UNITED STATES OF AMERICA DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

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CONOCOPHILLIPS COMPANY)	DOCKET NO. 05-61-NG

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

DOE/FE ORDER NO. 2122

SEPTEMBER <u>6</u>, 2005

I. DESCRIPTION OF REQUEST

On August 22, 2005, ConocoPhillips Company (ConocoPhillips) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA), for blanket authorization to import and export up to a combined total of 600 billion cubic feet (Bcf) of natural gas from and to Canada and Mexico. The applicant requests the authorization be granted for a two-year term beginning on August 27, 2005. ConocoPhillips is a Delaware corporation with its principal place of business in Houston, 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 are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by ConocoPhillips 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 Order authorizes transactions 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. 00.002.04A (April 13, 2005).

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

- A. ConocoPhillips Company (ConocoPhillips) is authorized to import and/or export up to a combined total of 600 billion cubic feet (Bcf) of natural gas from Canada and Mexico. The term of the authority began on August 27, 2005, and will extend through August 26, 2007.
- 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,
 ConocoPhillips shall file with the Office of Natural Gas Regulatory Activities, within 30 days
 following each calendar quarter, reports indicating whether imports and/or exports of natural gas
 have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If
 imports and/or exports of natural gas have not been made, a report of "no activity" for that
 calendar quarter must be filed. If imports and/or exports have occurred, the report must give the
 details of each transaction, including: (1) the country of origin; (2) the total monthly volumes in
 thousand cubic feet (Mcf); (3) the average purchase price of gas per million British thermal units
 (MMBtu) at the international border; (4) the name of the seller(s); (5) the name of the
 purchaser(s); (6) the estimated or actual duration of the agreement(s); (7) the name of the United
 States transporter(s); (8) the point(s) of entry and exit; and (9) the geographic market(s) served
 (for imports, by State). [OMB No.: 1901-0294]
- D. The first quarterly report required by this Order is due not later than October 30, 2005, and should cover the period from August 27, 2005, until the end of the third calendar quarter, September 30, 2005.

R.F. Corbin

Manager, Natural Gas Regulatory Activities Office of Oil and Gas Global Security and Supply Office of Fossil Energy