

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

NEXEN MARKETING U.S.A. INC.)

FE DOCKET NO. 02-70-NG

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

DOE/FE ORDER NO. 1818

OCTOBER 23, 2002

I. DESCRIPTION OF REQUEST

On October 7, 2002, Nexen Marketing U.S.A. Inc. (Nexen) 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/} requesting blanket authorization to import and export up to an aggregate of 200 billion cubic feet (Bcf) of natural gas from and to Canada and Mexico over a two-year term beginning on January 1, 2003, and extending through December 31, 2004.^{2/} Nexen, a marketer of natural gas, is a Delaware corporation with its principal place of business in Calgary, Alberta. Nexen will import and export natural gas on its own behalf as well as on behalf of suppliers and purchasers for whom Nexen may act as agent. 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 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 Nexen to import and export

^{1/} 15 U.S.C. §717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.04 (January 8, 2002).

^{2/} December 31, 2002 is the expiration date of Nexen's current blanket import/export authorization granted by DOE/FE Order No. 1654 on November 29, 2000 (2 FE 70,581).

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.

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 an aggregate of 200 billion cubic feet (Bcf) of natural gas from and to Canada and Mexico over a two-year term beginning on January 1, 2003, and extending through December 31, 2004. This natural gas may be imported or exported at any point on the borders between the United States and Canada, and between the United States and Mexico.

B. With respect to the 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 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 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 or exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the reports also shall 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 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.

E. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 2003, and should cover the period from January 1, 2003, until the end of the first calendar quarter, March 31, 2003.

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

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