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Colombia: Dispute On Rights To Casanare Oil Fields

by Barbara Khol  
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Initial tests indicate that oil reserves in Casanare department range between 3 billion and 7 billion barrels. According to Andres Restrepo, president of the state-run oil company Ecopetrol, the Cusiana field is "world class." Twelve families holding titles to the Cusiana field stand to earn about 4% of total value of the oil bonanza US$1 billion within the next decade if the nation's highest court, the Council of State, decides in their favor. According to Restrepo, "They should never have been given titles to the land in the first place." Restrepo said the outcome of the court case would not affect the profits of the three foreign partners in the Cusiana field because the case only involves Ecopetrol's share. The foreign partners, which together hold a 40% interest, are Triton Energy Corp. of Dallas, the French-based Total and British Petroleum PLC. Five exploration wells have penetrated about 17,000 feet of solid rock, much deeper than in most fields. In January, British Petroleum announced plans to drill 10 more wells this year. The late Gen. Jorge Martinez was awarded much of the Cusiana land area in 1920 for helping reclaim the region from squatters. The award also recognized his bravery in opposing a US-supported uprising in Panama, once a Colombian province. Martinez's sons and several other families, some of whom hold titles dating back to the colonial Spanish crown, say they were given "subsoil" rights to Cusiana in a long series of court and presidential decrees. The Casanare families would earn $124 million a year at current prices if Colombia exported 500,000 barrels of Cusiana oil per day. Government officials cite legislation declaring that the nation's subsoil belongs to the entire nation. (Basic data from Associated Press, 03/25/92)

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