

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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WEST TEXAS GAS, INC. )  
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FE DOCKET NO. 96-24-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
EXPORT NATURAL GAS  
TO MEXICO

DOE/FE ORDER NO. 1166

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MAY 16, 1996  
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I. DESCRIPTION OF REQUEST \_\_\_\_\_

On May 6, 1996, 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)<sup>1/</sup> and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to export up to 50 Bcf of natural gas to Mexico over a two-year term beginning on the effective date of this Order. WTG is a Texas corporation with its principal place of business in Midland, Texas, and is an affiliate of Valero Industrial Gas Company. WTG is engaged in the distribution of gas through intrastate pipeline systems in West Texas and the Texas Panhandle. WTG will export the gas under short-term, market sensitive price arrangements. 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 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

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1/ 15 U.S.C. 717b. \_\_\_\_\_



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

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

A. West Texas Gas, Inc. (WTG) is authorized to export up to 50 Bcf of natural gas to Mexico over a two-year term beginning on the effective date of this Order. This natural gas may be exported at any point on the border between the United States and Mexico.

B. Within two weeks after deliveries begin, WTG shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first export delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas exports authorized by this Order, WTG shall file with OFP, 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, WTG 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); and (7) the point(s) of exit.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1996, and should cover the period from the date of this Order, until the end of the second calendar quarter, June 30, 1996.

Issued in Washington, D.C., on May 16, 1996.

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Anthony J. Como  
Director  
Office of Coal & Electricity  
Office of Fuels Programs  
Office of Fossil Energy