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November 29, 2012

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 Pangea LNG (North America) Holdings, LLC**  
**FE Docket No. 12-174LNG**  
**Application for Long-Term Authorization to Export Liquefied Natural Gas**  
**to Free Trade Agreement Countries**

Dear Mr. Anderson:

Enclosed for filing on behalf of Pangea LNG (North America) Holdings, LLC (“Pangea”), please find Pangea’s application for long-term, multi-contract authorization to engage in exports of up to 398.5 billion cubic feet per year of natural gas in the form of liquefied natural gas (“LNG”), which is the equivalent of approximately eight (8) million metric tonnes per annum and 410.5 trillion British thermal units per year (“Btu/y”) or 410,500,000 million Btu/y of natural gas.<sup>1</sup> Pangea seeks authorization for a 25-year term, commencing on the earlier of the date of first export or seven (7) years from the date the authorization is issued, to export LNG to any nation that currently has or develops the capacity to import LNG and with which the United States currently has, or in the future enters into, a Free Trade Agreement requiring the national treatment for trade in natural gas and LNG.

Should you have any questions about the foregoing, please feel free to contact the undersigned at 202-662-4555.



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Erik J.A. Swenson  
Tania S. Perez  
Rabeha Kamaluddin  
*Attorneys for Pangea LNG (North America)*  
*Holdings, LLC*

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<sup>1</sup> A check in the amount of \$50.00 is provided as the filing fee stipulated by 10 C.F.R. § 590.207 (2012).

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

**In The Matter Of:** )  
**Pangea LNG (North America) Holdings, LLC** )  
 )

**Docket No. 12-174-LNG**

**APPLICATION FOR LONG-TERM AUTHORIZATION  
TO EXPORT LIQUEFIED NATURAL GAS  
TO FREE TRADE AGREEMENT NATIONS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. § 717b (2006), and Part 590 of the Department of Energy’s (“DOE”) regulations, 10 C.F.R. Part 590 (2012), Pangea LNG (North America) Holdings, LLC (“Pangea”) hereby requests that DOE, Office of Fossil Energy (“FE”), grant long-term, multi-contract authorization for Pangea to engage in exports of up to 398.5 billion cubic feet per year (“Bcf/y”) of natural gas in the form of liquefied natural gas (“LNG”), which is the equivalent of approximately eight (8) million metric tonnes per annum (“MTPA”) and 410.5 trillion British thermal units per year (“Btu/y”) or 410,500,000 million Btu/y (“mmBtu/y”) of natural gas, for a 25-year term.<sup>1</sup> Pangea is seeking authorization, commencing on the earlier of the date of first export or seven (7) years from the date authorization is issued, to export LNG from its proposed South Texas LNG Export Project (“ST LNG Project”), to be located at the Port of Corpus Christi in Ingleside, Texas,<sup>2</sup> to any nation that currently has or develops the capacity to import LNG and with which the United

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<sup>1</sup> The volumetric conversion of natural gas to heat content in Btu is based upon a cubic foot to Btu factor of 1,030, which is representative of the characteristics of natural gas in the interstate pipelines of South Texas.

<sup>2</sup> The ST LNG Project site is located at Latitude (North): 27.8637000 - 27° 51’ 49.32’’ and Longitude (West): 97.2331000 - 97° 13’ 59.16’’. A locator map and additional graphical information showing the specific and relative location of the ST LNG Project site is attached hereto as Appendix A. Pangea has taken assignment of a Purchase Option Agreement granting Pangea the exclusive right to purchase the 550-acre ST LNG Project site from the current landowners, which include Hamilton-Ingleside Limited. See Appendix B.

States currently has, or in the future enters into, a Free Trade Agreement (“FTA”) requiring the national treatment for trade in natural gas and LNG.<sup>3</sup>

Pangea is seeking this export authorization in conjunction with its proposal to develop, own and operate the ST LNG Project.<sup>4</sup> The ST LNG Project will consist of both land-based and floating components and will include natural gas treatment, compression, liquefaction and storage facilities, as well as secondary facilities required to receive and liquefy natural gas, and to store and deliver LNG. The ST LNG Project will be capable of processing an average of approximately 398.5 Bcf/y (or approximately 1.09 Bcf per day) of pipeline-quality natural gas.

