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September 6, 2012

Lorraine A. Moore
Office of Natural Gas Global Security and Supply
U.S. Department of Energy
Room 3E-042
FE-34
1000 Independence Ave. Southwest
Washington, DC 20585

**RE: Chevron U.S.A. Inc., Docket No. 12-~~13~~¹⁸-LNG
Application for Blanket Authorization to Export Liquefied Natural Gas on a Short-
Term Basis**

Dear Ms. Moore:

Chevron U.S.A. Inc. hereby files with the Office of Fuels, Programs, Fossil Energy of the Department of Energy an application for blanket authorization to export LNG for a term of two years beginning on the date the authorization is granted. Enclosed is the complete application, fifteen additional copies, and a \$50 check addressed to the Treasurer of the United States. Chevron is seeking authority to re-export up to seventy-two billion cubic feet of previously imported LNG during the two year period of the authorization. The proposed export will be 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 Federal law or policy.

Thank you for your attention to this matter. If you have any questions regarding this filing, please contact the undersigned at (713) 372-9245 or email to JMyers@chevron.com.

Respectfully submitted,


J. Jeannie Myers

ORIGINAL

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



In The Matter Of:)
)
CHEVRON U.S.A. INC.)
)

Docket No. 12-113-LNG

**APPLICATION OF CHEVRON U.S.A. INC.
FOR BLANKET AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS ON A SHORT-TERM BASIS**

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), Chevron U.S.A. Inc. (“Chevron”) hereby requests that DOE, Office of Fossil Energy (“DOE/FE”), issue an order granting blanket authorization for Chevron to engage in short-term exports of up to approximately seventy-two billion cubic feet (72 Bcf), on a cumulative basis, of previously-imported liquefied natural gas (“LNG”) from foreign sources, for a two-year period commencing December 8, 2012. Chevron is seeking authorization to export such 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 Federal law or policy. Good cause exists to grant the requested authorization for the reasons stated below.

I. DESCRIPTION OF THE APPLICANT

Chevron is a Pennsylvania corporation with its principal place of business in San Ramon, California. Chevron Global Gas is a division of Chevron that engages in the global business of marketing and trading LNG. Chevron has contracted for 1.0 Bcf/day of terminal capacity from

Sabine Pass LNG, L.P. for an initial term of twenty years that commenced in November 2004 with the option to extend the term for a period of twenty years. On June 22, 2012, DOE/FE Order no. 3113 granted Chevron blanket authorization to import the equivalent of up to 800 Bcf from various international sources for a two year period beginning on August 1, 2012. Under the terms of the blanket authorization, LNG may be imported at any LNG receiving facility in the United States and its territories.

II. COMMUNICATIONS AND CORRESPONDENCE

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

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III. AUTHORIZATION REQUESTED

Chevron requests blanket authorization to export up to 72 Bcf, on a cumulative basis, of previously-imported LNG from foreign sources, over a two year period beginning on December 8, 2012. Chevron's existing blanket authorization (DOE/FE Order No. 2888) to export previously-imported LNG from foreign sources expires on December 7, 2012. Chevron requests that such authorization apply to previously-imported LNG to which Chevron holds title at the time the export occurs. Chevron is seeking such authorization to export previously-imported

LNG to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by Federal law or policy. Under the authorization sought herein, Chevron does not request the authority to export any domestically-produced natural gas or LNG.

The blanket export authorization requested by Chevron would be applicable to exports from the Sabine Pass LNG Terminal, owned by Sabine Pass LNG, L.P., in Cameron Parish, Louisiana. The DOE/FE has recently granted an authorization for such re-exports from this terminal to Cheniere Marketing LLC in DOE/FE Order No. 3102 on June 7, 2012. There are no other proceedings related to this application currently pending before the DOE or any other federal agency.

IV. BACKGROUND

In this application, Chevron requests blanket authorization to export previously-imported LNG from foreign sources. Chevron's request is based on its desire to optimize long-term capacity it has contracted for at the Sabine Pass LNG Terminal by responding effectively to periodic changes in domestic and world markets for natural gas and LNG. More specifically, Chevron desires the option to either: (i) export previously-imported LNG to other world markets; or (ii) regassify the imported LNG for sale in domestic markets. Chevron would base any decision related to the sale of imported LNG on prevailing market conditions.

Chevron does not intend to export any LNG when market conditions dictate that the LNG be used to meet domestic needs. Further, granting the blanket authorization to Chevron would assist Chevron in optimizing its long-term LNG terminal capacity, and would serve the public interest by encouraging future importation of LNG into the United States.

V. PUBLIC INTEREST STANDARD

Pursuant to Section 3 of the NGA, DOE/FE must authorize exports to a foreign country unless there is a finding that such exports “will not be consistent with the public interest.”¹ Accordingly, Section 3 creates a statutory presumption in favor of approval of a properly framed export application.² In evaluating an export application, DOE/FE applies the standards set forth in DOE Delegation Order No. 0204-111, which “focuses primarily on domestic need for the gas to be exported, as described in the Secretary’s natural gas policy guidelines”.³ As detailed below, the blanket export authorization requested by Chevron satisfies the public interest standard of Section 3 of the NGA as construed by the DOE/FE.

A. There is No Domestic Reliance on the Imported LNG that Chevron would Export Pursuant to the Blanket Authorization Requested Herein.

The DOE/FE in its recent Order No. 3102 took administrative notice that recent data and analysis shows domestic natural gas production has increased significantly over the last several years, due to improved drilling technologies, and the ability to produce natural gas trapped in shale gas geologic formations.⁴ Granting this request by Chevron will not decrease the volume of domestically-produced natural gas. In fact, the DOE has recently approved the long-term export of LNG created from domestically-produced natural gas by Sabine Pass Liquefaction, LLC in Order No. 2961-A dated August 7, 2012.

The DOE/FE granted Cheniere Marketing LLC (“Cheniere”), an affiliate of Sabine Pass Liquefaction, LLC, blanket authorization to export up to 500 Bcf of previously-imported LNG

¹ 15.U.S.C. § 717b(a).

² See *Phillips Alaska Natural Gas Corp. and Marathon Oil Co.*, DOE/FE Opinion and Order No. 1473, 2 FE ¶¶70,317 at p. 13, n. 42 (April 2, 1999), citing *Panhandle Producers and Royalty Owners Association v. ERA*, 822 F.2d 1105, 1111 (DC Cir. 1987).

³ *DOE/FE Order No. 3102 at p.5.*

⁴ *Id.* at p. 5-6.

on June 7, 2012 in DOE/FE Order No. 3102. In that order, the DOE/FE concluded 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 which Cheniere seeks to export through the authorization timeframe.”⁵ DOE/FE reached the decision to allow re-export of natural gas in numerous other blanket authorizations.⁶ Given the current conditions of the domestic natural gas industry, and the nature of Chevron’s request, including limiting its request to a short term authority to export previously-imported LNG to which it holds title, Chevron believes that granting its request will not be inconsistent with the public interest.

B. Granting the Blanket Export Authorization would Encourage the Importation of LNG into the U.S.A.

Granting the blanket export authorization requested herein would encourage the importation of LNG into the U.S.A. by Chevron by providing Chevron the option, based on prevailing market conditions, to either: (i) export previously-imported LNG to other world markets, or (ii) regassify the imported LNG for sale in domestic markets. Accordingly, the blanket authorization would encourage Chevron to purchase spot-market LNG cargoes for import into the U.S.A., and would make more gas available to the domestic market if it were needed.

C. Granting the Blanket Export Authorization Would Not Reduce Domestically-Produced Natural Gas Supplies.

Chevron is only seeking the authority to export previously-imported LNG. Chevron is not seeking the authority to export domestically-produced natural gas supplies. Thus, Chevron’s request for blanket authorization herein will not reduce domestically-produced natural gas supplies.

⁵ See *Id* at p. 8.

⁶ *Id* at p. 5, ft. 6.

VI. ENVIRONMENTAL IMPACT

No modifications to the Sabine Pass LNG Terminal are required to enable the LNG exports requested by Chevron. Therefore, granting this application would not be a federal action significantly affecting the human environment under the National Environmental Policy Act, 42 U.S.C. §4231, *et seq.* Consequently, no environmental impact statement or environmental assessment is required.

VII. APPENDICES

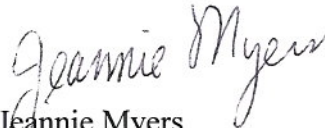
The following appendices are attached hereto and incorporated by reference herein:

Appendix A: Verification.

VIII. CONCLUSION

For the reasons set forth above, Chevron respectfully requests that the DOE/FE issue an order granting Chevron a two-year blanket authorization to export up to approximately 72 billion cubic feet (“Bcf”), on a cumulative basis, of previously-imported liquefied natural gas (“LNG”) from foreign sources, to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by Federal law or policy.

Respectfully submitted,



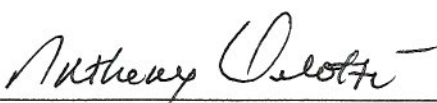
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APPENDIX A
VERIFICATION

VERIFICATION

County of Harris)
)
State of Texas)

I, Anthony Gelotti, being duly sworn on his oath, does hereby depose and say that I am a Vice-President, LNG Marketing and Trading, of Chevron Global Gas, a division of Chevron U.S.A. Inc.; that I am familiar with the contents of the foregoing application; and that the matters set forth therein are true and correct to the best of my knowledge, information and belief.



Anthony Gelotti

Sworn to and subscribed before me, a Notary Public, in and for the State of Texas, this 6th day of September, 2012.



Notary Public

My Commission expires:

