

Tanker caught in the middle with Kurdish crude cargo

By [Barry Parker](#) from New York

Those tankers anchored off Galveston have been in the news again- this time in connection with **imports** of crude oil that may have originated in the Kurdish region of Iraq, sometimes known as Kurdistan. In an unfolding battle with both logistical, political and legal elements, the suezmax tanker United Kalavrvta remained anchored at least 60 miles offshore, well out in the Gulf of Mexico.



According to reports, the cargo aboard the tanker had been transported from Kuridsh fields at Taq Taq and Tawke to Ceyhan via a pipeline which bypasses Iraq. In April 2014, the Kurdistan Regional Government (KRG) announced that the new pipeline's first export cargo had been loaded in Turkey. As part of the ongoing tensions in Iraq, the government in Baghdad was claiming its authority over the crude oil.

The United Kalavrvta cargo represents the first test of measures taken by the Iraqi government to exert its control over exports to the US. In a bizarre series of events playing out at end July, a US Federal judge first issued an order for US Federal marshals to seize the ship's cargo, and, then a day later, rescinded the order because of a lack of jurisdiction (since the ship was anchored beyond the 12 mile territorial limit).

The Wall Street Journal was quoting a noted national security and defense expert, Anthony Cordesman, a the Center for Strategic and International Studies- a think tank in Washington DC who said: "This poor damn tanker is caught in the middle. Whether anybody likes it or not, if the thing docks in Texas, everybody has to come to grips with the issue." Commentators noted a dichotomy between the US desire to keep Iraq from breaking up, a view that would support Iraq, not the independent region of Kurdistan, in controlling the oil sales, and a hands off policy whereby the US government does not inject itself into commercial transactions.

If the cargo is to be discharged in the US, it will possibly be lightered, likely in a designated lightering zone even further offshore. CNBC was reporting that the cargo was owned by Talmay Trading Company, a BVI outfit, linked, in turn to an onward

sale to LyondellBasell (according to reports on Reuters). CNBC and others were reporting that lightering specialist AET had been hired by Talmay- though no lightering had yet taken place. AET's legal filings were attempts to move out itself out of contractual limbo, by clarifying the cargo's ownership.

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