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DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

ANADARKO ENERGY SERVICES COMPANY)

FE DOCKET NO. 04-46-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA AND
TO IMPORT LIQUEFIED NATURAL GAS
FROM OTHER INTERNATIONAL SOURCES

DOE/FE ORDER NO. 1978

MAY 3, 2004

I. DESCRIPTION OF REQUEST

On April 30, 2004, Anadarko Energy Services Company (Anadarko) 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/} for blanket authorization to import and export up to a combined total of 100 billion cubic feet of natural gas from and to Canada, and to import liquefied natural gas (LNG) from other international sources. The applicant requests the authorization be granted for a two-year term beginning May 1, 2004. Anadarko is a Delaware corporation with its principal place of business in The Woodlands, Texas.

II. FINDING

The application 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 and export of natural gas from and to nations with which there are in effect free trade agreements requiring national treatment for trade in natural gas, and the import of LNG from an international source, so long as the LNG sources, are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Anadarko to import and export natural gas from and to Canada, a nation with which a free trade agreement is in effect, and the import of LNG from other international sources, meets the section 3(c) criterion and, therefore, is consistent with the public interest so long as the LNG sources are not subject to trading sanctions. This 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 Redelegation Order No. 00-002.4 (January 8, 2002).

ORDER

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

A. Anadarko Energy Services Company is authorized to import and export up to a combined total of 100 billion cubic feet of natural gas, including liquefied natural gas (LNG), from and to Canada, and to import LNG from other international sources. The term of the authority will begin on May 1, 2004, and extend through April 30, 2006.

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

C. The LNG may be imported at any LNG receiving facility in the United States and its territories.

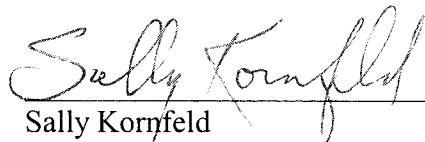
D. With respect to the imports and exports authorized by this Order, Anadarko shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made. Quarterly reports 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, the report must give the details of each transaction by country: (1) the total monthly volumes in thousand cubic feet (Mcf); (2) average purchase price of gas per million British thermal units (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 and exit; (8) the geographic market(s) served (for imports, by State); (9) the name(s) of the LNG tankers or the number of tanker truck(s) used; (10) the average landed cost per MMBtu of

LNG at the point of import; and, if applicable, (11) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB NO.: 1901-0294]

E. The first quarterly report required by this Order is due not later than July 30, 2004, and should cover the period from May 1, 2004 until the end of the second calendar quarter, June 30, 2004.

F. The quarterly reports required by this Order shall be filed with the U.S. Department of Energy, Office of Natural Gas & Petroleum Import & Export Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on May 3, 2004



Sally Kornfeld
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Import & Export Activities
Office of Fossil Energy