

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

WESTERN GAS RESOURCES, INC.)
_____)

FE DOCKET NO. 01-74-NG

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

DOE/FE ORDER NO. 1734

NOVEMBER 8, 2001

I. DESCRIPTION OF REQUEST

On November 1, 2001, Western Gas Resources, Inc. (Western) 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 blanket authorization to import up to 73 billion cubic feet (Bcf) of natural gas from Canada and to export up to 73 Bcf of natural gas to Canada. The term of the authorization would be for two years beginning on November 26, 2001.^{2/} Western is an independent natural gas gatherer, processor, and marketer with its principal place of business in Denver, Colorado. Western will import and export the natural gas under spot and short-term purchase transactions, either on its own behalf or on the behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Western 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 sought by Western 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.

^{1/} 15 U.S.C. § 717b.

^{2/} This is the expiration date of Western's current blanket authorization to import and export natural gas from and to Canada granted in DOE/FE Order No. 1526 on October 20, 1999 (2 FE ¶ 70,392).

ORDER

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

A. Western Gas Resources, Inc. (Western) is authorized to import up to 73 billion cubic feet (Bcf) of natural gas from Canada and to export up to 73 Bcf of natural gas to Canada over a two-year term beginning November 26, 2001, and extending through November 25, 2003. This natural gas may be imported or exported at any point on the international border of the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, Western shall file with Office of Natural Gas & Petroleum Import and 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, Western must report the following: (1) total monthly volumes in Mcf; (2) the average 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 or exit; (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 reports required by Ordering Paragraph B this Order shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 2002, and should cover the period from November 26, 2001, until the end of the fourth calendar quarter, December 31, 2001.

Issued in Washington, D.C., on November 8, 2001.

Yvonne Caudillo
Acting Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy