

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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OCEAN ENERGY, INC. )  
(Successor to UMC Petroleum Corp. )  
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FE DOCKET NO. 99-79-NG

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

DOE/FE ORDER NO. 1527

OCTOBER 20, 1999

## I. DESCRIPTION OF REQUEST

On October 15, 1999, Ocean Energy, Inc. (Ocean Energy) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act<sup>1/</sup> (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 50 billion cubic feet (Bcf) of natural gas from Canada and to export up to 50 Bcf of natural gas to Canada over a two-year term beginning on the date of the first import or export delivery after December 18, 1999.<sup>2/</sup> Ocean Energy, an independent oil and gas exploration and production company, is a Texas corporation with its principal place of business in Houston, Texas. Ocean Energy states that the provisions of any natural gas purchases will be voluntarily negotiated and market responsive. The requested authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by Ocean Energy 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 Ocean Energy to import and export natural gas from and to Canada, a nation with which a free

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> December 18, 1999, is the expiration date of Ocean Energy's import/export authorization granted its predecessor, UMC Petroleum Corp., by DOE/FE Order No. 1256 on February 20, 1997 (1 FE ¶ 71,377).

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. Ocean Energy, Inc. (Ocean Energy) is authorized to import up to 50 billion cubic feet (Bcf) of natural gas from Canada and to export up to 50 Bcf of natural gas to Canada over a two-year term beginning on the date of the first import or export delivery after December 18, 1999, whichever occurs first. This natural gas may be imported and exported at any United States/Canada border point.

B. Within two weeks after deliveries begin, Ocean Energy shall provide written notification to the Office of Natural Gas & Petroleum Import & Export Activities 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, Ocean Energy shall file with the Office of Natural Gas & Petroleum Import & Export Activities within 30 days following each calendar quarter, 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, Ocean Energy 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. [OMB No.: 1901-0294]

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 2000, and should cover the period from December 19, 1999, until the end of the fourth calendar quarter, December 31, 1999.

E. The notification and quarterly reports required by Ordering Paragraphs B and C of this Order shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C., 20585.

Issued in Washington, D.C., on October 20, 1999.

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John W. Glynn  
Manager, Natural Gas Regulation  
Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy