UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TEXACO NATURAL GAS INC.)	FE DOCKET NO. 96-18-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS
FROM MEXICO

DOE/FE ORDER NO. 1161

APRIL 29, 1996

I. DESCRIPTION OF REQUEST

On April 5, 1996, 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)1/ and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to a total of 100 billion cubic feet (Bcf) of natural gas from Mexico over a two-year term beginning on the date of the first import delivery. TNGI is a Delaware corporation with its principal place of business in Houston, Texas, and is a wholly owned subsidiary of Texaco Inc. TNGI will import the natural gas at any point on the international border of the United States and Mexico. The proposed authorization does not involve 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) criterion and,

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1/ 15 U.S.C. 717b.

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 up to a total of 100 Bcf of natural gas from Mexico over a two-year term beginning on the date of the first delivery. This natural gas may be imported at any point on the international border of the United States and Mexico.

B. Within two weeks after deliveries begin, TNGI shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, TNGI shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. 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 import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1996, and should cover the period from the date of this Order until the end of the second calendar quarter, June 30, 1996.

Issued in Washington, D.C., on April 29, 1996.

Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs
Office of Fossil Energy