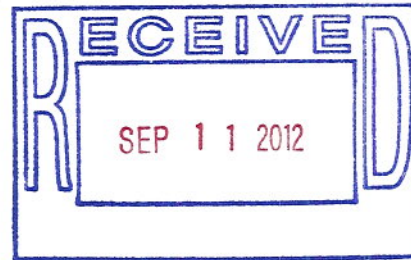


ORIGINAL

Main Pass Energy Hub LLC
1615 Poydras Street
New Orleans, Louisiana 70112

September 11, 2012

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



Re: Main Pass Energy Hub, LLC
Application for Long-Term Authorization to
Export Liquefied Natural Gas to Free Trade
Agreement Countries
Docket No. 12 ~~114~~-LNG


Dear Mr. Anderson:

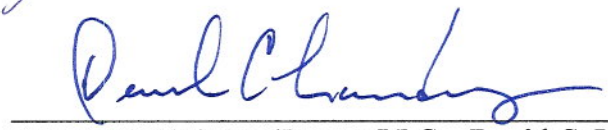
Main Pass Energy Hub LLC (the "Applicant") hereby submits for filing with the U.S. Department of Energy, Office of Fossil Energy, one original and 15 copies of its application for long-term authorization to export liquefied natural gas ("LNG"). In this application, Applicant is seeking multi-contract authorization to engage in exports of up to 24 million metric tons per year (equivalent to approximately 3.22 billion cubic feet of natural gas per day and 1,248 trillion btu per year) of LNG produced from domestic sources. The requested authorization would permit Applicant to export LNG to any country with which the United States has, or in future may have, a Free Trade Agreement requiring national treatment for trade in natural gas and LNG over a thirty-year period.

A check in the amount of \$50.00 is enclosed in payment of the applicable filing fee.

Please contact me if you have any questions regarding this application.

Respectfully submitted,


United LNG LLC - John Speer - Member
Main Pass Energy Hub, LLC


Freeport-McMoRan Energy LLC - David C. Landry - Member
Main Pass Energy Hub, LLC

September 11, 2012

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY



In the Matter of:)
Main Pass Energy Hub, LLC)

Docket No. 12 - 114 LNG

**APPLICATION OF MAIN PASS ENERGY HUB, LLC
FOR LONG-TERM AUTHORIZATION TO EXPORT
LIQUEFIED NATURAL GAS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”)¹ and Part 590 of the regulations of the U.S. Department of Energy (“DOE”)², Main Pass Energy Hub, LLC (the “Applicant”) submits this application (“Application”) for a long-term, multi-contract authorization to export up to 24 million metric tons per annum (“MTPA”) (equivalent to approximately 3.22 billion cubic feet of natural gas per day and 1,248 trillion btu per year)³ of liquefied natural gas (“LNG”) produced from domestic sources. Applicant seeks this authorization for a 30-year period commencing on the earlier of the date of first export or eight years from the date the requested authorization is granted.

In this Application, the Applicant seeks authorization to export domestically-produced LNG from existing and new facilities that it intends to modify, build, and operate, located in Federal waters in Main Pass Block 299, 16 miles offshore of Louisiana (“MPEH™ Deepwater Port”) to any country with which the U.S. has, or in the future may have, a Free Trade Agreement (“FTA”) requiring national treatment for trade in natural gas.⁴ Applicant is requesting this authorization both on its behalf and as agent for other parties who themselves hold title to the LNG at the time of export.

This Application is the first part of Applicant’s planned two-part export authorization request. Applicant will subsequently file a separate application with the DOE for long-term

¹ 15 U.S.C § 717b.

² 10 C.F.R. Part 590.

³ The proposed maximum export quantity of 24 MTPA, 1,248 trillion btu per year, equates to a daily maximum export rate of approximately 3.22 Bcf/d.

⁴ The countries that have such FTA’s with the U.S. include: Australia, Bahrain, Canada, Chile, Columbia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Peru, Republic of Korea, and Singapore.

authorization to export LNG to those countries with which the U.S. does not have an FTA and with which trade is not prohibited by U.S. law or policy.

