HMRC - OT26027 - 1967 Memorandum - Gaps Between Stages 3 And 4 In Oil Exploration And Development

The 1967 memorandum was mainly focussed on drilling activities and its wording did not contemplate any gaps between Stages 3 and 4. Stage 4 starts with development drilling and in 1967 long periods with no drilling activity were not foreseen.

Where there is a gap between the two stages the expenditure during the gap would mainly be on activities other than drilling. The HMRC view is that whether or not there is a gap the position that Stage 3 is finished when commercial production is considered worthwhile holds. It follows that the delay of stage 4 is not a reason for the continuance of RDA claims.

Previous page

Next page