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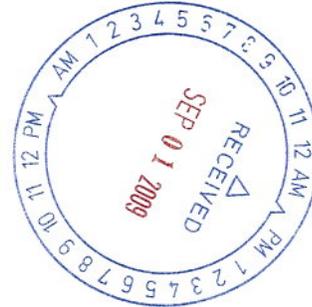
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VIA HAND-DELIVERY

September 1, 2009

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



Dear Mr. Corbin:

Enclosed for filing on behalf of Freeport LNG Development, L.P. ("Freeport LNG"), please find an original and fifteen (15) copies of the "Application for Limited Amendment to Blanket Authorization to Export Liquefied Natural Gas" pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, and Part 590 of the U.S. Department of Energy's regulations, 10 C.F.R. Part 590 (2009). An electronic copy of the application is also provided on the enclosed compact disk. A check in the amount of \$50.00 is enclosed as the filing fee stipulated by 10 C.F.R. § 590.207 (2009).

Should you have any questions about the foregoing, please feel free to contact the undersigned at (212) 318-3009.

Respectfully submitted,

Lisa M. Tonery
Attorney for
Freeport LNG Development, L.P.

Enclosures
cc: Parties of Record

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

In The Matter Of:)
)
FREEPORT LNG DEVELOPMENT, L.P.) **Docket No. 08 - 70 - LNG**
)

**APPLICATION OF FREEPORT LNG DEVELOPMENT, L.P.
FOR LIMITED AMENDMENT TO BLANKET AUTHORIZATION TO EXPORT
LIQUEFIED NATURAL GAS**

Freeport LNG Development, L.P. (“Freeport LNG”) hereby files this application for a limited amendment (“Amendment”) to the authorization granted by the Department of Energy (“DOE”), Office of Fossil Energy (“FE”) in DOE Opinion and Order No. 2644 (“May 28th Order”). In the May 28th Order, FE authorized Freeport LNG to engage in short-term exports of up to 24 billion cubic feet (“Bcf”),¹ on a cumulative basis, of liquefied natural gas (“LNG”) that has been imported into the United States from foreign sources, for a two-year period commencing May 28, 2009. Specifically, the May 28th Order authorized Freeport LNG to export LNG from its Quintana Island, Texas facilities to the United Kingdom, Belgium, Spain, France, Italy, Japan, South Korea, India, China, and/or Taiwan. Freeport LNG is herein seeking an amendment of the May 28th Order so that it also may export foreign-sourced LNG from its Quintana Island terminal to Canada and to Mexico.

In support of its application, Freeport LNG states as follows:

¹ One Bcf is equivalent to approximately one Trillion British Thermal Units (“TBtus”). Accordingly, Freeport LNG is authorized to export up to the equivalent of 24 TBtus.

I.
DESCRIPTION OF THE APPLICANT

The exact legal name of Freeport LNG is Freeport LNG Development, L.P. Freeport LNG is a Delaware limited partnership with one general partner, Freeport LNG-GP, Inc., a Delaware corporation, which is owned 50% by an individual, Michael S. Smith, and 50% by ConocoPhillips Company. Freeport LNG's limited partners are: (1) Freeport LNG Investments, LLLP, a Delaware limited liability limited partnership, which owns a 45% limited partnership interest in Freeport LNG; (2) Cheniere FLNG, L.P., a Delaware limited partnership, which owns a 30% limited partnership interest in Freeport LNG; (3) Texas LNG Holdings LLC, a Delaware limited liability company and wholly-owned subsidiary of The Dow Chemical Company, which owns a 15% limited partnership interest in Freeport LNG; and (4) Turbo LNG LLC, a Delaware limited liability company and wholly-owned subsidiary of Osaka Gas Co., Ltd., which owns a 10% limited partnership interest in Freeport LNG.

The Federal Energy Regulatory Commission ("FERC") has authorized Freeport LNG to site, construct and operate an LNG import, storage, and vaporization terminal on Quintana Island, Texas and an associated 9.6-mile long send-out pipeline.² On May 6, 2009, FERC issued an order granting Freeport LNG authorization to modify its Quintana Island facilities as required to engage in exports of LNG ("May 6th Order").³ Most recently, FE issued the May 28th Order granting Freeport LNG blanket authorization to engage in short-term exports of up to 24 Bcf of LNG from its Quintana Island import terminal to various foreign countries for a two-year period beginning May 28, 2009.

² *Freeport LNG Development, L.P., Order Granting Authorization Under Section 3 of the Natural Gas Act*, 107 FERC ¶ 61,278 (2004), *Order Granting Rehearing and Clarification*, 108 FERC ¶ 61,253 (2004); *Order Amending Section 3 Authorization*, 112 FERC ¶ 61,194 (2005).

³ *Freeport LNG Development, Order Amending Section 3 Authorizations*, 127 FERC ¶ 61,105 (2009).

II.
COMMUNICATIONS AND CORRESPONDENCE

All correspondence and communications concerning this Amendment, including all service of pleadings and notices, should be directed to the following persons:

John Tobola, Esq.
Michael Johns
Freeport LNG Development, L.P.
333 Clay Street, Suite 5050
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(713) 980-2888 (phone)
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jtobola@freeportlng.com
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Lisa M. Tonery
Tania S. Perez
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ltonery@fulbright.com
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Pursuant to Section 590.103(a) of the DOE regulations, 10 C.F.R. §590.103(a) (2009), Freeport LNG hereby certifies that the persons listed above and the undersigned are the duly authorized representatives of Freeport LNG.

III.
DESCRIPTION OF PROPOSAL

Freeport LNG hereby requests that FE amend the May 28th Order so as to authorize export by Freeport LNG of foreign-sourced LNG from its Quintana Island terminal to two additional foreign countries: Canada and Mexico. Freeport LNG is not seeking authorization to export domestically produced natural gas or LNG. Moreover, Freeport LNG is not seeking to extend the term of the May 28th Order or to expand the volume of LNG authorized for export thereunder. No additional physical modifications to the Quintana Island terminal are required to accommodate the limited additional export authorization requested herein.⁴ There are no other

⁴ Freeport LNG has already made those limited facility modifications required in order to engage in export activities pursuant to the May 6th Order.

proceedings related to this application currently pending before DOE for any other federal agency.

For reasons described in the application of Freeport LNG filed on August 1, 2008 resulting in the May 28th Order (“August 1st Application”), all of which remain relevant today, blanket export authorization enabling Freeport LNG to export to non-U.S. markets any imported LNG not required for the operation of its facilities affords Freeport LNG a greater ability to acquire LNG during those periods when LNG deliveries may not otherwise be adequate to maintain its facilities in a state ready to serve the U.S. markets. As a result, authorization to export imported LNG benefits U.S. gas consumers by helping to ensure the continuing operation and availability of Freeport LNG’s facilities at times when global market forces may not otherwise support deliveries of LNG to the United States. Additionally, granting of the authorization requested herein will increase the likelihood that imported LNG supplies are available for delivery to U.S. markets when those markets support it. This Amendment would therefore strengthen U.S. energy infrastructure, as well as give U.S. markets an inherent pricing advantage over foreign markets, since transportation of the LNG to foreign markets would be subject to additional shipping costs and gas losses.

IV. PUBLIC INTEREST

Pursuant to Section 3 of the NGA, FE is required to authorize exports to a foreign country unless there is a finding that such exports “will not be consistent with the public interest.”⁵ Section 3 thus creates a statutory presumption in favor of approval of this

⁵ 15 U.S.C. 717b.

Amendment which opponents bear the burden of overcoming.⁶ Further, in evaluating an export application, FE applies the principles described in DOE Delegation Order No. 0204-111, which focuses primarily on domestic need for the gas to be exported, and the Secretary's natural gas policy guidelines.⁷ As detailed below, Freeport LNG's proposal to export LNG to Canada and Mexico is consistent with Section 3 of the NGA and FE's policy.

A. Export of LNG to Canada and Mexico is Deemed Consistent with the Public Interest

Under Section 3(c) of the NGA, as amended by Section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486), 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 is deemed to be consistent with the public interest and must be granted without modification or delay. Currently, the United States has Free Trade Agreements with Canada and Mexico. This Amendment, which seeks authorization to export LNG to Canada and Mexico, meets the Section 3(c) criteria and is therefore consistent with the public interest.

B. There Is No Domestic Reliance on the LNG That Freeport LNG Seeks to Export

There is presently no domestic reliance on the volumes of imported LNG that Freeport LNG would seek to export. Export authorization is needed to enable Freeport LNG to economically import LNG for the maintenance and continual operation of the Freeport LNG facilities. Freeport LNG intends only to export foreign-sourced LNG at times when there is no

⁶ In *Panhandle Producers and Royalty Owners Association v. ERA*, 822 F.2d 1105, 1111 (D.C. Cir. 1987), the court found that Section 3 of the NGA "requires an affirmative showing of inconsistency with the public interest to deny an application" and that a "presumption favoring ... authorization ... is completely consistent with, if not mandated by, the statutory directive." See also *Independent Petroleum Association v. ERA*, 870 F.2d 168, 172 (5th Cir. 1989); *Panhandle and Royalty Owners Association v. ERA*, 847 F.2d 1168, 1176 (5th Cir. 1988).

