

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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MEXICANA DE COBRE, S.A. DE C.V. )

FE DOCKET NO. 01-35-NG

ORDER GRANTING BLANKET AUTHORIZATION  
TO EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 1697

JULY 2, 2001

## I. DESCRIPTION OF REQUEST

On June 25, 2001, Mexicana de Cobre, S.A. de C.V. (Mexcobre) filed an application 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, requesting blanket authorization to export up to 17.2 billion cubic feet of natural gas to Mexico. The term of the authorization would be for a period of two years beginning on April 27, 2001, and extending through April 26, 2003.<sup>2/</sup>

Mexcobre is a corporation organized under the laws of Mexico, with its principal place of business in Sonora, Mexico. Mexcobre is engaged in the mining-metallurgical industry, including exploring, mining and processing copper, molybdenum, gold and silver in Mexico. The requested authorization will enable Mexcobre to purchase gas from U.S. suppliers in short-term or spot-market natural gas transactions and use that gas to supply its mining operations in Mexico. The requested authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by Mexcobre 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

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> Mexcobre's existing blanket export authorization granted by DOE/FE Order No. 1374 dated April 16, 1998, expired April 26, 2001 (1 FE ¶ 71,550).

be granted without modification or delay. The authorization sought by Mexcobre 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. Mexicana de Cobre, S.A. de C.V. (Mexcobre) is authorized to export up to 17.2 billion cubic feet of natural gas to Mexico over a two-year term, beginning on April 27, 2001, and extending through April 26, 2003. This natural gas may be exported at any point along the U.S./Mexico border.

B. With respect to the natural gas exports authorized by this Order, Mexcobre shall file, within 30 days following each calendar quarter, 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Mexcobre 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 exit. [OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 2001, and should cover the period from April 27, 2001, until the end of the second calendar quarter June 30, 2001.

D. The reports required by Ordering Paragraph B of this Order shall 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.

Issued in Washington, D.C., on July 2, 2001.

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