

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

EASTEX HYDROCARBONS INC.)
_____)

FE DOCKET NO. 95-120-NG

ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT
NATURAL GAS FROM AND EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 1137

DECEMBER 21, 1995

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I. DESCRIPTION OF REQUEST _____

On December 18, 1995, Eastex Hydrocarbons Inc. (Eastex) 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 200 Bcf of natural gas from Mexico and export up to 200 Bcf of natural gas to Mexico over a two-year term beginning on September 1, 1995.^{2/} Eastex,

a Delaware corporation, with its principal place of business in Houston, Texas, is a subsidiary of Eastex Energy Inc., which is a subsidiary of El Paso Natural Gas Company. Eastex, a marketer of natural gas, plans to import and export the gas under short-term and spot market arrangements on its own behalf as well as on behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Eastex has been evaluated to determine if the proposed import/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 import or export of natural gas from or to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural

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

2. Eastex is requesting retroactive import/export authority due

to a mutual misunderstanding between themselves and Petroleos Mexicanos where each entity relied on the other to obtain import/export authority.

gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Eastex to import and export natural gas from and 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.

ORDER

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

A. Eastex Hydrocarbons Inc. (Eastex) is authorized to import up to 200 Bcf of natural gas from and export up to 200 Bcf of natural gas to Mexico over a two-year term beginning on September 1, 1995. This natural gas may be imported and exported at any point on the border of the United States and Mexico.

B. With respect to the natural gas imports and exports authorized by this Order, Eastex shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Eastex must report the following: (1) total monthly volumes in

Mcf; (2) the average monthly purchase price of gas per MMBtu at

the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

C. 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 September 1, 1995, until the end of the fourth calendar quarter, December 31, 1995.

Issued in Washington, D.C., on December 21, 1995.

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