⁷ See 49 Fed. Reg. 6684, February 22, 1984.

domestic reliance on such LNG supplies. Accordingly, the requested export authorization is consistent with the public interest.

C. Local Gas Supplies Will Not Be Reduced

The public interest also requires approval of Freeport LNG's application since the proposed exports will not result in a reduction of local gas supplies. Amendment of Freeport LNG's short-term blanket authorization would serve to increase natural gas supplies available to U.S. markets in times of need because it would further encourage Freeport LNG to obtain and store spot-market LNG cargoes. Natural gas derived from imported LNG will be available to supply local markets when conditions support it, and will thereby serve to moderate U.S. gas price volatility. As such, the requested export authorization is consistent with the public interest.

As fully discussed in the August 1st Application, Freeport LNG recognizes that its facilities were authorized to provide additional supplies of natural gas to U.S. customers on a long-term basis, and it is Freeport LNG's intent to operate its facilities in accordance with this authorization. Indeed, the capacity in Freeport LNG's facilities is fully subscribed. However, on a short-term basis in order to ensure full and continual operation of its LNG import facilities, Freeport LNG would seek to import LNG to use for operational purposes. Freeport LNG is requesting further authorization, for itself and as agent for third parties, to periodically export LNG imported under DOE/FE Order No. 2457, as well as LNG of third parties, to Canada and to Mexico should market conditions in the United States not support domestic sale of those supplies.

V.
ENVIRONMENTAL IMPACT

As reflected above, no changes to the Freeport LNG facilities would be required for the proposed exportation of LNG. Consequently, granting this application will not be a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. §4231, *et seq.* Therefore, an environmental impact statement or environmental assessment is not required.

VI.
APPENDICES

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

Appendix A: Verification.

Appendix B: Opinion of Counsel.

VII.
CONCLUSION

For the foregoing reasons, Freeport LNG respectfully requests that FE determine that Freeport LNG's request for limited amendment of the May 28th Order as discussed herein to enable it to export foreign-sourced LNG from its Quintana Island facilities to Canada and Mexico, is not inconsistent with the public interest and grant such amendment as expeditiously as possible.

Respectfully submitted,



Lisa Tonery
Attorney for
Freeport LNG Development, L.P.

Fulbright & Jaworski L.L.P.
666 Fifth Avenue
New York, New York 10103
(212) 318-3009

Appendix A:

Verification

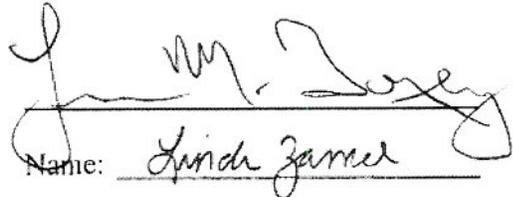
VERIFICATION

State of New York

County of New York

BEFORE ME, the undersigned authority, on this day personally appeared Lisa M. Tonery, who, having been by me first duly sworn, on oath says that she is authorized to make this Verification; that she has read the foregoing instrument and that the facts therein stated are true and correct to the best of her knowledge, information and belief.

SWORN TO AND SUBSCRIBED before me on the 1st day of September, 2009.


Name: Linda Zamel

Title: Notary Public

My Commission expires:

**LINDA ZAMEL
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01ZA5079995
QUALIFIED IN WESTCHESTER COUNTY
COMMISSION EXPIRES JUNE 16, 20 11**

Appendix B:
Opinion of Counsel

FREEMPORT LNG DEVELOPMENT, L.P.

333 Clay St., Suite 5050
Houston, TX 77002

August 31, 2009

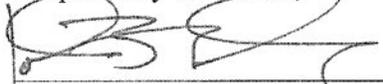
Office of Fuel Programs
Fossil Energy, U.S. Department of Energy
Docket Room 3F-056, FE50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 10585

**Re: Freeport LNG Development, L.P.
Application for Limited Amendment to Blanket Authorization to Export
Liquefied Natural Gas**

Dear Sir or Madam:

This opinion of counsel is provided in accordance with the requirements of Section 590.202(c) of the U.S. Development of Energy's regulations, 10 C.F.R. § 590.202 (c) (2009). I have examined the Certificate of Limited Partnership and Amended and Restated Limited Partnership Agreement, as amended, of Freeport LNG Development, L.P. ("FLNG Development") and other authorities as necessary, and have concluded that the proposed exportation of foreign-sourced liquefied natural gas from its Quintana Island terminal to Canada and to Mexico is within its partnership powers. Further, FLNG Development is authorized to do business in Texas and to engage in foreign commerce.

Respectfully submitted,



By: John B. Tobola, *Vice President and
General Counsel*

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