$\begin{array}{c} 106 \text{TH Congress} \\ 2d \ Session \end{array}$ 

SENATE

TREATY DOC. 106–39

# TREATY WITH MEXICO ON DELIMITATION OF CONTINENTAL SHELF

# **MESSAGE**

FROM

# THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

TREATY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED MEXICAN STATES ON THE DELIMITATION OF THE CONTINENTAL SHELF IN THE WESTERN GULF OF MEXICO BEYOND 200 NAUTICAL MILES, SIGNED AT WASHINGTON ON JUNE 9, 2000.



JULY 27, 2000.—Treaty was read the first time, and together with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed for the use of the Senate.

U.S. GOVERNMENT PRINTING OFFICE

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WASHINGTON: 2000

# LETTER OF TRANSMITTAL

THE WHITE HOUSE, July 27, 2000.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of the United Mexican States on the Delimitation of the Continental Shelf in the Western Gulf of Mexico beyond 200 nautical miles. The Treaty was signed at Washington on June 9, 2000. The report of the Department of State is also enclosed for the information of the Senate.

The purpose of the Treaty is to establish a continental shelf boundary in the western Gulf of Mexico beyond the outer limits of the two countries' exclusive economic zones where those limits do not overlap. The approximately 135-nautical-mile continental shelf boundary defines the limit within which the United States and Mexico may exercise continental shelf jurisdiction, particularly oil and gas exploration and exploitation.

The Treaty also establishes procedures for addressing the possibility of oil and gas reservoirs that extend across the continental shelf boundary.

I believe this Treaty to be fully in the interest of the United States. Ratification of the Treaty will facilitate the United States proceeding with leasing an area of continental shelf with oil and gas potential that has interested the U.S. oil and gas industry for several years.

The Treaty also reflects the tradition of cooperation and close ties with Mexico. The location of the boundary has not been in dispute.

I recommend that the Senate give early and favorable consideration to this Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.

# LETTER OF SUBMITTAL

DEPARTMENT OF STATE, Washington, July 5, 2000.

The President, *The White House*.

THE PRESIDENT: I have the honor to submit to you the Treaty between the Government of the United States of America and the Government of the United Mexican States on the Delimitation of the Continental Shelf in the Western Gulf of Mexico beyond 200 Nautical Miles (the "Treaty"). The Treaty was signed in Washington on June 9, 2000. I recommend that the Treaty be transmitted to the Senate for its advice and consent to ratification.

The Treaty defines the limits within which each Party may exercise its sovereign rights over the seabed and subsoil of the continental shelf, in the area in the western Gulf of Mexico beyond the limits of their respective exclusive economic zones (EEZs), in the area known as the "Western Gap," for the purpose of exploring the shelf and exploiting its natural resources, particularly oil and gas.

The boundaries separating the exclusive economic zones of the Parties were established in the Treaty on Maritime Boundaries between the United States of America and the United Mexican States, signed at Mexico City May 4, 1978, which entered into force November 13, 1997 ("1978 Treaty").

The Treaty is the culmination of negotiations that followed the 1978 Treaty's entry into force. It achieves the U.S. objectives of delimiting a boundary consistent with the approach taken in previous U.S.-Mexico boundary treaties, while at the same time adequately addressing issues of oil and natural gas reservoirs in the area covered under the Treaty. In recommending Senate advice and consent to the ratification of the 1978 Treaty establishing the EEZ maritime boundary, the Senate Foreign Relations Committee noted:

the untapped reserves of crude oil and natural gas in the Gulf of Mexico along the 200 nautical mile boundary and the technological advances that have made it more likely that U.S. companies will recover these oil and gas deposits. \* \* Delimitation of the western gap has become increasingly important to U.S. interests as petroleum exploration has moved into deeper waters.

The Committee urged the Administration "to commence negotiations on the western gap without delay, once this treaty enters into force." (Sen. Exec. Rpt. No. 105–4, pages 5–6, Oct. 22, 1997.)

#### Breadth of the continental shelf

Mexico and the United States are parties to the 1958 Geneva Convention on the Continental Shelf (the "1958 Convention"). Article 1 of the 1958 Convention provides that the continental shelf of a coastal State extends beyond a depth of 200 meters to "where the depth of superjacent waters admits of the exploitation of the natural resources" of the shelf. The 1982 United Nations Convention on the Law of the Sea, to which Mexico is a party and which the United States considers reflects customary international law in this respect, provides a more scientifically-based definition of the continental shelf. Article 76 provides that the continental shelf of a coastal State comprises the greater of either the area in which the seabed and subsoil of the submarine areas extend beyond a country's territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, or the area to a distance of 200 nautical miles from the baselines from which the breadth of the territorial sea is measured. Under both definitions, the coastal State has exclusive control over the exploration and exploitation of the natural resources, including oil and gas, of the continental shelf.