This Application requests authority to export LNG only to countries with which the U.S. has, or in the future may have, an FTA. Accordingly, it is subject to review under the standard established in Section 201 of the Energy Policy Act of 1992,⁵ which amended Section 3(c) of the NGA. As amended, Section 3(c) of the NGA provides that applications, such as this one, that seek authorization to export LNG to FTA countries are “deemed to be consistent with the public interest.”⁶ Section 3(c) further requires that applications of this type “shall be granted without modification or delay.”⁷

In support of the Application, Applicant respectfully states the following:

I.

COMMUNICATION AND CORRESPONDENCE

Any notices, pleadings or other communications concerning this Application should be addressed to:

John Speer
Main Pass Energy Hub LLC
14627 Telge Rd
Cypress, TX 77429
(713) 249-8195
jspeer@unitedlng.com

David C. Landry
Main Pass Energy Hub LLC
1615 Poydras St
New Orleans, LA 70112
(504) 582-4880
Dave_Landry@fmi.com

The contact for any reports required in connection with the requested authorization is as follows:

David C. Landry
Main Pass Energy Hub LLC
1615 Poydras St
New Orleans, LA 70112
(504) 582-4880
Dave_Landry@fmi.com

⁵ Pub.L. 102-486

⁶ 15 U.S.C. 717b(c)

⁷ *Id.*

II.

DESCRIPTION OF THE APPLICANT

The exact legal name of the applicant is Main Pass Energy Hub, LLC, a limited liability company organized under the laws of Delaware. The principal place of business of Main Pass Energy Hub, LLC is 1615 Poydras Street, New Orleans, Louisiana 70112.

The Main Pass Energy Hub™ (MPEH™) facilities are currently owned by Freeport-McMoRan Energy, LLC (“FME”), a subsidiary of McMoRan Exploration Co. (“MMR”). FME holds the sulphur and salt lease on Main Pass Block 299, located in Federal waters offshore in the Gulf of Mexico. FME recently signed a Memorandum of Understanding (“MOU”) with United LNG, LLC (“ULNG”), a limited liability company organized under the laws of Delaware, for a proposed Joint Venture development of MPEH™ as an LNG export facility. This Joint Venture will operate as Main Pass Energy Hub, LLC (again, the “Applicant”). FME and ULNG each will own 50 percent of Main Pass Energy Hub, LLC. FME is a limited liability company organized under the laws of Delaware. The principal place of business of FME is 1615 Poydras Street, New Orleans, Louisiana 70112. ULNG is a limited liability company organized under the laws of Delaware. The principal place of business of ULNG is 5120 Woodway Drive, Suite 5004, Houston, Texas 77056.

III.

DESCRIPTION OF THE MPEH™ DEEPWATER PORT

The facility is located in approximately 210 feet of water at a deepwater site in the Gulf of Mexico (“GOM”) on the Outer Continental Shelf of the United States (“OCS”) approximately 16 miles offshore from southeast Louisiana at Main Pass Block 299 (“MP299”), specifically latitude 29°15’56” and longitude 88°45’34”. (Appendix C)

The proposed MPEH™ Deepwater Port LNG export project (the “Project”) would be configured to receive, store, condition, and liquefy domestic natural gas for export as LNG. The Project includes modification of existing offshore structures, construction of new facilities and salt storage caverns, and construction, installation, and operation of floating liquefaction storage and offloading (FLSO) vessels to be used for the on-site liquefaction and exportation of LNG from the MPEH™ Deepwater Port.

More specifically, the Project involves the utilization of five large existing interconnected platforms and three smaller satellite platforms. In addition to the existing facilities, the Project will consist of six FLSO vessels (Appendix D), each capable of producing up to 4 MTPA of LNG for a total capacity of 24 MTPA of LNG. Each FLSO unit will be moored using a buoy system at MPEH™ Deepwater Port and each unit will have an LNG storage capacity of 200,000 m³, will be capable of liquefaction, and will have the capability to export LNG to off-taking

LNG carriers utilizing a ship-to-ship process. Natural gas intake into the MPEH™ Deepwater Port will not exceed 4 Bcf/d.

MPEH™ was approved by the U.S. Maritime Administration (“MARAD”) in January 2007 as a Deepwater Port for the importation and regasification of LNG, conditioning of natural gas to produce NGLs, and storage of natural gas in salt caverns. The MPEH™ LNG import project underwent an extensive National Environmental Policy Act (“NEPA”) analysis that included a full Environmental Impact Statement as well as a review by other agencies including the U.S. Coast Guard (“USCG”), the Environmental Protection Agency (“EPA”), the Minerals Management Service (“MMS”, now reorganized as BOEM/BSEE), the U.S. Army Corps of Engineers (“USACE”), and the National Marine Fisheries Service (“NOAA Fisheries”), all of which resulted in a favorable Record of Decision for the project.

MPEH™ is located close to significant Gulf Coast natural gas production and numerous interstate pipelines and offshore gathering systems.

As demonstrated by the MARAD Record of Decision in January 2007, the offshore location offers safe and efficient access for vessel movements into and out of the terminal, well away from congested shipping lanes and onshore port locations.

MPEH™ offers an ideal format for the use of floating liquefaction vessels, accommodating the strategic concept of maintaining the flexibility to adapt import/export programs to changing domestic and global energy supply/demand balances.

IV.

DESCRIPTION OF EXPORT PROPOSAL

As stated in the introduction above, Applicant submits this Application for a long-term, multi-contract authorization to export up to 24 MTPA (equivalent to approximately 3.22 billion cubic feet of natural gas per day and 1,248 trillion btu per year) of LNG produced from domestic sources. Applicant seeks this authorization for a 30-year period commencing on the earlier of the date of first export or eight years from the date the requested authorization is granted.

In this Application, the Applicant seeks authorization to export domestically-produced LNG from the MPEH™ Deepwater Port” to any country with which the U.S. has, or in the future may have, an FTA requiring national treatment for trade in natural gas. Applicant is requesting this authorization both on its behalf and as agent for other parties who themselves hold title to the LNG at the time of export.

The project facilities would permit natural gas to be received by pipeline at the MPEH™ Deepwater Port, stored in natural gas salt caverns, liquefied on FLSO vessels, and loaded from those vessels onto LNG carriers for transport to the destination port.

The long-term authorization requested in this Application is necessary to permit Applicant to incur the substantial capital and other costs of developing the Project and to secure customer contracts. Terms for the use of the liquefaction and other offshore deepwater port facilities will be set forth in agreements with customers of the Project. These agreements are expected to be for terms of at least 20 years in length with options to extend and will run concurrently with Applicant's export authorization. Applicant has not yet entered into such agreements given that a long-term export authorization is required to finalize arrangements with prospective customers.

V.

EXPORT SOURCES

Applicant seeks authorization to export natural gas available from the U.S. natural gas supply and transmission network. As a result of the MPEH™ Deepwater Port's potential to access nine (9) major natural gas pipelines, and with indirect access to the entire national gas pipeline grid, the Project's customers will have a wide variety of stable and economical supply options from which to choose. The sources of natural gas for the Project will include the vast supplies available from the Gulf Coast producing regions, including recent discoveries of shale gas reserves. MPEH™ Deepwater Port is strategically located on the OCS of the Gulf of Mexico, a prolific and highly productive area. In the immediate vicinity of the MPEH™ Deepwater Port is approximately 3Bcf/d of pipeline capacity offshore as well as access to onshore pipeline networks. In addition, FME's parent company, McMoRan Exploration Co. (MMR), is one of the largest acreage holders on the OCS of the GOM which could provide sources of natural gas for the Project.

