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October 7, 2013

Mr. John Anderson  
U.S. Department of Energy  
Office of Fossil Energy  
Docket Room 3F-056, FE-50  
Forrestal Building  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

13-129-LNG

Re: Delfin LNG LLC  
FE Docket No. 13-[129](#)LNG  
Application for Long-Term Authorization to Export LNG  
To Free Trade Agreement Countries

Dear Mr. Anderson:

Delfin LNG LLC (Delfin) hereby submits for filing with the U.S. Department of Energy, Office of Fossil Energy (DOE/FE) its application for long-term, multi-contract authorization to export domestically produced liquefied natural gas (LNG). Delfin requests this authority to export LNG of up to the equivalent of 1.8 billion cubic feet (Bcf) of natural gas per day or 657.5 Bcf per year (approximately 13 million metric tons per annum of LNG) from its planned, floating liquefaction project to be located in the West Cameron Block 167 in the Gulf of Mexico. The requested export authority would permit Delfin itself or acting as an agent for others to export LNG to any country which has or in the future develops the capacity to import LNG via ocean-going carrier and with which the United States has, or in the future will have, a Free Trade Agreement or the legal equivalent. Delfin requests authorization for exports over a twenty year period, commencing on the earlier of the date of first export or seven years from the date the requested authorization is granted.

Pursuant to 10 C.F.R. § 590.103(c), a signed opinion of legal counsel that the proposed export is within Delfin's corporate powers is attached as Appendix B of the Application. Delfin is submitting this filing electronically, as well as sending a hard copy via messenger. A check in the amount of \$50.00 in payment of the applicable filing fee as required by 10 C.F.R. § 590.207 accompanies the hard copy. Please contact me if you have any questions regarding this application, and thank you for your prompt attention to this matter.

Respectfully submitted,

J. Patrick Nevins  
Hogan Lovells US LLP  
Partner  
patrick.nevins@hoganlovells.com  
D (202) 637-6441

Counsel to Delfin LNG LLC

Enclosures

**UNITED STATES OF AMERICA BEFORE  
THE DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY**

In the Matter of	}	FE Docket No.
	}	
Delfin LNG LLC	}	13 - ____ - LNG

**APPLICATION OF DELFIN LNG LLC  
FOR LONG-TERM AUTHORIZATION TO  
EXPORT LNG TO FREE TRADE AGREEMENT COUNTRIES**

Pursuant to Section 3 of the Natural Gas Act (NGA) 1/ and Part 590 of the regulations of the Department of Energy (DOE), 2/ Delfin LNG LLC (Delfin) hereby files this application (Application) with the DOE, Office of Fossil Energy, (DOE/FE) for long-term, multi-contract authorization to engage in exports of domestically produced liquefied natural gas (LNG) of up to the equivalent of 1.8 billion cubic feet (Bcf) of natural gas per day or 657.5 Bcf per year (approximately 13 million metric tons per annum (mtpa) of LNG). Delfin requests authorization to export the LNG over a twenty year term commencing on the date of the first LNG export or seven years from the date that the authorization is issued, whichever is sooner. Delfin proposes to export the LNG from its planned, newly constructed floating liquefaction project to be located in West Cameron Block 167 ("WC 167") of the Gulf of Mexico, offshore Cameron Parish, Louisiana, near the terminus of an existing thirty-mile pipeline. The authorization requested here would allow Delfin to export the LNG to any country that has or in the future develops the capacity to import LNG via ocean-going carrier and with which the United States (U.S.) has, or in the future enters into, a Free Trade Agreement (FTA) or other agreement or law requiring the national treatment for trade in natural gas.3/ Delfin is requesting this authorization for itself as well

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1/ 15 U.S.C. § 717 (b).

2/ 10 C.F.R. Part 590 (2013).

3/ The U.S. currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala,

as to allow it to act as agent on behalf of other entities who themselves hold title to the LNG, after registering each such entity with DOE/FE.

This Application represents the first part of Delfin's planned two-part request for DOE/FE authorization to export domestic natural gas in the form of LNG from its LNG project. Delfin subsequently will file a separate application with the DOE/FE requesting long-term, multi-contract authorization to export domestically produced LNG to any country (1) with which the United States does not have an FTA requiring national treatment for trade in natural gas, (2) that has or in the future develops the capacity to import LNG via ocean-going carrier, and (3) with which trade is not prohibited by U.S. law or policy. Delfin's non-FTA application will require an analysis of the public interest by the DOE/FE before an order is issued, and Delfin will provide additional evidence relevant to the public interest supporting its export of LNG in that application.

This Application, which requests authorization to export LNG only to countries with which the U.S. has or enters into an FTA, or its equivalent, requiring national treatment in gas, will be reviewed pursuant to the standard established in Section 3(c) of the NGA as amended by § 201 of the Energy Policy Act of 1992. That statute requires that applications like this one for the authorization of exports of natural gas, including LNG, to a nation with which there is in effect a free trade agreement requiring national treatment for trade of natural gas be "deemed to be consistent with the public interest" and "granted without modification or delay." 4/

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Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, the Republic of Korea, and Singapore. Delfin notes, as DOE/FE has in prior orders, that existing FTAs with Costa Rica and Israel do not provide for national treatment in natural gas. Delfin expressly requests that its authorization include any countries which DOE subsequently identifies publicly as having entered into a free trade agreement providing for national treatment for trade in natural gas, provided that the destination nation has the capacity to import LNG. In addition, Delfin notes that the possibility exists that a future law, or a multi-nation agreement not necessarily characterized as a "free-trade agreement," could provide that certain countries should be consisted the equivalent of such free trade countries for purposes of LNG exports.

