

ORIGINAL DOCUMENTS IN SAFE

192

Case No. 23

Date of filing: 28-Nov-86

\*\* AWARD - Type of Award Final (on Agreed Terms)  
 - Date of Award 26-Nov-86  
3 pages in English 3 pages in Farsi

\*\* DECISION - Date of Decision \_\_\_\_\_  
 \_\_\_\_\_ pages in English \_\_\_\_\_ pages in Farsi

\*\* CONCURRING OPINION of \_\_\_\_\_  
 - Date \_\_\_\_\_  
 \_\_\_\_\_ pages in English \_\_\_\_\_ pages in Farsi

\*\* SEPARATE OPINION of \_\_\_\_\_  
 - Date \_\_\_\_\_  
 \_\_\_\_\_ pages in English \_\_\_\_\_ pages in Farsi

\*\* DISSENTING OPINION of \_\_\_\_\_  
 - Date \_\_\_\_\_  
 \_\_\_\_\_ pages in English \_\_\_\_\_ pages in Farsi

\*\* OTHER; Nature of document: \_\_\_\_\_  
 \_\_\_\_\_  
 - Date \_\_\_\_\_  
 \_\_\_\_\_ pages in English \_\_\_\_\_ pages in Farsi

IRAN-UNITED STATES CLAIMS TRIBUNAL

دیوان داوری دعاوی ایران - ایالات متحدہ

IRAN UNITED STATES CLAIMS TRIBUNAL		دیوان داوری دعاوی ایران - ایالات متحدہ	
ثبت شد - FILED			
Date	28 NOV 1986	تاریخ	
	۱۳۶۵ / ۹ / ۷		
No.	23	شماره	

CASE NO. 23

192

CHAMBER ONE

AWARD NO. 273 -23-1

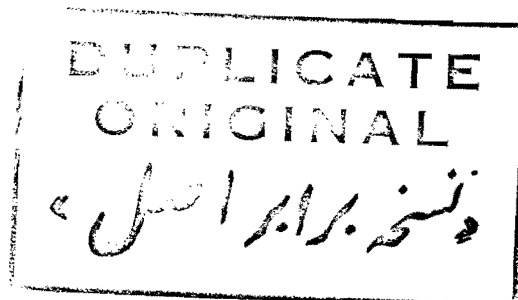
UNION OIL COMPANY OF IRAN,

Claimant,

and

NATIONAL IRANIAN OIL COMPANY,  
THE ISLAMIC REPUBLIC OF IRAN,

Respondents.



AWARD ON AGREED TERMS

On 14 November 1986, a Joint Request for an Arbitral Award on Agreed Terms was filed with the Tribunal, signed by a representative of, on the one hand, Union Oil Company of Iran (hereinafter called "Claimant"), and, on the other hand, the Agent of the Government of the Islamic Republic of Iran (hereinafter called "Iran") and a representative of the National Iranian Oil Company (hereinafter called "NIOC"), requesting the Tribunal to record a Settlement Agreement dated 2 October 1986 entered into between, on the one hand, Claimant and Union Oil Company of California and, on the other hand, Iran and NIOC.

The Settlement Agreement provides for certain reciprocal obligations by the Parties. It is stated in paragraph 3 of the Joint Request that the Settlement Agreement "provides, subject to and conditional upon certain terms and conditions therein contemplated, that the sum of thirty six million and five hundred thousand (36,500,000) U.S. Dollars be paid to Claimant out of the Security Account established pursuant to para. 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981."

The Parties in their Joint Request ask that the Tribunal treat the Settlement Agreement as confidential. However, the Tribunal has not found, in the circumstances of this Case, any grounds which would justify the granting of such a request pursuant to Article 32, paragraph 5, of the Tribunal Rules. Therefore, the request is denied. A copy of both the Joint Request and the Settlement Agreement are attached hereto and are hereby incorporated by reference.

The Tribunal accepts the Settlement Agreement in accordance with Article 34, paragraph 1, of the Tribunal Rules.

Based on the foregoing,

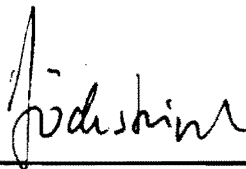
THE TRIBUNAL AWARDS AS FOLLOWS:

The Settlement Agreement is hereby recorded as an Award on Agreed Terms binding upon the Parties. Consequently, the Respondents THE ISLAMIC REPUBLIC OF IRAN and NATIONAL IRANIAN OIL COMPANY are obligated to pay the Claimant UNION OIL COMPANY OF IRAN the amount of Thirty Six Million Five Hundred Thousand United States Dollars (US\$36,500,000), which obligation shall be satisfied by payment out of the Security Account established pursuant to paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated 19 January 1981.

This Award will be submitted to the President of the Tribunal for notification to the Escrow Agent.

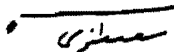
Dated, The Hague

26 November 1986

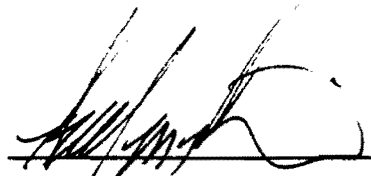


Karl-Heinz Böckstiegel  
Chairman  
Chamber One

In the Name of God



Mohsen Mostafavi



Howard M. Holtzmann

IN THE NAME OF GOD

Iran-U.S. Claims Tribunal

The Hague  
The Netherlands

In the Matter of Arbitration Between:

Claimant :

Union Oil Company of Iran.

-and-

Respondents:

- The National Iranian Oil Company and
- The Government of the Islamic Republic of Iran.

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داری و داری ایران ایالات متحده
فایلد شد - FILED	
Date	14 NOV 1988 ۱۳۶۵ / ۸ / ۲۳
No.	23

Claim No. 23

Chamber 1

JOINT REQUEST FOR  
AN ARBITRAL AWARD ON AGREED TERMS

1. By the Statement of Claim No. 23 filed in this Case on November 9, 1981, Union Oil Company of Iran, a Corporation organized and existing under the laws of California (hereinafter called "Claimant"), acting as the successor to, and transferee of, the rights, interests, benefits, obligations and liabilities of Union Oil Company of California (UOCC), another corporation organized and existing under the laws of California, raised certain claims against Respondents; National Iranian Oil Company ("NIOC") and the Islamic Republic of Iran ("Iran"), arising out of the Joint Structure Agreement signed

on January 18, 1965 (hereinafter referred to as "JSA") among NIOC as the First Party, and UOCC and three other companies, as the Second Party.

2. NIOC and Iran have filed and asserted defenses and counterclaims in Claim No. 23 related to the JSA.

3. As a result of negotiations, Claimant and UOCC, on the one part, and NIOC and Iran, on the other part, have entered into a Settlement Agreement dated *2nd October* 1986, which is being filed herewith. The said Settlement Agreement provides, subject to and conditional upon certain terms and conditions therein contemplated, that the sum of thirty six million and five hundred thousand (36,500,000) U.S. Dollars be paid to Claimant out of the Security Account established pursuant to para.7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981.

4. Pursuant to the terms of Article 34 (1) of the Tribunal's Rules of Procedure, Claimant, NIOC and Iran hereby jointly submit the Settlement Agreement and request the Tribunal to issue an Award on Agreed Terms to record and give effect to the Settlement Agreement.

5. Claimant, NIOC and Iran request the Tribunal to consider the Settlement Agreement as confidential. They further request that the Settlement Agreement be considered as a private settlement of disputes among the Parties thereof and not to cite, or refer to, the Settlement Agreement, as a whole, or any term or condition thereof, in any of its future decisions in other cases.

6. Claimant, NIOC and Iran represent and warrant that the individuals signing these documents are duly and fully authorized to execute this Joint Request for Arbitral Award on Agreed Terms.

Dated this 22nd day of October, 1986

Respectfully submitted,

ب. ش.

