

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TALISMAN ENERGY INC.)
_____)

FE DOCKET NO. 96-40-NG

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

DOE/FE ORDER NO. 1180

JUNE 25, 1996

I. DESCRIPTION OF REQUEST _____

On June 24, 1996, Talisman Energy Inc. (Talisman) 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, for authorization to import and to export up to a combined total of 60 Bcf of natural gas from and to Canada and Mexico for a two-year term.^{2/} Talisman is a Canadian corporation with its principal place of business in Calgary, Canada. The company will import and export natural gas under short-term and spot purchase arrangements for its own account and as agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Talisman 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 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

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

2/ Talisman's current authorization, granted by DOE/FE Order

Nos. 960 and 960-A on June 24, 1994, and October 27, 1995, (1 FE
70, 987 and 71,185), expires July 7, 1996.

sought by Talisman 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 blanket order authorizes transaction 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. Talisman Energy Inc. (Talisman) is authorized to import and to export up to a combined total of 60 Bcf of natural gas from and to Canada and Mexico, at any point on the borders of the United States and Canada, and the United States and Mexico, over a two-year term beginning on the date of first delivery after July 7, 1996.

B. Within two weeks after deliveries begin, Talisman 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 and the date that the first export authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, Talisman 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Talisman 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 October 30, 1996, and should cover the period from July 8, 1996, until the end of the third calendar quarter, September 30, 1996.

Issued in Washington, D.C., on June 26, 1996.

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