

**UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY**

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CORAL ENERGY RESOURCES, L.P. ) )  
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**FE DOCKET NO. 02-30-NG**

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

**DOE/FE ORDER NO. 1777**

**MAY 14, 2002**

## I. DESCRIPTION OF REQUEST

On May 3, 2002, Coral Energy Resources, L.P. (Coral) filed an application with the Office of Fossil Energy (FE) 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 authority to import up to a combined total of 730 Bcf of natural gas, including liquefied natural gas (LNG), from Canada and Mexico. Coral also seeks to export up to a combined total of 730 Bcf of natural gas, including LNG, to Canada and Mexico. Most of those volumes will be sold to individual customers, but a small portion will be used for compressor fuel in transporting the gas.<sup>2/</sup> The authorization would be for two years beginning on July 1, 2002, and extend through June 30, 2004.

Coral, a marketer of natural gas, is a Delaware limited partnership with its principal place of business in Houston, Texas. It is indirectly owned by Shell Oil Company and InterGen N.V. In an order issued June 8, 2000, Coral received identical broad-based, blanket authority which extended from July 1, 2000, through June 30, 2002.<sup>3/</sup> Granting a new authorization will enable Coral to import and export a like quantity of natural gas and LNG from and to Canada and Mexico for an additional two years under the same conditions. Once again, each purchase transaction will be negotiated at arms-length and structured to provide a commodity price that is competitive in the short-term and spot market for natural gas. Coral will carry on these arrangements either on its own behalf or as an agent for others. The proposed imports involve no new construction of plant or pipeline facilities.

## II. FINDING

The application filed by Coral 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

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> Although Coral requested additional unspecified amounts to be imported and exported to offset the reduction in volumes consumed as fuel for transportation, we regard Coral's stated quantities as all-encompassing and sufficient to provide for this use.

<sup>3/</sup> See DOE/FE Order No. 1601 (2 FE ¶ 70,498).

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 Coral to import and export natural gas, including LNG, 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.

### ORDER

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

A. Coral Energy Resources, L.P. (Coral) is authorized to import up to a combined total of 730 Bcf of natural gas, including liquefied natural gas (LNG) from Canada and Mexico. In addition, Coral is authorized to export up to a combined total of 730 Bcf of natural gas, including LNG, to Canada and Mexico. This authorization is for two years beginning on July 1, 2002, and extending through June 30, 2004.

B. This natural gas and LNG may be imported or exported at any international border crossing point.

C. With respect to the natural gas and LNG imports and exports authorized by this Order, Coral will 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 or LNG have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Coral must report the following information: (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 U. S. 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 will include this additional information: (1) whether sales are being made on an interruptible or

firm basis; and if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdowns of the contract price. [OMB No.: 1901-0294]

D. The reports described in Ordering Paragraph C will 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.

E. The first quarterly report required by Ordering Paragraph C is due not later than October 30, 2002, and should cover the period from July 1, 2002, until the end of the third calendar quarter, September 30, 2002.

Issued in Washington, D.C., on May 14, 2002.

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Import & Export Activities  
Office of Fossil Energy