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March 23, 2010

Mr. John Anderson  
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



**Re: In the Matter of Cheniere Marketing, LLC**  
**FE Docket No. 10-31-LNG**  
**Application For Blanket Authorization To Export Liquefied Natural**  
**Gas And To Vacate Existing Blanket Authorization**

Dear Mr. Anderson:

Enclosed for filing on behalf of Cheniere Marketing, LLC ("CMI"), please find an original and fifteen (15) copies of CMI's application for blanket authorization to engage in short-term exports of up to 500 billion cubic feet ("Bcf"), on a cumulative basis, of liquefied natural gas ("LNG") that has been imported into the U.S. from foreign sources, for a two-year period commencing the date of authorization.<sup>1</sup> CMI is seeking authorization to export previously imported LNG from the Sabine Pass LNG terminal, owned by Sabine Pass LNG, L.P., in Cameron Parish, Louisiana to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.

CMI also requests that the Department of Energy ("DOE"), Office of Fossil Energy ("FE") vacate the blanket export authorization issued in DOE Opinion and Order No. 2651 on June 8, 2009, as amended by Order No. 2651-A on July 31, 2009, contemporaneous with, and conditioned on, the issuance of the blanket authorization sought in the application submitted herewith.

<sup>1</sup> A check in the amount of \$50.00 is enclosed as the filing fee stipulated by 10 C.F.R. § 590.207 (2009).

Mr. John Anderson  
March 23, 2010  
Page 2

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lisa M. Tonery". The signature is fluid and cursive, with the first name "Lisa" and last name "Tonery" clearly distinguishable.

Lisa M. Tonery  
Tania S. Perez  
*Attorneys for*  
Cheniere Marketing, LLC

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

In The Matter Of:

CHENIERE MARKETING, LLC

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Docket No. 10 - 51 - LNG

APPLICATION OF CHENIERE MARKETING, LLC  
FOR BLANKET AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS  
AND TO VACATE EXISTING BLANKET AUTHORIZATION

Pursuant to Section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. §717b, and Part 590 of the Department of Energy’s (“DOE”) regulations, 10 C.F.R. Part 590 (2009), Cheniere Marketing, LLC. (“CMI”) hereby requests that DOE, Office of Fossil Energy (“FE”), issue an order granting blanket authorization for CMI to engage in short-term exports of up to 500 billion cubic feet (“Bcf”), on a cumulative basis (which is the equivalent of up to approximately 500 Trillion British Thermal units (“TBtus”)) of liquefied natural gas (“LNG”) that has been imported into the U.S. from foreign sources, for a two-year period commencing the date of authorization. CMI is seeking authorization to export previously imported LNG from the Sabine Pass LNG terminal, owned by Sabine Pass LNG, L.P., in Cameron Parish, Louisiana to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.

CMI also requests that FE vacate the blanket export authorization issued in DOE Opinion and Order No. 2651 on June 8, 2009, as amended by Order No. 2651-A on July 31, 2009 (collectively “Order No. 2651”),<sup>1</sup> contemporaneous with, and conditioned on, the issuance of the blanket authorization sought in the instant application.

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<sup>1</sup> Order No. 2651-A amended Cheniere Marketing, Inc.’s blanket authorization to reflect its name change to Cheniere Marketing, LLC effective September 29, 2008.

In support of its application, CMI states as follows:

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

The exact legal name of CMI is Cheniere Marketing, LLC. CMI is a Delaware limited liability company with its principal place of business in Houston, Texas. CMI is a wholly-owned subsidiary of Cheniere Energy, Inc. ("Cheniere Energy"), which is a Delaware corporation with its primary place of business in Houston, Texas. Cheniere Energy is a developer of LNG import terminals and natural gas pipelines on the Gulf Coast, including the Sabine Pass LNG terminal.

On June 8, 2009, in Order No. 2651, FE authorized CMI to engage in short-term exports of up to 64 Bcf, on a cumulative basis, of LNG that has been imported into the United States from foreign sources, for a two-year period commencing June 8, 2009. Specifically, Order No. 2651 authorized CMI to export LNG from the Sabine Pass LNG terminal to the United Kingdom, Belgium, Spain, France, Italy, Portugal, Turkey, Brazil, Argentina, Chile, Mexico, Dominican Republic, Japan, South Korea, India, China, and/or Taiwan. Through the instant application, CMI seeks FE authorization to expand the scope of its prior authorization to encompass any country with the capacity to accept LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy and to vacate Order No. 2651 contemporaneous with, and conditioned on, the issuance of the new blanket export authorization requested herein. In addition, CMI seeks to increase the volume that it is authorized to export from the previously authorized 64 Bcf to the 500 Bcf (cumulative) requested herein.

On January 23, 2009, FE granted CMI blanket authorization to import LNG from various international sources.<sup>2</sup> Under the terms of the blanket authorization the LNG may be imported at any LNG receiving facility in the United States and its territories.

## **II.**

### **COMMUNICATIONS AND CORRESPONDENCE**

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

Davis Thames  
Cheniere Marketing, LLC  
700 Milam Street, Suite 800  
Houston, TX 77002  
(713) 375-5000 (phone)  
(713) 375-6000 (fax)  
davis.thames@cheniere.com

Patricia Outtrim  
Cheniere Energy, Inc.  
700 Milam Street, Suite 800  
Houston, TX 77002  
(713) 375-5000 (phone)  
(713) 375-6000 (fax)  
pat.outtrim@cheniere.com

Lisa M. Tonery  
Tania S. Perez  
Fulbright & Jaworski L.L.P.  
666 Fifth Avenue  
New York, New York 10103  
(212) 318-3009 (phone)  
(212) 318-3400 (fax)  
ltonery@fulbright.com  
tperez@fulbright.com

Pursuant to Section 590.103(a) of the DOE regulations, 10 C.F.R. §590.103(a) (2009), CMI hereby certifies that the persons listed above and the undersigned are the duly authorized representatives of CMI.

