6-7-2000

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U.S. & Mexico Reach Agreement on Disputed Territory in Gulf of Mexico

After two years of difficult negotiations, the US and Mexican governments agreed to divide a disputed 17,790-sq km zone in the Gulf of Mexico. The area, known as the Western Gap or doughnut hole, is thought to hold some deep-water reserves of crude oil and natural gas, although the amounts are uncertain. Mexico and the US began discussions on the topic in April 1998, after the US Senate ratified a 1998 treaty that recognized the territorial limit of the disputed area (see SourceMex, 1997-11-05, 1998-04-22). The new agreement, announced in Washington by Foreign Relations Secretary Rosario Green and Energy Secretary Luis Tellez, gives Mexico control of 62% of the disputed area. The division was determined by measuring distances from each country's coast, giving Mexico 10,600 sq km and the US 6,594 sq km. The accord, which will become formal at a signing ceremony scheduled for June 9, must still be ratified by the Mexican and US Senates.

Sens. Luis Mejia Guzman of the conservative Partido Accion Nacional (PAN) and Jorge Calderon of the center-left Partido de la Revolucion Democratica (PRD) said they expected the Mexican Senate to easily ratify the pact in a special session later this year. Mejia Guzman said the PAN delegation in the Senate was satisfied that President Ernesto Zedillo's administration successfully defended Mexico's sovereignty and promoted the well-being of Mexicans with this accord. But Calderon said any action taken by the Mexican Senate would lack significance until the accord is also approved by US counterparts. "We have to remain alert that the US Senate ratifies the accord," said Calderon. "Until this happens, this is a useless document."

Accord includes 10-year moratorium on exploration, drilling The agreement includes a 10-year moratorium on exploration and drilling in a strip 8.45 km wide along the dividing line of the area, which is in the shape of a polygon. The moratorium would allow the two countries time to consult on how to divide potential resources in that area, Tellez told reporters. Tellez said there is a "high probability" the area has an undetermined reserve of hydrocarbons, but these would be extremely costly to extract because they are in very deep areas. "[The site] is not unreachable," said Tellez, who reiterated PEMEX's current policy of not extracting any reserves located more than 600 meters deep. "Eventually, it will be economical to exploit it. But the important thing is that the resources are Mexican, and no one can exploit them but Mexico," Tellez said. Green credited the late PAN Sen. Jose Angel Conchello Davila for pushing the government to claim Mexico's rights to hydrocarbons in the doughnut hole.

Conchello, who died in an automobile accident in August 1998, had urged the Zedillo administration to push for the entire region to be ceded to Mexico. He said the Western Gap was a continuation of Mexico's continental shelf. "Even if the area does not have a single barrel of oil, we should claim our sovereign right to it," Conchello said in April 1998. The Mexican government is also expected to negotiate with Cuba and the US regarding control of a similar area in the eastern Gulf of Mexico. "This negotiation is expected to take much longer," Green said, referring to the strained relations between the US and Cuba.

(Sources: Associated Press, Reuters, 06/01/00; El Economista, Novedades, La Jornada, Reforma, El Universal, 06/02/00; El Financiero, 06/02/00, 06/06/00)