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WikiLeaks Cables Reveal Azeri Gas Leak

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LONDON — Leaked U.S. Embassy cables reveal that the BP oil company was "fortunate" to have evacuated workers from a platform in Azerbaijan after a gas leak similar to the Gulf of Mexico disaster.

The cables published by The Guardian newspaper on Thursday also reported that Azeri President Ilham Aliyev accused the London-based company of stealing billions of dollars of oil from his country and using "mild blackmail" to secure the rights to develop gas reserves in the Caspian Sea.

The cables were released as BP shares took a hit in London after the U.S. Department of Justice announced it was suing the oil company and several other firms involved in the Gulf of Mexico oil spill.

The U.S. government accused the companies of disregarding federal safety regulations in drilling the well that blew out April 20, triggering a deadly explosion on the Deepwater Horizon rig and sending thousands of tons of oil pouring into the Gulf.

In one of the U.S. Embassy cables, BP Azerbaijan president Bill Schrader is reported as saying

the "red button" was pressed after detection of a gas leak on the Central Azeri platform in September 2008.

The subsequent evacuation of 211 workers was BP's largest emergency evacuation at the time.

The cable, released by the WikiLeaks site, says that given the explosive potential the company was quite fortunate to have been able to evacuate everyone safely and prevent any gas ignition.

Schrader notes that the incident had escaped media attention, but added that it had the "full focus" of the Azeri government, which was losing $40 million to $50 million a day because of the shutdown.

A later cable revealed that BP believed a "bad cement job" was to blame for the Azeri leak.

That echoes comments by former BP chief Eexecutive Tony Hayward that partly blamed a "bad cement job" by contractor Halliburton on the Deepwater Horizon rig.

Another WikiLeaks cable reveals that Aliyev said BP tried to exploit his country's "temporary troubles" during a gas shortage in December 2006.

Aliyev is reported by U.S. diplomats in Baku as saying BP wanted an extension of its lucrative profit-sharing arrangement with the Azerbaijan government and the green light to develop key Caspian reserves in return for making more gas supplies available for domestic consumption.

BP is the biggest shareholder in the $4 billion Baku-Tblisi-Ceyhan pipeline, which carries more than 1 million barrels of oil a day from the Caspian Sea to Turkey. It is also the largest shareholder and operator of the Azeri-Chirag-Guneshi field, the country's largest producing oil field in the Caspian reserve.

In one cable from 2007, the state-controlled oil company Socar threatened to have Schrader put on trial for "stealing $10 billion worth of Azerbaijani oil" and to go public with its complaints.

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