

MEXICO ENERGY INTELLIGENCE™
ANNUAL ANNOTATED TITLE CATALOG
2023

July

- FRI, JUL 7** **TOWARD A PHILOSOPHY OF MINERAL ENERGY: REVERSE ENGINEERING OF THE U.S. MINERALS REGIME**
- File **960** This report reviews the ideas presented to law students at Mexico's National University (UNAM) on May 9, 2023, The presentation by George Baker was about the relationship of the State to Nature. For most features of Nature--the color of flowers, for example--there is no relationship. Only regarding those aspects of Nature that enter into commerce does the State have authority. By virtue of national sovereignty, a government can impose rules of access and commercial exploitation. The report deconstructs the language and arguments of constitutional Article 27, and offers ideas for fresh thinking about energy market designs. 1
- Pages 9
- Topic 410
-
- TUE, JUL 4** **HOW MORENA WINS IN 2024: WITH HELP FROM THE INDUSTRIAL-MILITARY COMPLEX**
- File **962** This report asks about the possible influence of an empowered military-contractor lobby and military-narco ties could have on the general elections that are scheduled for June 2, 2024. 2
- Pages 10
- Topic

MEXICO ENERGY INTELLIGENCE™ is a digital publication based in Houston since 1996 and published by market analyst and historian George Baker. We analyze developments in law, regulation, policy, and institutional governance in Mexico's energy sector from the perspective of regulated market solutions. Our extensive archive of reports allows us to provide the back-stories not found elsewhere. Occasional reports are dedicated to the linguistics of bilingual proficiency, understood as an element of market efficiency. In 2015, we donated our extensive collection of Pemex publications, books and papers related to Mexico's energy sector to the Special Collections Library of the University of Houston.

Reports are distributed principally by paid subscription and online purchase.

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June

MON, JUN 19

UBER DRIVERS OPINE ON MEXICO'S GASOLINE MARKET: INFORMAL, BACKSEAT INTERVIEWS

File **1000117**
Pages 10
Topic

This report examines aspects of the gasoline market in Mexico City from the perspective of Uber drivers who were interviewed during the week of May 5, 2023. Drivers were asked about their preferences in refueling at Pemex and other brands, the regulations applicable to platform-dispatched taxis (PDT), and their expectations regarding the cleanliness of bathrooms at the gas stations of Pemex and other brands. The report comments on PDT brands other than Uber, such as Didi, a Chinese platform whose app works in Mexico but not in the United States. The authors observe that while creative destruction has been successful in the traditional taxi market, there are other markets, such as residential natural gas, where the legacy model prevails.

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THU, JUN 15

IDEAS FOR MEXICO'S ENERGY REFORM, 2024-36: SORTED BY DEGREE OF DIFFICULTY

File **961**
Pages 23
Topic

This report presents 48 ideas in summary form for consideration in Mexico's next energy reform, which will begin in earnest only in a post-AMLO environment. We group these ideas by their degree of difficulty of implementation: Easy, Difficult, More Difficult, and Unthinkable. An idea that resurfaces in different contexts is the curtailing of presidential discretionary language and authority in the energy sector. In the category of unthinkable is the de-Cardenization of the national energy narrative. Annex A is a decree from 1934 that establishes a stock-issuing public/private integrated oil company with a governance model that merits attention in future reforms.

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FRI, JUN 2

ZAMA AND THE FAILURE OF MEXICO'S ENERGY REFORM (ENTERPRISE)

File **1000116.1**
Pages 11
Topic 425

This hybrid product includes an Acrobat portfolio containing PDFs of reports related CNH Round 1.1, Block 7, Zama, and unitization, plus a 45-minute conference call with George Baker on topics and issues covered in this reports. The documents include 1) Market Comment 116, 2) MEI Report 772 (2014), 3) Table 1 - Chronology of Zama and 4) Web ID 425, A title list of related reports on Round 1.1 Block 7, Zama and unitization. Call or email to schedule a conference call (audio or video)

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May

TUE, MAY 30

ZAMA AND THE FAILURE OF MEXICO'S ENERGY REFORM: IS AMLO AN ABERRATION OR THE NEW NORMAL?

File **1000116**
Pages 11
Topic 4.2

This report identifies failures of design and execution in Mexico's Energy Reform of 2013-18, as illustrated in CNH's Round 1.1 in 2015 and the subsequent mishandling of the Zama discovery in 2017 by regulators, Energy Ministry officials, Pemex executives, and the President of Mexico. What was supposed to have been a success story by an oil company operating independently of Pemex was forcibly reshaped to be an asset majority-owned and operated by Pemex. The report concludes that no reform will deliver on its promises so long as the President has any role in the naming of the executives of Pemex or CFE.

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MON, MAY 22

NEWTON'S LAWS OF MOTION IN MEXICAN POLITICS: $F = m(v^2)/R$

File 1000115
Pages 5
Topic

This report observes that the theory, practice and terminology of Western democracies do not explain the outsize political power of the president of Mexico. The report draws on notions expressed in Newton's three laws of motion to tease out the origin of the political strength of Mexican presidents, with attention to the incumbent, Andrés Manuel López Obrador and his predecessor, Enrique Peña Nieto. The history of CNH Round 1.1 in 2015 is seen in a new light.

