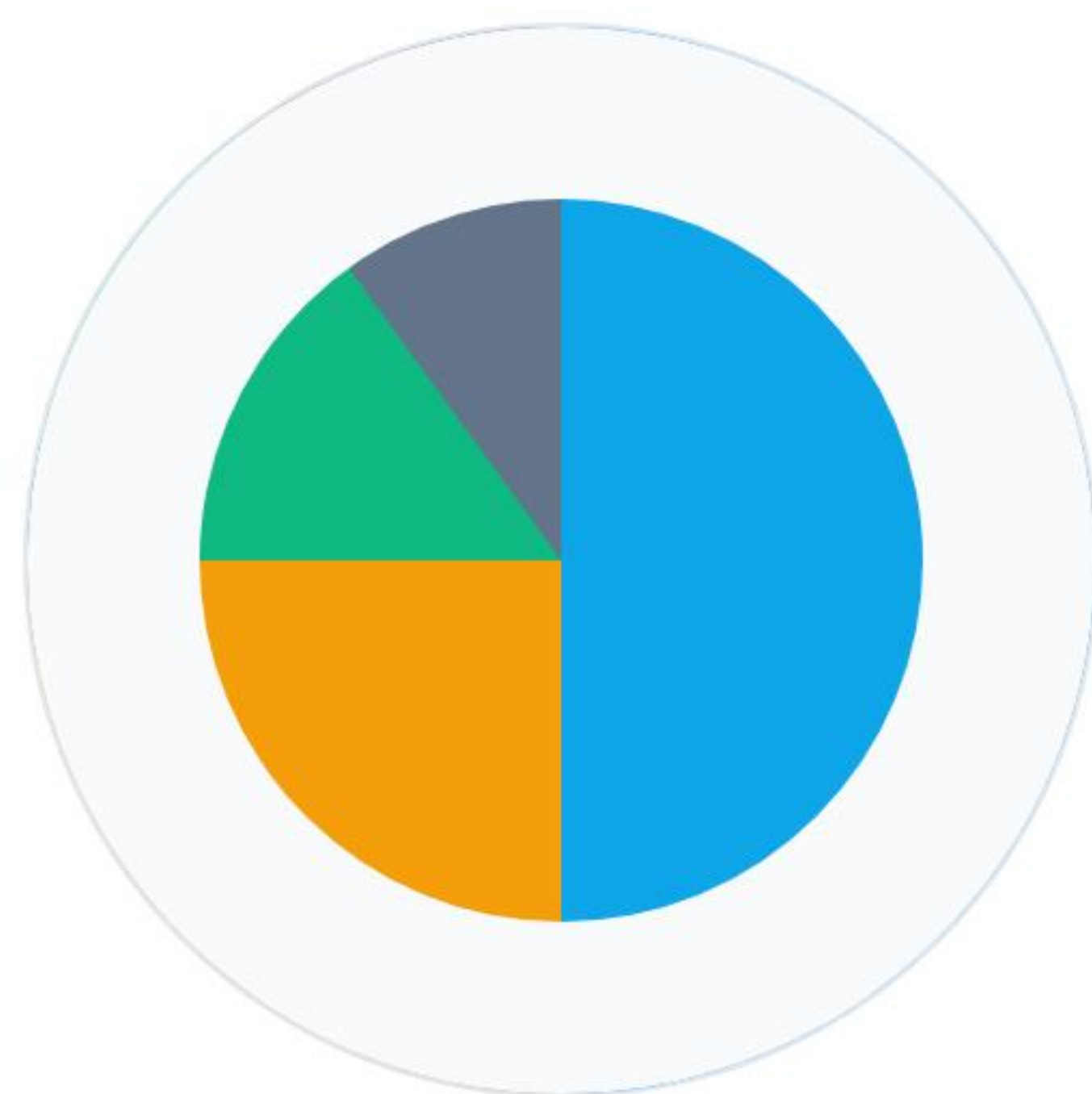
Political: High (Rating: 8.0) — Unresolved sovereignty disputes and complex overlapping administration [cite: 2].

Social: High (Rating: 8.0) — Youth unemployment, high community expectations, and mistrust of operators [cite: 2].

Environmental: High (Rating: 8.0) — Ground and river pollution concerns, and vocal local activism [cite: 2].

Security: High (Rating: 8.0) — Frontline vulnerabilities, active insurgent cells, and checkpoint choke-points [cite: 2].

RECOVERABLE RESERVES & DOWNGRADES



- Demir Dag (Main Reservoir Share) [cite: 2]
- Zey Gawra (33 mmbbl - Downgraded from 117 mmbbl) [cite: 2]
- Banan Field (Contingent Share) [cite: 2]
- Ain Al Safra (Stand-alone/Suspended) [cite: 2]

Geological and reservoir challenges led to a major reserve downgrade in 2017, adjusting total estimated recoverable oil to 188 million barrels across the entire Hawler concession [cite: 2].

COMPLEX DEMOGRAPHIC LANDSCAPE



SUNNI KURDS

Form the demographic majority. They occupy the primary local political, security, and administrative offices and show firm alignment with the ruling KDP framework [cite: 2].



AGRARIAN ARABS

Concentrated in large agrarian communities like Tarash [cite: 2]. Suffer heavy infrastructure deficits and express vocal grievances regarding hiring inequality [cite: 2].



KAKAI MINORITIES

Kurdish minority adhering to an ancient religion [cite: 2]. Centered near the Banan field [cite: 2]. Highly sensitive to security threats due to heavy post-conflict trauma [cite: 2].

FRAGMENTED SECURITY & BORDERLINES

ASAYISH CHECKPOINT REALITIES

Security across the Hawler block is strictly monopolized by KDP-aligned Peshmerga and Asayish forces [cite: 2].

Checkpoints on the Gwer main road and surrounding junctions strictly regulate civilian and industrial transport [cite: 2].

Crucially, the block boundary acts as a physical frontline between the KRG and federal Iraqi troops or Popular Mobilization Units (PMUs), creating constant risk of friction [cite: 2].



SECTARIAN FAULTLINES & POST-IS MISTRUST

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"IT IS NOT ACCEPTABLE FOR THESE PEOPLE TO RETURN TO OUR VILLAGE. WE HAVE NO DOUBT THAT THEY HAD CONNECTIONS WITH IS. THEY WILL POSE SECURITY THREATS."

— Saeed Kakai, Head of Zangal Kakai Village, outlining the deep communal scars and block security hurdles [cite: 2]

REPORT SCOPE & METHODOLOGY



CONTRACT & RESERVES ANALYSIS

Detailing Oryx Petroleum's operations, local JVs (ZEG Oil), geological risks, and downgraded reserves [cite: 2].



ENVIRONMENTAL AUDITS & GRIEVANCES

A complete assessment of operational road damage, water well degradation, flaring smell, and illegal refining networks [cite: 2].



SOCIO-DEMOGRAPHIC PROFILING

Analysis of 20 rural communities, identifying ethnic-religious divisions and tracking post-IS displacement patterns [cite: 2].



ACTIONABLE OPERATIONAL RULES

Frameworks for voluntary human rights principles, independent stakeholder forums, and multi-district coordination [cite: 2].

SECURE THE INTELLIGENCE LICENSE

Minimize geopolitical exposures and regulatory barriers within the KRG disputed zones.



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