

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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MOBIL NATURAL GAS INC.	)	FE DOCKET NO. 93-69-NG
_____	)	

ORDER GRANTING BLANKET AUTHORIZATION  
TO EXPORT NATURAL GAS TO MEXICO,  
TO EXPORT LIQUEFIED NATURAL GAS  
TO ANY FOREIGN COUNTRY,  
AND GRANTING INTERVENTION

DOE/FE OPINION AND ORDER NO. 843

SEPTEMBER 24, 1993

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I. BACKGROUND

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On July 2, 1993, as amended July 22, 1993, Mobil Natural Gas Inc. (MNGI) 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) and DOE Delegation Order Nos. 0204-111 and 0204-127, to export natural gas to Mexico. In addition, MNGI requests authorization to export liquefied natural gas (LNG) to any foreign country. MNGI proposes to export a combined total of up to 200 Bcf of natural gas and LNG over a two-year term, beginning on the date of first delivery after September 30, 1993.1/ MNGI is a Delaware corporation with its principal

place of business in Houston, Texas. MNGI asserts that the natural gas and LNG it plans to export under short-term and spot market transactions, on its own behalf or as an agent for others, will not be needed for domestic consumption. MNGI will use existing pipeline and LNG facilities for these proposed exports and will comply with DOE's quarterly reporting requirement.

II. INTERVENTIONS AND COMMENTS

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A notice of MNGI's application was published in the Federal Register on August 10, 1993, inviting protests, motions to intervene, notices of intervention, and comments to be filed by September 9, 1993.2/ Valero Transmission, L.P. (Valero) filed

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1/ This is the expiration date of MNGI's current blanket  
- authorization to export natural gas to Mexico, granted by DOE/FE  
Opinion and Order No. 513 on June 21, 1991 (1 FE Para. 70,459).

2/ 58 F.R. 42533. -

a motion to intervene without substantive comments or request for additional procedures. This order grants intervention to Valero.

### III. DECISION

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The application filed by MNGI has been evaluated to determine if the proposed export arrangement meets the public interest requirements of section 3 of the NGA. Under section 3, an export must be authorized unless there is a finding that it "will not be consistent with the public interest."<sup>3/</sup> When natural gas export applications are reviewed, domestic need for the gas to be exported is considered, as well as any other issues determined to be appropriate in a particular case.

MNGI's uncontested export proposal, as set forth in the application, is consistent with section 3 of the NGA and DOE's international gas trade policy. Natural gas supplies in the United States are expected to continue to be more than adequate to meet consumer demand. For this reason, and because MNGI's transactions will be short-term and market-responsive, it is unlikely that the proposed export volumes will be needed in the domestic market during the term of this authorization. Additionally, MNGI's proposal, which is similar to other blanket export arrangements approved by DOE,<sup>4/</sup> should reduce trade

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3/ 15 U.S.C. Sec. 717b.

4/ E.g., SDS Petroleum Products Inc., 1 FE Para. 70,682 (August 24,

1992); P.M.I. Comercio Internacional, S.A. de C.V.,

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1 FE Para. 70,686 (October 6, 1992); and GPM Gas Corporation,

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1 FE Para. 70,691 (October 19, 1992).

barriers by promoting a more market-oriented gas trade between the United States and other countries.

After considering all the information in the record of this proceeding, I find that authorizing MNGI to export a combined total of up to 200 Bcf of natural gas to Mexico and LNG to any foreign country, beginning on the date of first delivery after September 30, 1993, is not inconsistent with the public interest.<sup>5/</sup> This blanket order authorizes export transactions under contracts with terms of no longer than two years.

ORDER

For the reasons set forth above, pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Mobil Natural Gas Inc. (MNGI), is authorized to export a combined total of up to 200 Bcf of natural gas to Mexico and LNG to any foreign country, over a two-year term, beginning on the date of first delivery after September 30, 1993.

B. This natural gas and LNG may be exported at any United States border point which does not require the construction of new pipeline or LNG facilities.

C. Within two weeks after deliveries begin, MNGI shall provide written notification to the Office of Fuels Programs,

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<sup>5/</sup> Because the proposed export of gas will use existing pipeline and LNG facilities, DOE has determined that granting this authorization is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act (42 U.S.C. Sec. 4321, et

seq.); therefore, neither an environmental impact statement nor  
— an environmental assessment is required. See 40 C.F.R. Sec. 1508.4  
— and 54 F.R. 15122 (April 24, 1992).

Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first delivery of natural gas authorized in Ordering Paragraph A above occurred.

D. Regarding the natural gas exports authorized by this Order, MNGI shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether export sales have been made. Quarterly reports must be filed whether or not deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports occurred, MNGI must submit monthly total volumes of the exports in Mcf and the average sales price per MMBtu at the international border. The reports shall also provide the details of each export transaction, including: (1) the names of the seller(s); (2) the names of the purchaser(s); (3) the estimated or actual duration of the agreements; (4) the names of the U.S. transporter(s); (5) the point(s) of exit; (6) the geographic market(s) served; and (7) whether the sales are being made on an interruptible or firm basis. Failure to file quarterly reports may result in termination of this authorization.

E. The first quarterly report required by Ordering Paragraph D is due not later than January 30, 1994, and should cover the period from October 1, 1993, until the end of the fourth calendar quarter, December 31, 1993.



F. The motion to intervene filed by Valero Transmission L.P. (Valero) is hereby granted, provided that Valero's participation is limited to the matters specifically set forth in its motion to intervene and not herein specifically denied, and that admission of this intervenor shall not be construed as recognition that it may be aggrieved because of any order issued in this proceeding.

Issued in Washington, D.C., on September 24, 1993.

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