Agent of the Government of  
the Islamic Republic of  
Iran to the Iran-U.S.  
Claims Tribunal

Union Oil Company of Iran

By: [Signature]

National Iranian Oil  
Company

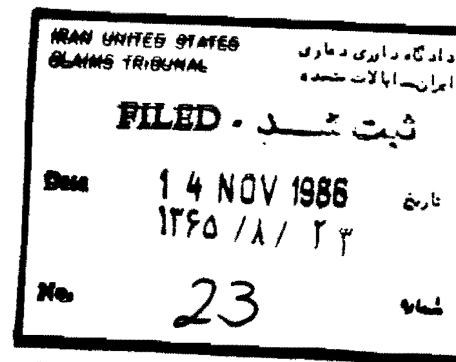
By: [Signature]

Authorized Representative  
(as per Power of Attorney  
attached)

By H. Shahab L.

Authorized Represent-  
ative

SETTLEMENT AGREEMENT



This Settlement Agreement is made and entered into this 2nd day of October, 1986, by and between Union Oil Company of California ("UOCC") and Union Oil Company of Iran ("Claimant"), both organized and existing under the laws of State of California, (collectively called "Union"), on one part, and National Iranian Oil Company ("NIOC") and the Government of the Islamic Republic of Iran ("Iran"), on the other part.

WHEREAS, Claimant, as the successor to, and transferee of, rights, interests, benefits, obligations and liabilities of UOCC filed a Statement of Claim with the Iran-U.S. Claims Tribunal ("the Tribunal") raising certain claims against NIOC and Iran ("Claim No.23");

WHEREAS, the claims of Claimant arise out of a Joint Structure Agreement and certain related arrangements and agreements (hereinafter "JSA") among NIOC, as the First Party, and UOCC together with three other companies, as the Second Party.

WHEREAS, NIOC and Iran have filed and asserted defenses and counterclaims to Claim No. 23 and related to the JSA;

WHEREAS, NIOC, Iran and Union all desire to resolve and to make full, complete and final settlement of all their claims and disputes existing or capable of arising between them out of Claim No. 23 and related to JSA.

Now, therefore, know all men by these presents, that:

1- In full, complete and final settlement of all claims and disputes existing or capable of arising between the Parties hereto in connection with Claim No.23 and related to JSA, and in consideration of agreements, promises, undertakings, obligations, declarations and all other conditions contained in this Settlement Agreement, the sum of thirty six million five hundred



thousand U.S. Dollars (US \$ 36,500,000) (the "Settlement Amount") shall be paid to Claimant.

2- Union, NIOC and Iran agree that it is intended that the Settlement Amount be satisfied by payment out of the Security Account established pursuant to Paragraph 7 of the Declaration of the Democratic and Popular Republic of Algeria of 19 January, 1981.

Should the Tribunal not, for any reason, issue the Award on Agreed Terms implementing the provisions of this Settlement Agreement within 30 days from its filing, then, unless otherwise agreed in writing by the Parties, the Tribunal shall resume jurisdiction over all claims and all counter-claims and the Parties shall be placed at their respective positions as they were prior to this Settlement Agreement as if the Settlement Agreement has not been reached.

3- Union and its parents, subsidiaries, affiliates, successors and assigns in consideration of the payment by or on behalf of NIOC and Iran to Claimant of the Settlement Amount hereby release, quit claim and forever discharge NIOC and Iran or their subsidiaries, affiliates, instrumentalities, successors and/or assigns of, from and against any and all claims, demands, losses, damages, suits, actions and causes of action, of any nature whether in rem or in personam or otherwise which they have ever had, now have or may have in future arising out of, or in connection with the Claim No. 23 and related to JSA.

4- Without prejudice to any and all NIOC and/or Iran's rights (in whatever form, kind or nature) to claim against other Parties to JSA, Iran and NIOC and its sub-

sidiaries, affiliates, successors and assigns in consideration for the promises, undertakings, agreements, declarations, and obligations by Union contained in this Agreement hereby release, quit claim and forever discharge Union, or its parents, subsidiaries, affiliates, successors, and/or assigns of, from and against any and all claims, demands, losses, damages, suits, actions and causes of action of any nature whether in rem or in personam or otherwise which NIOC and Iran have ever had, now have or may have in future against Union arising out of, or in connection with the Claim No. 23 and related to JSA.

