

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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MARATHON OIL COMPANY

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FE DOCKET NO. 02-50-NG

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

DOE/FE ORDER NO. 1798

JULY 23, 2002

## I. DESCRIPTION OF REQUEST

On July 10, 2002, Marathon Oil Company (Marathon) 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> for authorization to import and export up to a combined total of 100 Bcf of natural gas from and to Canada and Mexico, over a two-year term beginning on August 1, 2002.<sup>2/</sup> Marathon is an Ohio corporation with its principal place of business in Houston, Texas. Marathon will import and export this gas under spot and short-term market transactions on its own behalf or as the agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by Marathon 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 Marathon 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.

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<sup>1/</sup> 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary of Fossil Energy pursuant to Redlegation Order No. 00-002.04 (January 8, 2002).

<sup>2/</sup> July 31, 2002, is the expiration date of Marathon's blanket import and export authorization granted by DOE/FE Order No. 1559 on December 23, 1999 (2 FE ¶ 70,443).

ORDER

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

A. Marathon Oil Company (Marathon) is authorized to import and export up to a combined total of 100 Bcf of natural gas from and to Canada and Mexico, beginning on August 1, 2002, and extending through July 31, 2004.

B. This natural gas may be imported and exported at any point on the borders between the United States and Canada and between the United States and Mexico.

C. With respect to the natural gas imports and exports authorized by this Order, Marathon 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. If imports or exports of natural gas have not been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Marathon 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 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 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 quarterly reports required by Ordering Paragraphs 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.

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

Issued in Washington, D.C., on July 23, 2002.

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Clifford P. Tomaszewski  
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Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy