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ADMITTED IN VIRGINIA

April 13, 2001

FILE NO: 50289.000033

REC'D DOE/FE
2001 APR 16 A 9:59

VIA COURIER

Mr. Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas and Petroleum Import and Export Activities
Fossil Energy
U.S. Department of Energy
Forrest Building, Room 3E-042, FE-34
1000 Independence Avenue, SW
Washington, DC 20585

Dear Mr. Tomaszewski:

Energia Azteca X, S. de R.L. de C.V, a Mexican *sociedad mercantil* ("EAX"), intending to export natural gas from the United States to Mexico, hereby requests prior approval from the Department of Energy ("DOE") as required under Section 3 of the Natural Gas Act (15 U.S.C. § 717b). In support of this request, please find in the enclosed envelopes the following documents:

1. An copy of the Application of EAX for Long-Term Authorization to Export Natural Gas to Mexico (the "Application"), including a redacted copy of Exhibit B to the Application (the "Redacted Gas Sales Agreement");
2. An unredacted copy of Exhibit B to Application (the "Unredacted Gas Sales Agreement"); and
3. The filing fee for of fifty dollars (\$50), payable to the Treasurer of the United States.

The Unredacted Gas Sales Agreement contains information that shall remain confidential and shall not be publicly disseminated. In accordance with information given to us by your office, we request that DOE review the Unredacted Gas Sales Agreement for the purpose of granting authorization to EAX to export of natural gas to Mexico, but file the Redacted Gas Sales Agreement, together with the Application, in the public records.

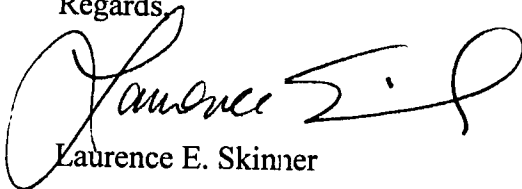
Mr. Clifford P. Tomaszewski
April 13, 2001
Page 2

The Unredacted Gas Sales Agreement should be returned upon completion of DOE's review to the following address:

Laurence E. Skinner, Esq.
Hunton & Williards
1900 K Street, NW
Washington, DC 20006

Thank you for your prompt attention to this matter.

Regards,

A handwritten signature in black ink, appearing to read "Laurence E. Skinner", with a stylized flourish at the end.

Laurence E. Skinner

Enclosures

cc: Vimal Chauhan

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

FILED DCE/FE
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ENERGIA AZTECA X, S. DE R.L. DE C.V.)
)

DOCKET NO. 01-15-NG

APPLICATION OF ENERGIA AZTECA X, S. DE R.L. DE C.V.
FOR LONG-TERM AUTHORIZATION TO EXPORT
NATURAL GAS TO MEXICO

Communications with respect to this Application
should be addressed to:

Laurence E. Skinner, Esq.
Hunton & Williams
1900 K Street, NW
Washington, D.C. 20006
(202) 955-1500

Vimal Chauhan
InterGen
Two Alhambra Plaza
Suite 1100
Coral Gables, FL 33134-5202
(305) 461-6950

April 13, 2001

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

DOE/FE
2001 FEB 15 A 9:59

ENERGIA AZTECA X, S. DE R.L.)
DE C.V.)

DOCKET NO. 01-15-NG

APPLICATION OF ENERGIA AZTECA X, S. DE R.L. DE C.V.
FOR LONG-TERM AUTHORIZATION TO EXPORT
NATURAL GAS TO MEXICO

Pursuant to Section 3 of the Natural Gas Act ("NGA"), 15 U.S.C. Section 717b, Part 590 of the Regulations of the Department of Energy ("DOE"), Office of Fossil Energy ("FE"), and Section 201 of the Energy Policy Act of 1992 ("Energy Policy Act"), Energia Azteca X, S. de R.L. de C.V., a Mexican *sociedad mercantil* ("EAX"), hereby submits the instant application for long-term authorization to export natural gas to Mexico. In support of this application, EAX respectfully shows as follows:

I.
GENERAL

Correspondence and communications regarding this application should be addressed to the following:

Vimal Chauhan
InterGen
Two Alhambra Plaza
Suite 1100
Coral Gables, FL 33134-5202
(305) 461-6950

Laurence E. Skinner, Esq.
Hunton & Williams
1900 K Street, NW
Washington, D.C. 20006
(202) 955-1562

II. BACKGROUND

EAX is a *sociedad mercantil* formed under the laws of Mexico, with its principal place of business at Ruben Dario 281 – Piso 13, Colonia Bosques de Chapultepec, Mexico D.F. 11580, Mexico. EAX is a wholly-owned indirect subsidiary of InterGen International, B.V., which is organized under the laws of the Netherlands. EAX will be engaged in the business of generating electrical energy in EAX's approximately 750 megawatt power plant to be built near Mexicali, Mexico in the State of Baja California Norte (the "Facility"). As part of such business, EAX is purchasing natural gas from Coral Energy Resources, L.P., a Delaware limited partnership ("Coral") for delivery to EAX at the Interconnection of the North Baja Pipeline with the El Paso Natural Gas Pipeline near Ehrenburg, Arizona.

III. AUTHORIZATION REQUESTED

By the instant application, EAX requests long-term authorization to export natural gas to Mexico, expected to begin in July 2002, that may be needed from time to time for the testing, commissioning and operation of EAX's Facility and for a combined total of up to 135,000 MMBtu of natural gas per day over a fifteen (15) year term commencing on April 1, 2003. The subject application is similar to other long-term export arrangements approved by DOE.

IV. TRANSPORTATION

The natural gas being exported by EAX is being supplied by Coral. Coral's transporter, El Paso Natural Gas Pipeline, will deliver the natural gas to the interconnection with EAX's transporter, North Baja Pipeline, in or around Ehrenburg, Arizona (the "Arizona Delivery Point"). North Baja Pipeline will transport the natural gas to the Facility through a point of export on the United States/Mexico international border between Yuma, Arizona and Mexicali, Mexico. North Baja Pipeline filed an application for certificates of public convenience and necessity on October 31, 2000 with the Federal Energy Regulatory Commission.

V. MAJOR PROVISIONS OF GAS SALES AGREEMENT

As more particularly described in the Gas Sales Agreement, Exhibit B attached hereto and made a part hereof, EAX will purchase up to an aggregate total of 135,000 MMBtu of natural gas per day at a price based on information reported in the Gas Daily for the day of delivery over a term of fifteen (15) years.

The Gas Sales Agreement includes cover and liquidated damage provisions if Coral fails to deliver and sell the daily scheduled quantity of natural gas for reasons other than force majeure. If EAX fails to purchase each day the full requirements of the Facility from Coral other than for

reasons of Coral's failure to make such quantities available or force majeure, then EAX will pay damages.

VI. PUBLIC INTEREST

Section 201 of the Energy Policy Act, 15 U.S.C. 717b(c), provides that the importation and exportation of natural gas from or to a nation with which there is in effect a free trade agreement shall be deemed to be within the public interest, and that applications for such importation and exportation shall be granted without modification or delay. Because EAX's application is for the exportation of natural gas to Mexico, a nation with which the United States has a free trade agreement, EAX submits that its application is within the public interest. Moreover, the application is also consistent with the public interest because approximately one-third of the capacity of the Facility will be available to supply the California market for electric energy.

VII. ENVIRONMENTAL IMPACT

No new facilities will be constructed by EAX in the United States for the proposed exportation of natural gas. Consequently, granting this application will not be a federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. § 4321, *et seq.* Therefore, an environmental impact statement or environmental assessment is not required.

VIII. REPORTING REQUIREMENTS

With respects to all exports made pursuant to the authorization requested herein, EAX will undertake to file with the DOE/FE in the month following the close of each calendar quarter, reports indicating by month whether imports or exports have occurred, and if so, the details of each transaction, including the total volumes of exports in Mcf and the average price for the exports per MMBtu at the international border. The reports shall include the name of the seller, the name of the purchaser, the estimated or actual duration of the agreements, the name of the U.S. transporter(s), the point of exit, whether the sales are made on an interruptible or firm basis, and, if applicable, the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. EAX will notify the DOE/FE in writing of the date of the first delivery of natural gas exported under the requested authorization within two weeks of such delivery.

IX.
CONCLUSION

WHEREFORE, for the foregoing reasons EAX respectfully requests that the DOE/FE expeditiously consider the instant application and, pursuant to section 3 of the NGA and section 201 of the Energy Policy Act, grant its request for long-term export authorization. EAX submits that a grant of such authorization would not be inconsistent with the public interest.

Respectfully submitted,

Laurence E. Skinner, Esq.
Hunton & Williams
1900 K Street, NW
Washington, D.C. 20006
(202) 955-1500

Attorneys for
ENERGIA AZTECA X, S. DE R.L. DE C.V.

April 13, 2001

[LA ROSITA EXPORT AUTHORIZATION]

EXHIBIT A

The undersigned, being special counsel to EAX, states and gives his opinion pursuant to 10 C.F.R. Part 590, as follows:

that he has examined and is familiar with the corporate powers of EAX, pursuant to EAX's constituent corporate organization documents;

that he has examined and is familiar with the contents of this Application for Authorization to Export Natural Gas, to which this Opinion is attached as Exhibit A;

that, with respect to this Application for Authorization to Export Natural Gas, EAX has complied with all pertinent State laws and regulatory authorities.

By: _____
Lawrence E. Skinner
Hunton & Williams
Date: April 13, 2001

REDACTED

EXHIBIT B

GAS SALES AGREEMENT

Coral Energy Resources, L.P., a Delaware limited partnership ("**Seller**"), and Energia Azteca X, S. de R.L. de C.V., a *sociedad mercantil* formed under the laws of Mexico ("**Buyer**"), referred to individually as a "**Party**" and collectively as the "**Parties**", enter into this Gas Sales Agreement ("**Agreement**") effective as of the 1st Day of December, 2000 (the "**Effective Date**"). The definitions and provisions set forth in Exhibit "1" shall apply to this Agreement.

WHEREAS, subject to the terms, conditions and limitations hereinafter set forth, Buyer desires to purchase certain quantities of Gas from Seller and Seller desires to sell such quantities of Gas to Buyer.

WHEREAS, the Gas purchased and sold under this Agreement will be for the generation of electrical energy in Buyer's power plant to be built near Mexicali, Mexico in the State of Baja California Norte (the "**Facility**").

WHEREAS, Buyer has entered into a power purchase agreement ("**PPA**") with the Comisión Federal de Electricidad ("**CFE**") for approximately two thirds of the generating capacity of the Facility and plans to enter into a power sale agreement ("**PSA**") with Coral Power LLC ("**Coral Power**") for the remainder of the generating capacity of the Facility.

WHEREAS, the Gas purchased and sold under this Agreement will be for the generation of electric energy to supply Buyer's commitments under the PPA and the PSA.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants hereinafter set forth, the Parties hereto covenant and agree to be legally bound as follows:

ARTICLE I

BUYER'S FACILITIES AND DELIVERY POINT

SECTION 1.1 Delivery Point.

Seller shall deliver Gas to Buyer at the interconnection of the pipeline systems of Seller's Transporter, El Paso Natural Gas Pipeline, and Buyer's transporter in or around Ehrenburg, Arizona (the "**Delivery Point**").

ARTICLE II

TERM

SECTION 2.1 Term.

Subject to the other provisions of this Agreement, this Agreement shall be effective as of the date hereof and shall remain in full force and effect until the earlier of (1) the 15th anniversary of the Commercial Operation Date (as defined under the PPA) of the Facility (contemplated to be April 1, 2003); or (2) upon any earlier termination of this Agreement, as set forth herein. Unless otherwise agreed, Seller may terminate this Agreement if the Commercial Operation Date does not occur within twelve (12) months of the Guaranteed Commercial Operation Date (as defined in and determined under the PSA) for reasons not attributable to Seller. If this Agreement is terminated as a result of Seller exercising its right to terminate as provided in the previous sentence or if this Agreement is terminated as a result of the termination of the PPA for reasons

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not attributable to Seller then Buyer shall pay to Seller the direct damages incurred by Seller as a result of the termination of this Agreement. Buyer is to provide written notification to Seller when the Facility is in full commercial operation. Termination of this Agreement in all instances shall be subject to Section 15.3.

SECTION 2.2 Conditions Precedent

The obligations of Seller under this Agreement are subject to Seller obtaining all applicable approvals from its governing body and affiliated entities. In the event that Seller has not obtained such approvals prior to November 30, 2000, then either Party may terminate this Agreement by giving the other Party thirty (30) days prior written notice of such termination. Notwithstanding the foregoing, should Seller obtain such approvals prior to receiving a written termination notice from Buyer or should Seller obtain such approvals within thirty (30) days of receiving a written termination notice from Buyer, then the Parties termination rights as provided in this Section 2.2 shall be cancelled and any termination notice shall be deemed ineffective. Upon obtaining such approvals from its governing body and affiliated entities Seller shall provide prompt notice to Buyer. Upon any such termination, this Agreement shall have no further force or effect and neither Party shall have any liability to the other Party.

ARTICLE III QUANTITIES AND SCHEDULING

SECTION 3.1 Test Gas.

Prior to the Commercial Operation Date of the Facility, Seller will sell Buyer quantities of Gas that may be needed from time to time for the testing and commissioning of Buyer's Facility. Buyer shall provide Seller with its schedule for testing at least ninety (90) Days prior to the anticipated beginning of such tests, indicating the expected amount of fuel required, with confirmations of the schedule and quantity being provided to Seller fifteen (15) Days prior to the anticipated beginning of tests. Upon receipt of each such notice from Buyer, but no later than seven (7) Days following the receipt of such notice, Seller shall confirm the availability of the required Gas quantities. Buyer shall schedule with Seller no later than the earlier of (i) 9:00 a.m. Prevailing Central Time or (ii) one hour prior to the El Paso Natural Gas Pipeline ("El Paso") cycle 1 nomination deadline for next day deliveries. The price for Gas for testing shall be the same as the Contract Price (defined in Section 4.1 below). Any subsequent changes to the quantity of Gas scheduled for tests of the Facility (including any intra-day changes) shall comply with the transporting pipeline's nomination requirements in effect at that time and any Gas required by Buyer in excess of the scheduled quantity shall be supplied by Seller using commercially reasonable efforts.

SECTION 3.2 Daily Scheduled Quantity.

Beginning on the first day of the month following the Commercial Operation Date of the Facility, Seller agrees to sell and deliver, or cause to be delivered, on a firm basis, and Buyer agrees to purchase and receive from Seller on a firm basis each Day a quantity of natural Gas equal to the daily fuel requirements for the operation of Buyer's Facility as scheduled by Buyer (the "**Daily Scheduled Quantity**"), but not to exceed 135,000 MMBtu per day (the "**Maximum Daily Quantity**" or "**MaxDQ**"). Buyer shall schedule with Seller the Daily Scheduled Quantity by the

REDACTED

earlier of (1) 9:00 a.m., Prevailing Central Time or (2) one hour prior to the cycle 1 daily nomination deadline for El Paso, on the business day prior to the day such quantity shall be required to be delivered. Buyer will nominate quantities in accordance with the dispatch of the Facility such that any variations in the actual amount consumed at the Facility and scheduled quantities shall be for reasons of the dispatch of the Facility only. Any subsequent changes to the Daily Scheduled Quantity (including any intra-day changes) shall comply with the transporting pipeline's nomination requirements in effect at that time.

SECTION 3.3 Daily Additional Quantity.

Any quantity of Gas scheduled by Buyer or that Buyer may take in excess of the Daily Scheduled Quantity scheduled for a given day shall be treated as the "**Daily Additional Quantity**" and shall be provided by Seller subject to any pipeline operational flow orders issued by Seller's transporter. Seller shall supply and deliver at the Delivery Point the Daily Additional Quantity in amounts scheduled by Buyer, provided that the Daily Scheduled Quantity and any Daily Additional Quantity shall not exceed the MaxDQ. Seller shall use commercially reasonable efforts to supply and deliver to the Delivery Point any Gas required by Buyer in excess of the Daily Scheduled Quantity and/or any quantity of Gas that Buyer may require in excess of the MaxDQ.

SECTION 3.4 Monthly Projections.

Between the 10th business day and the 6th business day prior to the beginning of the next month Buyer shall inform Seller of Buyer's projected quantity of Gas needed by the Facility for the upcoming month based on the expected dispatch of the Facility by CFE or any other entity which is or becomes entitled to dispatch the Facility, as such dispatch procedures may be modified from time to time. The Buyer and the Seller understand that the monthly baseload quantity projection has the sole purpose of assisting the Seller in its monthly planning and that the actual quantity scheduled by the Buyer during a given month may vary from zero MMBtu up to the MaxDQ times the number of days in the month.

SECTION 3.5 Reductions in MaxDQ.

In the event of an early termination of the PSA this Agreement shall remain in effect; *provided, however*, the MaxDQ may be reduced at Buyer's option in amounts up to the amounts related to the PSA. In the event of an early termination of the PPA this Agreement shall remain in effect; *provided, however*, the MaxDQ may be reduced at the option of either Buyer or Seller in amounts up to the amounts related to the PPA, if the PPA is terminated as a result of a buy-out of the project by the CFE under Section 13.6, Section 13.7, Section 16.4, and Section 23.2 of the PPA.

SECTION 3.6 Rates of Flow.

Buyer shall endeavor to receive Gas hereunder in uniform hourly quantities during any day with operating variations to be kept to the minimum feasible.

REDACTED

ARTICLE IV
PRICE

[REDACTED]

ARTICLE V
QUALITY, PRESSURE AND MEASUREMENT

SECTION 5.1 Quality.

The quality of Gas sold and delivered hereunder shall conform to the quality specifications of Seller's transporter immediately upstream of the Delivery Point. Buyer shall have the right to suspend deliveries and reject any Gas failing to meet such specifications; provided, however, should Buyer knowingly accept Gas that does not meet the foregoing quality requirements Seller shall not be liable for any damages associated with such Gas.

SECTION 5.2 Delivery Pressure.

Gas shall be delivered hereunder at the pressure maintained in Seller's Transporters' pipelines at the Delivery Point(s) from time to time.

SECTION 5.3 Measurement.

Measurement of the volume and heating value of the Gas purchased and sold hereunder shall be made at the Delivery Point in accordance with the tariffs, rules, guidelines, policies and procedures of Seller's Transporter.

ARTICLE VI
TRANSPORTATION AND IMBALANCES

SECTION 6.1 Transportation.

Seller shall be solely responsible for all transportation arrangements upstream of the Delivery Point. Buyer shall be solely responsible for all transportation arrangements downstream of the Delivery Point, including, if necessary, arrangements for developing and constructing a new natural Gas pipeline from the Delivery Point to Buyer's Facility.

SECTION 6.2 Imbalances.

In the event of an imbalance on Buyer's Transporter's system caused by Seller or Seller's Transporter's delivery of less or more than the Scheduled quantity for any Gas Day, then Seller shall be liable for and reimburse Buyer for any associated costs, losses or penalties, Buyer incurs from its Transporter. In the event of an imbalance on Seller's Transporter's system caused by Buyer or Buyer's Transporter's receipt of more or less than the Scheduled quantity for any Gas Day and such imbalance occurs during an emergency condition such as an operational flow order, then Buyer shall be liable for and reimburse Seller for any associated costs, losses or penalties Seller incurs from its Transporter.

REDACTED

ARTICLE VII FAILURE TO PERFORM

SECTION 7.1 Failure to Deliver.

If Seller fails to deliver and sell the Daily Scheduled Quantity for reasons other than Force Majeure, then Seller shall reimburse Buyer [REDACTED]. If Buyer fails to purchase each day the full requirements of the Facility from Seller other than for reasons of Seller's failure to make such quantities available or Force Majeure, then Buyer shall pay to Seller an amount equal to [REDACTED].