The ST LNG Project will be constructed in two (2) phases totaling eight (8) MTPA of LNG production. Each phase will be capable of producing 4 MTPA of LNG, storing approximately 250,000 cubic meters of LNG, and employ a closed-loop heat exchange system. Common facilities for both phases will include a control room, gas treatment facilities, natural gas fired back-up power generation, flare, and other ancillary systems. The marine facilities will include a single berth with standard Chiksan® marine loading arms.

Pangea, through its indirect majority shareholder, Daewoo Shipbuilding & Marine Engineering Co., Ltd. (“DSME”), has produced an extensive Preliminary Front End Engineering Design for an integrated floating liquefaction facility (the Levant project), which will be

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<sup>3</sup> Currently, the countries that have such FTAs with the U.S. include: Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Republic of Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru and Singapore.

<sup>4</sup> In addition to the DOE/FE authorization requested herein, Pangea intends to seek authorization to export LNG to those countries with which an FTA requiring the national treatment for trade in natural gas and LNG is not in effect and to which the export of LNG by vessel is not prohibited by U.S. law or policy (*i.e.*, non-FTA countries). In this regard, Pangea will file a separate application in the near term with DOE/FE requesting such authorization. Regulatory approval also must be obtained from the Federal Energy Regulatory Commission (“FERC”) under Section 3 of the NGA for the siting, construction and operation of the ST LNG Project. Pangea will initiate the process to obtain such authorization in Spring 2013 by requesting authorization from the Director of the Office of Energy Projects to commence the FERC’s mandatory National Environmental Policy Act pre-filing review process for the ST LNG Project. The potential environmental impact of the ST LNG Project, as well as the affiliated pipeline, will be reviewed by FERC in conjunction with that proceeding.

deployed 60 miles offshore of Israel to liquefy amounts similar to each of the two (2) phases of the proposed ST LNG Project. This design has obtained Det Norske Veritas's ("DNV") Classification "Approval in Principle."<sup>5</sup> With the foregoing experience for starters, Pangea is currently working with Chicago Bridge & Iron Company N.V. ("CB&I")<sup>6</sup> to optimize a layout utilizing the 550-acre site and the knowledge gained through the extensive engineering performed related to the Levant project. This optimization and final layout will take into account health, safety, and environment considerations, the desire to essentially double the LNG capacity through construction of two (2) identical phases, and site-specific weather conditions, such as hurricanes, in order to arrive at the best technical design for the ST LNG Project.

Through an approximately 27-mile-long pipeline ("ST Pipeline") to be developed by a Pangea affiliate, the ST LNG Project will interconnect with many of the more than nine (9) interstate and intrastate pipeline systems<sup>7</sup> crossed by the ST Pipeline allowing natural gas to be supplied through displacement or direct access from a wide variety of supply sources. The ST Pipeline will have a throughput capacity of at least 1.2 Bcf/d, which will be adequate to supply the ST LNG Project with both feed gas for liquefaction and natural gas required to fuel any gas-fired facilities, taking into account any losses or shrinkage.<sup>8</sup>

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<sup>5</sup> DNV is a leading classification society both within offshore classification and ship classification. Classification has gained global recognition as representing an adequate level of safety and performing approval and surveys.

<sup>6</sup> CB&I is one of the world's leading engineering, procurement and construction companies and a major process technology licensor.

<sup>7</sup> Among the pipelines crossed by the ST Pipeline are Tennessee, Transco, NGLP, Gulf South, Texas Eastern, KM Tejas, CrossTex, GulfTerra and Channel. The total estimated combined throughput of these nine (9) pipelines is approximately 4.4 Bcf/d. The specific interconnections with the ST Pipeline will be driven by customer demand for delivery/receipt points.

<sup>8</sup> Should there be demand for additional capacity on the ST Pipeline for uses not associated with the ST LNG Project, Pangea's affiliate will expand the total pipeline capacity to the extent required by FERC's rules for open-access interstate pipelines. This would ensure adequate capacity is available on the ST Pipeline for the ST LNG Project supply, as well as accommodate other unrelated uses.

In further support of its application, Pangea states as follows:

**I.**  
**COMPANY INFORMATION**

The exact legal name of Pangea is Pangea LNG (North America) Holdings, LLC. Pangea is a limited liability company organized under the laws of Delaware with its principal place of business located at 21 Waterway Avenue, Suite 550, The Woodlands, Texas 77380. Its telephone number is (713) 574-1880, and its fax number is (832) 426-1871. Pangea is a wholly owned subsidiary of Pangea LNG B.V., a Netherlands-based company that is developing floating LNG liquefaction and storage solutions around the globe. Pangea LNG B.V.'s ordinary shares are owned by DSME (70%), D&H Solutions AS (20%) and NextDecade International Coöperatief U.A. ("NextDecade International") (10%).

DSME is a South Korea-based company whose major shareholders consist of Korea Development Bank (31.27%) and Korea Asset Management Corporation (19.11%), with the remaining shares being widely-held (with no individual entities holding five (5) percent or more of DSME's shares).<sup>9</sup> D&H Solutions AS is a Norwegian-based joint venture company that is owned by Hemla II AS (50%) and DSME (50%). NextDecade International is a Netherlands-based cooperative and has six (6) individual investors from the United States, Spain and The Netherlands.

Consistent with an executed Letter of Intent, Pangea is working closely with Statoil North America, Inc. ("Statoil") on the development of the ST LNG Project. Statoil and Pangea are in active negotiations with respect to Statoil procuring up to a 50% equity stake in the ST LNG Project and utilizing up to 50% of the liquefaction and export capacity of the ST LNG Project.

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<sup>9</sup> Treasury shares comprise 1.2% of the total shares of DSME.

## **II.** **REQUESTED AUTHORIZATION**

Pangea requests long-term, multi-contract authorization to export up to 398.5 Bcf/y of natural gas in the form of LNG, which is the equivalent of approximately eight (8) MTPA, by vessel from the ST LNG Project to any nation with which the United States currently has, or in the future enters into, an FTA requiring the national treatment for trade in natural gas and LNG, for a 25-year term. Pangea requests that such authorization commence on the date of first export, with such first export to occur no later than seven (7) years following issuance of the authorization requested herein. Pangea is requesting this authorization in order to act on its own behalf and as agent for third parties.<sup>10</sup>

Pangea will file the long-term export contracts that are the subject of the authorization requested herein following execution of such agreements, which has yet to occur. The gas supply underlying these long-term contracts will come from various sources in the United States through the ST LNG Project's connection to the interstate and intrastate pipeline grid. This supply can be sourced in large volumes in the spot market or pursuant to long-term arrangements, for the account of Pangea or third-party customers. Through the planned ST Pipeline interconnections, natural gas can be obtained from vast reserves spread over a large portion of North America. Compression will be used as necessary to ensure that adequate gas flows can be achieved from the interconnected pipelines into the ST Pipeline and to the ST LNG Project at the delivery pressure required by the liquefaction process.

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<sup>10</sup> Pangea will comply with all DOE/FE requirements for exporters and agents, including the registration requirements as first established in *Freeport LNG Development, L.P.*, DOE/FE Order No. 2913 and most recently set forth in *CE FLNG, LLC*, DOE/FE Order No. 3193. See *Freeport LNG Development, L.P.*, DOE/FE Order No. 2913 (Feb. 10, 2011), *Errata Notice Correcting Footnote 9 in Order 2913 Issued 2/10/2009* (Feb. 17, 2011). See also *CE FLNG, LLC*, DOE/FE Order No. 3193 (Nov. 21, 2012).

In addition to the Eagle Ford and conventional South Texas production, which are in close proximity to the ST LNG Project, the planned ST Pipeline interconnects offer indirect access to the Marcellus, Haynesville, Woodford basins and other conventional Gulf Coast and North American production through displacement. In 2011, total annual domestic natural gas production was 23 trillion cubic feet and on the rise.<sup>11</sup> In view of these production levels, the demonstrated ability of the domestic gas industry to increase production,<sup>12</sup> and the vast size of the total gas reserves available in the United States<sup>13</sup> and Canada, all of which dwarf the ST LNG Project's natural gas needs, there is a great deal of certainty with respect to the adequacy of supply for the ST LNG Project. These conditions are expected to persist for the foreseeable future. For example, according to the U.S. Energy Information Administration's projections: "U.S. natural gas production grows by 1.0 percent per year, to 27.9 trillion cubic feet in 2035, more than enough to meet domestic needs for consumption, which allows for exports."<sup>14</sup> Given the large supply and increased production of domestic natural gas, the proposed exports are not anticipated to have any meaningful impact on the availability of natural gas in the United States as a whole, or, in particular, the Gulf Coast region.