5- Except for NIOC and/or Iran's right to claim or counter-claim (in whatever form, kind and nature) against other Parties to the JSA, upon Claimant's receipt of the Settlement Amount, the Parties hereto shall not directly or indirectly, individually or in conjunction with others at any time thereafter take or pursue any legal action or initiate or pursue arbitral or court proceedings or otherwise make any claim whatsoever against each other with respect to Claim No. 23 and related to JSA.

6- Union does hereby transfer and assign to and vests in NIOC, unconditionally, irrevocably and without any lien or incumbrance, and considers as transferred, assigned, and vested from the time that they arose, all its rights, benefits, interests, shares and titles in LAPCO and LAPCO's properties, assets and accounts, whatsoever and whether those assets, properties and/or accounts were kept or held in Iran or United States of America or elsewhere.

7- Upon Claimant's receipt of the Settlement Amount, the Parties hereto shall waive any and all claims for costs, including attorney's fees, arising out of or related in any way to the arbitration, prosecution, or defense of any claim before any forum including the Iran-U.S. Claims Tribunal with respect to Claim No. 23. This

waiver shall in no way affect NIOC and/or Iran's right to claim or counterclaim (in whatever form, kind and nature) such costs and fees against other Parties to the JSA.

8- This Settlement Agreement is for the sole purpose of settling the disputes at issue in Case No. 23. Nothing in this Settlement Agreement shall be relied upon or construed as relevant to or to affect in any way any argument, Union or any of its subsidiaries and affiliates or the NIOC or any of its subsidiaries and affiliates or the Islamic Republic of Iran or any of its agencies, instrumentalities, entities, or organizations has raised, or may raise, concerning the jurisdiction or the merits of this case or other cases whether before the Tribunal or before any other forum or fora.

This Settlement Agreement shall not constitute a legal precedent for any person, and shall not be used except for the sole purpose of giving effect to its terms, and shall not prejudice or affect the other rights of the Parties hereto or any of other person in other cases before the Tribunal or elsewhere.

9- The releases, waivers, transfers, undertakings, declarations, obligations and agreements contained herein are self-executing upon Claimant's receipt of the Settlement Amount and need not be signified by any additional document, agreement, or writing.

10- The Parties hereto consent to the submission of this Settlement Agreement to the authorities deemed appropriate by NIOC and Iran, including the Special Commission, prior to its filing with the Tribunal. The signing of this Settlement Agreement by Iran's Agent to the Tribunal shall signify that all such authorities have given their approval, and thereafter the Parties shall, not later than 45 days from the date hereof, submit to the Tribunal a Joint Request for an Award on Agreed Terms to give effect to this Agreement.

11- This Settlement Agreement (in four originals) has been written and signed in both languages of Farsi and English and each text shall have the same equal validity.

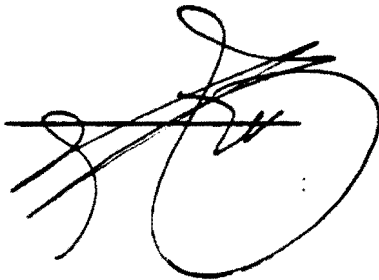
IN WITNESS WHEREOF, Union, NIOC and Iran have caused this Settlement Agreement to be executed by their duly authorized representatives as of 2nd October, 1986.

(U)


Agent of the Government of the  
the Islamic Republic of Iran to  
the Iran-U.S. Claims Tribunal

Union Oil Company of  
California (UOCC)

By:



By:

  
(As per Power of Attorney attached hereto)

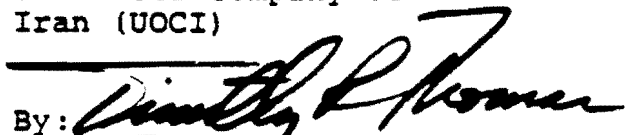
National Iranian Oil Company

Union Oil Company of  
Iran (UOCI)

By:

H. Shahab

By:

  
(As per Power of Attorney attached hereto)

UNION OIL COMPANY OF CALIFORNIA

RESOLUTION

RESOLVED: That this Company grant Powers of Attorney to Messrs. Graydon H. Laughbaum and Timothy R. Thomas (the "Attorneys-in-Fact") and each of them is authorized and empowered in such capacity, jointly or individually, to execute for and on behalf of this Company (without the necessity of affixing the corporate seal) proposed claims and settlement agreements by and between this Company, National Iranian Oil Company and the Government of the Islamic Republic of Iran and (if required) claim settlement agreements of subsidiaries or affiliates of the Company, relating to settlement of claims and counterclaims filed and asserted in the Iran-United States Claim Tribunal, draft copies of such agreements having been presented at this meeting; and be it further

RESOLVED: That any officer of this Company is hereby empowered to issue documents evidencing the appointment of the Attorneys-in-Fact, empowering each with such powers as the Attorneys-in-Fact may require to execute and otherwise consummate such agreements.

I, R. E. Jenkins, Assistant Secretary of UNION OIL COMPANY OF CALIFORNIA, a California corporation, do hereby certify that the foregoing is a full, true and correct copy of certain resolutions unanimously adopted at an Executive Committee meeting of the Board of Directors of said Company held at the office of said Company in Los Angeles, California, on September 26, 1986, and that said resolutions are in full force and unrevoked.

WITNESS my hand and the seal of said Company this 29th day of September, 1986.

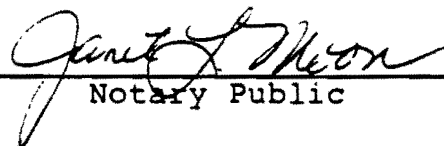
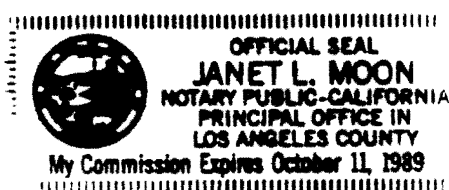


R. E. JENKINS  
Assistant Secretary

STATE OF CALIFORNIA                     )  
   )  
CITY AND COUNTY OF LOS ANGELES    )

On September 29, 1986, before me, the undersigned, a Notary Public for said State, personally appeared R. E. JENKINS, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as Assistant Secretary on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

  
Notary Public

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That UNION OIL COMPANY OF CALIFORNIA, a corporation duly organized and existing under the laws of the State of California, United States of America, does hereby make, constitute and appoint:

Graydon H. Laughbaum

and

Timothy R. Thomas

its true and lawful Attorneys-in-Fact, and in such capacity they are hereby authorized and directed, for and in its name, place and stead, jointly or individually, from time to time (without the necessity of affixing the corporate seal) to do and perform such acts and to execute and deliver all such agreements, affidavits and other instruments as may be incident to and necessary or advisable in their sole discretion in relation to claim settlements with National Iranian Oil Company and the Government of the Islamic Republic of Iran and related settlements of subsidiaries or affiliates of the Company, and likewise to execute in the name of this Company all such bonds and assurances as may be required for the due and

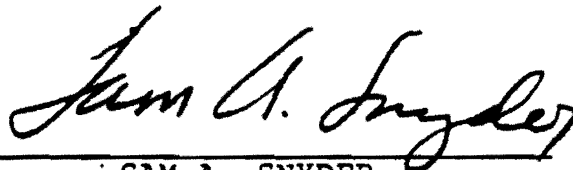
faithful performance of each and every such contract, agreement or other instrument entered into in the name of the Company.

The authority herein granted shall be effective September 22, 1986, until December 31, 1986, and shall have the same force and effect as though special authority were granted to said Attorneys-in-Fact to execute each such contract, agreement or other instrument separately for each and every contract, agreement or other instrument so entered into.

EXECUTED at Los Angeles, California, United States of America, on this 29th day of September, 1986.