4/ 15 U.S.C. § 717b(c) (2011)("For purposes of [15 U.S.C. § 717b(a)] of this section, the importation of the natural gas referred to in [15 U.S.C. § 717b(b)] of this section, or the

In support of this Application, Delfin respectfully submits as follows:

## **I. DESCRIPTION OF THE APPLICANT**

The exact legal name of Delfin is Delfin LNG LLC. Delfin is a limited liability company organized and existing under the laws of the State of Louisiana with its principal place of business at:

Toombs, Hall & Foster, LLP  
5949 Sherry Lane, Suite 950  
Dallas, Texas 75225

Delfin has been formed for purposes of owning this project. The company currently is a wholly-owned subsidiary of Fairwood Peninsula LLC ("Fairwood Peninsula"), a Delaware-registered limited liability company, formed by a group of experienced oil and gas and project management executives from both the Fairwood Group, based in India and Singapore, and the U.S.-based Peninsula Group. Fairwood Peninsula is owned by FWNRL Energy Holdings (USA) Corporation ("Fairwood USA") and the Peninsula Group.

Fairwood USA is a Delaware-registered corporation formed for purposes of holding assets in the United States, and is a subsidiary of Fairwood Welbeck Natural Resources Pte. Ltd. ("FWNRL"). FWNRL is a company organized and existing under the laws of the Singapore with its principal place of business at 112 Middle Road, #07-03 Midland House, Singapore 188970. FWNRL is engaged in developing natural gas activities within the U.S. and Asia, including natural gas production and LNG liquefaction within the U.S. and regasification facilities and offtake contracts in Asia. FWNRL, in turn, is part of the Fairwood Group, an India-based group of companies with investments in energy, transportation and urbanization, with offices in six countries that has completed

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exportation of natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest, and applications for such importation or exportation shall be granted without modification or delay.")

projects with a value of over \$3 billion, is currently working on other projects valued at approximately \$800 million, and has a further approximately \$2 billion of projects under consideration.

The Peninsula Group is a privately owned, Texas-based group of companies with interests in land development, construction projects and oil and gas. The Peninsula Group has completed projects in these areas worth over \$500 million.

Principals of FWNRL and of the Peninsula Group have been working on the development of the LNG export project described herein for over three years. They are engaged in advanced negotiations with major strategic partners that are likely to participate in the project and to obtain equity in Delfin in the future. Delfin will notify the DOE/FE of future changes in its ownership structure when they occur.

## **II. COMMUNICATIONS AND CORRESPONDENCE**

The names, titles and mailing addresses of the persons to whom correspondence and communications concerning this Application, including all service of pleadings and notices, are to be addressed are:

J. Patrick Nevins  
Hogan Lovells USA LLP  
555 Thirteenth Street, NW  
Washington, D.C. 20004  
Telephone: (202) 637-6441  
Email: [Patrick.Nevins@hoganlovells.com](mailto:Patrick.Nevins@hoganlovells.com)

and

Randy Foster  
Toombs, Hall & Foster, LLP  
5949 Sherry Lane, Suite 950  
Dallas, Texas 75225  
Telephone: 214-369-5695  
Email: [RF@THFCPA.com](mailto:RF@THFCPA.com)

These persons are designated to receive service on behalf of Delfin and should be placed on the official service list for this proceeding.

### III. DESCRIPTION OF THE DELFIN PROJECT

Delfin's request for LNG export authorization here is part of its plan to develop, own and operate a floating liquefaction facility in WC 167 of the Gulf of Mexico, offshore Cameron Parish, Louisiana. The facility will be a "deepwater port" within the meaning of the Deepwater Port Act (DWPA). <sup>5/</sup> As such, the facility shall require a license to be issued by the Department of Transportation's Marine Administration (MARAD), working in conjunction with the U.S. Coast Guard.

Liquefaction at the new Delfin deepwater port will utilize floating liquefaction and storage vessels (FLNGV) to be moored near an existing platform located in WC 167, approximately 30 miles off-shore Cameron Parish, Louisiana. The platform is the terminus and metering point of the existing Enbridge Offshore Pipelines (UTOS) ("UTOS") natural gas pipeline system, and is connected to the shore via an existing 42-inch diameter, 30-mile long gas pipeline. The pipeline system commenced operation in 1978 and previously was utilized for the purpose of transporting off-shore natural gas production to onshore connections with Transcontinental Gas Pipe Line (Transco), Natural Gas Pipeline Company of America (NGPL), and ANR Pipeline Company (ANR), as well as to nearby gas processing plants. Given the significantly decreased flow volumes over the years, this gas pipeline could no longer be economically operated for that original purpose. As a result, the Federal Energy Regulatory Commission (FERC) in 2011 authorized the pipeline to abandon its services and certificates while deferring the final disposition of its facilities <sup>6/</sup> The system has been idled since that time and is currently filled with nitrogen.

Delfin has entered into a letter of intent with the owner of the pipeline system that provides Delfin, subject to the satisfaction of certain conditions including regulatory

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<sup>5/</sup> 33 U.S.C. § 1501 *et seq.* The DWPA authorizes the ownership, construction and operation of marine terminals in federal waters of the Outer Continental Shelf. The DWPA originally applied only to oil import terminals, but was amended in 2002 to include LNG import terminals. Section 312 of the Coast Guard and Maritime Transportation Act of 2012 (H.R. 2838) further amended the DWPA to include facilities for the export of oil and natural gas.

<sup>6/</sup> Enbridge Offshore Pipelines (UTOS) LLC, 136 FERC ¶ 62,269 (2011).

approvals, the exclusive right to acquire the pipeline system. <sup>7/</sup> Delfin intends to recommission and to reverse the flow on the existing 42-inch pipeline for purposes of delivering feed gas to its project. The existing pipeline is anticipated to have capacity to transport up to 1.8 Bcf per day from the Louisiana coastline to the new deepwater port facility near the existing WC 167 platform. Following the reactivation of its previous on-shore interconnections with major interstate pipelines (Transco, NGPL and ANR) and modification to reverse flow, the pipeline will provide access for Delfin's project to the domestic natural gas interstate pipeline system. A map showing the location of WC 167 and the existing gas pipeline is attached as Appendix C.

Delfin's planned liquefaction will be provided on FLNGVs that will be moored at purpose-built single point moorings located as near the terminus of the existing pipeline in WC 167 as operationally and safely possible (expected to be within approximately 2000 feet). The FLNGVs will have the capability to export LNG to off-taking LNG carriers utilizing a proven ship-to-ship, side transfer process. The precise location and spacing of the FLNGV's around the existing WC 167 platform will depend on further detailed design work, as well as consultation with MARAD and the Coast Guard. Delfin has begun the process of consultation with MARAD and the Coast Guard concerning the licensing of its planned deep water port.

Delfin also has retained the engineering firm of Moffatt and Nichol to prepare its marine studies, including evaluation of the location, metocean analysis, navigation assessment, development of the mooring lay-out, and dynamic mooring analysis. Moffatt and Nichol is a leading global infrastructure advisor that, for decades, has been an industry-leading

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<sup>7/</sup> A letter acknowledging the existence of this agreement is attached in Appendix D. Delfin and the pipeline owner consider the terms of their agreement to be confidential. The agreement contains commercially valuable and proprietary information the disclosure of which would cause competitive and financial harm to the parties. Accordingly, Delfin has submitted a single copy of the agreement under seal in support of this Application, for purposes of review by DOE/FE. Delfin respectfully requests that its agreement to acquire the pipeline system be treated and maintained as confidential to the greatest extent permitted by law, in accordance with 10 C.F.R. § 1004.11 (2013).

consultancy addressing the offshore and near-shore marine terminal needs of the oil and gas industry. <sup>8/</sup> While the final design remains under development, a simplified presentation of the basic site plan for the Delfin mooring system, as well as a conceptual depiction of a vessel attached to a tower mooring, is included in Appendix E.

The Delfin floating liquefaction project, as currently planned, will be constructed in four trains. Delfin has entered into a memorandum of understanding with one of the world's leading midstream LNG companies to provide at least the first two FLNGVs. The focus of the MOU is to develop fast track, modular, mid-scale liquefaction solutions of approximately 2.5 million mtpa per train based on existing technology and using completed Front-End Engineering and Designs.

Delfin anticipates that its third and fourth trains will be provided by new-build FLNGV(s) ordered and constructed for purposes of this project. Delfin is engaged in advanced discussions with one of the world's largest ship builders, and a particular leader in LNG carriers, concerning these later trains. Delfin anticipates contracting with the ship-builder for the construction of a new FLNGV(s) for its third and fourth trains, which will provide liquefaction capacity of 4.0 million mtpa each, bringing the project's total capacity to approximately 13 million mtpa.

Delfin will proceed with the commissioning of its four trains scheduled and sequenced as appropriate to meet contracted customer demand. The FLNGV will be constructed in the controlled environment of a shipyard and fast track options are available, allowing Delfin to avoid much of the long lead time of land-based LNG export projects. Accordingly, Delfin anticipates that, subject to all regulatory approvals, it will begin operation of at least its first train in 2017 and its second train in 2018. Delfin anticipates beginning operation of its third

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<sup>8/</sup> The Moffatt and Nichol firm offers a full range of engineering consulting services for the design and construction management of LNG facilities. Its engineers and scientists have participated in nearly every aspect of planning and engineering of LNG facilities -- from pre-FEED and FEED engineering to vessel traffic analysis, dredging and structural design. The firm has provided these services for more than twenty major LNG projects throughout Asia, Africa, Canada, Mexico, and the United States.

and fourth trains in 2019 and 2021, following the longer period needed for construction of the new-build FLNGV(s).

Delfin plans to export domestically produced natural gas, sourced from both conventional and non-conventional production, available from the interstate pipeline grid and delivered through the connection to its dedicated, existing pipeline to the new deepwater port in WC 167. Delfin's connection through its dedicated pipeline with the interstate pipeline systems will provide access to abundant and diverse domestic supplies across the US including Texas and Louisiana, where significant volumes of gas are currently being flared at zero value, specifically in the nearby Eagle Ford Shale.

Delfin is engaged in commercial negotiations with numerous potential customers. Based on those discussions, Delfin anticipates that it will contract some of its capacity (in particular, portions of its first and possibly second trains) with customers located in countries with which the U.S. has an FTA already in place. Delfin also expects, however, to contract with companies seeking to export LNG to nations that do not currently have an FTA in place with the U.S. To maximize its ability to market the project, and to provide the project's full economic benefit to all the stakeholders, Delfin needs to expand its potential customer pool in this way. For that reason, Delfin will submit separately, in the near future, an application for authorization to export LNG to non-FTA countries.

#### **IV. REQUESTED AUTHORIZATION**

Delfin proposes to engage in the exportation of LNG of up to the equivalent of 1.8 Bcf of natural gas per day or 657.5 Bcf per year (approximately 13 million mtpa of LNG). <sup>9/</sup>

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<sup>9/</sup> Section 590.202(b)(1) of the DOE's regulations requires that applications for export or import authority set forth "the volumes of natural gas involved, expressed either in Mcf or Bcf and their Bcf equivalents." DOE/FE recently reaffirmed its intention to authorize LNG export in annual quantities equivalent to natural gas volumes set forth in volumetric units (typically Bcf). In recent orders authorizing LNG exports to FTA countries, DOE/FE has authorized levels set forth in Bcf of natural gas. Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC, DOE/FE Order No. 3282 at pages 119-120 (May 17, 2013). Delfin similarly requests authorization for the amount of natural gas of up to equivalent of 657.5 Bcf per year. For purposes of conversion of its planned 13 million mtpa of liquefaction capacity, Delfin has utilized a conversion factor of

As noted above, Delfin requests authorization here to export LNG to any country which has or in the future develops the capacity to import LNG via ocean-going carrier and with which the U.S. has, or in the future enters into, an FTA or the legal equivalent.

Delfin anticipates entering into one or more long-term (more than two years and up to 20 years) contractual agreements with customers for natural gas liquefaction and LNG export services on a date that is closer to the start of export operations. Long-term authorization by DOE/FE to export LNG is required for contracts with potential customers. Consistent with the terms of prior DOE/FE orders, Delfin will file under seal all relevant long-term commercial agreements with its customers once they are executed.

Delfin requests long-term, multi-contract authorization for the export of domestically produced LNG for a term of twenty years commencing on the date of the first LNG export of each train or seven years 10/ from the date that the authorization is issued, whichever is sooner. In light of the planned phased development of its project (with successive trains expected to become operational from 2017 through 2021), Delfin respectfully requests that the "date of first export" for purposes of the beginning of its export authorization be determined on a train-specific basis. For example, exports from the first train, if placed in operation in 2017 as planned, would extend for twenty years from that first export from Delfin's facility; but if the third train were placed in operation in 2020, exports from it also would be authorized for twenty years from the start of *that train's* export operations (rather than only approximately seventeen years, based on the original date of first export). Delfin

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50.58 Bcf per metric ton of LNG, but the actual conversion factor will depend on the composition of the natural gas and other conditions.

10/ Delfin anticipates commencing exports in 2017, but proposes that the requested authorization commence within seven years of the date of authorization in recognition of the planned phasing of its project, as well as to allow for some potential delay in that schedule. DOE/FE has authorized similar conditions in previous export orders. For instance, in each of its recent orders authorizing LNG exports to non-FTA countries, DOE/FE concluded that a seven-year operations commencement date is a reasonable limitation. Freeport LNG, Order No. 3282 at page 115; Lake Charles Exports, LLC, DOE/FE Order No. 3324 at page 128 (Aug. 7, 2013).

submits that this phased approach, while not previously adopted by DOE/FE, will facilitate the orderly, phased development of its facility and its customer contracting. 11/

The structure of the contracts between Delfin and its customers is not yet definitely known. Depending on that structure, either Delfin or its customer may own the LNG at the time of export. Accordingly, Delfin requests authorization both to export LNG on its own behalf and acting as an agent for other entities who themselves hold title to the LNG. Consistent with the terms established by DOE/FE for an LNG terminal operator receiving export authorization in its role as agent for others, 12/ Delfin will register each LNG title holder for whom Delfin seeks to export LNG with DOE/FE. As required in prior DOE/FE orders, the registration will include a written statement by the title holder acknowledging and agreeing to comply with all applicable requirements included in Delfin's export authorization and to include those requirements in any subsequent purchase or sale agreement entered into for the exported LNG by that title holder.

Delfin respectfully requests the DOE/FE grant this application pursuant to NGA Section 3(a) and the applicable delegations and redelegations of authority. 13/ Section 3(c) of the NGA, as amended by § 201 of the Energy Policy Act of 1992, requires that applications to authorize exports of natural gas, including LNG, to a nation with which there is in effect a free trade agreement requiring national treatment for trade of natural gas be "deemed to be consistent with the public interest" and "granted without modification or

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11/ Of course, the export authorization for all trains would commence no later than seven years from the date of the Order authorizing the exports. Thus, assuming that the requested order issued in late 2013, the authorization for all Delfin's trains would commence no later than late 2020. So, for instance, if Delfin's fourth train were placed in-service after that date, the export authorization for volumes exported from that train would still be less than the full twenty years.

12/ See Freeport LNG Development, LP, DOE/FE Order No. 2913 (February 10, 2011); Gulf Coast LNG Export, LLC, DOE/FE Order No. 3163 (October 16, 2012).

13/ The authority to regulate the imports and exports of natural gas, including LNG, under NGA Section 3 has been delegated to the Assistant Secretary for Fossil Energy in Delegation Order No. 00--002.04E issued on April 29, 2011.

delay.” 14/ In addition, DOE/FE has found that the statutory requirement for granting such applications without delay or modification overrides otherwise applicable regulatory requirements for public notice and other procedures set forth in 10 C.F.R. Part 590. 15/

Under this statutory structure, this Application to export LNG to free-trade countries must be deemed to be consistent with the public interest and granted without modification or delay. The DOE/FE has consistently followed this approach, granting at least 24 applications to allow exports of natural gas to FTA countries. 16/ Given the mandatory standard of NGA Section 3(a), DOE/FE is not required to engage in any analysis of factors affecting the public interest in acting this Application, and has not done so when approving similar applications by other terminals to export LNG to FTA countries.

Delfin nevertheless notes that DOE/FE has recognized the public interest support for LNG exports, in particular in its recent orders authorizing exports to non-FTA countries. 17/ The study of the “Macroeconomic Impacts of LNG Exports from the United States” conducted by NERA Economic Consulting (“NERA”) and commissioned by DOE – and subject to very extensive public comment -- demonstrates that LNG exports will provide a net economic benefit to the United States, regardless of the amount of LNG that is exported from the

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14/ See footnote 4, *supra*.

15/ E.g., Sabine Pass Liquefaction, LLC, DOE Opinion and Order No. 2833 at note 8 (Sept. 7, 2010); Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC, DOE Opinion and Order No. 2913 at note 6 (Feb. 10, 2011); Lake Charles Exports, LLC, DOE Opinion and Order 2987 at note 3 (July 22, 2011).

16/ A list of docket numbers for the orders authorizing exports to FTA countries, as well as links to those orders, is available on the DOE/FE website at: [http://energy.gov/sites/prod/files/2013/06/f1/summary\\_lng\\_applications.pdf](http://energy.gov/sites/prod/files/2013/06/f1/summary_lng_applications.pdf)

17/ Freeport LNG, Order No. 3282; Lake Charles Exports, Order No. 3324; Dominion Cove Point LNG, LP, DOE/FE Order No. 3331 (Sept. 11, 2013).

United States.<sup>18/</sup> DOE/FE has held that the NERA study is fundamentally sound and supports the proposition that proposed exports of LNG are not inconsistent with the public interest. <sup>19/</sup> Delfin submits that its LNG export project will further the public interest, as it will demonstrate in its subsequent application for the authorization to export LNG to non-FTA nations.

Once Delfin has further developed its detailed plans concerning the facilities to be constructed for its liquefaction project, Delfin will proceed with the regulatory process with MARAD and the Coast Guard concerning the licensing of its planned deepwater port. Delfin has begun the process of consultation with those agencies, as well as with the FERC concerning Delfin's planned new use of an existing gas pipeline system. The authorization requested here, as a practical matter, will not be actionable until MARAD grants Delfin authorization for the facilities needed for the liquefaction of natural gas and the export of LNG.

## V. ENVIRONMENTAL IMPACT

As previously noted, in order to accommodate the proposed export activities, construction of new facilities at the offshore site will be required. The facilities will be designed to minimize or mitigate any environmental or other adverse impacts.

Delfin plans to file an application with MARAD for the necessary licensing of its deepwater port and authorization for the facilities to allow for the liquefaction of domestically

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<sup>18</sup> Macroeconomic Impacts of LNG Export from the United States, NERA Economic Consulting, *available at*: [http://www.fossil.energy.gov/programs/gasregulation/reports/nera\\_lng\\_report.pdf](http://www.fossil.energy.gov/programs/gasregulation/reports/nera_lng_report.pdf). NERA explained in its study that it analyzed the impact of LNG exports on the U.S. economy using several different "market scenarios" by making different assumptions about levels of exports, global market conditions, and the cost of producing natural gas in the U.S. *Id.* at 1. Ultimately, NERA concluded that "[a]cross all these scenarios, the U.S. was projected to gain net economic benefits from allowing LNG exports." *Id.* Furthermore, NERA noted that "for every one of the market scenarios examined, net economic benefits increased as the level of LNG exports increased." As such, "scenarios with unlimited exports always had higher net economic benefits than corresponding cases with limited exports." *Id.* Other economic studies filed with DOE/FE in other LNG export proceedings also support this conclusion.

<sup>19/</sup> Freeport LNG, Order No. 3282 at page 110; Lake Charles Exports, Order No. 3324 at p. 123; Dominion Cove Point LNG, Order No. 3331 at page 140.

produced natural gas and export of LNG from the offshore facilities. An environmental review under NEPA will be completed by MARAD and the Coast Guard, together with the participation of DOE, prior to granting the required authorizations.

## VI. APPENDICES

The following appendices are attached hereto and incorporated by reference herein:

- Appendix A: Verification
- Appendix B: Opinion of Counsel
- Appendix C: Map of Existing Pipeline and the WC 167 Area
- Appendix D: Letter Concerning Pipeline Purchase Agreement
- Appendix E: Conceptual Site Plan and Depiction of Mooring System

## VII. CONCLUSION

Based on the reasons set forth above, Delfin respectfully requests that the DOE/FE grant Delfin authority for its proposal to engage in long-term, multi-contract exports of domestically produced LNG for a term of twenty years for up to the equivalent of 1.8 Bcf of natural gas per day or 657.5 Bcf per year (approximately 13 million mtpa of LNG) to any country which has or in the future develops the capacity to import LNG via ocean-going carrier and with which the U.S. has, or in the future enters into, an FTA or the legal equivalent requiring the national treatment for trade in natural gas. Delfin respectfully requests that the DOE/FE grant the requested authority as expeditiously as possible.