Pursuant to the Energy Policy Act of 1992, applications for authorization to export natural gas and LNG to nations with which the United States has an FTA requiring the national treatment for trade in natural gas and LNG are deemed to be in the public interest and must be

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<sup>11</sup> U.S. Energy Information Administration, Annual Energy Outlook 2012 Early Release (Jan. 2012), *available at* <http://www.eia.gov/forecasts.aeo/er/excel/overview.fig02.data.xls>.

<sup>12</sup> *See, generally*, U.S. Energy Information Administration, Annual Energy Outlook 2012, at p. 3 (June 2012), *available at* <http://www.eia.gov/forecasts/aeo/>.

<sup>13</sup> The U.S. Energy Information Administration's Annual Energy Outlook 2012 employs as its reference case estimated proved and unproved shale gas resources of 542 trillion cubic feet, out of a total U.S. resource of 2,203 trillion cubic feet. *Id.* at p. 93.

<sup>14</sup> *Id.* at p. 92.

granted without modification or delay.<sup>15</sup> DOE/FE has consistently found that, in light of its statutory obligation, there is no need for it to engage in an analysis of factors affecting the public interest in acting on such applications. In this regard, in *Jordan Cove Energy Project, L.P.*, DOE/FE noted that its authority under NGA Section 3(c), as amended by the Energy Policy Act of 1992, is limited to two (2) areas: “(1) to ensure that applications are filed with sufficient information to confirm that the applicant is engaged in a meaningful (*i.e.*, not frivolous) effort to undertake natural gas export or import activities, and (2) to provide in any order granting a section 3(c) application that the applicant will report its export or import activities in sufficient detail to enable DOE to monitor import and export activities.”<sup>16</sup> Accordingly, Pangea is not submitting a detailed public interest analysis in support of this application, but nonetheless notes that, as discussed above, it is evident from the current supply/demand balance of natural gas in the United States that its request for authorization to export domestic natural gas production from the ST LNG Project is in the public interest.

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<sup>15</sup> See 15 U.S.C. §717b. See also *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833 (Sept. 7, 2010); *Jordan Cove Energy Project, L.P.*, DOE/FE Order No. 3041 (Dec. 7, 2011); *Carib Energy (USA) LLC*, DOE/FE Order No. 2993 (July 27, 2011).

<sup>16</sup> *Jordan Cove Energy Project, L.P.*, DOE/FE Order No. 3041 at pp. 8-9 (Dec. 7, 2011).



**III.**  
**APPLICANT CONTACT INFORMATION**

All correspondence and communications concerning this application, including all service of pleadings and notices, should be directed to the following persons:<sup>17</sup>

John Godbold  
Project Director  
Pangea LNG (North America) Holdings, LLC  
21 Waterway Avenue  
Suite 550  
The Woodlands, TX 77380  
Telephone & Facsimile: (713) 574-1211  
Email: jgodbold@pangeaLNG.nl

Erik J.A. Swenson  
Rabeha Kamaluddin  
Fulbright & Jaworski L.L.P.  
801 Pennsylvania Avenue, NW  
Washington, D.C. 20004  
Telephone: (202) 662-4555  
Facsimile: (202) 662-4643  
Email: eswenson@fulbright.com  
Email: rkamaluddin@fulbright.com

Ray Eisbrenner  
Project Administration  
Pangea LNG (North America) Holdings, LLC  
21 Waterway Avenue  
Suite 550  
The Woodlands, TX 77380  
Telephone & Facsimile: (832) 426-1871  
Email: reisbrenner@pangeaLNG.nl

Tania S. Perez  
Fulbright & Jaworski L.L.P.  
666 Fifth Avenue  
New York, NY 10103  
Telephone: (212) 318-3147  
Facsimile: (212) 318-3400  
Email: tperez@fulbright.com

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

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<sup>17</sup> Pangea requests waiver of Section 590.202(a) of DOE's regulations, 10 C.F.R. § 590.202(a), to the extent necessary to include outside counsel on the official service list in this proceeding.