SECTION 7.2 Liquidation.

If a Triggering Event (defined in Section 7.3) occurs with respect to either Party (the "**Affected Party**" as defined in Section 7.3) at any time during the term of this Agreement, the other Party (the "**Notifying Party**") may (i) upon two (2) Business Days written notice to the Affected Party, which notice shall be given no later than sixty (60) Days after the occurrence of the Triggering Event, establish a date on which this Agreement will terminate and be liquidated ("**Liquidation Date**"), and (ii) withhold any payments due under this Agreement; provided, upon the occurrence of any Triggering Event listed in item (iii) of Section 7.3 as it may apply to any Party, this Agreement shall automatically terminate and be liquidated, without notice, as if a Liquidation Date has been immediately declared. If a Liquidation Date occurs, the Notifying Party shall in good faith calculate its damages, including its associated costs and attorneys' fees, resulting from the termination and liquidation of this Agreement (the "**Liquidation Payment**"). The Liquidation Payment will be determined by (i) comparing the value of (a) the remaining term, quantities and prices under this Agreement had it not been liquidated to (b) the equivalent quantities and relevant market prices for the remaining term either quoted by a bona fide third party offer or which are reasonably expected to be available in the market under a replacement contract and (ii) ascertaining the associated costs and attorneys' fees. To ascertain the market prices of a replacement contract the Notifying Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas Futures contracts, quotations from leading dealers in Gas swap contracts and other bona fide third party offers, all adjusted for the length of the remaining term and the basis differential. The Notifying Party shall give the Affected Party written notice of the amount of the Liquidation Payment, inclusive of a statement showing its determination. The Affected Party shall pay the Liquidation Payment to the Notifying Party within ten (10) Days of receipt of such notice. At the time for payment of any amount due under this Section 7.2, each Party shall pay to the other Party all additional amounts payable by it pursuant to this Agreement, if any, including any Tracking Account Balance as of the Liquidation Date, but all such amounts shall be netted and aggregated with any Liquidation Payment payable hereunder. The Parties acknowledge and agree that this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code.

REDACTED

SECTION 7.3 Triggering Event.

Triggering Event shall mean, with respect to a Party (the “**Affected Party**”): (i) the failure by the Affected Party to make, when due, any payment required under this Agreement if such failure is not remedied within ten (10) Business Days after written notice of such failure is given to the Affected Party; provided, the payment is not the subject of a good faith dispute as described in Article 8 hereof; or (ii) the failure by the Affected Party to perform any covenant set forth in this Agreement (other than its obligations to make any payment or obligations which are otherwise specifically covered in this Section 7.3 as a separate Triggering Event), and such failure is not excused by Force Majeure or cured within thirty (30) Business Days after written notice thereof to the Affected Party or, if such cure cannot be effected within such thirty (30) Business Days, such additional time as is necessary to effect such cure up to one hundred eighty (180) Business Days so long as the Affected Party is diligently pursuing such cure during such extended period; (iii) the Affected Party (a) making an assignment or any general arrangement for the benefit of creditors, (b) filing a petition or otherwise commence, authorize or acquiesce in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or have such petition filed against it and such proceeding is not dismissed within thirty (30) Days, (c) otherwise becomes bankrupt or insolvent (however evidenced), or (d) is unable to pay its debts as they fall due or (iv) the failure of the Affected Party to give security for or assurance of its ability to perform its further obligations under this Agreement as provided in Section 14.1. Notwithstanding the foregoing, a Liquidation Date with respect to Buyer shall not occur unless Seller has (y) with respect to (i) above, provided Lenders with notice (which can be made concurrently with Seller’s notice to Buyer) of Buyer’s failure to make payment and five (5) Business Days from such notice to cure such failure and (z) with respect to (ii) above, provided Lenders with notice (which can be made concurrently with Seller’s notice to Buyer) of such failure of Buyer to perform and thirty (30) Business Days from such notice to cure such failure.

ARTICLE VIII BILLING AND PAYMENTS

SECTION 8.1

Billing and payment will be based on actual quantities of Gas delivered hereunder, provided, that if actual quantities of Gas are not known at the time Seller issues its invoice, Seller will base its invoice on estimated quantities of Gas and differences between estimated quantities and actual quantities of Gas delivered hereunder will be corrected or settled in cash by reflecting such settlement or correction in the invoice for the following Month. Payment of all funds shall be made in U.S. currency and as indicated below in such manner that funds are immediately available to Seller on the applicable due date. On or before the tenth (10th) Day of each Month, Seller shall provide Buyer a written invoice covering Gas delivered in the preceding Month. All amounts payable to Seller hereunder are due by wire transfer to the account set forth in Section 15.1 hereof by the later of (i) the fifteenth 15th calendar Day following receipt of Seller’s original or faxed invoice therefor or (ii) the 25th Day of the Month for Gas delivered the preceding Month. If the payment due date falls on a weekend or holiday, payment will be due the Business Day after the weekend or holiday following Buyer’s receipt of Seller’s invoice therefor. Interest on past due amounts shall accrue at the lesser of (i) the prevailing six month LIBOR plus 2.0%

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per annum, or (ii) the maximum rate permitted by applicable law. In the event any invoice is disputed by Buyer, Buyer shall pay the undisputed amounts and shall, within twenty (20) Days from the date of receipt of Seller's invoice, give Seller written notification setting forth the disputed amount and the basis therefor. Buyer and Seller shall use reasonable diligence to resolve disputed amounts within thirty (30) Days following written notification. If the undisputed amount is not paid when due, the undisputed amount shall be subject to late payment charges as described above. Any disputed amount which later is determined to be due to Seller shall be subject to late payment charges from the original due date. Each Party reserves to itself all rights, set-offs, counterclaims and other remedies and defenses consistent with Section 15.3 (to the extent not expressly herein waived or denied) which such Party has or may be entitled to arising from or out of this Agreement. All obligations between the Parties to make payments in connection with this Agreement may be offset against each other, set off or recouped therefrom. In the event that Buyer and Seller are each required to pay an amount in the same Month under this Agreement, then such amounts with respect to each Party may be aggregated and the Parties may discharge their obligations to pay through netting, in which case the Party, if any, owing the greater aggregate amount may pay to the other Party the difference between the amounts owed.

ARTICLE IX TAXES

SECTION 9.1

The Contract Price includes full reimbursement for, and Seller shall pay, or reimburse Buyer for, all Taxes applicable to the Gas sold upstream of the Delivery Point. The Contract Price does not include reimbursement for, and Buyer shall pay, or reimburse Seller for, all Taxes applicable to the Gas sold downstream of or at the Delivery Point including, without limitation, sales taxes, if any. Each Party shall indemnify, defend and hold harmless the other Party for any Claims for Taxes for which such Party is responsible hereunder. Upon request, a Party shall provide a certificate of exemption or other evidence of exemption from any Tax and each Party agrees to cooperate with the other in obtaining an exemption and minimizing Taxes payable hereunder. Unless and until such certificate is provided, Seller may add such Tax to Seller's invoice to Buyer. The party responsible for paying the Taxes shall also remit the Tax to the appropriate taxing authority and file the required returns unless otherwise provided by law or upon agreement of the Parties. In such case the Party otherwise responsible for payment of the Tax shall provide to the Party responsible for remitting the Tax all information necessary to make proper and timely payments and to file the required returns.

ARTICLE X FORCE MAJEURE

SECTION 10.1

Except with respect to payment obligations, in the event either Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations, it is agreed that upon such Party's giving notice and reasonably full particulars of such Force Majeure to the other Party as soon as reasonably possible (to be confirmed in writing), the obligations of such Party, to the

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extent they are affected by such event, shall be suspended from the inception and during the continuance of the Force Majeure. The Party claiming Force Majeure shall, as far as reasonably possible, remedy the event with reasonable dispatch. "Force Majeure" means an event, which (i) is not within the reasonable control of the affected Party, (ii) is not due to the fault or negligence of the affected Party, (iii) cannot be avoided by the affected Party by the exercise of due diligence (including the expenditure of a sum of money that is reasonable in the circumstances), and (iv) that prevents, delays or otherwise adversely affects a Party's performance under this Agreement. Subject to compliance with the foregoing sentence, "Force Majeure" shall include, (a) natural phenomena, such as earthquakes, storms, floods, lightning, and weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe, (b) wars, civil disturbances, riots, uprisings, sabotage and commercial embargoes against Mexico, (c) the loss, interruption, or curtailment of transportation on any Transporter necessary to effect receipt or delivery of Gas hereunder which is the result of an event of Force Majeure as described in the preceding sentence, (d) fires, and (e) acts or omissions of a governmental authority that were not voluntarily solicited or promoted by the affected Party nor caused by breach of its responsibilities under this Agreement or any law. Notwithstanding the foregoing, the term Force Majeure specifically excludes the following occurrences or events with regard to Gas purchased and sold hereunder: the loss, interruption, or curtailment of interruptible transportation on any Transporter necessary to effect receipt or delivery of Gas hereunder, unless the same event also curtails firm transportation, to the extent firm transportation is available on the affected pipeline segment; increases or decreases in natural Gas supply; allocation or reallocation of production by well operators, pipelines, or other parties; price, loss of markets or economic conditions; and failure of specific, individual wells or appurtenant facilities in the absence of a Force Majeure event broadly affecting other wells in the same geographic area.

ARTICLE XI TITLE, RISK OF LOSS AND INDEMNITY

SECTION 11.1

Title and risk of loss to the Gas delivered hereunder shall pass from Seller to Buyer at the Delivery Point. Seller warrants the right to sell the Gas and warrants that title to the Gas is free from all production burdens, liens and adverse claims arising prior to Seller's delivery of said Gas to Buyer at the Delivery Point. As between the Parties, Seller shall be deemed to be in exclusive control and possession of the Gas delivered hereunder, and responsible for any risk of loss, damage or injury caused thereby, prior to the time the same shall have been delivered to Buyer at the Delivery Point. After delivery of Gas to Buyer at the Delivery Point, Buyer shall be deemed to be in exclusive control and possession thereof and responsible for any risk of loss, injury or damage caused thereby. Each Party assumes all liability for and shall indemnify, defend and hold harmless the other Party from any Claims, including death of persons, arising from any act or incident occurring when title to Gas is vested in the Indemnifying Party. **IT IS THE INTENT OF THE PARTIES THAT THIS INDEMNITY BE WITHOUT REGARD TO THE CAUSES THEREOF, INCLUDING, WITHOUT LIMITATION, THE NEGLIGENCE OF ANY INDEMNIFIED PARTY, WHETHER SUCH NEGLIGENCE**

REDACTED

BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE OR THE STRICT LIABILITY OF ANY INDEMNIFIED PARTY.

ARTICLE XII
INDEMNIFICATION PROCEDURES

SECTION 12.1

With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable law and the following provisions shall be applicable. The Indemnified Party shall promptly notify the Indemnifying Party in writing of any Claim and the Indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; provided, however, that the Indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The Indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double recovery, the Indemnified Party shall reimburse the Indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the Indemnified Party with respect to a covered event.

ARTICLE XIII
LIMITATION OF DAMAGES; CHOICE OF LAW; DISCLAIMER OF WARRANTIES

SECTION 13.1 EXCLUSIVE REMEDIES, LIMITATION OF LIABILITY.

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS HEREIN PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY HEREUNDER, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY HEREIN PROVIDED, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY HEREUNDER AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR PUNITIVE, EXEMPLARY CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES, LOST PROFITS, OR OTHER BUSINESS INTERRUPTION DAMAGES, IN TORT, CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY PENALTIES OR CHARGES ASSESSED BY ANY TRANSPORTER FOR THE UNAUTHORIZED RECEIPT OF GAS BY THE OTHER PARTY.

REDACTED

SECTION 13.2 DISCLAIMER OF WARRANTIES.

BUYER ACKNOWLEDGES THAT IT HAS ENTERED INTO THIS AGREEMENT AND IS CONTRACTING FOR THE GAS TO BE SUPPLIED BY SELLER BASED SOLELY UPON THE EXPRESS REPRESENTATIONS AND WARRANTIES HEREIN AND, SUBJECT THERETO, ACCEPTS SUCH GAS "AS-IS" AND WITH ALL FAULTS. SELLER EXPRESSLY NEGATES ANY OTHER REPRESENTATION OR WARRANTY, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO CONFORMITY TO MODELS OR SAMPLES, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE.

SECTION 13.3 CHOICE OF LAW.

THIS AGREEMENT, AND THE RIGHTS AND DUTIES OF THE PARTIES ARISING HEREFROM SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

ARTICLE XIV OTHER EVENTS AND REMEDIES

SECTION 14.1 Security.