UNION OIL COMPANY OF CALIFORNIA

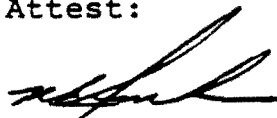
By



SAM A. SNYDER  
Vice President

LS

Attest:



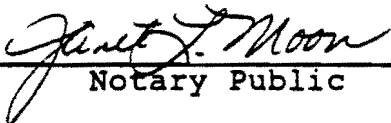
R. E. JENKINS  
Assistant Secretary

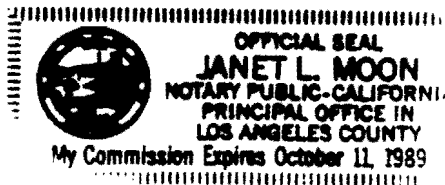


STATE OF CALIFORNIA                    )  
  )  
CITY AND COUNTY OF LOS ANGELES)

On September 29, 1986, before me, the undersigned, a Notary Public for said State, personally appeared SAM A. SNYDER and R. E. JENKINS, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument as Vice President and Assistant Secretary, respectively, on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public



POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That UNION OIL COMPANY OF IRAN, a corporation duly organized and existing under the laws of the State of California, United States of America, does hereby make, constitute and appoint:

Graydon H. Laughbaum

and

Timothy R. Thomas

its true and lawful Attorneys-in-Fact, and in such capacity they are hereby authorized and directed, for and in its name, place and stead, jointly or individually, from time to time (without the necessity of affixing the corporate seal) to do and perform such acts and to execute and deliver all such agreements, affidavits and other instruments as may be incident to and necessary or advisable in their sole discretion in relation to claim settlements with National Iranian Oil Company and the Government of the Islamic Republic of Iran and related settlements of subsidiaries or affiliates of the Company, and likewise to execute in the name of this Company all such bonds and assurances as may be required for the due and


faithful performance of each and every such contract,  
agreement or other instrument entered into in the name of  
the Company.

The authority herein granted shall be effective  
September 22, 1986, until December 31, 1986, and shall have  
the same force and effect as though special authority were  
granted to said Attorneys-in-Fact to execute each such  
contract, agreement or other instrument separately for each  
and every contract, agreement or other instrument so entered  
into.

EXECUTED at Los Angeles, California, United States of  
America, on this 26th day of September, 1986.

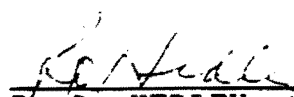
UNION OIL COMPANY OF IRAN

By

  
JOHN F. IMLE, JR.  
Vice President

LS

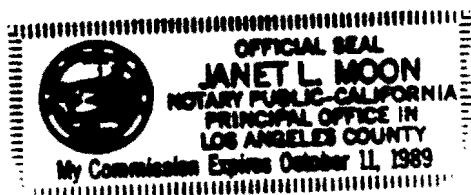
Attest:

  
E. O. HEDLEY  
Secretary

STATE OF CALIFORNIA                    )  
  )  
CITY AND COUNTY OF LOS ANGELES)

On September 26, 1986, before me, the undersigned, a Notary Public for said State, personally appeared JOHN F. IMLE, JR. and R. O. HEDLEY, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument as Vice President and Secretary, respectively, on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.



Janet L. Moon  
Notary Public

BOARD RESOLUTION

UNION OIL COMPANY OF IRAN

RESOLVED: That this Company grant Powers of Attorney to Messrs. Graydon H. Laughbaum and Timothy R. Thomas (the "Attorneys-in-Fact") and each of them is authorized and empowered in such capacity, jointly or individually, to execute for and on behalf of this Company (without the necessity of affixing the corporate seal) proposed claims and settlement agreements by and between this Company, National Iranian Oil Company and the Government of the Islamic Republic of Iran and (if required) claim settlement agreements of subsidiaries or affiliates of the Company, relating to settlement of claims and counterclaims filed and asserted in the Iran-United States Claim Tribunal, draft copies of such agreements having been presented at this meeting; and be it further

RESOLVED: That any officer of this Company is hereby empowered to issue documents evidencing the appointment of the Attorneys-in-Fact, empowering each with such powers as the Attorneys-in-Fact may require to execute and otherwise consummate such agreements.