**IV.**  
**REPORT CONTACT (MONTHLY REPORTS) INFORMATION**

The report contact is as follows:

John Godbold  
Project Director  
Pangea LNG (North America) Holdings, LLC  
21 Waterway Avenue  
Suite 550  
The Woodlands, TX 77380  
Telephone & Facsimile: (713) 574-1211  
Email: jgodbold@pangeaLNG.nl

**V.**  
**MISCELLANEOUS**

Pangea requests secondary distribution of the order by email. DOE/FE should communicate with Pangea by email, telephone, and fax.

The \$50.00 application fee is submitted herewith along with a signed Opinion of Counsel included as Appendix C.

**VI.**  
**APPENDICES**

The following appendices are included with this Application:

Appendix A Locator Map and Project Location Information

Appendix B Assignment of Purchase Option Agreement and Memorandum of Option


Appendix C Opinion of Counsel

Appendix D Verification

**VII.**  
**CONCLUSION**

For the foregoing reasons, Pangea respectfully requests that DOE/FE grant it long-term, multi-contract authorization to export up to 398.5 Bcf/y of natural gas in the form of LNG, which is the equivalent of approximately eight (8) MTPA, for a 25-year term commencing the date of first export, with such first export to occur no later than seven (7) years following issuance of the authorization requested herein, on an expedited basis in accordance with the standard established by the NGA, as amended by the Energy Policy Act of 1992. Pangea is requesting this authorization in order to act on its own behalf and in order to act on behalf of or as agent for third parties.

Respectfully submitted,

  
\_\_\_\_\_  
Erik J.A. Swenson  
Tania S. Perez  
Rabeha Kamaluddin  
*Attorneys for*  
*Pangea LNG (North America)*  
*Holdings, LLC*