Supplementing traditional domestic production, emerging unconventional supply areas, such as the Barnett, Haynesville, Eagle Ford, and Bossier shale gas formations, represent very attractive sources of supply. Technological improvements in natural gas exploration, drilling, and production have resulted in significant reductions in the costs of developing shale resources, making significant shale gas production economically viable. Production from shale gas resources has contributed to a 24% increase in total U.S. dry natural gas production during the past five years.⁸ Shale gas production has increased by a factor of almost six from a nominal amount just five years ago (1 Tcf in 2004) to 30% of the total U.S. production in 2011 (6.6 Tcf of a total of 23 Tcf).⁹ Given the size of traditional natural gas resources in close proximity to the MPEH™ Deepwater Port, as well as rapid growth in emerging unconventional gas resources in

⁸ The 24% increase is derived from U.S. Energy Information Administration ("EIA") dry gas production information for 2006 and 2011, available on the EIA website: *See Natural Gas Gross Withdrawals and Production, EIA*, <http://www.eia.gov/dnav/ng/hist/n9070us2A.htm> (2012).

⁹ U.S. Energy Information Administration's Annual Energy Outlook 2012 (Early Release) data, available on the EIA website: <http://www.eia.gov/forecasts/aeo/er/excel/overview.fig02.data.xls>

the region, the Project's customers will have a diverse and reliable choice of alternative gas supplies.

VI.

REQUESTED AUTHORIZATION

The Applicant requests long-term authorization to export up to 24 MTPA of domestically produced LNG from the MPEH™ Deepwater Port. This authorization is requested for a 30-year term commencing on the earlier of the date of the first export or eight years from the date on which authorization is granted by the DOE. Applicant seeks authorization to export LNG to any country with which the U.S. has, or in the future may have, an FTA.

Applicant requests authorization to export LNG on its own behalf (by holding title to the LNG at the time of export) or by acting as an agent for others. To ensure that all exports are permitted and lawful under U.S. laws and policies, Applicant will comply with all DOE requirements for an exporter or agent. In Order No. 2986¹⁰, DOE approved a proposal to register each LNG title holder for whom the applicant sought to export LNG as agent. The applicant also proposed that this registration include a written statement by the title holder acknowledging and agreeing to comply with all applicable requirements included in its export authorization and to include those requirements in any subsequent purchase or sale agreement entered into by that title holder. The applicant further stated that it would file under seal with DOE any relevant long-term commercial agreements that it reached with the LNG title holders on whose behalf the exports were performed.

DOE found that this proposal was an acceptable alternative to the non-binding policy previously adopted in Order No. 2859¹¹ that title to all LNG authorized for export must be held by the authorization holder at the point of export. In approving the alternative approach, DOE required the applicant to ensure that the title holder was aware of all DOE requirements and to provide DOE with a record of all authorized exports and direct contact information with the LNG title holder.

Therefore, when acting as agent, Applicant will register with the DOE each LNG title holder for whom Applicant seeks to export as agent, and will provide DOE with a written statement by the title holder acknowledging and agreeing (i) to comply with all requirements in Applicant's long-term export authorization, and (ii) to include those requirements in any subsequent purchase or sale agreement entered into by the title holder. Applicant will also file under seal with DOE any relevant long-term commercial agreements it enters into with the LNG title holders on whose behalf the exports are performed.

¹⁰ *Freeport LNG Development, L.P.*, DOE/FE Order No. 2986 (2011).

¹¹ *Dow Chemical Company*, DOE/FE Order No. 2859 (2010).

In recent orders granting long-term authorizations to export LNG to FTA countries, the DOE has found that the applicants were not required to submit, with their applications, transaction-specific information, as specified in Section 590.202(b) of DOE's regulations.¹² DOE found that, given the stage of development for projects such as that described in this Application, it was appropriate for the applicants to submit additional specific information "when practicable" (i.e., when the contracts reflecting such information are executed). Applicant requests that the DOE make the same finding in this case to enable the Applicant to proceed with securing customer agreements and developing the required offshore deepwater port facilities.

VII.

STANDARD OF REVIEW

Section 3(c) of the NGA requires that applications for authorization to export natural gas, including LNG, to any nation "with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest" and "shall be granted without modification or delay."¹³ This Application, which clearly falls within the scope of Section 3(c), should be processed and approved in accordance with this standard.