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<sup>2</sup> *Cheniere Marketing, LLC*, DOE/FE Order No. 2606, issued Jan. 23, 2009. This authorization enables CMI to import and export natural gas from and to Canada and Mexico, to export LNG to Canada and Mexico and to import LNG from various international sources, up to a combined total of 1,500 Bcf of natural gas for a two-year period beginning on January 29, 2009.

### **III.**

#### **DESCRIPTION OF PROPOSAL**

CMI requests blanket authorization to export previously imported LNG on a short-term or spot market basis up to 500 Bcf (the equivalent of approximately 500 TBtus) cumulatively over a two-year period commencing the date authorization is granted and terminating two years later. CMI anticipates exporting imported LNG to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. CMI is not seeking authorization to export domestically-produced natural gas or LNG. No additional physical modifications to the Sabine Pass LNG terminal are required to accommodate the export authorization requested herein. There are no other proceedings related to this application currently pending before DOE for any other federal agency.

### **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.”<sup>3</sup> Section 3 thus creates a statutory presumption in favor of approval of this application which opponents bear the burden of overcoming.<sup>4</sup> 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.<sup>5</sup> As detailed below, CMI’s proposal to export LNG to those countries with the

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<sup>3</sup> 15 U.S.C. 717b.

<sup>4</sup> 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 (5<sup>th</sup> Cir. 1989); *Panhandle and Royalty Owners Association v. ERA*, 847 F.2d 1168, 1176 (5<sup>th</sup> Cir. 1988).

<sup>5</sup> See 49 Fed. Reg. 6684, February 22, 1984.

capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is consistent with Section 3 of the NGA and FE's policy.

In Order No. 2651, which granted CMI blanket authorization to export up to 64 Bcf (cumulative) of previously imported foreign-sourced LNG, FE determined that there presently is no domestic reliance on the volumes of imported LNG that CMI would seek to export. In November 2009, FE made the same finding in granting ConocoPhillips Company ("ConocoPhillips") blanket authority to export from the Freeport LNG Development, L.P. Quintana Island terminal up to 500 Bcf of previously imported LNG.<sup>6</sup> FE stated that "the record shows there is sufficient supply of natural gas to satisfy domestic demand from multiple other sources at competitive prices without drawing on the LNG with ConocoPhillips seeks to export...."<sup>7</sup>

CMI is requesting authorization, for itself and as agent for third parties, to periodically export LNG imported under DOE/FE Order No. 2606, as well as LNG of third parties, to any country with the capacity to import LNG via ocean-going vessel and with which trade is not prohibited by U.S. law or policy, should market conditions in the United States not support domestic sale of those supplies. Granting of CMI's short-term blanket authorization as requested herein would provide CMI with the necessary flexibility it requires to respond to changes in domestic and global markets for natural gas and LNG. The additional flexibility sought herein would further encourage CMI 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.

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<sup>6</sup> *ConocoPhillips Company*, FE 09-92-LNG, DOE Opinion and Order No. 2731 (November 30, 2009).

<sup>7</sup> *Id.* at p. 11.

**V.**  
**ENVIRONMENTAL IMPACT**

As reflected above, no changes to the Sabine Pass LNG facilities would be required for CMI's 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:

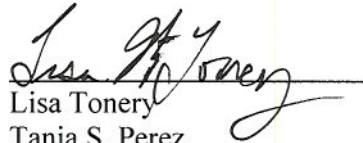
Appendix A: Verification.

Appendix B: Opinion of Counsel.

**VII.**  
**CONCLUSION**

For the foregoing reasons, CMI respectfully requests that FE determine that CMI's request for blanket authorization as discussed herein to enable it to export foreign-sourced LNG from the Sabine Pass LNG terminal to any country with the ability to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, is not inconsistent with the public interest and grant such authorization as expeditiously as possible.

Respectfully submitted,



Lisa Tonery  
Tania S. Perez  
*Attorneys for*  
*Cheniere Marketing, LLC*

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

Dated: March 23, 2010

## Appendix A

VERIFICATION

State of Texas )

County of )

BEFORE ME, the undersigned authority, on this day personally appeared Davis Thames, who, having been by me first duly sworn, on oath says that he is the President for Cheniere Marketing, LLC and is duly authorized to make this Verification; that he has read the foregoing instrument and that the facts therein stated are true and correct to the best of his knowledge, information and belief.

Davis Thames

Davis Thames

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SWORN TO AND SUBSCRIBED before me on the 22nd day of March, 2010.

TERRI BACHAND

Name: TERRI BACHAND

Title: Notary Public

My Commission expires:

8/2/2010



## Appendix B



Cheniere Energy, Inc.  
700 Milam, Suite 800  
Houston, Texas 77002  
phone: 713.375.5000  
fax: 713.375.6000

March 23, 2010

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: Cheniere Marketing, LLC  
Application For Blanket Authorization To Export Liquefied Natural Gas  
And To Vacate Existing Blanket Authorization  
Opinion of Counsel**

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) (2010). I have examined the Limited Liability Company Agreement of Cheniere Marketing, LLC ("CMI") and other authorities as necessary, and have concluded that the proposed exportation of foreign-sourced liquefied natural gas from the Sabine Pass LNG, L.P. terminal to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is within its corporate powers. Further, CMI is authorized to do business in Texas and to engage in foreign commerce.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Timothy J. Neumann", written over a horizontal line.

By: Timothy J. Neumann,  
*Vice President and General Counsel*  
Cheniere Energy, Inc.  
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Houston, TX 77002  
Phone: (713) 375-5000  
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