

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

TEXACO NATURAL GAS INC.

FE DOCKET NO. 98-27-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT NATURAL GAS FROM MEXICO

DOE/FE ORDER NO. 1375

APRIL 16, 1998

## I. DESCRIPTION OF REQUEST

On April 9, 1998, Texaco Natural Gas Inc. (TNGI), filed an application, as amended April 14, 1998, with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>(1)</sup> and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 120 billion cubic feet (Bcf) of natural gas from Mexico over a two-year term beginning May 3, 1996.<sup>(2)</sup> TNGI is a Delaware corporation with its principal place of business in Houston, Texas. TNGI is a wholly-owned subsidiary of Texaco Exploration and Production Inc., which is a wholly-owned subsidiary of TEPI Holdings Inc., which is a wholly-owned subsidiary of Texaco Inc. This natural gas will be imported under short-term and spot market arrangements, either on TNGI's own behalf or as the agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by TNGI has been evaluated to determine if the proposed import 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 of natural gas from 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 TNGI to import natural gas from 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. Texaco Natural Gas Inc. (TNGI) is authorized to import up to 120 Bcf of natural gas from Mexico over a two-year term from May 3, 1998, through May 2, 2000. This natural gas may be imported at any point on the border of the United States and Mexico.

B. With respect to the natural gas imports authorized by this Order, TNGI shall file, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, TNGI must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

C. The reports described in Ordering Paragraph B of this Order shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 1998, and should cover the period from May 3, 1998, until the end of the second calendar quarter, June 30, 1998.

Issued in Washington, D.C., on April 16, 1998.

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John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import and Export Activities

Office of Fossil Energy

1. 15 U.S.C. § 717b.

2. May 2, 1998, is the expiration date of TNGI's previous blanket authorization to import natural gas from Mexico, granted in DOE/FE Order No. 1161 on April 29, 1996 (1 FE ¶ 71,253).