

Prodigy Oil and Gas Watches Mexico

Shawn Bartholomae, CEO of Prodigy Oil and Gas decided to start drilling at Mexico. Prodigy Oil and Gas will be capitalizing on opportunities in the gas market.

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We have been saying for a long time to watch the natural gas market, says **Shawn Bartholomae**, CEO of <http://oilandgasinvestments-usa.com>. Exports are going to become a huge market. In addition, he has said, the infrastructure required to get natural gas to plants that can convert it to liquefied natural gas (LNG) will be an area of investment will be important as well. That means pipelines among others. An excerpted article follows that supports this visionary outlook.

When the U.S. Department of Energy (DOE) announced that it would issue a permit to export LNG to new markets from a facility in Texas recently, the news was greeted as a game changer. Opening international markets could drive the price of natural gas up domestically, spur a new rush to drill for gas, and stimulate some parts of the economy while disrupting others.

Despite all that excitement, a second, quieter, natural gas export boom is already taking place right under our noses. Mexico is importing a record amount of natural gas to create electricity and feed its growing industrial base. Eighty percent of all the gas Mexico imports comes from the United States, and 60 percent comes directly from pipelines in Texas.

The reason the U.S. can export via pipeline to Mexico without much fanfare has to do with federal regulations. Those require a special permit from the DOE to export liquefied natural gas to non-free trade partners. Exporting LNG opens up overseas markets, something that would have a more profound impact on prices at home, so the DOE has issued only two such permits to date.

Along the Mexican and Canadian borders, however, pipelines are built under a different regulatory process. And in South Texas, they can't seem to build them fast enough.

A recent report from the U.S. Energy Information Administration outlined several new pipeline projects, many from Texas, that are scheduled to be built by the end of 2014. If those projects are completed they could double the amount of natural gas the U.S. has the capacity to export to Mexico to about 7 billion cubic feet per day. That's five times the maximum amount of natural gas that Freeport LNG will be allowed to export under the Department of Energy permit that caused such a stir last week.

Mexico's new president is also expected to propose changing the country's laws to allow its state-owned oil and gas monopoly to partner with foreign companies. That may boost Mexico's production enough within its own borders to cut down on imports.

But for now — as all the pipeline building attests — U.S. companies seem confident that Mexico will need American gas for the foreseeable future. Mexico is forecast to add 28 gigawatts of new electric capacity by 2017. That could raise the gas needs for power generation by over 5 billion cubic feet a day.

Prodigy Oil and Gas will be capitalizing on opportunities in the natural gas market says Mr. Bartholomae.

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