With respect to areas beyond 200 nautical miles from coastal baselines, the 1958 Convention and the 1982 United Nations Convention on the Law of the Sea provide that certain criteria must be met to qualify as continental shelf. During the negotiations, both sides agreed that all of the seabed and subsoil of the submarine areas beyond the 200-mile EEZ limit in the Western Gulf of Mexico meet the legal requirements described in both Conventions

The treaty consists of nine articles and two annexes.

#### Continental shelf boundary

Article I describes the continental shelf boundary between the United States and Mexico in the Western Gulf of Mexico beyond 200 nautical miles as geodetic lines connecting the listed 16 turning and terminal points. In keeping with the methodology used in previous U.S.-Mexico maritime boundary treaties, this line represents an equidistant line drawn from the respective U.S. and Mexican coastal baseline, including the baselines of islands.

Article II sets out the technical parameters of the boundary. It states that, for the purposes of the boundary, the 1983 North American Datum ("NAD 83") and the International Earth Rotation Service's Terrestrial Reference Frame ("ITRF 92") are considered identical, and that the terminal points are the terminal points of the 1978 Treaty. This article is needed to ensure that the Treaty may be applied uniformly and accurately by the United States, Mexico and all other users. Further, the article states that, for the purpose of illustration only, a map depicting the boundary is attached to the treaty as Annex 1.

Article III sets forth the agreement of the Parties that, north of the boundary, Mexico will not, and south of the boundary, the United States will not, claim or exercise for any purpose sovereign rights or jurisdiction over the seabed and subsoil. This provision is contained in all modern maritime boundary treaties to which the United States is a party.

# Transboundary reservoirs

In addition to the provisions typically found in maritime boundary delimitation agreements, the Treaty contains a new set of provisions contained in Articles IV and V dealing with the subject of possible oil or natural gas (hereinafter, "petroleum") reservoirs that may extend across the continental shelf boundary (hereinafter, "transboundary reservoirs"). These provisions, among other things, create a framework by which the Parties can exchange information to help determine the possible existence of transboundary reservoirs. Should any transboundary reservoir be identified, the Parties commit to address the equitable and efficient development of any such reservoirs. Those procedures are described in more detail

Article IV(1) creates a buffer zone, called "the Area," which comprises a continental shelf area of 1.4 nautical miles on each side of the boundary. (For the United States, the Area comprises 9.77 percent of its portion of the Western Gap.) Within the Area, the Parties agree to a ten-year moratorium on petroleum drilling or exploitation. By its terms, the moratorium does not apply to other continental shelf activities. Each Party's right to authorize or permit petroleum drilling or exploitation outside the Area within the Western Gap on its side of the boundary is unaffected by this moratorium.

Article IV(2) provides that the Area is shown on an illustrative

map at Annex 2 of the Treaty.

Article IV(3) establishes that the Parties may modify the 10-year moratorium applicable in the Area by mutual agreement through an exchange of diplomatic notes. This provision will enable the Parties to shorten or to extend the duration of the moratorium should they both agree.

Article IV(4) requires each Party, on its side of the boundary within the Area and in accordance with its national laws and regulations, to facilitate requests from the other Party to authorize geological and geophysical studies for determining the possible pres-

ence and distribution of transboundary reservoirs.

Article IV(5) requires that each Party, with respect to the Area in its entirety and in accordance with its national laws and regulations, share geological and geophysical information in its possession in order to determine the possible existence and location of transboundary reservoirs. Article IV(6) obliges each Party, if it has knowledge of the exist-

ence or possible existence of any transboundary reservoir to notify

the other Party.

During the course of the negotiations each Party supplied the other a written summary of their respective national laws and regulations pertaining to offshore oil and gas development that would currently be applicable pursuant to the terms of Article IV.

Article V of the Treaty details a mechanism for communication and cooperation between the Parties with respect to the Area and the possible existence and location of transboundary reservoirs.

Article V(1) provides that that the Parties, with respect to the

Area during the ten year moratorium, shall:

meet periodically for the purpose of identifying, locating, and determining the geological and geophysical characteristics of transboundary reservoirs as geological and geophysical information is generated that facilitates the Parties' knowledge about the possible existence of such reservoirs (including information provided under Article IV(5);

-seek to reach agreement for the efficient and equitable exploi-

tation of such transboundary reservoirs; and

—consult within sixty days of receipt of a written request by a Party through diplomatic channels, to discuss matters related to possible transboundary reservoirs.

Article V(2) further requires, with respect to the Area, that fol-

lowing the ten-year moratorium, the Parties shall:

- —inform the other Party both of its decisions to lease, license, grant concessions, or otherwise make available, portions of the Area for petroleum or natural gas exploration or development and when petroleum or natural gas resources are to commence production; and
- —ensure that entities it authorizes to undertake activities in the Area observe the terms of the Treaty.

#### Dispute resolution and consultations

Article VI requires the Parties to consult to discuss any issue regarding the interpretation or implementation of the Treaty upon the written request by a Party through diplomatic channels.

Article VIII provides that any dispute concerning the interpretation or application of the Treaty must be resolved by negotiation or other peaceful means as may be agreed upon by the Parties.

# Final clauses

Article VII provides that the boundary established in the Treaty does not affect or prejudice in any manner the positions of either Party with respect to the extent of internal waters, of the territorial sea, of the high seas, or of sovereign rights or jurisdiction for any other purpose. This is a standard provision in modern U.S. maritime boundary treaties.

Article IX provides that the Treaty is subject to ratification and that it will enter into force on the date the Parties exchange instru-

ments of ratification.

No new legislation is needed for the United States to meet its ob-

ligations under the treaty.

All interested agencies and departments join the Department of State in recommending that the Treaty delimiting the continental shelf boundary beyond 200 nautical miles between Mexico and the United States be transmitted to the Senate as soon as possible for its advice and consent to ratification.

Respectfully submitted,

MADELEINE ALBRIGHT.

TREATY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED MEXICAN STATES ON THE DELIMITATION OF THE CONTINENTAL SHELF IN THE WESTERN GULF OF MEXICO BEYOND 200 NAUTICAL MILES

The Government of the United States of America and the Government of the United Mexican States (hereinafter "the Parties"),

Considering that the maritime boundaries between the Parties were determined on the basis of equidistance for a distance between twelve and two hundred nautical miles seaward from the baselines from which the breadth of the territorial sea is measured in the Gulf of Mexico and the Pacific Ocean by the Treaty on Maritime Boundaries between the United States of America and the United Mexican States, signed on May 4, 1978 (the "1978 Treaty on Maritime Boundaries"),

Recalling that the maritime boundaries between the Parties were determined on the basis of equidistance for a distance of twelve nautical miles seaward from the baselines from which the breadth of the territorial sea is measured by the Treaty to Resolve Pending Boundary Differences and Maintain the Rio Grande and Colorado River as the International Boundary between the United States of America and the United Mexican States, signed on November 23, 1970,

Desiring to establish, in accordance with international law, the continental shelf boundary between the United States of America and the United Mexican States in the Western Gulf of Mexico beyond 200 nautical miles from the baselines from which the breadth of the territorial sea is measured,

Taking into account the possibility that there could exist petroleum or natural gas reservoirs that extend across that continental shelf boundary, and the need for cooperation and periodic consultation between the Parties in protecting their respective interests in such circumstances; and

Considering that the practice of good neighborliness has strengthened the friendly and cooperative relations between the Parties;

Have agreed as follows:

#### Article I

The continental shelf boundary between the United States of America and the United Mexican States in the Western Gulf of Mexico beyond 200 nautical miles from the baselines from which the breadth of the territorial sea is measured shall be determined by geodetic lines connecting the following coordinates:

- 1. 25° 42′ 14.1" N. 91° 05′ 25.0" W.
- 2. 25° 39′ 43.1" N. 91° 20′ 31.2" W.
- 3. 25° 36′ 46.2" N. 91° 39′ 29.4" W.
- 4. 25° 37' 01.2" N. 91° 44' 19.1" W.
- 5. 25° 37' 50.7" N. 92° 00' 35.5" W.
- 6. 25° 38' 13.4" N. 92° 07' 59.3" W.
- 7. 25° 39′ 22.3″ N. 92° 31′ 40.4″ W.
- 8. 25° 39′ 23.8″ N. 92° 32′ 13.7″ W.
- 9. 25° 40′ 03.2″ N. 92° 46′ 44.8″ W.
- 10. 25° 40′ 27.3" N. 92° 55′ 56.0" W.
- 11. 25° 42′ 37.2″ N. 92° 57′ 16.0″ W.
- 12. 25° 46′ 33.9″ N. 92° 59′ 41.5″ W.
- 13. 25° 48′ 45.2″ N. 93° 03′ 58.9″ W.
- 14. 25° 51′ 51.0″ N. 93° 10′ 03.0″ W.
- 15. 25° 54' 27.4" N. 93° 15' 09.9" W.
- 16. 25° 59' 49.3" N. 93° 26' 42.5" W.