As security for Buyer's payment obligations under this Agreement, Buyer agrees that its financing documents for financing of the Facility shall include an account structure under which payments by Buyer to Seller arising under this Agreement (i) shall not be subordinate to Buyer's debt service obligations except as otherwise provided under the Tracking Account, and (ii) shall be made prior to any other monies being disbursed to Buyer, Buyer's lenders, or to any of Buyer's owners or any of the Facility's equity owners. Prior to the commencement of deliveries hereunder, Buyer shall provide Seller with copies of Buyer's financing documents related to the financing of the Facility and shall thereafter immediately notify Seller of any changes or revisions to Buyer's financing arrangements. If, during the term of this Agreement, payments by Buyer to Seller arising under this Agreement are subordinate to Buyer's debt service obligations (except as otherwise provided under the Tracking Account), the PPA is terminated or assigned (except a collateral assignment for financing) and/or Buyer fails to pay according to the provisions hereof, then Seller may, upon written notice to Buyer, require Buyer to pay for Gas hereunder in cash in advance of Seller's delivery thereof or request other security (such as letters of credit or guarantees) satisfactory to Seller before further deliveries of Gas are made. In regard to Seller, Coral Energy Holding, L.P. will provide a full guaranty of Seller's performance and payment obligations

SECTION 14.2 Arbitration.

If any dispute or need of interpretation arising out of this Agreement is unable to be resolved by the Parties within sixty (60) Days notice from one Party to the other, such dispute shall be submitted to binding arbitration by one arbitrator qualified by education, experience or training to render a decision upon the issues in dispute and who has not previously been employed by either Party, and does not have a direct or indirect interest in either Party or the subject matter of

REDACTED

the arbitration. Such arbitrator shall either be mutually agreed by the Parties within thirty (30) Days after written notice from either Party requesting arbitration, or failing agreement, the arbitration shall be conducted by a panel of three arbitrators having the qualifications set forth in the preceding sentence, one to be selected by each Party and the third arbitrator to be selected by the two arbitrators selected by the Parties. If either Party fails to notify the other Party of the arbitrator selected by it within ten (10) Days after receiving notice of the other Party's arbitrator, or if the two arbitrators selected fail to select a third arbitrator within ten (10) Days after notice is given of the selection of the second arbitrator, then such arbitrator shall be selected under the expedited rules of the American Arbitration Association (the "AAA"). Such arbitration shall be conducted in English and shall be held in Houston, Texas, at a location selected by the arbitrators. Each Party shall divide equally the cost of the hearing, and each shall be responsible for its own expenses and those of its counsel or other representative. The commercial arbitration rules of the AAA shall apply to the extent not inconsistent with the rules specified above. The decision of the arbitrators shall be based on the decision of the majority of the three arbitrators, must be in writing and signed by the arbitrators and shall be final and binding on the Parties. The Parties must abide by and perform according to the terms and conditions of the decision. Judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction. In the event Buyer becomes involved in any arbitration or judicial proceeding pursuant to the PSA involving substantially related issues of fact to a dispute under this Agreement, either Party may require that both disputes be joined and resolved in a consolidated arbitration proceeding.

ARTICLE XV MISCELLANEOUS

SECTION 15.1 Notices.

All notices shall be made as specified in this Section 15.1. Notices required to be in writing shall be delivered in written form by letter, facsimile or other documentary form. Notice by facsimile, automation or hand delivery shall be deemed to have been received when delivered by hand, except that notices sent by facsimile shall be deemed received when receipt is confirmed by return facsimile, provided that notice sent by facsimile received by recipient after its normal business hours on a Business Day shall be deemed to be received on the following Business Day or such earlier time confirmed by the receiving Party. Notice by overnight mail or courier shall be deemed to have been received on the date that such mail or courier delivery is effected or its delivery is attempted, if delivery is refused or rejected, or such earlier time confirmed by the receiving Party. Any notices in respect of the termination of this Agreement shall be given as specified in this Section 15.1. Any Party may change its addresses by providing notice of same in accordance herewith.

TO SELLER:

*Notices/Correspondence/Termination
(Mail/Fax):*

TO BUYER:

*Notices/Correspondence/Termination
(Mail/Fax):*

REDACTED

Coral Energy Resources, L.P.
909 Fannin, Suite 700
Houston, TX 77010
Attn: Trading Administration & Analysis
Facsimile: (713) 767-5644

Energia Azteca X, S. de R.L. de C.V.
Torre Chapultepec
Ruben Dario 281 - Piso 13
Colonia Bosques de Chapultepec
Mexico, D.F. 11580
Mexico
Attn: La Rosita Project Manager
Facsimile: (011) (525) 282-1448

With a copy to:

InterGen
One Bowdoin Square
Boston, MA 02144
Attention: General Counsel

Invoices: (Mail/Fax)

909 Fannin, Suite 700
Houston, TX 77010
Attn: Accounting
Facsimile: (713) 767-5445

Invoices: (Mail/Fax)

Energia Azteca X, S. de R.L. de C.V.
Torre Chapultepec
Ruben Dario 281 - Piso 13
Colonia Bosques de Chapultepec
Mexico, D.F. 11580
Mexico
Attn: La Rosita Project Manager
Facsimile: (011) (525) 282-1448

Payments (Wire Transfer)

Coral Energy Resources, L.P.
Chase Manhattan Bank
ABA Number 021000021
Account Number 323863876

Payments

Energia Azteca X, S. de R.L. de C.V.
Torre Chapultepec
Ruben Dario 281 - Piso 13
Colonia Bosques de Chapultepec
Mexico, D.F. 11580
Mexico
Attn: La Rosita Project Manager

SECTION 15.2 Assignment.

This Agreement, including, without limitation, each indemnification, shall inure to and bind the permitted successors and assigns of the Parties. Neither Party shall transfer, assign, mortgage, or pledge this Agreement without the prior written approval of the other Party which may be withheld entirely at the option of such Party; provided, however, either Party may transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other Party, but no such transfer shall operate or relieve the transferor Party of its

REDACTED

obligations hereunder. Notwithstanding the foregoing, Seller agrees that Buyer may (i) assign this Agreement as collateral security to any financing entity providing financing for the Facility or (ii) assign this Agreement to CFE in connection with a transfer of the Facility to CFE if such transfer is required under the terms of the CFE PPA, provided that in such case CFE assumes the obligations of the Buyer under this Agreement. Except for an assignment to CFE under which it assumes the obligations of Buyer under this Agreement, no transfer or assignment permitted or consented to according to this Article 15 shall relieve the transferring Party of responsibility or liability for any obligation or liability under this Agreement. Any Party's transfer in violation of this Section 15.2 shall be void.

SECTION 15.3 Winding Up Arrangements and Survival.

Upon the expiration or termination of the Parties' sale and purchase obligations under this Agreement, any monies, penalties or other charges due and owing Seller shall be paid, any corrections or adjustments to payments previously made shall be determined, and any refunds due Buyer made, within 60 Days. The Parties' obligations provided herein shall remain in effect for the purpose of complying with this Section 15.3. All indemnity and confidentiality obligations and audit rights set forth in this Agreement shall survive the expiration or termination of this Agreement.

