

Asinus Muses

Oxford Energy Forum Issue 82,
August 2010

Best Price

Asinus has previously remarked on oil price outliers, including BP's \$2-per-barrel deal in Iraq last year, surpassed only by the \$1.50 per barrel received by Somali pirates as a ransom for a hijacked oil tanker. But BP is unlikely to be outdone on their new upside record: \$32 billion, or \$6,500 per barrel, for 4.9 million barrels of unconventionally-extracted (and distributed) oil.

Bonus, Please

In the land of opportunity it is not only the banks who get government-sponsored pay-offs for sowing destruction. The US government is living up to its traditional role as welfare state for giant corporations by covering approximately \$10 billion of BP's costs through tax write-offs. Now we know why Congress didn't want to extend unemployment benefits: they needed to save their scarce resources for the truly deserving.

Bruised Posteriors

Apparently on a different page from the tax authorities, President Barack Obama's reaction to the record-breaking spill at Deepwater Horizon was to consult "experts" to advise him on "whose ass to kick." Asinus, as readers will anticipate, is against kicking anyone's ass, on the basis that it is surely the owner of the ass, not the poor animal itself, who deserves the boot. Be that as it may, the ass selected was soon-to-be-ex-BP CEO Tony Hayward – though, out of respect, Asinus prefers to refer to him with the less prejudicial term "donkey."

Rand Paul, Republican Senate candidate for Kentucky, did not approve of Obama's belligerent approach, remarking, "I think that sounds really un-American in his criticism of business." But then Mr

Paul wants to repeal parts of the Civil Rights Act that outlaw race discrimination by businesses, so his own ass may be in Obama's sights.

Bad Performance

Unfortunate though he has been, Hayward's selection for the ass-kicking was based on more than his being in the wrong place at the wrong time. Obama and the world were particularly dubious about Hayward's claim that "There's no one who wants this over more than I do. I would like my life back." Asinus, who believes in charitable interpretation, supposes that Mr Hayward was simply pointing out that his incentives were aligned with those of the victims of the spill. But could he really not think of anyone else who wanted it over more than he did? One local fisherman whose desire for closure was plausibly greater than that of the BP CEO was quoted as saying "Our way of life is over." Unlike Hayward he did not mean that he had got only one day of yacht racing in two months.

Asinus's sympathy for the fisherman was somewhat attenuated, however, when he likened the events to "the apocalypse." Everyone, it seems, wants to blame the equine genus.

Blame a-Plenty

Few doubt that those responsible for the spill should be held to account. But fewer still seem to realise that the need for ass-kicking spreads far beyond US waters. An international report by the World Wildlife Fund UK and others found that between 9 and 13 million barrels of oil had been spilled in the Niger delta over the last 50 years. On some estimates this is as much as an Exxon Valdez every year. Speaking of whom, an ExxonMobil pipeline in the region ruptured in May, pumping more than a million gallons of oil into the delta before the company sealed off the pipe. Hot on their heels, Shell just closed off a pipe that had been spewing oil into the mangroves for two months. Readers may also recall Asinus's

review of the documentary *Crude*, on Chevron-Texaco's alleged dumping of oil and related substances on indigenous people's land in Ecuador. Asinus wonders when Congress and the US president will start kicking executive *derrières* at ExxonMobil, Shell and Chevron.

Beyond Parody

Locals near Selby, North Yorkshire have been complaining about the "eyesore" of a dozen new wind turbines. "You wouldn't want those on your doorstep," one local was reported as saying. What is interesting about this case is that, rather than standard NIMBYism, it is an example of the lesser-known NIMCPSBYism: not in my coal-fired power station's backyard-ism. For, as some readers will know, Selby is the local town to Drax, Britain's largest coal-fired power station, and next to which the aesthetically-unacceptable wind turbines have been placed. The Press Association has a charming photograph of the turbines standing in front of hulking cooling towers. Why the opposition? The same local reasoned: "The power station has been there for years. But the wind turbines are new."

Also in the news, Matt Simmons, author of the controversial *Twilight in the Dessert*, was recently found dead in his Texan hot tub. Simmons' claims about declining Saudi production had irritated and exasperated the more technically-literate observers of the Kingdom's oil production. But his most original claims came in the last few months of his life and concerned the Deepwater Horizon spill. After first claiming that the "real" leak was some seven miles away from where BP claimed, he then declared that "the only way" to seal the hole was to use "a small diameter nuclear bomb." Asinus fears that between the people of Yorkshire and the people of Texas, parodists will be out of a job.