

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

RECEIVED
FEB DOCKET 05-111
2005 FEB 27 A 8:34
OFFICE OF
U.S. DEPARTMENT OF ENERGY

APPLIED LNG TECHNOLOGIES USA, L.L.C.)
_____)

DOCKET NO. 05-111-LNG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 2177

FEBRUARY 24, 2006

I. DESCRIPTION OF REQUEST

On December 5, 2005, Applied LNG Technologies USA, L.L.C. (ALT) 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 export up to 5.44 billion cubic feet of liquefied natural gas (LNG) to Mexico. ALT requests the authorization be granted for a two-year term beginning on the date of this Order. ALT is a Delaware corporation with its principal place of business in Amarillo, Texas.

II. FINDING

The application has been evaluated to determine if the proposed 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 export of liquefied natural gas 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 ALT meets the section 3(c) criterion and, therefore, is consistent with the public interest. The 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 Redellegation Order No. 00.002.04A (April 13, 2005).

ORDER

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

A. Applied LNG Technologies USA, L.L.C. (ALT) is authorized to export up to 5.44 billion cubic feet of liquefied natural gas (LNG) to Mexico. The term of the authority will begin on February 24, 2006, and will extend through February 23, 2008.

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

C. **Monthly Reports:** With respect to the LNG exports authorized by this Order, ALT shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether LNG exports have been made. Monthly reports must be filed whether or not initial deliveries have begun. If LNG exports have not been made, a report of “no activity” for that month must be filed. If LNG exports have occurred, the report must give the following details for each cargo: (1) country of destination; (2) point(s) of exit; and (3) the total volume in thousand cubic feet (Mcf) at each point of exit. [OMB No.: 1901-0294]

D. The first monthly report required by this Order is due not later than March 30, 2006, and should cover the reporting period February 24, 2006 through February 28, 2006.

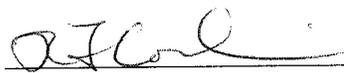
E. **Quarterly Reports:** With respect to the natural gas exports authorized by this Order, ALT shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar quarter, reports indicating whether exports of LNG

have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If exports of LNG have not been made, a report of "no activity" for that calendar quarter must be filed. If exports of LNG have occurred, the report must give the details of each transaction, including: (1) the country of destination; (2) the total monthly volumes in Mcf; (3) the average sales price of the LNG per million British thermal units (MMBtu) at the international border; (4) the name of the supplier(s) or source(s) of the LNG; (5) the name of the purchaser(s); (6) the estimated or actual duration of the supply agreement(s); (7) the number of trucks used; and (8) the point(s) of exit. [OMB No.: 1901-0294]

G. The first quarterly report required by this Order is due not later than April 30, 2006, and should cover the period of the first calendar quarter, from February 24, 2006 through March 31, 2006.

H. Both the quarterly and monthly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on February 24, 2006.



R. F. Corbin
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy