

No. 19693

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**UNITED STATES OF AMERICA  
and  
MEXICO**

**Agreement concerning natural gas effected by Joint Announcement. Washington, 21 September 1979**

*Authentic texts: English and Spanish.*

*Registered by the United States of America on 27 March 1981.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
MEXIQUE**

**Accord relatif au gaz naturel effectué par communiqué conjoint. Washington, 21 septembre 1979**

*Textes authentiques : anglais et espagnol.*

*Enregistré par les États-Unis d'Amérique le 27 mars 1981.*

UNITED STATES-MEXICO AGREEMENT<sup>1</sup> ON NATURAL GAS.  
JOINT ANNOUNCEMENT, SEPTEMBER 21, 1979

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*Natural Gas*

The Governments of Mexico and the United States of America have reached an understanding on a framework for the sale of 300 million cubic feet per day of natural gas by Petróleos Mexicanos, the Mexican State Oil Company, to U.S. purchasers.

Pursuant to the understanding reached, the Governments of the United States of America and the Mexican States have agreed to authorize and support as a matter of policy commercial transactions which are within the following framework:

—The initial volume of natural gas deliveries will be 300 million cubic feet per day, commencing as soon as contracts are signed, regulatory approvals obtained, and gas is available for delivery.

—The initial price will be \$3,625/million btu as of January 1, 1980. This initial price is subject to reconsideration prior to January 1, 1980, if the price for natural gas from comparable sources exceeds that amount prior to said date.

—The arrangement shall continue without limitation subject to the understanding that the gas to be supplied is surplus associated gas in excess of Mexican national demand, that the gas being purchased is to meet U.S. needs not covered from other sources, and that therefore the contractual provisions will provide that either nation, on the basis of its own determination of its national interest, taking into account its domestic supply and demand for natural gas, may cause the termination of the arrangement upon 180 days notice to the other nation.

—The initial price will be adjusted quarterly by the same percentage as the change in world crude oil prices pursuant to a specific formula to be agreed upon by the contracting parties.

The way is now clear for the negotiation of commercial contracts between Petróleos Mexicanos and U.S. purchasers on terms which both governments regard as mutually beneficial. Such contracts will be subject to appropriate governmental approvals in each country.

[The two governments will review from time to time the terms of this arrangement as well as other energy issues of mutual interest.]<sup>2</sup>

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<sup>1</sup> Came into force on 21 September 1979 by the said Announcement.

<sup>2</sup> The text between brackets appears only in the English authentic text.