

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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MAY 22 2006

DOE/OFE/NGR

WEST TEXAS GAS, INC.

FE DOCKET NO. 06-38-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 2215

MAY 22, 2006

I. DESCRIPTION OF REQUEST

On May 10, 2006, West Texas Gas, Inc. (WTGI), filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for blanket authorization to export up to 50 billion cubic feet of natural gas to Mexico. The applicant requests the authorization be granted for a two-year term beginning June 1, 2006. WTGI is a Texas corporation with its principal place of business in Midland, Texas.

II. FINDING

The application filed by WTGI has been evaluated to determine if the proposed export 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 export of natural gas to 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 WTGI to export natural gas to Mexico, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.04 (January 8, 2002).

ORDER

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

A. West Texas Gas, Inc. is authorized to export up to 50 billion cubic feet of natural gas to Mexico. The term of the authority will begin on June 1, 2006, and extend through May 31, 2008.

B. This natural gas may be exported at any point on the border between the United States and Mexico.

C. **Monthly Reports:** With respect to the export of natural gas authorized by this Order, WTGI shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If exports of natural gas have not been made, a report of "no activity" for that month must be filed. If exports of natural gas have occurred, the report must give the following details: (1) the country of destination; (2) point(s) of exit; and (3) the total volume at each export point in thousand cubic feet (Mcf) for the month. [OMB No.: 1901-0294]

D. The first monthly report required by this Order is due not later than July 30, 2006, and should cover the reporting period June 1, 2006, through June 30, 2006.

E. **Quarterly Reports:** With respect to the natural gas exports authorized by this Order, WTGI shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar quarter, reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If exports of natural gas have not been made, a report of "no activity" for that calendar quarter must be filed.

If exports have occurred, WTGI must report the following: (1) the total monthly volumes in Mcf; (2) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (3) the name of the supplier(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the supply agreement(s); (6) the name of the United States transporter(s); and (7) the point(s) of exit. [OMB No.: 1901-0294]

F. The first quarterly report required by this Order is due not later than July 30, 2006, and should cover the period of June 1, 2006, until the end of the second calendar quarter, June 30, 2006.

G. Both the monthly and quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on May 22, 2006.



R. F. Corbin
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Office of Fossil Energy