

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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TEXACO NATURAL GAS INC. )  
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FE DOCKET NO. 00-27-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT NATURAL GAS FROM MEXICO

DOE/FE ORDER NO. 1588

MAY 01, 2000

## I. DESCRIPTION OF REQUEST

On April 26, 2000, Texaco Natural Gas Inc. (TNGI) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)<sup>1/</sup> and DOE Delegation Order Nos. 0204-111 and 204-127, for authorization to import from Mexico up to 120 Bcf of natural gas over a two-year term, beginning on May 3, 2000.<sup>2/</sup> TNGI is a Delaware corporation with its principal place of business in Houston, Texas. It is a wholly-owned subsidiary of Texas Exploration and Production Inc., which is a wholly-owned subsidiary of TEPI Holdings Inc., which is a wholly-owned subsidiary of Texaco Inc. TNGI will import the gas under spot and short-term market basis for its own account and as agent on behalf of U.S. purchasers. The requested authorization does not require the construction of new pipeline facilities

## II. FINDING

The application filed by TNGI has been evaluated to determine if the proposed import arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import of natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by TNGI to import natural gas from Mexico, a nation with which a free trade agreement is in effect, meets the section 3(c)

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> TNGI's current blanket authorization to import natural gas, granted by DOE/FE Order No. 1375 (1 FE ¶71,551), expires May 2, 2000.

criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

### ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Texaco Natural Gas Inc. (TNGI) is authorized to import from Mexico up to 120 Bcf of natural gas over a two-year term, beginning on May 3, 2000, and extending through May 2, 2002. This natural gas may be imported at any point on the border of the United States and Mexico.

B. With respect to the natural gas imports authorized by this Order, TNGI shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, TNGI must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each transaction, including: (1) the name of the seller(s); (2) the estimated or actual duration of the agreement(s); (3) the name of the U.S. transporter(s); (4) the point(s) of entry; (5) whether sales are being made on an interruptible or firm basis; and, if applicable (6) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB NO. : 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 2000, and should cover the period from the date of this Order, until the end of the second calendar quarter, June 30, 2000.

D. The quarterly reports required by Ordering Paragraphs B of this Order shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

Issued in Washington, D.C., on May 01, 2000.

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John W. Glynn  
Manager, Natural Gas Regulation  
Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy