

An Offshore LNG Terminal for Baja California

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Recently, pricing and stability of gas supply has been more volatile in the West Coast of both the United States and Mexico than elsewhere in North America because of growing energy demands and diminished indigenous supply in North America and the region's more distant geographic position relative to current gas supply sources in the Gulf of Mexico, Rocky Mountains and Canada. Baja California is particularly vulnerable to supply and demand market forces because it currently imports 100% of the natural gas required for electric generation from the United States, a net importer of gas, and its population growth exceeds 5%/yr.

To keep up with the population growth and promote sustainable development, the West Coast's growing gas demand will require diversification of gas supply to alleviate energy requirements. Positioning of an LNG Receiving Terminal in Baja California presents a historic opportunity to import gas directly from a primary producer and mitigate dependency on the United States. By putting Baja California first in the supply chain of gas, gas supply will be more stable and price competitive.

ChevronTexaco has proposed an Offshore Receiving Terminal as the ideal LNG facility for Baja California. Geography, community consideration, the environment, operability and proximity to existing infrastructure and to the markets make the offshore location identified by ChevronTexaco as unique along the coast of Baja California and California for the construction of this facility. The Baja California Receiving LNG Terminal is a key element in ChevronTexaco strategy of commercializing Gorgon gas reserves. The giant gas field Gorgon, containing over 35 TCF of gas reserves, was discovered in 1981 and it is located in water depths that exceed 200 m off the coast of North Western Australia.
