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Energy

10 DOWNING STREET

THE PRIME MINISTER

9 July, 1980.

Dear Jim,

Thank you for your letter of 25 June about the freedom of BNOG to acquire North Sea licence interests relinquished by other companies.

As you will appreciate, the question of its policy to such deals is in the first place a matter for BNOG's own commercial judgment bearing in mind its available resources. Subject to this and to necessary public expenditure constraints, I can confirm that the Government is prepared to see the Corporation engage in such deals where this would be to the national advantage.

Yours sincerely,

(SGD) MT

The Rt. Hon. James Callaghan, M.P.

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