

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

WEST TEXAS GAS, INC.

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DOCKET NO. 04-54-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 1985

MAY 24, 2004

I. DESCRIPTION OF REQUEST

On May 17, 2004, 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/} for blanket authorization to export up to 50 billion cubic feet of natural gas to Mexico. The applicant requests the authorization be granted for a two-year term beginning on June 1, 2004.^{2/} The applicant is a Texas corporation with its principal place of business in Midland, Texas.

II. FINDING

The application 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 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 Order authorizes transactions under contracts with terms of no longer than two years.

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redesignation Order No. 00-002.4 (January 8, 2002).

^{2/} WTG's current blanket export authority, granted by DOE/FE Order No. 1776 on May 10, 2002 (2 FE ¶ 70,743) expires May 31, 2004.

ORDER

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

A. West Texas Gas, Inc. is authorized to export up to 50 billion cubic feet of natural gas to Mexico. The term of the authority will begin on June 1, 2004, and extend through May 31, 2006.

B. This natural gas may be exported at any exit point on the border of the United States and Mexico.

C. With respect to the natural gas exports authorized by this Order, WTG shall file with the Office of Natural Gas & Petroleum Import & Export Activities, 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, the report must give details of each transactions, including: (1) total monthly volumes in thousand cubic feet (Mcf); (2) the average purchase price of gas per million British thermal units (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; (8) geographic market(s) served; and, if applicable, (9) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than July 30, 2004, and should cover the period from June 1, 2004, until the end of the second calendar quarter, June 30, 2004.

E. The quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas & Petroleum Import & Export Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on May 24, 2004.

Sally Kornfeld
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