Dated: November 29, 2012

**APPENDIX A**

**LOCATOR MAP AND PROJECT LOCATION INFORMATION**

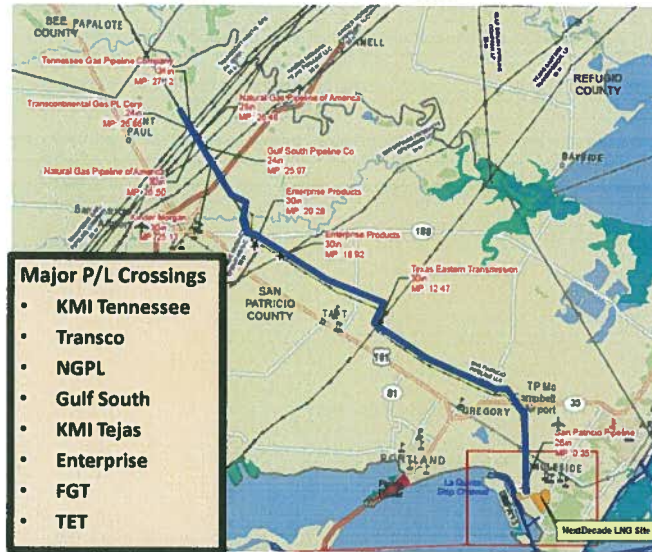






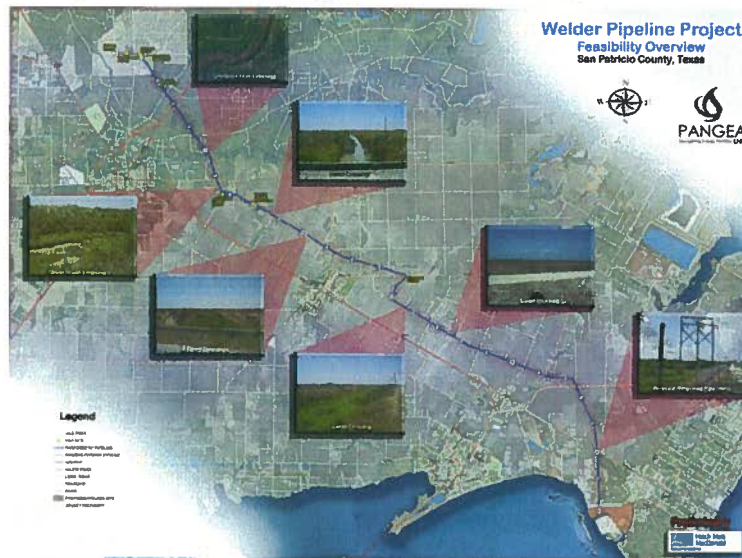
# Proposed Pangea Pipeline Route

Approximately 27 Miles: Accesses Major Pipelines



- Major P/L Crossings**
- KMI Tennessee
  - Transco
  - NGPL
  - Gulf South
  - KMI Tejas
  - Enterprise
  - FGT
  - TET

# Proposed Pipeline Route



**APPENDIX B**

**ASSIGNMENT OF PURCHASE OPTION AGREEMENT  
AND MEMORANDUM OF OPTION**



## ASSIGNMENT OF PURCHASE OPTION AGREEMENT

THIS ASSIGNMENT OF PURCHASE OPTION AGREEMENT (this "*Assignment*"), is executed as of the 25<sup>th</sup> day of October, 2012, by and among NEXT DECADE, LLC, a Delaware limited liability company ("*Assignor*"), and PANGEA LNG (NORTH AMERICA) HOLDINGS, LLC, a Delaware limited liability company ("*Assignee*"). All capitalized terms used herein which are not otherwise defined herein shall have the meanings ascribed to them in the Option Agreement (as such term is defined below).

### RECITALS:

WHEREAS, Assignor and Hamilton-Ingleside Limited, David Edwards, Trustee of the Edwards 1976 Trust "A", George J. Carson Jr., Successor Trustee of the Edwards 1976 Trust "B", Ford-Powers Family Properties, Ltd., and Ford-Allen Family Properties, Ltd. (collectively, "*Seller*"), have entered into that certain Purchase Option Agreement dated May 30, 2012, as amended by that Amendment to Purchase Option Agreement dated September 28, 2012 (as amended, the "*Option Agreement*"), for the option to purchase the property described in the Option Agreement.

WHEREAS, Assignor and Assignee desire to enter into this Assignment to evidence Assignor's assignment of its right, title and interest in the Option Agreement to Assignee and to evidence Assignee's assumption of Assignor's obligations and liabilities under the Option Agreement.

### AGREEMENTS:

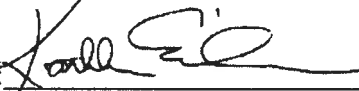
NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignor hereby assigns to Assignee all of Assignor's right, title and interest in and to the Option Agreement.
2. Assignee hereby accepts such transfer of Assignor's rights and hereby assumes all obligations of Assignor under the Option Agreement.
3. This Assignment may be executed in multiple counterparts which, when taken together, shall be considered one and the same document.

[Signatures to follow]

**ASSIGNOR:**

**NEXT DECADE, LLC,**  
a Delaware limited liability company

By:   
Name: Kathleen Eisbrenner  
Title: CEO

**ASSIGNEE:**

**PANGEA LNG (NORTH AMERICA)  
HOLDINGS, LLC,**  
a Delaware limited liability company

By:   
Name: Kathleen Eisbrenner  
Title: CEO

**JOINDER:**


Seller hereby joins in this assignment to evidence its consent to the assignment set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this agreement effective as of the date first set forth above.

**SELLER:**

**HAMILTON-INGLESIDE LIMITED**

By: DWH Management Company, LC,  
Its General Partner

By:   
Richard Thomas, Manager

**EDWARDS 1976 TRUST "A"**


By:   
David Edwards, Trustee

**EDWARDS 1976 TRUST "B"**

By: \_\_\_\_\_  
George J. Carson, Jr., Successor Trustee

**FORD-POWERS FAMILY  
PROPERTIES, LTD.**

By: Ford-Powers Family Management Co.,  
LLC,  
Its General Partner

By:   
Edmond J. Ford, Jr., Manager

**JOINDER:**

Seller hereby joins in this assignment to evidence its consent to the assignment set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this agreement effective as of the date first set forth above.

**SELLER:**

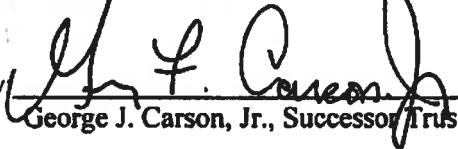
**HAMILTON-INGLESIDE LIMITED**  
By: DWH Management Company, LC,  
Its General Partner

By: \_\_\_\_\_  
Richard Thomas, Manager

**EDWARDS 1976 TRUST "A"**

By: \_\_\_\_\_  
David Edwards, Trustee

**EDWARDS 1976 TRUST "B"**

By:  \_\_\_\_\_  
George J. Carson, Jr., Successor Trustee


**FORD-POWERS FAMILY  
PROPERTIES, LTD.**

By: Ford-Powers Family Management Co.,  
LLC,  
Its General Partner

By: \_\_\_\_\_  
Edmond J. Ford, Jr., Manager

**FORD-ALLEN FAMILY PROPERTIES,  
LTD.**

By: Ford-Allen Family Management Co.,  
LLC,  
Its General Partner

By:   
Edmond J. Ford, Jr., Manager



**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**MEMORANDUM OF OPTION**

STATE OF TEXAS                    §  
  §  
COUNTY OF SAN PATRICIO       §

This Memorandum of Option is executed pursuant to a certain Purchase Option Agreement dated effective May 30, 2012 (the "*Option Agreement*"), by and between HAMILTON-INGLESIDE LIMITED, a Texas limited partnership, whose address is 1014 Santa Fe Street, Corpus Christi, Texas 78404; DAVID EDWARDS, Trustee of the 1976 Edwards Trust "A", whose address is P.O. Box 459, Sinton, Texas 78387; GEORGE J. CARSON, JR., Successor Trustee of the 1976 Edwards Trust "B", whose address is 315 Earl Garrett Street, Kerrville, Texas 78028; FORD-POWERS FAMILY PROPERTIES, LTD., a Texas limited partnership, whose address is 4225 Avalon, Corpus Christi, Texas 78412; and FORD-ALLEN FAMILY PROPERTIES, LTD., a Texas limited partnership, whose address is 4225 Avalon, Corpus Christi, Texas 78412 (collectively, "*Seller*"), and NEXT DECADE, LLC, a Delaware limited liability company, whose address is 21 Waterway Avenue, Suite 300, The Woodlands, Texas 77380 ("*Buyer*"). This Memorandum of Option and the Option Agreement constitute an agreement concerning the surface, including use of the surface for mineral development, of that certain real property located in Ingleside, San Patricio County, Texas, as more particularly described on Exhibit "A" attached hereto and incorporated herein by reference, together with all of Seller's right, title and interest appurtenant to such land (the "*Property*").

Seller hereby grants, for valuable consideration described in the Option Agreement, to Buyer the exclusive right and option to buy the Property at the price and under the terms and conditions described in the Option Agreement.

This Memorandum of Option Agreement may be executed in multiple counterparts, each of which will be considered an original for all purposes, and the signature pages from such counterparts may be attached to a single instrument for recording purposes.

*[Signatures appear on following page.]*

Executed as of the dates of acknowledgment below, but effective for all purposes as of the 30th day of May, 2012.

**SELLER:**

**HAMILTON-INGLESIDE LIMITED**

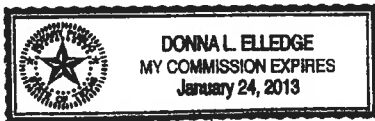
By: DWH Management Company, LC,  
Its General Partner

By: *Richard Thomas*  
Richard Thomas, Manager

STATE OF TEXAS §


COUNTY OF NUECES §

This instrument was acknowledged before me this the 8<sup>th</sup> day of June, 2012, by Richard Thomas, Manager of DWH Management Company, LC, General Partner of **Hamilton-Ingleside Limited**, a Texas limited partnership, on behalf of said partnership.



