

CARDUCHI CONSULTING

SARSANG BLOCK

A comprehensive, field-researched geopolitical and energy intelligence due diligence risk assessment of the Sarsang block for prospective operators and investors. Sourced from "Kurdamir_Block_Risk_Assessment_Teaser.docx".

GEOGRAPHIC & POLITICAL CONTEXT

1. REGIONAL FRAMEWORK

Located in Duhok province across the Chamanke and Atrush sub-districts, the block's physical operations lie within highly rural, uninhabited mountain valleys.

Over 50 local villages were completely razed during Ba'athist campaigns in the late 1980s, leaving a legacy of severe underdevelopment and high local expectations.

2. OVERLAPPING CONTROL

The ruling Kurdistan Democratic Party (KDP) holds nominal administrative sway, but the surrounding Gara and Khere mountains are physically controlled by the Kurdistan Workers' Party (PKK).

This dual power structure creates systemic administrative friction, requiring deep regional intelligence to navigate effectively.

RISK SNAPSHOT MATRIX

HIGH
POLITICAL RISK

HIGH
SOCIAL RISK

HIGH
ENVIRONMENTAL

HIGH
SECURITY RISK

ASSET-LEVEL RISK ASSESSMENTS

Political: High — Intensive regional geopolitics, active Turkey-PKK clashes, and material compliance/sanctions exposure due to PKK presence [Page 16].

Social: High — Legacies of destruction, significant youth unemployment, and active community mobilization against operators over hiring quotas [Page 24].

Security: High — Frequent Turkish kinetic actions, regular airstrikes, and military checkpoints that disrupt transport corridors and personnel [Page 42].

CONCESSION & PRODUCTION PROFILE

VAST UNDEVELOPED RESERVES

Sarsang is operated by HKN Energy (62%), with TEPKRI Sarsang (Total, 18%) and KRG (20%) holding the remaining interest [Page 14].

The concession has two core fields: **Swara Tika** and **East Swara Tika**, which reached cumulative production of 20 million barrels in October 2019 [Page 15].

A new 21km pipeline is under construction by KAR Group, alongside a planned \$60m gas-handling facility to eliminate routine flaring [Page 15].



DEMOGRAPHICS & SOCIAL FABRIC



ETHNIC HOMOGENEITY

The local population is entirely ethnic Kurdish and Sunni Muslim, organized mainly around the **Barwari** and **Mizuri** tribes, with a tiny Assyrian minority [Page 28].



MOUNTAIN ISOLATION

Locals speak the Badini dialect of Kurmanji, feeling highly isolated from the broader, Sorani-speaking regions of Erbil and Sulaymaniyah [Page 25].



ECONOMIC VULNERABILITY

Livelihoods depend almost entirely on public salaries, border trade, herding, and farming, leading to extreme expectations for oil sector jobs [Page 31].

STRAINED COMMUNITY RELATIONS

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"OUR ORCHARDS NO LONGER BEAR FRUIT AS THEY ONCE DID, OUR APPLES HAVE FACED DISEASES, AND OUR HONEYBEES HAVE DIED DUE TO THE POISON GAS COMING OUT FROM THE OIL FIELDS."

— Qualitative Field Survey, detailing deep-seated agrarian grievances and protests over flaring [Page 40]

CONFLICT & SANCTIONS EXPOSURE



PKK CONTROL & SANCTIONS

The block operates in a zone dominated by the PKK (proscribed in Western nations), presenting severe sanctions and compliance exposures [Page 16].



TACTICAL DE-CONFLICTION

Vehicles are marked with distinctive orange-roofed paint for drone identification, alongside flasher sirens for local security escorts [Page 22].



KINETIC AIR STRIKES

Turkish UAV monitoring and airstrikes are constant, occasionally hitting civilian structures like the Kani Maze mosque in 2019 [Page 18].



CONTRACTUAL CAPTURE

lucrative contracts for security and catering are captured by powerful political/tribal elites, such as the Korejir Security group [Page 6].

COMPLEX SECURITY ENVIRONMENT

VULNERABILITIES AND INTERVENTIONS

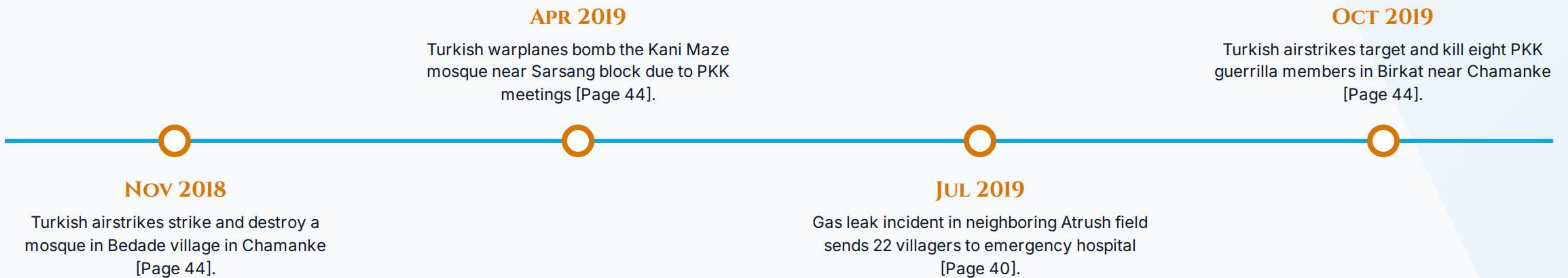
The security landscape in Sarsang is dictated by the ongoing conflict between Turkey and the PKK, which has intensified since 2015 [Page 42].

While operations are spared direct militant attacks due to informal local agreements, logistics and transport corridors remain highly vulnerable [Page 42].

Turkish border bases, UAV patrols, and Asayish checkpoints strictly govern movements, presenting high administrative hurdles [Page 42].



CONFLICT & SECURITY TIMELINE



OPERATIONAL RECOMMENDATIONS



CONDUCT SANCTIONS AUDITING

Establish legal processes to avoid direct transactions with designated entities (PKK), ensuring alignment with UK/US compliance [Page 6].



IMPLEMENT GRIEVANCE FORUMS

Deploy experienced community relations managers to engage the Barwari tribe directly, minimizing risks of blockades or hostage incidents [Page 8].



COLLABORATE WITH TAQA

Coordinate with neighboring Atrush operator (TAQA) on flaring, gas leaks, and public communications to streamline community responses [Page 7].



STRUCTURE CSR INVESTMENTS

Target tangible local needs (schools, clinics, road winterization) to address the high expectations of unpopulated, destroyed villages [Page 7].

SECURE THE INTELLIGENCE LICENSE

Minimize geopolitical exposure, local contracting friction, and PKK sanctions risk in the Badinan Region.



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