ORDER GRANTING LONG-TERM AUTHORIZATION TO IMPORT LIQUEFIED NATURAL GAS FROM QATAR

DOE/FE ORDER NO. 2889

DECEMBER 13, 2010
I. DESCRIPTION OF REQUEST

On November 2, 2010, ConocoPhillips Company (ConocoPhillips) filed an application with the Office of Fossil Energy of the Department of Energy under section 3 of the Natural Gas Act (NGA)\(^1\) for long term authorization to import liquefied natural gas (LNG) from Qatar by vessel up to 8 million tons per year (approximately 390 billion cubic feet (Bcf) of natural gas per year) over a term of 25 years beginning on the date this Order is issued. ConocoPhillips, a corporation organized under the laws of the State of Delaware, has its principal place of business in Houston, Texas. ConocoPhillips proposes to purchase LNG from the country of Qatar pursuant to an amended and restated LNG Sale and Purchase Agreement (SPA) with Qatar Liquefied Gas Company Limited (3) (QLGC) dated October 26, 2010.

Under the terms of the SPA, ConocoPhillips will purchase the gas from QLGC. The primary receiving terminal shall be the Golden Pass LNG Terminal, located on the Sabine-Neches Waterway northwest of the community of Sabine Pass in Jefferson County in the State of Texas. The requested authorization does not involve the construction of new LNG receiving facilities.

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, including LNG, from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG

\(^1\)The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. §717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. 00-002.04D issued on November 6, 2007.
from other international sources are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by ConocoPhillips to import LNG from Qatar meets the section 3(c) criterion and, therefore, is consistent with the public interest.

ORDER

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

A. ConocoPhillips is authorized to import LNG up to the equivalent of approximately 390 Bcf of natural gas per year by over a term of 25 years beginning December 13, 2010, and extending through December 12, 2035. This LNG will be imported from the country of Qatar by vessel, pursuant to an amended and restated SPA between ConocoPhillips and QLGC.

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

C. LNG imports that require increased security measures from the United States Coast Guard (USCG) and/or other branches of the Department of Homeland Security in place now or added in the future shall comply with those measures on a shipment by shipment basis to the satisfaction of the USCG. Such measures may include periodic boarding or examination of the vessel by the USCG at the load port, while the vessel is underway, at any time during the voyage, and before and during discharge of the cargo while at the discharge port, as well as other enhanced security measures.

D. Monthly Reports: With respect to the import of LNG authorized by this Order, ConocoPhillips shall file a report with the Office of Natural Gas Regulatory Activities within 30 days following the last day of each calendar month indicating whether imports of LNG have
been made. Monthly reports shall be filed whether or not initial deliveries have begun. If imports have not occurred, a report of “no activity” for that month must be filed. If imports of LNG have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. receiving terminal; (2) the name of the LNG tanker; (3) the date of arrival at the U.S. receiving terminal; (4) the country of origin; (5) the name of the supplier/seller; (6) the volume in thousand cubic feet (Mcf); (7) the landed price per million British thermal units (MMBtu) at the point of import; (8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); and (10) the geographic market served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)).

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

E. The first monthly report required by this Order is due not later than January 30, 2011, and should cover the reporting period from December 13, 2010, through December 31, 2010.

F. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Ms. Yvonne Caudillo. Alternatively, reports may be e-mailed to Ms. Caudillo at Yvonne.caudillo@hq.doe.gov or ngreports@hq.doe.gov, or may be faxed to Ms. Caudillo at (202) 586-6050.

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