

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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UMC PETROLEUM CORPORATION  
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FE DOCKET NO. 97-16-NG

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

DOE/FE ORDER NO. 1256

FEBRUARY 20, 1997

## I. DESCRIPTION OF REQUEST

On February 7, 1997, 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, for blanket authorization to import from Canada up to 44 Bcf of natural gas and to export to Canada up to 44 Bcf of natural gas.

The term of the authorization would be over a period of two years beginning on the date of the initial delivery of either imports or exports, whichever occurs first, after December 17, 1997.<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 would import and export the gas under spot and short-term sales arrangements, either on its own behalf or as an agent for others. The construction of new pipeline facilities would not be involved.

## 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

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/ 15 U.S.C. § 717b.

/ This is the expiration date of UMC's existing blanket import and export authorization granted by DOE/FE Order No. 1127 issued December 14, 1995 (1 FE ¶ 71,211).

is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by UMC 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

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

A. UMC Petroleum Corporation (UMC) is authorized to import from Canada up to 44 Bcf of natural gas and to export to Canada up to 44 Bcf of natural gas, over a period of two years, beginning on the date of the initial delivery of either imports or exports, whichever occurs first, after December 17, 1997. This natural gas may be imported and exported at any point on the U.S./Canada border.

B. Within two weeks after deliveries begin, UMC 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 import or export 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 the Office of Natural Gas & Petroleum Import and Export Activities, within 30

days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. 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, UMC must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import and export transaction, including: (1) the name of the seller(s); (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 entry and exit; and (6) 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, 1998, and should cover the period from December 18, 1997, until the end of the fourth calendar quarter, December 31, 1997.

Issued in Washington, D.C., on February 20, 1997.

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