STATUTORY INSTRUMENTS

2012 No. 3153

The Qualifying Oil Fields Order 2012

Amendments to Chapter 7 of Part 8 of CTA 2010

6.—(1) Section 356 ("total field allowance for a new oil field") is amended as follows.

(2) In subsection (1), omit the "and" after paragraph (b), and after paragraph (c) insert—

"(d) in the case of a large deep water oil field, the amount determined in accordance with subsection (4),

(e) in the case of a large shallow water gas field, the amount determined in accordance with subsection (5), and

(f) in the case of a deep water gas field, the amount determined in accordance with subsection (6)."

(3) For subsection (2) substitute—

"(2) The total field allowance for a small oil field is—

(a) if the field has reserves of oil of 6,250,000 tonnes or less, £150,000,000, and

(b) in any other case (where the oil field has reserves of more than 6,250,000 tonnes but not more than 7,000,000 tonnes) the following amount—

$$£150,000,000 \times \frac{7,000,000 - X}{7,000,000 - 6,250,000}$$

where X is the amount of the reserves of oil (in tonnes) which the field has."

(4) After subsection (3) insert—

"(4) The total field allowance for a large deep water oil field is —

$$£3,000,000,000 \times \frac{55,000,000 - X}{15,000,000}$$

where X is—

(a) in a case where the amount of the reserves of oil which the field has is 40,000,000 tonnes or less, 40,000,000,

(b) in any other case (where the oil field has reserves of more than 40,000,000 tonnes but not more than 55,000,000 tonnes) the amount of the reserves of oil (in tonnes) which the field has.

(5) The total field allowance for a large shallow water gas field is—

$$£500,000,000 \times \frac{R}{T} \times \frac{25 - X}{5}$$

where—

R is the amount of the reserves of gas (in billion cubic metres) which the field has,

T is—

the amount of the reserves of gas (in billion cubic metres) which the field has, or

in a case where there are one or more oil fields related to the field, the total amount of reserves of gas (in billion cubic metres) which the field and those related oil fields together have, and

X is—

in a case where T is 20 or less, 20, and

in any other case (where T is greater than 20 but less than 25), T.

(6) The total field allowance for a deep water gas field is—

$$Y \times \frac{D-60}{60}$$

where—

Y is—

a) £800,000,000, or

b) in a case where two or more deep water gas fields share the same authorisation day, £1,600,000,000 divided by the total number of those deep water gas fields, and

D is—

a) where the length of the planned pipe-line route is more than 60 but less than 120 kilometres, that length (in kilometres), or

b) in a case where the length of the planned pipe-line route is 120 kilometres or more, 120.

(7) In subsection (6) "the planned pipe-line route", in relation to a deep water gas field, means the planned route of the pipe-line (or pipe-lines) to be used for transporting gas from the field as mentioned in section 355C(4).

(8) If an oil field falls within more than one of the descriptions of oil field listed in section 352 ("qualifying oil field"), then for the purposes of this section the field is to be regarded as being of the description that produces the greatest total field allowance for that field."