

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

AMOCO ENERGY TRADING CORPORATION

FE DOCKET NO. 98-29-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS
FROM MEXICO

DOE/FE ORDER NO. 1378

APRIL 24, 1998

I. DESCRIPTION OF REQUEST

On April 14, 1998, Amoco Energy Trading Corporation (Amoco) 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 blanket authorization to import up to 300 billion cubic feet (Bcf) of natural gas from Mexico for a period of two years from the date of first delivery after May 3, 1998.⁽²⁾ Amoco is a Delaware corporation with its principal place of business in Houston, Texas. Amoco is a wholly owned subsidiary of Amoco Production Company, which is a wholly owned subsidiary of Amoco Company, which is a wholly owned subsidiary of Amoco Corporation. Amoco Corporation is an integrated company engaged in the exploration, production, refining, transportation and marketing of oil, natural gas and other hydrocarbons.

Amoco will import the gas under short-term and spot market conditions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Amoco has been evaluated to determine if the proposed import 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 import of natural gas from 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 Amoco to import natural gas from 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. Amoco Energy Trading Corporation (Amoco) is authorized to import up to 300 Bcf of natural gas from Mexico for a period of two years from the date of first delivery after May 3, 1998. This natural gas may be imported at any point on the United States/Mexico border.

B. Within two weeks after deliveries begin, Amoco shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, of the date the first import delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Amoco shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Amoco must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served (by state); (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The notification and report required by Ordering Paragraphs B and C of this Order shall be filed with the Office of Natural Gas & Petroleum Import and 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 July 30, 1998, and should cover the period from May 4, 1998, until the end of the second calendar quarter, June 30, 1998.

Issued in Washington, D.C., on April 24, 1998.

John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import & Export Activities

Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.

2. 2/ May 3, 1998 is the expiration date of Amoco's current blanket import authorization to import natural gas from Mexico, granted by DOE/FE Order No. 1147 on March 11, 1996 (1 FE ¶ 71,237).