Respectfully submitted,

 Frederick Jones / g.p.n.

Frederick Jones  
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Fairwood Welbeck Natural Resources Pte. Ltd.  
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Singapore 188970  
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Dated: October 7, 2013

# **APPENDIX A**

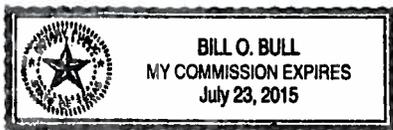
**VERIFICATION**

STATE OF TEXAS }  
COUNTY OF KERR }

William R. Nichols, being first duly sworn on his oath deposes and says: that he is a Member of Fairwood Peninsula Energy, LLC., a Delaware Limited Liability Corporation, and an Authorized Representative of Delfin LNG LLC; that he is duly authorized to make this Verification; that he has read the foregoing submittal and is familiar with the contents thereof; that all the statements and matters contained therein are true and correct to the best of his information, knowledge and belief; and that he is authorized to execute and file the same with the U.S. Department of Energy.

  
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Sworn to and subscribed before me this 5 day of October, 2013



  
\_\_\_\_\_  
Notary Public  
In and For Kerr County, Texas

# **APPENDIX B**

# THOMPSON & KNIGHT LLP

ATTORNEYS AND COUNSELORS

ONE ARTS PLAZA  
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October 6, 2013

Office of Fuels Program, Fossil Energy  
U.S. Department of Energy  
Docket Room 3F-056, FE-50, Forrestal Building  
1000 Independence Avenue SW.  
Washington, DC 20585

Ladies and Gentlemen:

We have acted as special counsel for Delfin LNG LLC, a Louisiana limited liability company (the "**Company**"), and are furnishing this opinion letter pursuant to 10 C.F.R. 590.202(c) of the Department of Energy administrative procedures for purposes of complying with the requirements of the Company's application seeking authorization to export natural gas out of the United States (the "**Application**").

In connection with this opinion letter, we have examined the following:

- (i) a certified copy of the articles of organization of the Company, certified as being complete, true and correct by the Secretary of State of the State of Louisiana;
- (ii) a certified copy of the certificate of formation of Fairwood Peninsula Energy, LLC, a Delaware limited liability company and the sole member of the Company (the "**Sole Member**"), certified as being complete, true and correct by the Secretary of State of the State of Delaware;
- (iii) a certified copy of the limited liability company agreement of the Company, certified as being complete, true and correct by the Sole Member; and
- (iv) a certified copy of the resolutions of the Sole Member authorizing (a) the execution and delivery of the Application and (b) the export of domestically produced natural gas by the Company pursuant to the filing of the Application, certified as being complete, true and correct by the Sole Member.

In rendering the opinions expressed below, we have assumed:

- (i) The genuineness of all signatures.
- (ii) The authenticity of the originals of the documents submitted to us.

(iii) The conformity to authentic originals of any documents submitted to us as copies.

We have not independently established the validity of the foregoing assumptions.

Based upon the foregoing, and subject to the qualifications and limitations herein set forth, we are of the opinion that:

1. The Company is a limited liability company that is validly existing and in good standing under the laws of its state of organization.

2. The Company (i) has the requisite limited liability company power and authority to execute and deliver the Application and, pursuant to the filing of the Application, export domestically produced natural gas and (ii) has taken all limited liability company action necessary to authorize the execution and delivery of the Application and export domestically produced gas upon the filing of the Application.

This opinion letter has been prepared, and is to be understood, in accordance with customary practice of lawyers who regularly give and lawyers who regularly advise recipients regarding opinions of this kind, is limited to the matters expressly stated herein and is provided solely for purposes of complying with the requirements of the Application, and no opinions may be inferred or implied beyond the matters expressly stated herein. The opinions expressed herein are rendered and speak only as of the date hereof and we specifically disclaim any responsibility to update such opinions subsequent to the date hereof or to advise you of subsequent developments affecting such opinions. This letter may be relied upon only by the addressee hereof. Without our prior written consent, this letter may not be quoted in whole or in part or otherwise used or referred to in connection with any other transactions and may not be furnished to or filed with any governmental agency or other person or entity.

Respectfully submitted,

*Thompson & Knight LLP*

DP/BS/HL/jc

# **APPENDIX C**



# **APPENDIX D**

Enbridge Offshore (Gas Transmission) L.L.C.  
1100 Louisiana, Suite 3300  
Houston, TX 77002

**ENBRIDGE™**

August 26, 2013

Fairwood Welbeck Natural Resources Pte.Ltd.  
112 Middle Road  
#07-03 Midland House  
Singapore 188970  
Attn: Frederick Jones

LETTER OF LLC INTEREST ACQUISITION

Dear Fred,

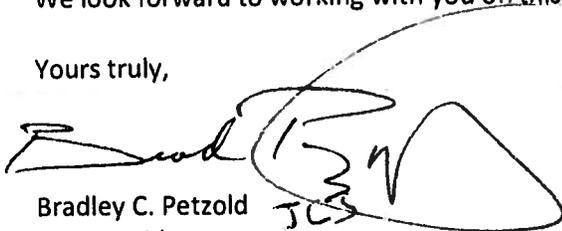
We hereby confirm our agreement dated August 22, 2013 outlining the process we have entered into for the potential sale by Enbridge Offshore (Gas Transmission) L.L.C. of all of the limited liability company interests in Enbridge Offshore Pipelines (UTOS) LLC ("UTOS"), which owns the UTOS pipeline and related assets to Fairwood Welbeck Natural Resources Pte. Ltd. ("FWNRL").