SECTION 15.4 Entire Agreement; No Third-Party Beneficiaries.

This Agreement, along with the attachments and exhibits hereto, constitute the entire agreement between the Parties relating to the subject matter contemplated by this Agreement. There are no prior or contemporaneous agreements or representations (whether oral or written) affecting the subject matter other than those herein expressed. No amendment or modification to this Agreement shall be enforceable, unless reduced in writing and executed by both Parties. The provisions of this Agreement shall not impart rights enforceable by any person, firm or organization not a Party or not bound as a Party, or not a permitted successor or assignee of a Party bound to this Agreement.

SECTION 15.5 Confidentiality.

Neither Party shall disclose the terms of this Agreement (or the results of any audit pursuant to Section 15.7 hereof) to a third party (other than the Party's and its affiliates' employees, lenders, counsel or accountants who have agreed to keep such terms confidential) except in order to comply with any applicable law, order, regulation or exchange rule; provided, that each Party shall notify the other Party of any proceeding of which it is aware which may result in disclosure and use reasonable efforts to prevent or limit the disclosure. In addition to the foregoing, Buyer agrees not to disclose any information related to scheduled Gas deliveries or the operation of the Facility in connection to the PSA to any other parties, including Buyer's employees, officers, agents and affiliates' unless such parties need to know such information in connection with performing this Agreement. Such confidentiality obligations shall terminate one year after termination of this Agreement.

REDACTED

SECTION 15.6 Waiver or Consent.

No waiver or consent by either Party, express or implied, of any one or more defaults by the other Party in the performance of any provision of this Agreement shall operate or be construed as a waiver or consent of any other default or defaults whether of a like or different nature.

SECTION 15.7 Audit and Limitations.

During the term of this Agreement and for a period of one year from the date of the termination thereof, Buyer or Seller or any third-party representative thereof shall have the right, at its expense, upon reasonable notice and at reasonable times, to examine the books and records of the other Party to the extent reasonably necessary to verify the accuracy of any billing statement, payment demand, charge, payment or computation made under this Agreement. No adjustment or correction shall be made and all records and payments shall be conclusively presumed to be final unless notice specifying the error or inaccuracy is given within two (2) calendar years from the end of the calendar year during which such error or inaccuracy occurred.

SECTION 15.8 Law and Regulation.

If either Party's activities hereunder become subject to law or regulation of any kind which renders the purchase and sale of Gas at the Delivery Point provided under this Agreement illegal, unenforceable or uneconomic, then either Party shall at such time have the right to deliver a notice of its intent terminate this Agreement to the other Party, subject to Section 15.3 hereof and the satisfaction of the obligation to negotiate a new agreement under this Section 15.8. Upon delivery of a notice pursuant to this Section 15.8 by one Party to the other, the Parties shall negotiate in good faith a new agreement resulting in substantially the same economic benefits as this Agreement and if such negotiations do not result in a new agreement within thirty (30) Days of the start of such negotiations (or such longer time period to which the Parties may agree), either Party may terminate this Agreement upon ten (10) Days advance written notice to the other Party.

SECTION 15.9 Governmental Approvals.

Each party shall be responsible for obtaining and maintaining any requisite governmental approvals for the performance of its obligations under this Agreement. Each party will provide reasonable assistance to the other party in obtaining and maintaining such required governmental approvals. Each party agrees to notify the other promptly when it learns of any delay in obtaining a permit, governmental approval or other right or authorization that may delay or prevent it from performing its obligations under this Agreement.

SECTION 15.10 No Gratuities.

Each Party agrees that it shall not, either directly or indirectly, offer, pay or make any payment, give anything of value, or enter into an agreement to pay or give something of value to an official of any governmental authority, a political party official or political party, a candidate for political office or family, friends, relatives or business associates of any of the foregoing, for the purposes of (i) influencing any act or decision of such official, political party official or political

REDACTED

party, or candidate for office, acting in their official capacity, (ii) inducing such official, political party official or political party, or candidate for political office, to do or omit to do an act, or fail to perform their official functions or (iii) securing any improper advantage. Each Party shall indemnify the other Party and hold the other Party and its affiliates harmless from and against any and all claims with respect to a breach of this Section 15.10.

The Parties have executed this Agreement in multiple counterparts to be construed as one contract effective on the Effective Date.

CORAL ENERGY RESOURCES, L.P.

ENERGIA AZTECA X, S. DE R.L. DE C.V.

By: _____

By: _____

Name: Deborah S. Wernet

Name: _____

Title: President-North American Trading

Title: _____

Federal Employer I.D. Number:
76-0505584

Federal Employer I.D. Number:

EXHIBIT 1

To
GAS SALES AGREEMENT
Dated December 1, 2000
between
Coral Energy Resources, L.P.
(Seller)
and
Energia Azteca X, S. de R.L. de C.V.
(Buyer)

Definitions

The following definitions shall apply to this Agreement and all notices and communications:

"Btu" means the amount of energy required to raise the temperature of one pound of pure water one degree Fahrenheit from 59 degrees Fahrenheit to 60 degrees Fahrenheit.

"Business Day" means a Day on which the New York Mercantile Exchange is open for business and a Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time.

"C.T." means Central Time.

"Claims" means all claims or actions, threatened or filed, that directly or indirectly relate to the subject matters of the indemnity, and the resulting losses, damages, expenses, attorneys' fees, experts' fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

"Contract Price" means the price in U.S. dollars per MMBtu payable by Buyer to Seller for the purchase of Gas pursuant to this Agreement.

"Day" means a period of 24 consecutive hours, beginning at midnight C.T. on any calendar Day.

"Delivery Point" means the agreed point(s) of delivery set forth in Section 1.1.

"Gas" means methane and other gaseous hydrocarbons meeting the quality standards and specifications of Seller's Transporter.

"Gas Day" means a period of 24 consecutive hours beginning at the time of the applicable Transporter's gas day.

“Indemnified Party” and **“Indemnifying Party”** mean the Party receiving and providing an indemnity, respectively.

“Lenders” means those persons providing Buyer with financing for the Facility. For purposes of notice as provided in Section 7.3 herein, Buyer shall provide Seller the identity and address of Buyer’s Lenders in writing within thirty (30) Days of Buyer’s financial closing for the Facility. Buyer’s failure to provide Seller with the identity and address of Buyer’s Lenders shall eliminate Seller’s obligations to provide Lenders with notice and time to cure as provided in Section 7.3 herein.

“MMBtu” means one million Btus.

“Month” means a period of time beginning at midnight C.T. on the first Day of any calendar month and ending at midnight C.T., on the first Day of the following calendar month.

