

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

WEST TEXAS GAS, INC.

FE DOCKET NO. 98-38-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 1387

MAY 28, 1998

I. DESCRIPTION OF REQUEST

On May 28, 1998, West Texas Gas, Inc. (WTG), 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, requesting blanket authorization to export up to 50 billion cubic feet (Bcf) of natural gas to Mexico over a two-year term beginning on June 1, 1998.⁽²⁾ WTG, a Texas corporation with its principal place of business in Midland, Texas, is engaged in the distribution of gas in Texas, as well as city-gate sales through natural gas pipeline facilities regulated by the Texas Railroad Commission. WTG requests authority to export this gas under spot and short-term sales 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 WTG 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 exportation 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 WTG to export natural gas 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. West Texas Gas, Inc. (WTG) is authorized to export to Mexico, at any point on the United States/Mexico border, up to 50 billion cubic feet (Bcf) of natural gas over a two-year term beginning on the June 1, 1998, and extending through May 31, 2000.

B. With respect to the natural gas exports authorized by this Order, WTG shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, WTG must report monthly the following: (1) total volumes in Mcf; (2) the average 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 U.S. transporter(s); and (7) the point(s) of exit.

C. The quarterly reports required by 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 the June 1, 1998, until the end of the second calendar quarter June 30, 1998.

Issued in Washington, D.C., on May 28, 1998.

John W. Glynn

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/ May 31, 1998, is the expiration date of WTG's existing blanket export authorization granted by DOE/FE Order No. 1166 dated May 16, 1996 (1 FE ¶ 71,260).