

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

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

DOCKET NO. 04-71-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 2002

JULY 1 , 2004

I. DESCRIPTION OF REQUEST

On June 29, 2004, 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),^{1/} for blanket authorization to export up to 17.52 billion cubic feet of natural gas to Mexico. The applicant requests the authorization be granted for a two-year term that began on April 27, 2003.^{1/} The applicant is a Mexican corporation with its principal place of business in Nacozari, Sonora, Mexico.

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 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 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 Redlegation Order No. 00-002.04 (January 8, 2002).

^{2/} Mexcobre's blanket export authority, granted by DOE/FE Order No. 1697 on July 2, 2001 (2 FE ¶ 70,645) expired April 26, 2003. Due to an administrative oversight Mexcobre did not file this application in a timely manner but did submit quarterly reports during the expiration period.

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 17.52 billion cubic feet of natural gas to Mexico. The term of the authority began on April 27, 2003, and will extend through April 26, 2005.

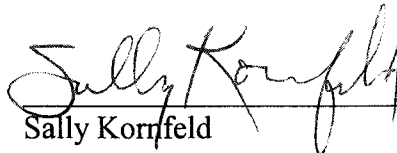
B. This natural gas may be exported at any exit point on the border of the United States and Mexico.

C. With respect to the natural gas exports authorized by this Order, Mexcobre 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 October 30, 2004, and should cover the period from the date of this Order, until the end of the third calendar quarter, September 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 July 1, 2004.

A handwritten signature in cursive script, reading "Sally Kornfeld", written over a horizontal line.

Sally Kornfeld
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy