

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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UMC PETROLEUM CORPORATION )  
\_\_\_\_\_)

FE DOCKET NO. 95-115-NG

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

DOE/FE ORDER NO. 1127

\_\_\_\_\_  
  
DECEMBER 14, 1995  
  
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I. DESCRIPTION OF REQUEST \_\_\_\_\_

On November 22, 1995, UMC Petroleum Corporation (UMC) 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, requesting blanket authorization to import up to 44 Bcf of natural gas from Canada and to export up to 44 Bcf of natural gas to Canada. The authorization would be for a two-year term beginning on the date of the first import or export after December 17, 1995.<sup>2/</sup> UMC, a Delaware corporation, with its principal place of business in Denver, Colorado, is engaged in the exploration, production and marketing of natural gas. UMC will import and export the gas under spot and short-term purchase arrangements, either on its own behalf or as an agent for others.

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

The application filed by UMC 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 section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import or export 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 UMC

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

2/ This is the expiration date of UMC's blanket authorization to  
import or export natural gas from and to Canada, granted in  
DOE/FE Order No. 891 on December 14, 1993 (1 FE 70,902).

to import and export natural gas from and 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

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

A. UMC Petroleum Corporation (UMC) is authorized to import up to 44 Bcf of natural gas from Canada and to export up to 44 Bcf of natural gas to Canada over a two-year term beginning on the date of the first import or export after December 17, 1995. This natural gas may be imported and exported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, UMC 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, UMC 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 deliveries have

begun. If no imports or exports of natural gas have been made, a

report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, UMC must report the following: (1) total monthly volumes in Mcf; (2) the average monthly purchase price of gas per MMBtu at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1996, and should cover the period from December 18, 1995, until the end of the fourth calendar quarter, December 31, 1995.

Issued in Washington, D.C., on December 14, 1995.

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