
DRAFT STATUTORY INSTRUMENTS

2006 No.

**The Petroleum Revenue Tax (Attribution
of Blended Crude Oil) Regulations 2006**

Sale of field interests

7.—(1) If a participator (“the seller”) agrees to sell a field interest to an unconnected party (“the buyer”) the seller must notify Her Majesty’s Revenue and Customs in writing of—

- (a) the names of the buyer and seller;
- (b) the field interest in question;
- (c) the proposed completion date of the sale; and
- (d) the cessation date.

(2) In this regulation “the cessation date” means the date after which, in accordance with the contract for the sale of the field interest, the seller will make no further lifting of oil won from that field interest, except as required by the terminal operator, prior to completion of the sale.

(3) The information must be provided to Her Majesty’s Revenue and Customs no later than the first day of the month preceding the month in which the cessation date falls.

(4) From the later of the cessation date, or the end of the month in which falls the date on which the information specified in paragraph (1) is received by Her Majesty’s Revenue and Customs—

- (a) any amounts lifted from that field interest (“the separated interest”) shall be separated from the seller’s other field interests for the purposes of calculating the allocation entitlements for that field; and
- (b) the entitlements in respect of the separated interest shall be calculated on the basis of the formula set out in paragraph (5).

(5) For each lifting of blended oil from the separated interest in a month, the following formula applies to determine the quantity of oil lifted from each of the fields from which the oil is derived—

$$\frac{A \times B}{C}$$

Here—

A is the volume of oil lifted;

B is the total amount of the seller’s production entitlement for the separated interest for that month; and

C is the sum of the seller’s production entitlement from all his separated interests for that month.