We understand that, upon completion of such purchase, FWNRL intends to use the UTOS pipeline for the transportation of natural gas from the shoreline to a new Floating Liquefaction and Storage Vessel that would be moored at the site of West Cameron 167, as part of FWNRL's overall project, which has the purpose of exporting LNG from this location.

The execution of the potential final sale of UTOS will be subject to the successful completion of the agreed process including the full regulatory approval of the transfer of the limited liability company interests in UTOS and proposed use of the UTOS pipeline in FWNRL's LNG project by FERC.

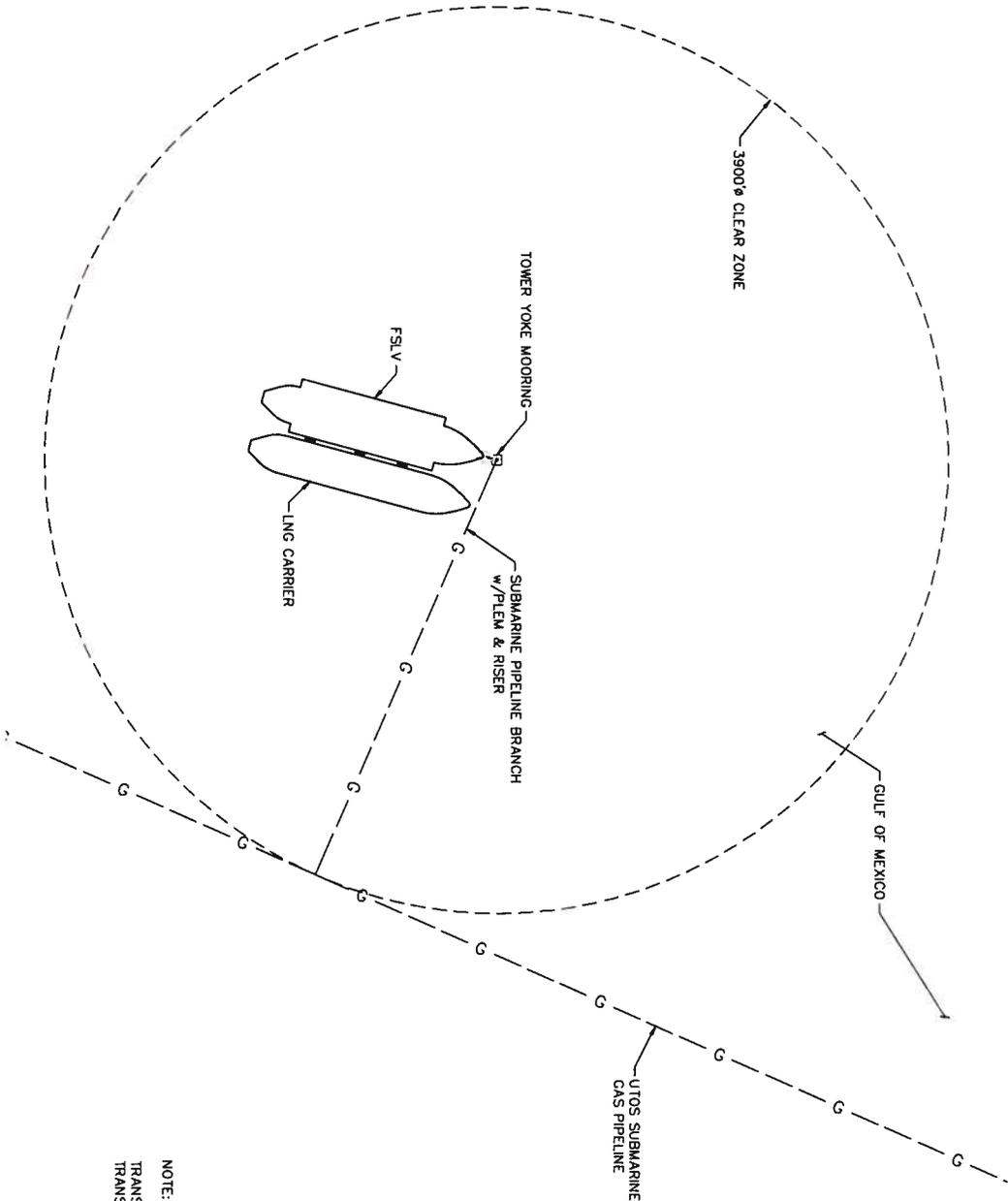
We look forward to working with you on this opportunity.

Yours truly,

A handwritten signature in black ink, appearing to read 'Bradley C. Petzold', is written over a large, stylized circular scribble. The signature is positioned above the typed name and title.