“Scheduling” or **“Schedule”** when used in reference to Seller, means to make Gas available, or cause Gas to be made available, at the Delivery Point(s) for delivery to or for the account of Buyer, including making all pipeline nominations, and when used in reference to Buyer, means to receive, or to cause Buyer’s Transporter to receive, the quantities of Gas Seller has available at such Delivery Point(s), including making all pipeline nominations.

“Taxes” means any and all ad valorem, property, occupation, severance, production, extraction, first use, conservation, Btu or energy, gathering, transport, pipeline, utility, gross receipts, franchise, municipal usage or easement, Gas or oil revenue, Gas or oil import, privilege, sales, use, consumption, excise, lease, transaction, and other or new taxes, governmental charges, licenses, fees, permits and assessments, or increases therein, other than taxes based on net income or net worth.

“Transporter” means either the pipeline delivering or receiving Gas at a Delivery Point.

“Triggering Event” shall have the meaning as set forth in Article 7.

* * *



1900 K STREET, N.W.
WASHINGTON, D.C. 20006-1109

TEL 202 • 955 • 1500
FAX 202 • 778 • 2201
LAURENCE E. SKINNER
DIRECT DIAL: 202 • 955 • 1540
EMAIL: lskinner@hunton.com
ADMITTED IN VIRGINIA
FILE NO: 50289.000033

April 19, 2001

Mr. Patrick Fleming
Office of Natural Gas and Petroleum Import and Export Activities
Fossil Energy
U.S. Department of Energy
Forrest Building, Room 3E-042, FE-34
1000 Independence Avenue, SW
Washington, DC 20585

Re: Docket No. ~~01-15-NG~~

Dear Mr. Fleming:

This letter confirms our discussion earlier today to clarify the date on which gas will be first required for the generating facility of Energia Azteca X, S. de R.L. de C.V. The initial gas deliveries will be required starting July 1, 2002 to comply with the schedule for testing and start-up of the facility. Please let me know if you need any further information.

Sincerely,

Laurence E. Skinner
Counsel for Energia Azteca X, S. de R.L. de C.V.

cc: Vimal Chauhan

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

1300 DOE/FE
2001-7 A 8:48

ENERGIA AZTECA X,S. DE R.L. DE C.V.

)
)
)
FE DOCKET NO. 01-15-NG

**ORDER GRANTING LONG-TERM AUTHORIZATION
TO EXPORT NATURAL GAS TO MEXICO**

DOE/FE ORDER NO. 1678

MAY 7, 2001

I. Description of Request

On April 16, 2001, Energia Azteca X, S. de R.L. de C.V. (EAX) 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 authority to export up to 135,000 MMBtu ^{2/} of natural gas per day to northern Baja California, Mexico. EAX is a Mexican firm and a wholly-owned indirect subsidiary of InterGen, B.V., which is a Dutch corporation. The gas will be purchased from Coral Energy Resources, L.P. (Coral Energy) and transported by El Paso Natural Gas Pipeline and North Baja Pipeline to a U.S./Mexico border crossing near Yuma, Arizona. Supplies received by EAX will be used for fuel to generate electricity at a new 750-megawatt power plant it is building near Mexicali, Mexico. When completed, two-thirds of the electrical power generated by the facility will be sold to the Comisión Federal de Electricidad. EAX has dedicated the remainder of the electricity produced by the facility to supply Coral Power LLC in California. The plant is scheduled to begin commercial operation on April 1, 2003, and the exports would continue 15 years beyond that date through March 31, 2018. However, unspecified additional amounts of gas will be needed before then for initial equipment testing. EAX has arranged with Coral Energy for early delivery of gas on an interim, interruptible basis during the plant's test period which is expected to start July 1, 2002.

Under the *Gas Sales Agreement* with Coral Energy, dated December 1, 2000, EAX will pay a flexible rate for the contract quantities. It is based on changes in the arithmetic average price of gas delivered to large end use customers by two specific domestic pipeline

1. 15 U.S.C. § 717b.

2. One million Btus. One MMBtu is equal to approximately one Mcf.

suppliers, as quoted in the "Daily Price Survey" published by the *Gas Daily* on the day exports are delivered, minus \$.05 per MMBtu. If Coral Energy, for reasons other than *force majeure*, fails to meet its obligation to deliver the daily quantity nominated by EAX, then it must compensate EAX for any additional costs incurred in obtaining alternate supplies of gas equal to the amount of under delivery, plus liquidated damages of \$.15 per MMBtu. The contract provides for Coral Energy to be the sole supplier of the power plant. On any day EAX, for reasons other than *force majeure*, fails to purchase the total gas requirements of the power plant from Coral Energy it must pay for the volumes not taken.

II. FINDING

The application filed by EAX 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 EAX 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.

ORDER

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

A. Energia Azteca X, S. de R.L. de C.V. (EAX) is authorized to export up to 135,000 Mcf of natural gas per day to Mexico for a 15-year term from April 1, 2003, through March 31, 2018.

B. This natural gas will be exported by pipeline at a point on the international border near Yuma, Arizona, under the *Gas Sales Agreement* between EAX and Coral Energy Resources, L.P., dated December 1, 2000. It will be used as fuel in an electric generating power plant EAX is building near Mexicali, Mexico in the State of Baja California Norte. To the extent needed, additional amounts of gas may be exported on an interruptible basis during the plant's test period which is expected to start July 1, 2002.

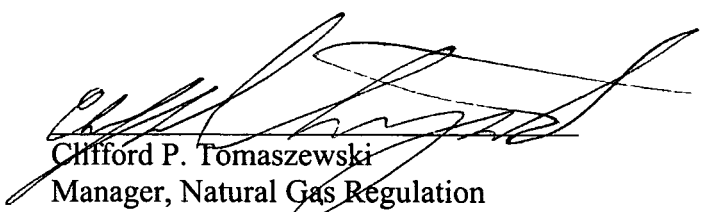
C. Within two weeks after deliveries begin, EAX will provide written notification of the date that the first export of natural gas authorized in Ordering Paragraph B for power plant equipment testing occurred.

D. With respect to all of the natural gas exports (both firm and interruptible supplies) authorized by this Order, EAX will file, within 30 days following each calendar quarter, reports indicating whether any exports have been made. If no exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, EAX will report the following information: (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; (4) the name of the purchaser; (5) the duration of the gas purchase agreement; (6) the names of the United States transporters; and (7) the point of exit. [OMB No.: 1901-0294]

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

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than October 30, 2002, and should cover the period from July 1, 2002 until the end of the third calendar quarter, September 30, 2002.

Issued in Washington, D.C., on May 7, 2001.



Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy