

MEXICO ENERGY INTELLIGENCE™
ANNUAL ANNOTATED TITLE CATALOG
2020

January

WED, JAN 15

MEXICO'S OIL SPILL CONTINGENCY PLAN: A STEPWISE RESPONSE STRUCTURE WITH A MAJOR EVENT CALLING FOR U.S. ASSISTANCE

File **100245**
 Pages 38
 Topic 418

This report consists in a user-friendly version of the abbreviated National Contingency Plan, as published in the *Diario Oficial* on October 24, 2016. In our reformatted version, the document features electronic bookmarks in English to facilitate navigation. SEMAR's online edition adds several complementary graphs and images that should also be consulted. Hyperlinks to relevant documents are provided.

[1](#)

FRI, JAN 24

MEXICO'S ENERGY SECTOR IN 2019: A YEAR OF UNFINISHED BUSINESS

File **905**
 Pages 12
 Topic 427

This report is a survey of items pending across the energy sector, including, for example, the formal appointment of a director-general of Pemex E&P and the resolution of the unitization controversy between Talos Energy and Pemex. Appended is a title list of MEI reports issued in 2019, sorted in ascending chronological order.

[2](#)

FRI, JAN 31

UNCERTAIN OUTLOOK FOR ZAMA DISCOVERY: PEMEX SEEKS A MAJORITY WORKING INTEREST AND OPERATORSHIP

File **906**
 Pages 10
 Topic 426

About the Zama discovery in 2017, Pemex Director-General Octavio Romero on January 29 at the presidential press briefing remarked that the majority of the reservoir extended into Pemex's lease area and that Pemex seeks to be the operator of a future unitized area. This report asks about the delay of almost a year in the drilling of a well on Pemex's side that would confirm the existence of 1) a common hydraulic system and 2) commercial deposits of oil and gas on the Pemex side.

[3](#)

February

MON, FEB 3

POST REFORM BLUES (UPDATE 1): USMCA REQUIRES "PLAIN LANGUAGE" IN REGULATIONS

File **772.1**
 Pages 11
 Topic 418

We update our report issued six weeks after the promulgation of the Energy Reform legislation on August 11, 2014, expressed concern about the discretionality and lack of precision in the neologisms and tropicalized lexicon in the energy legislation, particularly with respect to hydrocarbons. In this update, we point the reader to Article 28.8 of the U.S.-Mexico-Canada Agreement, the successor to NAFTA. The article calls for plain language in the drafting and publication of regulations. We take a second look at Article 27 of the 2018 Unitization Guidelines, which treats the situation where the parties do not agree on the terms. The final decision to be taken by the Energy Ministry is laden with discretionality.

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TUE, FEB 4

THE HAIL MARY PASS AT AZTEC STADIUM: INSIGHTS ON ENERGY POLICY BY ANALOGY

Updated 2/27/2020

File **1000095**
Pages 12
Topic 512

This report is a continuation--after a break of five years--of a series of reports that examines institutions and policies in Mexico's energy sector through the prism of an analogy with American football. The "football history" of Mexican politics and its energy component from 1985-2020 is succinctly and memorably summarized.

5

MON, FEB 10

OILFIELD UNITIZATION IN MEXICO, 2012-2020

File **1000096**
Pages 12
Topic 426

This report traces the course of how oilfield unitization has evolved from early policy discussions in 2008, followed in 2012 by the Transboundary Hydrocarbon Agreement and in 2018 the Unitization Guidelines that were proposed by the Energy Ministry (SENER) in October of 2017 and issued in March 2018. The current controversy between Pemex and Talos Energy regarding the unitization and operatorship of the Zama prospect is examined. Annex A provides a bilingual text of the voluntary unitization option that had been rejected in its draft guidelines. Table 1 is a list of press titles related to Zama.

6

THU, FEB 13

REWRITING THE ENERGY PLAYBOOK IN MEXICO: TALOS ENERGY VS PEMEX AT THE ZAMA BOWL

File **1000097**
Pages 9
Topic 426
418
512

This report is the complement to Market Comment 095, which provides a chronological narrative of the history of energy reform in Mexico, retold in the language and concepts of American football. This report identifies inflection points from 2013 to 2020 that affected the design and implementation of the upstream energy reform. The report also considers several articles of the U.S.-Mexico-Canada Agreement for their potential to bring back into alignment the interests of the State and global investors, as illustrated by the controversy between Talos Energy, Inc., and Petróleos Mexicanos (Pemex) regarding working-interest equity and operatorship of the Zama reservoir that was discovered by Talos in 2017.

7

MON, FEB 24

MEXICO'S ENERGY REFORM AT YEAR SIX: WALKING BACK FROM MARKET SOLUTIONS

File **907**
Pages 16
Topic 407
213

Everyone, it seems, is frustrated by the results to date of the Energy Reform of 2013-14. The President of Mexico, Andrés Manuel López Obrador deplores the low level of investment and production from the upstream leases. Pemex E&P is going through a leadership crisis. Midstream investors in natural gas pipelines have had the terms of their contracts with CFE challenged. Logistics companies have left Mexico and private investments in terminals have not met expectations. In this report, we examine unfulfilled expectations regarding leadership, regulation, market opportunity and offshore safety.

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SAT, FEB 29

JOSÉ ANTONIO GONZÁLEZ ANAYA: DEFENDS NEOLIBERAL RECORD

Updated 3/2/2020

File **100246**
Pages 7
Topic 312

On February 28, at Rice University's Baker Institute, José Antonio González Anaya, a former DG of Pemex and finance minister, shared his private thoughts about the Mexican economy at an invitation-only breakfast and his public thoughts about how Mexico's socioeconomic indicators improve during the period from 1991 to 2018. He affirmed that today "Mexico is a manufacturing country." While the audience who came to the lecture expected a critique of the economic policies of President Andrés Manuel López Obrador, not once did the speaker mention his name. Most of this report is a meditation on topics that were in the shadows of what was said in his lecture and Q&A.

9

March

WED, MAR 4

ENERGY SOCIALISM IN MEXICO: ENERGY MINISTRY ASPIRES TO DRIVE TECHNOLOGICAL INNOVATION

File **1000098**
Pages 4
Topic 407

This report comments on a 64-page document issued by the Energy Ministry on the technology gaps in Mexico's oil and gas industry. We provide an English translation of the summary, also a reformed list of abbreviations. We observe that the technological observation in the oil industry has been led by the private sector, making it unlikely that this document will be taken seriously by the business reader.

10

WED, MAR 18

ELEPHANTS IN MEXICO'S OIL PATCH: NATIONAL AND INTERNATIONAL LESSONS

File **908**
Pages 19
Topic 413

This report presents global feedback on controversial aspects of the public institutions and policies in Mexico's oil sector about which stakeholders are hesitant to speak in public. The report makes use of the idiomatic English expression "elephant in the room," which refers to topics known to all present but about which all are hesitant to speak. Another expression is "white elephant," which refers typically to something large and expensive but with little practical value. Critics have said that, if built, the Dos Bocas refinery will become a white elephant.

11

MON, MAR 23

PRESIDENT LÓPEZ OBRADOR'S ADDRESS AT THE 82TH COMMEMORATION OF THE OIL EXPROPRIATION

File **10063**
Pages 5
Topic 201

This report is our English translation of the remarks given by President Andrés Manuel López Obrador at the 82nd commemoration of the Oil Expropriation in Mexico. References and commentary are supplied in 30 footnotes. The president offers a personal vision of the high points of Mexico's oil history. As for the future, the "privatizing era has ended." He looks to Pemex to rebuild Mexico's oil industry. In an update to our Market Comment 099, we discern that there are reasons for the president of Mexico not to attend this commemoration. See MEI 909 for our discussion of the takeaways from his address.

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THU, MAR 26

TEMPTATIONS OF MEXICO'S OIL: THE MORENA PARTY IS ALSO TEMPTED

Updated 4/11/2020

File **1000099**
Pages 4
Topic 213

This report lists problematic areas in the petroleum regime in Mexico. The areas are characterized as “temptations,” alluding to the opening remark by President Andrés Manuel López Obrador in his address at the 82nd commemoration of the oil expropriation. He observed that Mexico’s oil “has always been a temptation.”

13

TUE, MAR 31

82ND COMMEMORATION OF THE OIL EXPROPRIATION: TAKEAWAYS FOR INVESTORS AND OTHER STAKEHOLDERS

File **909**
Pages 17
Topic 201

In this report, we seek to discern the takaways for investors and other stakeholders in Mexico’s oil space. We review successive periods in Mexico’s oil history, and draw lessons from each. Annex A is our English translation, with end notes, of the address given by President Andrés Manuel López Obrador on March 18, 2020.

14

April

SAT, APR 4

CHRONOLOGY OF MINERAL REGIMES IN MEXICO, 1783-2020: UPSTREAM SOCIALISM AFTER 1940

Updated 4/24/2020

File **1000100**
Pages 4
Topic 410

This report provides a chronology of key dates in the evolution of mineral regimes in Mexico from 1783 that are related to the oil industry. The Petroleum Law of 1901 was cited by President Andrés Manuel López Obrador speaking on March 18, 2020. We give importance to the constitutional amendment of Nov. 9, 1940, which effectively eliminated capitalism from the upstream.

15

TUE, APR 7

MEXICO'S PETROLEUM ESTATE, 1884-2020: A SIMPLIFIED HISTORY

File **100247**
Pages 9
Topic 410

In this report, we observe that the most important date in the past 100 years is, November 9, 1940, not March 18, 1938. We reconstruct the oil history of Mexico as moments in which the externalities, positive and negative, of the system to manage the public mineral estate are reassessed. A new balancing carries risks and rewards.

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MON, APR 13

TEMPTATIONS OF MEXICO'S OIL (UPDATE 1): THE PRESIDENT IS ALSO TEMPTED

File **1000099.1**
Pages 3
Topic 201

In this update, we list reasons why stakeholders are not served by the presence of the president of Mexico at the commemoration of the oil expropriation of 1938. We observe that, as president, Vicente Fox (2000-06) succeeded in resisting the temptation to attend this event for three of his six years in office. The event celebrates the heroism of the oil workers after foreign technicians left Mexico after the expropriation. We observe that the need for such heroism arose from the failure of planning by the executive branch. Pemex was created three months *after* the expropriation, not three years before.

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TUE, APR 21

WAS THE 1938 OIL EXPROPRIATION WORTH IT? WE COUNT MORE NAYS THAN AYES

File **10064**
 Pages 1
 Topic 107
 303
 411

In just one page, this report provides two lists: AYE and NAY, regarding the costs and benefits of the 1938 Oil Expropriation. In Mexico, the wisdom and benefits of the expropriation are regarded as settled matters in Mexican law and history. In this report, we observe that the problem with the foreign oil companies was not ownership but the lack of regulation and competition.

18

WED, APR 29

IMAGINING OIL REFORM IN 2013 AND IN YEARS AHEAD: WHERE WE WERE RIGHT, WRONG AND CLUELESS IN 2013

File **910**
 Pages 10
 Topic 407

On October 8, 2013, two months before the promulgation of the constitutional amendments that would open investment opportunities for oil companies in Mexico, we published a report (Note 173) that imagined the shape of the upstream reform. In the present report, we assess what was correct, wrong and missed. What we can better see now is how tightly and coherently the energy reform was designed to protect the Cárdenas brand and ideology. In reviewing past mistakes, investors are clearer about both what to expect and demand regarding future opportunities in Mexico.

19

May

FRI, MAY 8

PEMEX SUSPENDS DEEPWATER EXPLORATION: OBLIGATIONS CONTINUE IN DEEPWATER PARTNERSHIPS AND LICENSES

Updated 5/11/2020

File **736.2**
 Pages 21
 Topic 404
 204
 204.1

This report observes that Pemex's statements since that will not continue to fund deepwater exploration is at odds with its financial obligations with international partners in four CNH blocks. Table 2 lists the 6 deepwater blocks in which Pemex a working interest.

20

TUE, MAY 12

RULE OF LAW IN MEXICO'S ENERGY SECTOR: A STATISTICAL ANALYSIS

File **911**
 Pages 13
 Topic 410

Amidst new controversy in Mexico about the rule of law in the energy sector, we offer this report on how Mexico ranks the "2020 Index of Economic Freedom," as published by the Heritage Foundation, a conservative policy research center in Washington, D.C. Of the 12 elements of economic freedom, in this report we focus on those three that are associated with the Rule of Law. Transforming country rankings and the scores on each element into standardized units, or z-scores, we generated graphs to show comparisons with Mexico and the U.S., also of Mexico as a member of a subset of 9 of the top-ranked countries. In future report, we shall examine the element of labor freedom as an explanation for Pemex's inability to move from discovery to production in deepwater plays.

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SUN, MAY 24

TRANSPARENCY GAP IN THE NATIONAL HYDROCARBON COMMISSION: EVIDENCE OF REGULATORY CAPTURE

File **100248**
Pages 12
Topic 204
204.1

This report builds on a study by the Center for Economic Research and Education (CIDE) on the state of transparency in the National Hydrocarbon Commission (CNH). The study discerned an asymmetry of information regarding public information about Pemex and about private oil companies with CNH licenses. The present report asks about the status of that asymmetry. In reviewing CNH executive sessions, we find a pattern of nondisclosure of tabular and, cartographic data. Commissioners now see their role to include strengthening Pemex (a goal of current energy policy), but this function does not exist in the law.

22

June

TUE, JUN 2

PEMEX QUILTS EXPLORATION IN DEEPWATER: HOW SHOULD THE CNH RESPOND?

File **1000101**
Pages 16
Topic 204
202
313

This report asks about how commissioners of the National Hydrocarbon Commission (CNH) balance their dual responsibility as energy regulators and as stewards of Mexico's hydrocarbon estate. The report reviews the early history of CNH as the watchdog of Pemex and the subsequent period after 2013 when its activities were radically changed by the upstream energy reform. CNH has not yet responded to statements by Pemex executives that it will no longer fund deepwater exploration. Will CNH respond, as the law indicates in the case of a party that does not submit a viable exploration plan, by revoking the assignation or license? We offer new ideas for a response.

23

TUE, JUN 16

MORENA TO ELIMINATE ZEDILLO-ERA REGULATOR

File **1000102**
Pages 6
Topic 206
717

This report introduces the proposed constitutional amendment that, if approved, would have eliminated the Energy Regulatory Commission (CRE). The proposal was made public on June 10 but subsequently withdrawn on June 14 in response to widespread criticism. Appended to the report is a table of contents (Annex A) and a translated title list of related press articles (Annex B). A link to our reformatted version of the proposal, with electronic bookmarks in English, is also provided.

24

MON, JUN 22

REGULATORY INCONSISTENCY IN MEXICO'S ENERGY SECTOR: API RAISES A YELLOW CARD

File **1000103**
Pages 11
Topic 411
401

In its letter dated June 11, 2020, that was addressed to senior members of the Trump Administration, the American Petroleum Institute (API) expresses concerns about regulatory fairness in Mexico (Annex A), offering examples of mistreatment in the midstream and downstream segments. In this report, we build on the list of concerns by adding action-steps that specific regulatory agencies could take to improve regulatory efficiency (Annex B).

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TUE, JUN 30 **AGENDA FOR INTERNATIONAL OIL COMPANIES IN MEXICO: CARPE DIEM**

File **10065** In this report, we invoke "the Serenity Prayer" to ask about what can and cannot be 26
Pages 14 changed about the Mexican upstream to improve outcomes for investors, Pemex, and
Topic 407 society. We call attention to the situation of those members of the American Petroleum
 Institute (API) who have assets in the upstream. They are able to ask that a similarly
 intended letter be written by API and sent to senior members of the Trump administration
 who will be paying attention to Mexico with the start of the USMCA. Oil companies who
 have complete or partial market financing could form a new organization that would
 create a forum that does not presently exist.

July

TUE, JUL 21 **CARTOGRAPHIC AND SEISMIC PERPLEXITY AT ZAMA: UNITIZATION STRESS TEST LOOMS AHEAD**

Updated 7/27/2020

File **912** This report examines the background of, and outlook for, the unitization order issued by 27
Pages 15 Mexico's Energy Ministry regarding Block 7 of Round 1.1 and Pemex's contiguous block
Topic 426 AE-0052. At stake is the ownership and operatorship of the estimated 670-million barrel
 reservoir that was discovered by Talos Energy in July 2017. Pemex wants operatorship
 and 60% of the discovery, but it is the Energy Ministry who will decide if the parties do not
 agree. The view of oil companies is a decision to award majority ownership and
 operatorship to Pemex would be a terrible setback for the upstream energy reform.

SAT, JUL 25 **TALOS ENERGY VS. PEMEX AND THE ZAMA DISCOVERY : BASIC CHRONOLOGY**

Updated 11/5/2020

File **100249** Table 1 of this report provides a chronology of events from 2013-2020 that bear on the 28
Pages 5 origin and course of the unitization order of July 7, 2020, regarding the ownership and
Topic 426 administration of the Zama discovery of 2017. The chronology extend to future events in
 2021.

FRI, JUL 31 **ZAMA IN THE LONG VIEW: HOW OIL PATRIOTISM SKEWS SOLUTIONS FOR RESOURCE
ADMINISTRATION**

Updated 8/3/2020

File **913** The eastern boundary of Block 7 was drawn in such a way to split a geological structure, 29
Pages 15 leaving part of it outside the boundary of the lease. It would be this circumstance that
Topic 426 would lead, five years later, to an impasse in the negotiations between Pemex and the
 current leaseholders of Block 7. Both sides want the operatorship and majority
 ownership in the reservoir. The outcome of this controversy will affect the future, not only
 of the investments of the oil companies but of the entire upstream reform.

August

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THU, AUG 6

AMLO PREVIEW OF ENERGY REFORM: FAKE NEWS WITH A MESSAGE FOR REGULATORS

Updated 8/13/2020

File **100250** This report examines the provenance of the document that was circulated on the Internet on August 4, 2020, which purported to be a memorandum by President López Obrador to energy regulators in Mexico. On closer inspection, we discerned that the document may be based on the transcript of an unauthorized recording of a speech by the president on July 22 to leaders of the energy sector. **30**

Pages 17

Topic 407

FRI, AUG 7

Talos Energy in the crosshairs: How systemic bias hurts private oil companies in Mexico
(Houston Chronicle)

File **080720** An opinion piece that was published in the *Houston Chronicle* on August 7, 2020, about the delicate situation of Talos Energy in its negotiation with Pemex over the ownership and control of the Zama discovery that was announced in July 2017. “There is a systemic bias that, in a commercial dispute, authorities would favor claims of Pemex over those of a private party regarding the ownership of a lease.” **31**

Pages 1

Topic 426

SUN, AUG 23

AMLO MEMORANDUM TO ENERGY REGULATORS: ENGLISH TRANSLATION

File **10068** On August 4, 2020, an unauthenticated memorandum was circulated online that purported to be the memorandum signed by President López Obrador in the National Palace on July 22, 2020. This English translation was prepared with the collaboration of Houston-based GlobalSpeak Translations™. **32**

Pages 8

Topic 407

FRI, AUG 28

L’AFFAIRE ZAMA (PART 1): HOW CNH, SENER AND SHCP MISMANAGED ROUND 1.1

File **914** This report reviews the design and administration of the oil lease auctions, with a focus on Block 7 of Round 1.1. Attention is given to the lack of transparency in the three principal government agencies that are involved in the administration of the upstream: the Ministries of Energy and Finance and the National Hydrocarbon Commission. The report faults these agencies for their management of Round 1.1, and observe that better management decisions are required to avoid a meltdown of investor confidence that could provoked by a state-ordered settlement of the working interests and operatorship of the Zama prospect that is deemed unfair to investors. **33**

Pages 11

Topic 426

September

WED, SEP 2

L’AFFAIRE ZAMA (PART 2): HOW CNH FAILED INVESTORS IN ROUND 1.1

File **915** Mexico’s National Hydrocarbon Commission (CNH) failed prospective investors in the first lease auctoin in 2015 (Round 1.1). They did so, first, by rushing the schedule for the auction, despite more than 600 questions from investors in the final 10 days before the final contract model would be issued. In parallel, the commission failed to provide the requested investor protection in the event of a unitization dispute (especially with Pemex). **34**

Pages 14

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FRI, SEP 18	Analysis: Making Pemex great again creates risks for energy exporters and investors (<i>Houston Chronicle</i>)		
File	091820	An opinion piece by George Baker published by the Houston Chronicle. Comments on the likely damage to Texas suppliers and logistic companies that will come from turning back from the energy reforms of 2013-15. "If López Obrador succeeds, it would damage opportunities for trade and investment on both sides of the border, especially for Texas energy suppliers, shippers and service companies."	35
Pages	1		
Topic	411		
SAT, SEP 19	L'AFFAIR ZAMA (PART 3): LESSONS FROM THE OIL GUILD FOLKLORE		
File	916	Drawing on industry adages, this report examines the industry dynamics that led to the discovery of the Zama reservoir in July 2017 by the investor consortium led by Talos Energy, Inc. Of these, the most relevant is "Diversity of ideas finds oil." The report notes the lack of diversity in the training of Pemex's technical staff.	36
Pages	18		
Topic	426		
SAT, SEP 26	DUE-DILIGENCE COURSE FOR INVESTORS IN MEXICO: U.S. DEPARTMENT OF STATE SURVEYS THE BUSINESS CLIMATE		
File	1000104	The U.S. Department of State's 2020 survey of the investment climate of Mexico provides a short course in due-diligence, with relevant hyperlinked references. Regarding the energy sector, the report observes that the current government's restrictive policies in both the oil and power sectors affect investors. Although without identifying Talos Energy, the report notes investor concern about Pemex's efforts to take control its oil discovery: "Foreign players were discouraged when Pemex sought to take operatorship" The authors of the report may have read our article in the <i>Houston Chronicle</i> (Aug. 7, 2020): "It would be a demoralizing outcome for all investors if Talos' asset becomes majority-owned and operated by Pemex."	37
Pages	22		
Topic	407 403 200		
WED, SEP 30	PEMEX AS AN UPSREAM BUSINESS PARTNER (PART 1): HOW PEMEX'S SKILLS ARE VALUED BY INVESTORS		
File	917	In this report, we ask how Pemex skills are valued by investors who have or will become partners with Pemex. The Energy Reform of 2013-18 gave Pemex three ways to become an upstream partner with a private oil company: 1) auctioning a portion of its 100% working interest in a Round Zero block (as with Trión), 2) a joint bid in a lease auction of blocks (contract areas) by the National Hydrocarbon Commission (CNH), as did Chevron and Shell, and 3) a unitization, voluntary or forced, with an oil company that has an adjacent block where there is a shared reservoir. Talos Energy and Hokchi Energy are prospective partners with Pemex in the third-listed category. In Table 3 of the report, we reconsider the skills and advantages offered by Pemex.	38
Pages	11		
Topic	315		

October

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MON, OCT 12

PEMEX TO EXPLORE AE-0152 WITHOUT ASAB-1: ZAMA INVESTORS HAVE STRANDED ASSETS BY VOTE OF CNH

File **918**
Pages 20
Topic 426
204.1

This report notes the vote by the National Hydrocarbon Commission (CNH) to approve a modification of the exploration plan for the block AE-0152, which is contiguous with Contract Area 7 of Round 1.1, where Zama discovered in July 2017. As the reservoir is believed to extend into the Pemex block, a confirmatory well has been deemed essential. Under Pemex's revised exploration program, however, submitted to CNH in mid-August 2020, the drilling of the well has been reclassified as optional for the year 2023. Unless CNH takes steps otherwise to allow development to proceed, the Zama reservoir may become a stranded asset.

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TUE, OCT 27

L'AFFAIRE ZAMA (PART 4): HOW CNH CAN JUMP-START ZAMA DEVELOPMENT

File **919**
Pages 22
Topic 426

This report identifies ways in which Mexico's Hydrocarbon Commission (CNH) can act to encourage Pemex to engage with investors in the Zama discovery for a data-driven resolution of the 2-year impasse in the pre-unitization negotiations. Table 4 imagines six deal-breaking demands by Pemex that have held up an agreement.

40

SAT, OCT 31

YELLOW CARD RAISED ABOUT FAIRNESS OF AMLO'S ENERGY REGIME

Updated 11/8/2020

File **920**
Pages 13
Topic 411
104

This report examines the text and political science of a letter dated addressed to President Donald J. Trump, expressing concern about the treatment of American energy companies in Mexico. The letter was dated October 22, 2020-two weeks before a presidential election-was signed by six senators and 36 members of Congress from 13 states, including all four on the U.S.-Mexico border. The letter urges the president do do something about the mistreatment of American companies in Mexico by regulators.

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November

THU, NOV 5

CHRONOLOGY OF UNITIZATION IN MEXICO: 2000-2021

File **100249.1**
Pages 6
Topic 426

This report updates and corrects the chronological table issued on July 28, 2020. The important date to watch is January 7, 2021, the 120th day from July 7th, when the Energy Ministry ordered Pemex and the investor consortium led by Talos Energy to submit agreements regarding working interest and control of a Zama unit area.

42

FRI, NOV 6

INTERVIEWS WITH TALOS EXECUTIVES: MESSRS. LONG AND HEURISTIC

Updated 11/8/2020

File **10070**
Pages 14
Topic 426
312

The investor consortium led by Talos Energy in July 2017 made a major midwater discovery in Mexico. In this report, we recast the comments of a Talos executive at an industry conference in October 2020 into an interview format, and offer another interview to tease out the sticking points of the negotiations. We have framed the fundamental question before readers as a statistical one of accepting or rejecting the "null hypothesis" put forward by Talos executives, which is that the pace of things related to the development of Zama is normal, that is, adjusting for the abnormalities of Covid-19 and low oil prices.

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THU, NOV 12

SAFETY PROFILE OF OIL E&P IN MEXICO: ASSEMBLING SCATTERED STATISTICS

File **900.1**
Pages 30
Topic 404
420

We reissue this report, adding references to two subsequent reports: MEI 903 (The Energy Case Against USMCA) and MEI Market Note 100244 (MEXUS PLAN: Cooperation between SEMAR and USCG). In the HTML introduction, we make reference to discussions held November 10-12, 2020, during the 8th Annual Safety Forum sponsored by the Center for Offshore Safety. During the conference, we asked: When will BSEE include Mexico in its safety vision for the Gulf of Mexico?

44

WED, NOV 25

PUBLIC OFFICIALS IN THE CROSSHAIRS IN MEXICO

Updated 1/16/2021

File **921**
Pages 21
Topic 312

On November 11, 2020, the Ministry of Public Service (SFP) announced an sanction on a former president-commissioner of the Energy Regulatory Commission (CRE). The sanction is a 10-year debarment from federal employment of a former public official who is regarded as a visionary and effective leader in the energy sector. This report examines problematic sanctions by SFP during 2010-11 against managers in Pemex E&P and PMI. The pattern is worrisome for federal civil servants, investors, and contractors. There is a lingering question: Who's next?

45

SUN, NOV 29

SELECTIVE ANTICORRUPTION IN MEXICO: A STATISTICAL THOUGHT-EXPERIMENT

File **922**
Pages 6
Topic 421

The arrest of Mexico's former minister of defense during 2012-18 by US drug-enforcement agents in Los Angeles on October 15, 2020, on drug- and money-laundering charges points to high-level corruption inside the military. In Mexico's code of military justice, however, the term "corruption" does not appear. It follows that President López Obrador's vow to free the country of corruption would apply only to civilians. In this report, employing, by analogy, concepts from statistics, we inquire into his assertions that corrupt acts by neoliberals in prior administrations are responsible for the decayed state of Pemex and CFE.

46

December

FRI, DEC 4

4T JUSTICE IN THE CROSSHAIRS: GARCÍA ALCOCER V. SFP

File **10071**
Pages 7
Topic 213

This report examines the implications for regulators and regulatory bodies in Mexico of a matter that is likely to reach Mexico's Supreme Court. The matter concerns the interpretation of conflicting requirements for recusal of a civil servant based on a presumed conflict of interest owing to a family relationship. The case that will be reviewed in the courts concerns the appeal of Guillermo García Alcocer, a former chairman of the Energy Regulatory Commission (CRE) of a sanction by the Ministry of Public Service (SFP) issued November 11, 2020.

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TUE, DEC 15 **MACONDO SAFETY LITERACY IN THE BGOM: THE BINATIONAL GULF OF MEXICO IS IGNORED**

File **10073** This report asks about the lack of binational attention given to offshore safety literacy **48**
Pages 12 regarding the Macondo accident of 2010. In Palestinian terms, each side seeks a
Topic 405 two-state solution to offshore safety in the binational Gulf of Mexico (BGOM). We foresee
404 that the next major safety event will take place in Mexican waters, making an
420 understanding of the components of the Macondo accident important for training and
investment. Table 1 is a literacy test of the Macondo accident. Table 2 is a similar test
about the safety institutions in the U.S. and Mexico. Annex B is a summary of the
Macondo research of Ron Sweatman.

FRI, DEC 18 “Mexico Ruling on Zama Unitization to be Crucial Decision in 2021, Expert Says” -
Interview with George Baker ((*Natural Gas Intelligence*))

File **121820** A year-end interview with Natural Gas Intelligence™ reporter Adam Williams about the **49**
Pages 2 outlook for Mexico’s energy sector for 2021.
Topic 901

TUE, DEC 22 **OUTLOOK FOR 2021 FOR MEXICO’S ENERGY MARKETS: THE EXTENDED GB INTERVIEW**

File **10075** An interview with George Baker about the outlook for Mexico’s energy sector in 2021 was **50**
Pages 12 published in Natural Gas Intelligence™ on December 18, 2020. This report is a
Topic 409 continuation of that interview, including Q&A that, owing to space limitation, were not
513 included in the published text. The interview continues with imaginary Q&A that extend
the scope of the topics discussed.

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