

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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UNIVERSAL RESOURCES CORPORATION) FE DOCKET NO. 95-59-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO CANADA

DOE/FE ORDER NO. 1078

September 1, 1995

I. DESCRIPTION OF REQUEST _____

On August 15, 1995, Universal Resources Corporation (Universal) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)^{1/}, and DOE Delegation Order Nos. 0204-111 and

0204-127, requesting blanket authorization to export natural gas to Canada. Universal, a Texas corporation with offices in Salt Lake City, Utah, is an exploration, production, and gas marketing company with activities in the mid-Continent and Rocky Mountain regions. Universal is a wholly-owned subsidiary of Questar Corporation, a Utah corporation also located in Salt Lake City, Utah, and is an affiliate of Questar Pipeline Company. Universal proposes to export up to 50 Bcf of gas over a period of two years beginning on the date of the first delivery.^{2/}

At the present time, Universal has a contract to sell Canadian gas to a Canadian buyer that it serves primarily from Canadian sources. Universal would export gas produced in the United States to Canada if its Canadian supplies are interrupted or if the volumes needed exceed the supplies available from its Canadian suppliers. In addition, Universal may export this gas under various spot and short-term sales arrangements to a variety of Canadian customers. The requested authorization does not involve the construction of new pipeline facilities.

1/ 15 U.S.C. 717b. _____

2/ Currently, Universal has a two-year blanket authorization to
import up to 50 Bcf of natural gas from Canada which expires
June 26, 1996. See DOE/FE Order No. 939, issued May 3, 1994
(1 FE 70,962).

II. FINDING

The application filed by Universal has been evaluated to determine if the proposed 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), an export of natural gas 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 Universal to export natural gas to Canada, a nation 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

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

A. Universal Resources Corporation (Universal) is authorized to export to Canada, at any point on the international border, up to 50 Bcf of natural gas. This authorization is for a period of two years beginning on the date of the first delivery.

B. Within two weeks after deliveries begin, Universal shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first

export of natural gas authorized in Ordering Paragraph A above occurred.

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

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than October 30, 1995, and should cover the period from the date of this Order until the end of the current calendar quarter, September 30, 1995.

Issued in Washington, D.C., on September 1, 1995.

Anthony J. Como
Director
Office of Coal & Electricity

Office of Fuels Programs
Office of Fossil Energy