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Maritime Boundary Disputes Affecting Deep-Water Development and their Resolution

Advances in technology that permit oil exploration and production in ever deeper waters have lead to an increase in the discovery of hydrocarbon deposits that lie in areas of disputed or undelimited maritime boundaries. The lack of a settled maritime boundary presents challenges to the development of deep-water discoveries, but these difficulties can be overcome if the boundary dispute is properly managed.

Development of a hydrocarbon discovery in the area of a boundary dispute is usually prevented because the discovery is subject to overlapping claims of two or more countries and no boundary has been established to divide their interests. Before development can proceed, the maritime boundary must be delimited or some other arrangement must be made between the countries concerned. There are a number of international dispute resolution mechanisms, ranging from negotiation to judicial settlement, that can be used to solve boundary problems.

This paper will discuss the problems caused by maritime boundary disputes as well as the methods for resolving them. It will focus particularly on the role that oil companies can play to facilitate a prompt and successful resolution of a maritime boundary dispute. It will also discuss some examples of maritime boundary disputes that have been resolved to the advantage of all parties concerned.