#### Article II

- The geodetic and computational bases used to determine the boundary set forth in Article I are the 1983 North American Datum ("NAD83") and the International Earth Rotation Service's Terrestrial Reference Frame ("ITRF92").
- 2. For purposes of Article I:

- (a) NAD83 and ITRF92 shall be considered to be identical; and
- (b) Boundary points numbers 1 and 16 are, respectively, boundary points GM.E-1 (25° 42′ 13.05″ N., 91° 05′ 24.89″ W.) and GM.W-4 (25° 59′ 48.28″ N., 93° 26′ 42.19″ W.) of the 1978 Treaty on Maritime Boundaries. These points, which were originally determined with reference to the 1927 North American Datum-NAD27, have been transformed to the NAD83 and ITRF92 datums.
- 3. For the purpose of illustration only, the boundary line in Article I is drawn on the map that appears as Annex 1 to this Treaty.

#### Article III

South of the continental shelf boundary set forth in Article I, the United States of America shall not, and north of said boundary, the United Mexican States shall not, claim or exercise for any purpose sovereign rights or jurisdiction over the seabed and subsoil.

#### Article IV

- Due to the possible existence of petroleum or natural gas reservoirs that may extend across the boundary set forth in Article I (hereinafter referred to as "transboundary reservoirs"), the Parties, during a period that will end ten (10) years following the entry into force of this Treaty, shall not authorize or permit petroleum or natural gas drilling or exploitation of the continental shelf within one and four-tenths (1.4) nautical miles of the boundary set forth in Article I. (This two and eight-tenths (2.8) nautical mile area hereinafter shall be referred to as "the Area".)
- For the purpose of illustration only, the Area set forth in paragraph 1 is drawn on the map that appears as Annex 2 to this Treaty.
- The Parties, by mutual agreement through an exchange of diplomatic notes, may modify the period set forth in paragraph 1.
- 4. From the date of entry into force of this Treaty, with respect to the Area on its side of the boundary set forth in Article I, each Party, in accordance with its national laws and regulations, shall facilitate requests from the other Party to authorize geological and geophysical studies to help determine the possible presence and distribution of transboundary reservoirs.
- From the date of entry into force of this Treaty, with respect to the Area in its entirety, each Party, in accordance with its national laws and regulations, shall share geological and geophysical information in its possession in order to determine the possible existence and location of transboundary reservoirs.

From the date of entry into force of this Treaty, if a Party has knowledge of the
existence or possible existence of a transboundary reservoir, it shall notify the
other Party.

#### Article V

- With respect to the Area in its entirety, during the period set forth in paragraph 1 of Article IV:
  - (a) as geological and geophysical information is generated that facilitates the Parties' knowledge about the possible existence of transboundary reservoirs, including notifications by Parties in accordance with paragraph 5 of Article IV, the Parties shall meet periodically for the purpose of identifying, locating and determining the geological and geophysical characteristics of such reservoirs;
  - the Parties shall seek to reach agreement for the efficient and equitable exploitation of such transboundary reservoirs; and
  - (c) the Parties shall, within sixty days of receipt of a written request by a Party through diplomatic channels, consult to discuss matters related to possible transboundary reservoirs.
- 2. With respect to the Area in its entirety, following the expiry of the period set forth in paragraph 1 of Article IV:
  - (a) a Party shall inform the other Party of its decisions to lease, license, grant concessions, or otherwise make available, portions of the Area for petroleum or natural gas exploration or development and shall also inform the other Party when petroleum or natural gas resources are to commence production; and
  - (b) a Party shall ensure that entities it authorizes to undertake activities within the Area shall observe the terms of the Treaty.

### Article VI

Upon written request by a Party through diplomatic channels, the Parties shall consult to discuss any issue regarding the interpretation or implementation of this Treaty.

#### Article VII

The continental shelf boundary established by this Treaty shall not affect or prejudice in any manner the positions of either Party with respect to the extent of

internal waters, of the territorial sea, of the high seas or of sovereign rights or jurisdiction for any other purpose.

#### Article VIII

Any dispute concerning the interpretation or application of this Treaty shall be resolved by negotiation or other peaceful means as may be agreed upon by the Parties.

#### Article IX

This Treaty shall be subject to ratification and shall enter into force on the date of the exchange of instruments of ratification.

IN WITNESS WHEREOF, the undersigned, having been duly authorized by their respective Governments, have signed this Treaty.

DONE at Washington, D.C., this ninth day of June, 2000, in duplicate, in the English and Spanish languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

Madeleine K. Albright Secretary of State FOR THE GOVERNMENT OF THE UNITED MEXICAN STATES:

Rosario Green
Secretary of Foreign Relations



