

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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OXY USA INC. )  
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FE DOCKET NO. 94-46-NG

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

DOE/FE ORDER NO. 958

JUNE 21, 1994

I. DESCRIPTION OF REQUEST \_\_\_\_\_

On May 19, 1994, OXY USA Inc. (OXY) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)<sup>1/</sup> and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import and export a combined total of up to 29.2 Bcf of natural gas from and to Canada and Mexico. The authorization would be for a period of two years beginning on the date of the initial import or export delivery, whichever occurs first. OXY, a Delaware corporation with its principal place of business in Tulsa, Oklahoma, is a wholly-owned subsidiary of Occidental Petroleum Corporation. OXY will import and export the gas under short-term and spot market transactions, on its own behalf and as an agent for others. No new pipeline construction would be involved. OXY currently holds blanket authorization under DOE/FE Opinion and Order No. 666,<sup>2/</sup> to import from Canada and to export to Mexico a combined total of up to 29.2 Bcf of natural gas, over a two-year term expiring January 31, 1995. OXY requests that this new authorization replace the current authorization and that Order No. 666 be rescinded.

II. FINDING \_\_\_\_\_

The application filed by OXY has been evaluated to determine if the proposed import/export arrangement meets the public interest requirement of section 3 of the NGA, as amended by

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1/ 15 U.S.C. 717b. \_\_\_\_\_

2/ OXY, 1 FE 70,633 (issued September 9, 1992).

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section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the importation or exportation of natural gas from or to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by OXY to import and export natural gas from and to Canada and Mexico, nations with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

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Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. OXY USA Inc. (OXY) is authorized to import and export a combined total of up to 29.2 Bcf of natural gas from and to Canada and Mexico over a period of two years beginning on the date of the initial import or export delivery, whichever occurs first. These authorized transactions may take place at any United States border point.

B. Within two weeks after deliveries begin, OXY shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the

date that the first import or export delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, OXY shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occur, OXY must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import and export transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name(s) of the U.S. transporter(s); (5) the point(s) of entry and exit; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Ordering Paragraph D of this Order is due not later than July 30, 1994, and should cover the period from the date of this Order until the end of the second calendar quarter, June 30, 1994.

E. OXY's authorization to import and export natural gas pursuant to DOE/FE Opinion and Order No. 666 is hereby vacated.

Issued in Washington, D.C., on June 21, 1994.

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Anthony J. Como  
Director  
Office of Coal & Electricity  
Office of Fuels Programs  
Office of Fossil Energy