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Enron P. D. JD

CF. to note
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10 DOWNING STREET

THE PRIME MINISTER

17 September 1980

Dear Mr. Hammer,

I should like to thank you once again for your hospitality during my visit to the Flotta Terminal. I was much impressed by the operation your company is conducting there, both in terms of the rapid and efficient execution of the project and its operation, and in the relations you have established with the local community.

In your letter of 2 September, which you passed to me at Flotta, you mentioned in particular your application in the Seventh Licensing Round. You will know that the Department of Energy is now conducting discussions with all the applicant licence groups, and I understand that Occidental and its partners will be visiting the Department on 25 September to present their application and discuss it with officials. The Government has clearly declared its objective of restoring the momentum of exploration of our oil and gas resources on the UK Continental Shelf, and I am very pleased to learn of your company's continuing and substantial interest in the UKCS. Indeed we are encouraged by the strong, competitive response from the industry generally to the Seventh Round.

I know that David Howell aims to make the award of Seventh Round licences as quickly as he can after the discussion and assessment of all the applications has been completed. This should be by the end of the year.

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In assessing applications for licences the Government will take into account not only the technical and financial standing of the applicant groups but also, as David Howell and Hamish Gray have made clear, the performance and plans of companies on their existing licences, their contribution to the British economy and performance in affording full and fair opportunity to British firms in the supply of goods and services.

I am grateful to you for the various letters you have sent since my visit clarifying matters we discussed at Flotta. I shall be writing to you again on these issues at the end of the month, when I return from a series of brief overseas visits. It was particularly kind of you to offer to bring together a group of businessmen during Sir Keith Joseph's recent visit to the West Coast of the USA. I understand that the timing of his visit made this impossible, but we much appreciated your offer.

Warm personal regards.

Yours sincerely

Margaret Thatcher

Dr. Armand Hammer