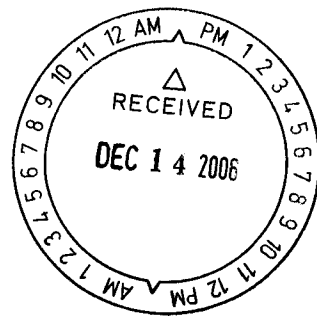


UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY



JM AND RAL ENERGY INC. _____

FE DOCKET NO. 06-115-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 2313

DECEMBER 14, 2006

I. DESCRIPTION OF REQUEST

On October 16, 2006, JM and RAL Energy Inc. (JM and RAL) 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 2,190 billion cubic feet of natural gas to Mexico. The applicant requests the authorization be granted for a two-year term which began on November 1, 2006. JM and RAL is a Delaware corporation with its principal place of business in Houston, 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), of the NGA, the import and 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 and the import of LNG are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by JM and RAL 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 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 Redelelegation Order No. 00.002.04B (September 23, 2005).

ORDER

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

A. JM and RAL Energy Inc. (JM and RAL) is authorized to export 1,095 billion cubic feet of natural gas to Mexico pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term which began on November 1, 2006, and extends through October 31, 2008.

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

C. **Monthly Reports:** With respect to the natural gas exports authorized by this Order, JM and RAL shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If exports have not been made, a report of “no activity” for that month must be filed. If exports of natural gas have occurred, the report must give the following details: (1) the country of destination; (3) the point(s) of exit; and (4) the total volume at each export point in thousand cubic feet (Mcf) for the month. [OMB No. 1901-0294]

D. The first monthly report required by this Order is due not later than December 30, 2006, and should cover the reporting period from November 1, 2006 through November 30, 2006.

E. **Quarterly Reports:** With respect to the natural gas exports authorized by this Order, JM and RAL shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of 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 exports of natural gas have not been made, a report of “no activity” for that calendar quarter must be filed. If exports of natural gas have occurred, the report must give the details of each transaction, including: (1) the 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 supply agreement(s); (6) the name of the United States transporter(s); and (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]

F. The first quarterly report required by this Order is due not later than January 30, 2007, and should cover the period from November 1, 2006, through the end of the fourth calendar quarter, December 31, 2006.

G. Both the monthly and quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on December 14, 2006.



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