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April

SAT, APR 22

AMLO'S STEALTH LEGISLATION 2023: NEW DOCTRINES OF HARM AND NULLITY COULD PUNISH DISFAVORED INVESTORS

File 100271
Pages 4
Topic 211
201
410

On March 28, 2023, two packages of legislative bills were published in the *Gaceta Parlamentaria* of the Lower House of Congress. The first of these concerned civil aviation, the second, diverse administrative proposals meant to tighten the Executive's effective authority over the federal government. Of 23 such bills, a dozen concerned limits on the salaries of public officials. The others would confer new faculties on the president, also define situations in which government contracts to private parties could be canceled or rescinded. While the bills contained nothing about hydrocarbons or energy regulators, they were present in their penumbrae, posing new risks for investors.

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WED, APR 12

TALOS ENERGY AND ZAMA CHRONOLGY UPDATE: SCANT PUBLIC INFORMATION ABOUT THE CONFIGURATION, TERMS AND CONDITIONS OF THE ZAMA UNIT

File 100249.6
Pages 6
Topic 405

This is the fifth update to our running chronology on unitization which we began in 2020. The table is updated to June 1, 2023, with the submission of a joint development plan to the National Hydrocarbon Commission (CNH). Pending is approval by the CNH, the negotiation of a Joint Development Plan and a Final Investment Decision (FID) by year-end 2023.

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TUE, APR 11

ZAMA CHRONOLGY UPDATE: PEMEX SUBMITS DEVELOPMENT PLAN

Updated 6/2/2023

File 100149.5
Pages
Topic 425

This report updates our chronology to March 23, 2023, on which Pemex announced that a development plan had been submitted to CNH to meet a deadline of March 25. On the same date, Talos announced that an agreement had been reached with Pemex to form an Integrated Project Team, the work-groups, or committees, of which would be co-lead by the several partners.

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MON, APR 3

PEMEX SUBMITS ZAMA DEVELOPMENT PLAN, BUT EXECUTION ABILITY AS OPERATOR IS PROBLEMATIC

File 959
Pages 17
Topic 425

This report reflects our communications with industry professionals who voice concerns about the ability of Pemex to serve as the operator of the Zama Unit during the initial (and most expensive) phase of development during which 60% of the lifetime capital budget is likely to be spent. One concern is the corporate culture in Pemex (and the federal government in general) in which the timely signing of contracts is constrained by a concern that future auditors may impute improprieties.

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March

TUE, MAR 21

TALOS SLOUCHES TOWARD FINAL INVESTMENT DECISION: MAJOR ISSUES NOT RESOLVED:

File **958**
Pages 21
Topic 425

By the end of March 2023 Talos Energy, as the operator-of-record of Block 7, where the giant oilfield named Zama was discovered in 2017, is required to submit a development plan for the reservoir. Talos's situation is complicated by a ruling of the Energy Ministry in 2021 that assigned Pemex as the operator with 50% and a fraction ownership of the commercial rights to the reservoir. In this report, we examine the issues that must be resolved for the parties to reach a Final Investment Decision (FID) to move forward with development. Among these are operatorship, governance, and redetermination. Appended is an annotated list of our reports since 2015 on topics related to Round 1.1, Block 7, Zama, and unitization.

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FRI, MAR 10

CHALLENGES OF BINATIONAL MEXICO ASSETS: WHAT CAN PEMEX'S DEER PARK REFINERY TEACH OTHERS?

Updated 3/13/2023

File **957**
Pages 15
Topic

In each country for investors there will be challenges. How to overcome the obstacles of difference in language, corporate culture and familiarity with global best practices? Pemex's acquisition of full ownership in the Deer Park refinery in Texas in January of 2022 casts an unexpected light on these questions. Where, regarding an asset in Mexico, the international investor will likely be correct in assuming that its technological, engineering and managerial savvy are better than those found in Mexico, regarding Deer Park, the opposite is true.

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February

WED, FEB 15

ANNUAL TITLE CATALOG 2022: REPORTS AND COMMENTARY

File **100270**
Pages 24
Topic 907
420

This report is our annual catalog for the year 2022. Annex A is a title list sorted by the category to which a report is assigned. Annex B is an annotated title list in ascending chronological order. Commentary concerns the topics of special interest to us, such as offshore safety and governance.

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WED, FEB 8

MEXICO ENERGY INFLECTION POINTS 2022: CHRONOLOGY AND REVISIONIST REASSESSMENT

File **10098**
Pages 20
Topic

This report looks back at the events of 2022 to discern inflection points in the energy sector. In eight tables, events are listed according to the market segment (upstream, midstream, etc.) and topic. The report frames these events in a larger understanding of the López Obrador administration and the the guideposts of public policy as set forth in Mexico's constitution. We ask, what would have to change to have better outcomes?

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January

WED, JAN 18

AMLO FINESSES A COMMERCIAL SHOWDOWN: MEXICO OFFERS PRESIDENT BIDEN HIGH-VALUE TALKING POINTS

File **956**
Pages 19
Topic 418
201

This report reviews the agenda and political theater of the 2023 No. Am. Leaders Summit, held in Mexico City January 9-10, & attended by the heads of state of Mexico, Canada and the U.S. In exchange for cooperation about fentanyl and human trafficking plus commitments to an ESG agenda, Mexico's partners excluded commercial disputes about biotech and energy. In parallel, they agreed to ponder nearshoring options, including Plan Sonora, which envisions a semiconductor manufacturing hub. President Biden and Prime Minister Trudeau also volunteered for photo-ops at the new, controversial airport that President López Obrador had ordered to be built by the army at a remote military airfield.

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