

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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CORAL ENERGY RESOURCES, L.P.)) FE DOCKET NO. 95-121-NG
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ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL GAS,
INCLUDING LIQUEFIED NATURAL GAS,
FROM AND TO CANADA AND MEXICO

DOE/FE ORDER NO. 1142

JANUARY 11, 1996

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I. DESCRIPTION OF REQUEST

On December 19, 1995, Coral Energy Resources, L.P. (Coral) 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 import and export natural gas, including liquefied natural gas (LNG), from and to Canada and Mexico. Coral requests authorization to import a combined total of up to 730 Bcf of natural gas, including LNG, from Canada and Mexico. In addition, Coral requests authorization to export a combined total of up to 730 Bcf of natural gas, including LNG, to Canada and Mexico. The term of the authorization would be for a period of two years beginning on the date of the initial import or export delivery, whichever occurs first.

Coral is a Delaware limited partnership, the partners of which are indirect wholly-owned subsidiaries of Shell Oil Company ("Shell") and Tejas Gas Corporation ("Tejas"). Coral's principal place of business is in Houston, Texas. Coral proposes to import and export natural gas and LNG under spot and short-term sales arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

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

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II. FINDING

The application filed by Coral 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), an 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 Coral to import and export natural gas and LNG 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 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. Coral Energy Resources, L.P. (Coral) is authorized to import a combined total of up to 730 Bcf of natural gas, including liquefied natural gas (LNG), from Canada and Mexico. In addition, Coral is authorized to export a combined total of up to 730 Bcf of natural gas, including LNG, to Canada and Mexico. This authorization is for a period of two years beginning on the

date of the initial import or export delivery, whichever occurs first. These transactions may take place at any United States border point.

B. Within two weeks after deliveries begin, Coral 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 import or export of natural gas or LNG authorized in Ordering Paragraph A above occurred.

C. With respect to the imports and exports authorized by this Order, Coral shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports 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, Coral must report the following: (1) total monthly volumes in Mcf; (2) the average monthly purchase price 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 April 30, 1996, and should cover the period from the date of this Order until the end of the first calendar quarter, March 31, 1996.

Issued in Washington, D.C., on January 11, 1996.

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