VIII.

REVIEW OF ENVIRONMENTAL IMPACTS

The MPEH™ LNG import project underwent an extensive NEPA analysis that included a full Environmental Impact Statement as well as a review by other agencies including USCG, EPA, then-MMS, USACE, and NOAA Fisheries, all of which resulted in a favorable Record of Decision issued by MARAD for the offshore deepwater port project. Applicant is performing scoping studies to determine those Federal, state or local agencies that need to be involved and the incumbent additional studies that need to be performed in conjunction with the construction and modification of offshore platform facilities and the associated use of FLSO vessels for MPEH™ Deepwater Port.

Following DOE issuance of the long-term export authorization requested in this Application, Applicant will initiate the pre-filing review process at MARAD for the proposed offshore Project facilities. This will be the initial step in a complete supplemental environmental review of the Project by MARAD. It is anticipated that, consistent with the requirements of NEPA, MARAD (in coordination with the USCG) will act as the lead agency for environmental review, with DOE acting as a cooperating agency.

¹² See, e.g., *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833 (2010).

¹³ 15 U.S.C. 717b(c).

As set forth in 10 C.F.R. 590.204, Applicant reserves the right to amend or supplement this Application as necessary or appropriate.

Accordingly, Applicant respectfully requests that DOE issue an order approving the Application, with such approval subject to the environmental assessment and issuance of a license by MARAD for the MPEH™ Deepwater Port.

IX.

APPENDICES

The following appendices are included with this application:

Appendix A	Verification
Appendix B	Opinion of Counsel
Appendix C	Location Map
Appendix D	Project Layout

X.

CONCLUSION

For the reasons set forth above, Applicant respectfully requests that DOE issue an order granting Applicant authorization to export for a period of 30 years, up to 3.22 Bcf/d (equivalent to 24 MTPA and 1,248 Trillion Btu per year) of domestically-produced LNG to any country with which the U.S. has, or in the future may have, an FTA requiring national treatment for trade in natural gas.

Respectfully submitted,



United LNG - John Speer - Member
Main Pass Energy Hub, LLC



Freeport-McMoRan Energy LLC – David C. Landry – Member
Main Pass Energy Hub, LLC

Appendix A

**VERIFICATION
AND
CERTIFIED STATEMENT**

I, David C. Landry, being duly sworn on his oath, do hereby affirm that I am a duly authorized representative of Main Pass Energy Hub LLC; that I am familiar with the contents of this application; and that the matters set forth therein are true and correct to the best of my knowledge, information, and belief.

David C. Landry
David C. Landry

Sworn to and subscribed before me, a Notary Public, in and for the County of Iredell, this 11th day of September, 2012.

Susan A. Canup
Notary Public

Susan A Canup
NOTARY PUBLIC
Iredell County, NC

State of North Carolina County of Iredell
Subscribed and sworn before me on 9-11-12
(Date)
Susan A. Canup
(Notary Signature)

COPY



Appendix B

David M. Hunter
Not admitted in Alabama
Direct Dial: 504-582-8366
Direct Fax: 504-589-8366
dhunter@joneswalker.com

September 11, 2012

Mr. John Anderson
Office of 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: Main Pass Energy Hub, LLC
Application for Long-Term Authorization to
Export Liquefied Natural Gas to Free Trade
Agreement Countries (the "Application")

Dear Mr. Anderson:

This opinion is submitted pursuant to the requirements of Section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. 590.202(c) (2011). The undersigned is counsel to Main Pass Energy Hub, LLC. I have reviewed the corporate documents of Main Pass Energy Hub, LLC, and it is my opinion that the long-term export of liquefied natural gas, as described in the Main Pass Energy Hub, LLC application to the U.S. Department of Energy dated September 11, 2012, is within the limited liability company powers of Main Pass Energy Hub, LLC.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "David M. Hunter".

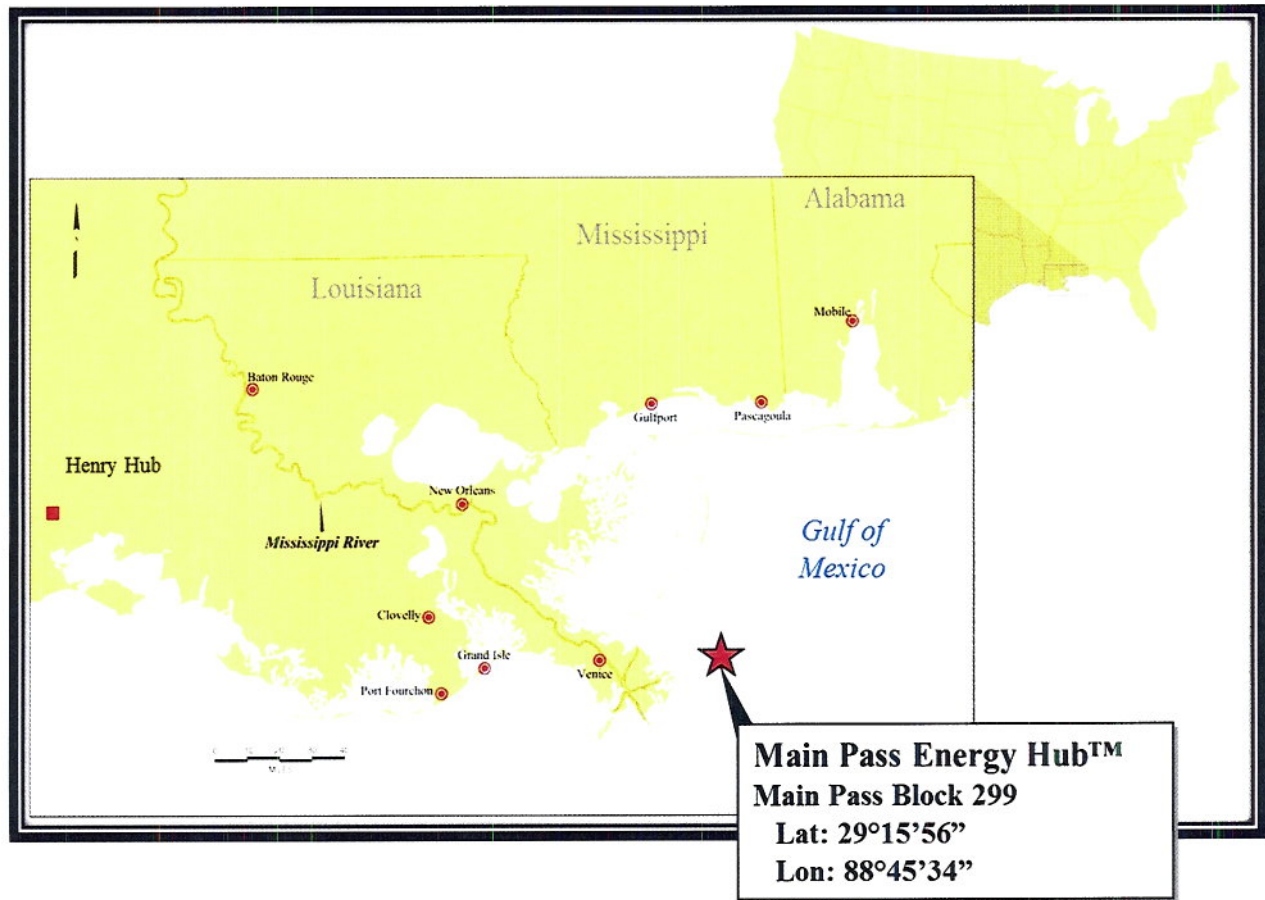
David M. Hunter
Counsel

{W0025902.1}

JONES, WALKER, WAECHTER, POITEVENT, CARRÈRE &
DENÈGRE L.L.P.

Appendix C

Location Map



Appendix D

Project Layout

Main Pass Energy Hub™

MPEH™ Deepwater Port Proposed LNG Export Project