Bradley C. Petzold  
Vice President

# **APPENDIX E**



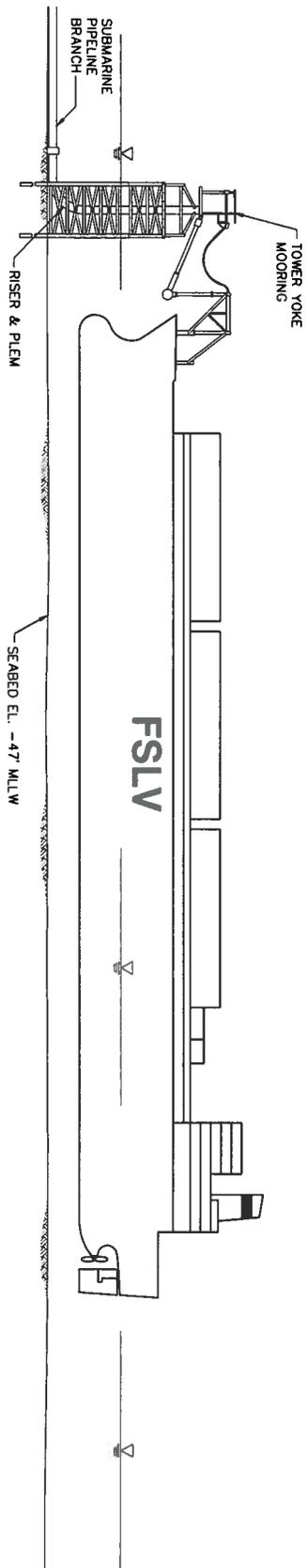
NOTE:  
TRANSFER OF LNG WILL BE VIA SHIP-TO-SHIP  
TRANSFER UTILIZING CRYOGENIC HOSES.



**FSLV SITE LAYOUT**  
**FSLV SITE PLAN**  
**FIGURE 6**



\* **Final Design Under Development**



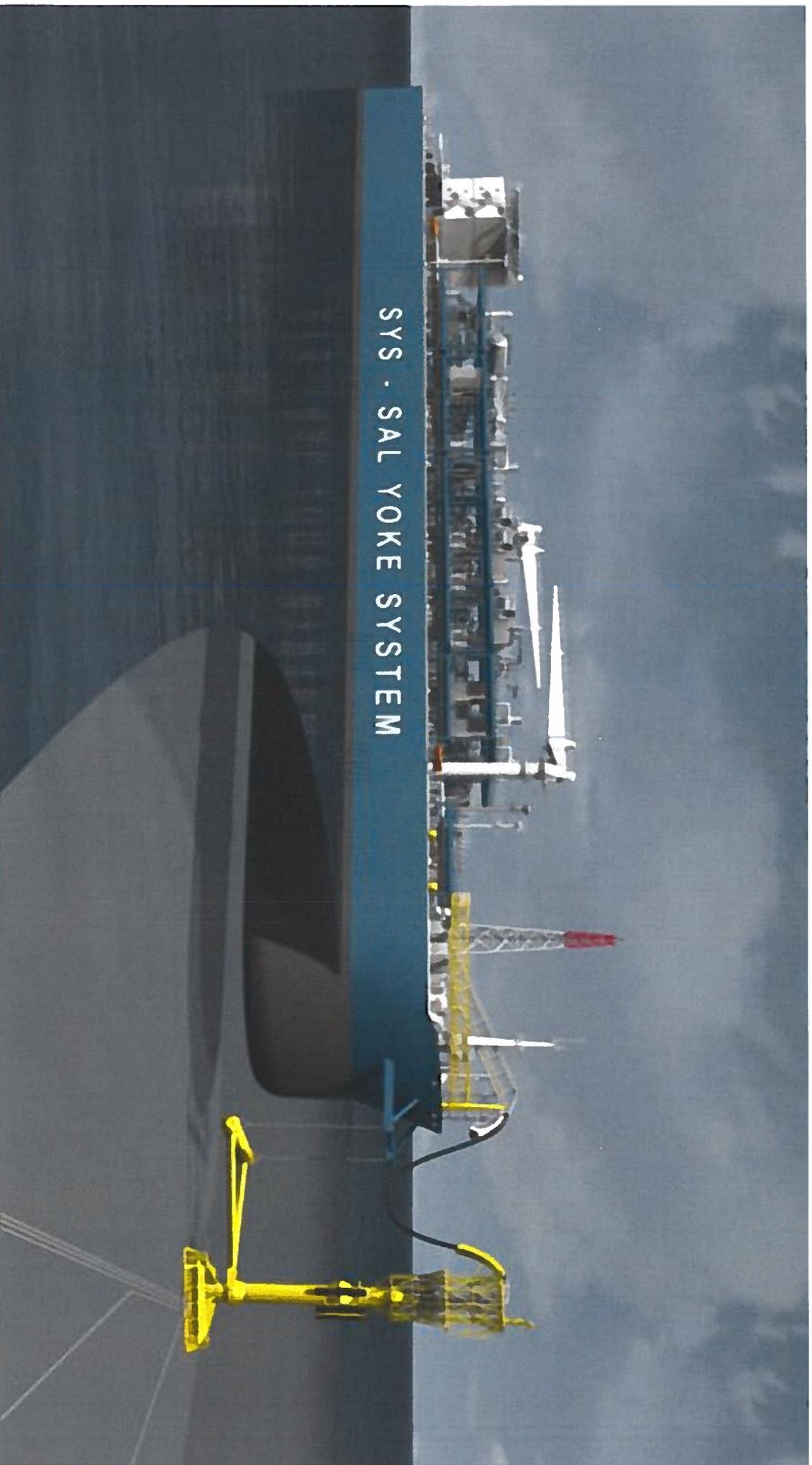
NOTE:  
LNG CARRIER NOT SHOWN FOR CLARITY.



FSLV SITE LAYOUT  
ELEVATION  
FIGURE 7



\* Final Design Under Development



**\* Final Design Under Development**