

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

CIMA ENERGY, LTD.

FE DOCKET NO. 10-140-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA AND MEXICO,
AND VACATING PRIOR AUTHORIZATION

DOE/FE ORDER NO. 2877

NOVEMBER 5, 2010

I. DESCRIPTION OF REQUEST

On October 29, 2010, CIMA ENERGY, LTD. (CIMA) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)¹ for blanket authorization to import and export up to a combined total of 36 billion cubic feet (Bcf) of natural gas from and to Canada and Mexico. The applicant requests the authorization be granted for a two-year term beginning on November 5, 2010, because it expects to surpass its current authorized import and export limits before the end of 2010. CIMA is a Texas limited partnership with its principal place of business in Houston, Texas.

On April 17, 2009, CIMA was granted authorization in DOE/FE Order No. 2631 (Order 2631) to import and export natural gas from and to Canada and Mexico for a two year term beginning June 22, 2009, and extending through June 21, 2011. CIMA also requested that Order No. 2631 be vacated as of November 5, 2010, the effective date of the new authorization.

II. FINDING

The application has been evaluated to determine if the proposed import and export arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import and export of natural gas, including LNG, from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG from other international sources are deemed to be consistent with the public interest and must be granted without modification or delay.

^{1/} This authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. §717b) has been delegated to the Assistant Secretary for FE in Redefinition Order No. 00-002.04D issued on November 6, 2007.

The authorization sought by CIMA to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. CIMA is authorized to import and export up to a combined total of 36 Bcf of natural gas from and to Canada and Mexico, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on November 5, 2010, and extending through November 4, 2012.

B. This natural gas may be imported and exported at any point on the borders between the United States and Canada and the United States and Mexico.

C. **Monthly Reports:** With respect to the natural gas imports and exports authorized by this Order, CIMA shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether imports or exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If no imports and/or exports have been made, a report of “no activity” for that month must be filed. If imports and/or exports of natural gas have occurred, the report must give the following details: (1) for imports, the country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; (4) the volume in thousand cubic feet (Mcf); (5) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (6) the name of the supplier(s); (7) the name of the U.S. transporter(s); (8) the estimated

or actual duration of the supply agreement(s); and (9) for imports, the geographic markets(s) served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)).

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294.)

D. The first monthly report required by this Order is due not later than December 30, 2010, and should cover the reporting period from November 5, 2010 through November 30, 2010.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Ms. Yvonne Caudillo. Alternatively, reports may be e-mailed to Ms. Caudillo at Yvonne.caudillo@hq.doe.gov or ncreports@hq.doe.gov, or may be faxed to Ms. Caudillo at (202) 586-6050.

F. CIMA's blanket authorization to import and export natural gas from and to Canada and Mexico granted in DOE/FE Order No. 2631, issued on April 17, 2009, is hereby vacated effective November 5, 2010.

Issued in Washington, D.C., on November 5, 2010.



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Office of Oil and Gas Global Security and Supply
Office of Fossil Energy