

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

NEXEN MARKETING U.S.A. INC.

FE DOCKET NO. 00-91-NG

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

DOE/FE ORDER NO. 1654

NOVEMBER 29, 2000

I. DESCRIPTION OF REQUEST

On November 24, 2000, Nexen Marketing U.S.A. Inc. (Nexen) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act^{1/} (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import and export up to a combined total of 200 billion cubic feet of natural gas from and to Canada and Mexico over a two-year term beginning on January 1, 2001. Nexen currently holds an import/export authorization in DOE\FE Order No. 1431 (Order 1431) which will expire on December 31, 2000.^{2/} Nexen, a marketer of natural gas, is a Delaware corporation with its principal place of business in Calgary, Alberta. Nexen states that it will act on its own behalf as well as on behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Nexen 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 Nexen 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 transactions under contracts with terms of no longer than two years.

^{1/} 15 U.S.C. § 717b.

^{2/} Order 1431 was originally issued to CXY Energy Marketing (U.S.A.) Inc. (CXY) on October 30, 1998 in DOE/FE Docket No. 98-82-NG. (2 FE ¶ 70,256). CXY became Nexen effective November 2, 2000.

ORDER

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

A. Nexen Marketing U.S.A. Inc. (Nexen) is authorized to import and export up to a combined total of 200 billion cubic feet of natural gas from and to Canada and Mexico over a two-year term beginning on January 1, 2001, and extending through December 31, 2002. This natural gas may be imported and exported at any United States international border point.

B. With respect to the natural gas imports and exports authorized by this Order, Nexen 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, Nexen 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]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 2001, and should cover the period from January 1, 2001, until the end of the first calendar quarter, March 31, 2001.

D. The quarterly reports required by Ordering Paragraph B 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 November 29, 2000.

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