

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

EL PASO PRODUCTION OIL)
& GAS COMPANY)
_____)

FE DOCKET NO. 03-13-NG

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

DOE/FE ORDER NO. 1858

MARCH 20, 2003

I. DESCRIPTION OF REQUEST

On March 18, 2003, El Paso Production Oil & Gas Company (EPPOG) 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)^{1/}, for authorization to import and export up to a combined total of 155 Bcf of natural gas from and to Canada, over a two-year term beginning on April 1, 2003, and extending through March 31, 2005. EPPOG, a Delaware corporation with its principal place of business located in Houston, Texas, is a subsidiary of El Paso Corporation. EPPOG is engaged in oil and gas exploration and production. EPPOG will import and export the gas under short-term arrangements for its own account or for the account of others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by EPPOG 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 EPPOG 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. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.4 (January 8, 2002).

ORDER

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

A. El Paso Production Oil & Gas, Inc. (EPPOG) is authorized to import and export up to 155 Bcf of natural gas from and to Canada over a two-year term beginning on April 1, 2003, and extending through March 31, 2005.

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

C. With respect to the natural gas imports and exports authorized by this Order, EPPOG 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, EPPOG 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 reporting requirements described in 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 July 30, 2003, and should cover the period from April 1, 2003, until the end of the second calendar quarter, June 30, 2003.

Issued in Washington, D.C., on March 20, 2003.

Clifford P. Tomaszewski
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