

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PENTACLES ENERGY, LLLP

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FE DOCKET NO. 13-65-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS TO MEXICO AND TO
EXPORT LIQUEFIED NATURAL GAS TO MEXICO BY VESSEL
AND BY TRUCK

DOE/FE ORDER NO. 3294

MAY 31, 2013

I. DESCRIPTION OF REQUEST

On May 16, 2013, Pentacles Energy, LLLP (Pentacles) filed an application with the Office of Fossil Energy (FE) of the Department of Energy under section 3 of the Natural Gas Act (NGA)¹ for blanket authorization to export natural gas to Mexico, and to export liquefied natural gas (LNG) to Mexico by vessel and by truck, up to a combined total of the equivalent of 36 billion cubic feet (Bcf) of natural gas. The applicant requests the authorization be granted for a two-year term beginning on the date the Order is issued. Pentacles is a Delaware limited liability limited partnership with its principal place of business in Sumbright, Tennessee.

II. FINDING

The application has been evaluated to determine if the proposed import and/or 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 import and export of natural gas, including LNG, from and 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 from other international sources are deemed to be consistent with the public interest and applications for such imports or exports must be granted without modification or delay. The authorization sought by Pentacles to export natural gas to Mexico and to export LNG to Mexico by vessel and by truck, meets the section 3(c) criteria and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

¹/ The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. §717b) has been delegated to the Assistant Secretary for FE in Redelelegation Order No. 00-002.04E issued on April 29, 2011.

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. Pentacles is authorized to export natural gas to Mexico, and to export LNG to Mexico by vessel and by truck up to a combined total of the equivalent of 36 Bcf of natural gas, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on May 31, 2013, and extending through May 30, 2015.

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

C. This LNG may be exported by vessel from any LNG export terminal in the United States and its territories. This LNG may also be exported by truck from any LNG receiving facility in the United States and its territories.

D. **Monthly Reports:** With respect to the natural gas exports authorized by this Order, Pentacles 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 no exports have 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; (2) the point(s) of exit; (3) the volume in thousand cubic feet (Mcf); (4) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (5) the name of the supplier(s); (6) the name of the U.S. transporter(s); and (7) the estimated or actual duration of the supply agreement(s).

If exports of LNG by vessel have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. export terminal; (2) the country of destination; (3) the date of departure from the U.S. export terminal; (4) the name of the LNG tanker; (5) the name of

the supplier/seller; (6) the volume in Mcf; (7) the price per MMBtu at the point of exit; (8) the duration of the supply agreement (indicate spot sales); and (9) the name(s) of the purchaser(s).

If exports of LNG by truck have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. departure facility; (2) the country of destination; (3) the point(s) of exit; (4) the name(s) of the supplier(s)/seller(s); (5) the name(s) of the LNG transporter(s); (6) the volume in Mcf; (7) the price per MMBtu at the point of exit; and (8) the duration of the supply agreement.

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

F. The first monthly report required by this Order is due not later than July 30, 2013, and should cover the reporting period from May 31, 2013, through June 30, 2013.

G. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Natural Gas Reports. Alternatively, reports may be e-mailed to ngreports@hq.doe.gov, or may be faxed to Natural Gas Reports at (202) 586-6050.

Issued in Washington, D.C., on May 31, 2013.



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