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Contract Awarded for Pipeline to Saguaro LNG

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Mexico Pacific announced on Monday (11/27) that they had signed a turnkey contract for the construction of the Sierra Madre pipeline through 500 miles of the Chihuahuan and Sonoran deserts. The pipeline is intended to provide 2.8 Bcf/d of feedgas for the proposed Saguaro Energia LNG export facility. The Sierra Madre pipeline would connect with ONEOK's proposed Saguaro Connector pipeline at a new international border crossing south of Fort Hancock, Texas. Together, the two pipelines would bring natural gas from the Permian Basin to the greenfield LNG facility, which would primarily produce LNG for export to Asian markets. While Saguaro Energia has yet to reach FID on the LNG facility, the agreement for Bonatti and GDI Sicim to provide engineering, procurement, and construction for the Sierra Madre pipeline represents a step closer toward a decision. For the year to date, exports to Mexico have averaged 6.2 Bcf/d so adding an incremental 2.8 Bcf/d in capacity would provide a substantial boost to overall US to Mexico exports.



Source: Mexico Pacific, RBN Energy LLC

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