

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

MERIDIAN OIL TRADING INC.)
_____)

FE DOCKET NO. 95-102-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS AND LIQUEFIED NATURAL GAS
TO MEXICO

DOE/FE ORDER NO. 1119

NOVEMBER 13, 1995

I. DESCRIPTION OF REQUEST _____

On October 31, 1995, Meridian Oil Trading Inc. (Meridian) (Meridian) 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 export up to 100 billion cubic feet (Bcf) of natural gas, including liquefied natural gas (LNG), to Mexico over a two-year term beginning on the date of the first export. Meridian, a corporation organized under the laws of the State of Delaware, with its principal place of business in Houston, Texas, is a marketer of natural gas. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Meridian 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 Meridian to export natural gas, including LNG, 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.

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

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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. Meridian Oil Trading Inc. (Meridian) is authorized to export up to 100 Bcf of natural gas, including LNG, to Mexico over a two-year term beginning on the date of the first export. This natural gas may be exported at any point on the border of the United States and Mexico.

B. Within two weeks after deliveries begin, Meridian 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 export of natural gas or LNG authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas exports authorized by this Order, Meridian shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas, including LNG, have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports of natural gas or LNG have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Meridian must report the following: (1) total monthly volumes in Mcf; (2) the average purchase price of gas per MMBtu at the international border;

(3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s); (5) the point(s) of exit; and (6) the geographic market(s) served.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1996, and should cover the period from the date of this Order, until the end of the Fourth calendar quarter, December 31, 1995.

Issued in Washington, D.C., on November 13, 1995.

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