

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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NORTH AMERICAN RESOURCES COMPANY ) FE DOCKET NO. 96-84-NG  
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ORDER GRANTING BLANKET AUTHORIZATION TO  
EXPORT NATURAL GAS  
TO CANADA AND MEXICO

DOE/FE ORDER NO. 1225

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DECEMBER 10, 1996

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

On November 8, 1996, as supplemented on December 5, 1996, North American Resources Company (NARCo) 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 export up to a combined total of 73 Bcf of natural gas to Canada and Mexico over a two-year term beginning on the date of first delivery. NARCo is a Montana corporation with its principal place of business in Butte, Montana. NARCo will export the gas under short-term and spot market arrangements for its own account or as agent for the purchase or sale of gas owned by others. The requested authorization does not involve the construction of new pipeline facilities.

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

The application filed by NARCo 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), the 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 NARCo to export natural gas to Canada and Mexico, nations with which

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

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free trade agreements are in effect, meet 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. North American Resources Company (NARCo) is authorized to export up to a combined total of 73 Bcf of natural gas to Canada and Mexico over a two-year term beginning on the date of first export. This natural gas may be exported at any point on the borders of the United States and Canada, and between the United States and Mexico.

B. Within two weeks after deliveries begin, NARCo shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first export delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas exports authorized by this Order, NARCo shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no

exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, NARCo 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); and (7) the point(s) of exit.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1997, and should cover the period from the date of this Order, until the end of the fourth calendar quarter, December 31, 1996.

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

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Wayne E. Peters  
Manager, Natural Gas Regulation  
Office of Natural Gas & Petroleum  
Import and Export Activities  
Office of Fossil Energy