



American drilling companies stand to make tens of billions of dollars from the new petroleum activity in Iraq long before any of the oil producers start seeing any returns on their investments.

Lukoil and many of the other international oil companies that won fields in the auction are now subcontracting mostly with the four largely American oil services companies that are global leaders in their field: Halliburton, Baker Hughes, Weatherford International and Schlumberger. Those four have won the largest portion of the subcontracts to drill for oil, build wells and refurbish old equipment.

“Iraq is a huge opportunity for contractors,” Alex Munton, a Middle East analyst for Wood Mackenzie, a research and consulting firm based in Edinburgh, said by telephone.

Mr. Munton estimated that about half of the \$150 billion the international majors are expected to invest at Iraqi oil fields over the next decade would go to drilling subcontractors — most of it to the big four operators, which all have ties to the Texas oil industry.

Halliburton and Baker Hughes are based in Houston, as is the drilling unit of Schlumberger, which is based in Paris. Weatherford, though now incorporated in Switzerland, was founded in Texas and still has big operations there.

TVNL Comment:□ This is why the US invaded Iraq.□ Halliburton always wins in the end.□ How sad is that?□ Just asking...

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