

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

ONYX GAS MARKETING COMPANY, L.C.

FE DOCKET NO. 97-55-NG

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

DOE/FE ORDER NO. 1295

AUGUST 19, 1997

I. DESCRIPTION OF REQUEST

On July 25, 1997, Onyx Gas Marketing Company, L.C. (Onyx) 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 and export up to a combined total of 110 Bcf of natural gas from and to Mexico. The term of the authorization would be for a period of two years beginning on the date of first delivery after October 11, 1997.⁽²⁾ Onyx, a marketer of natural gas, is a limited liability company incorporated in Texas with its principal place of business in Corpus Christi, Texas. Onyx is a subsidiary of Arch Petroleum, Inc. Onyx plans to import and export the gas under spot and short-term transactions on its own behalf or as agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Onyx 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 gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Onyx 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. Onyx Gas Marketing Company, L.C. (Onyx) is authorized to import and export up to a combined total of 110 Bcf of natural gas from and to Mexico over a two-year term, beginning on the date of first import or export delivery, after October 11, 1997, whichever occurs first. This natural gas may be imported and exported at any U.S./Mexico border point.

B. Within two weeks after deliveries begin, Onyx shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import or export delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, Onyx shall file with the Office of Natural Gas & Petroleum Import and Export Activities, 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, Onyx 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.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1998, and should cover the period from October 12, 1997, until the end of the fourth calendar quarter, December 31, 1997.

Issued in Washington, D.C., on August 19, 1997.

Wayne E. Peters
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.

2. 2/ This is the expiration date of Onyx's existing blanket import/export authorization granted by DOE/FE Order No. 1082 dated September 21, 1995 (1 FE ¶ 71,158).