*Donna L. Elledge*  
Notary Public, State of Texas

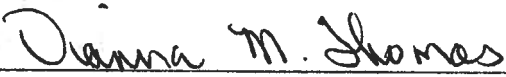
**EDWARDS 1976 TRUST "A"**

By:   
David Edwards, Trustee

STATE OF TEXAS §

COUNTY OF NUECES §

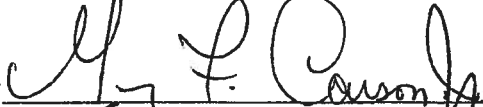
This instrument was acknowledged before me this the 6<sup>th</sup> day of JUNE, 2012, by David Edwards, Trustee of the **Edwards 1976 Trust "A"**, on behalf of said trust.

  
Notary Public, State of Texas





**EDWARDS, 1976 Trust "B"**

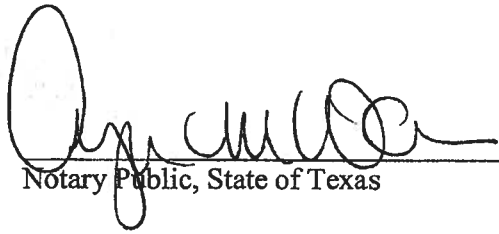
By:   
George F. Carson, Jr., Successor Trustee

STATE OF TEXAS §

COUNTY OF Keel §

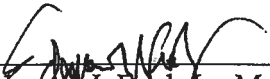
This instrument was acknowledged before me this the 11<sup>th</sup> day of June, 2012, by George F. Carson, Jr., Successor Trustee of the **Edwards 1976 Trust "B"**, on behalf of said trust.



  
Notary Public, State of Texas

**FORD-POWERS FAMILY PROPERTIES, LTD.**

By: Ford-Powers Family Management Co., LLC,  
Its General Partner

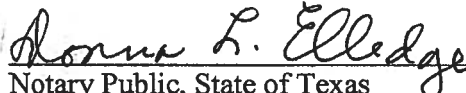
By:   
Edmond J. Ford, Jr., Manager

STATE OF TEXAS §

COUNTY OF NUECES §

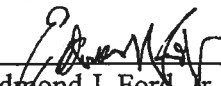
This instrument was acknowledged before me this the 14<sup>th</sup> day of June, 2012, by Edmond J. Ford, Jr., Manager of Ford-Powers Family Management Co., LLC, General Partner of **Ford-Powers Family Properties, Ltd.**, a Texas limited partnership, on behalf of said partnership.



  
Notary Public, State of Texas

**FORD-ALLEN FAMILY PROPERTIES, LTD.**

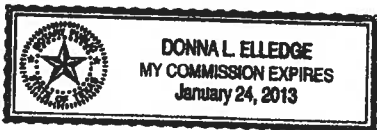
By: Ford-Allen Family Management Co., LLC,  
Its General Partner

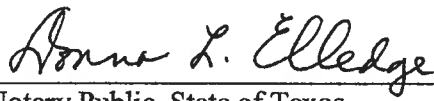
By:   
Edmond J. Ford, Jr., Manager

STATE OF TEXAS §

COUNTY OF NUECES §

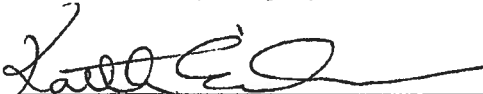
This instrument was acknowledged before me this the 14<sup>th</sup> day of June, 2012, by Edmond J. Ford, Jr., Manager of Ford-Allen Family Management Co., LLC, General Partner of **Ford-Allen Family Properties, Ltd.**, a Texas limited partnership, on behalf of said partnership.



  
Notary Public, State of Texas

**BUYER:**

**NEXT DECADE, LLC,**  
a Delaware limited liability company

By:   
Kathleen Eisbrenner, Chief Executive Officer

STATE OF Texas §

COUNTY OF Montgomery §

This instrument was acknowledged before me this the 12 day of July, 2012, by Kathleen Eisbrenner, Chief Executive Officer of **Next Decade, LLC**, a Delaware limited liability company, on behalf of said company.



Christine Marie Coit  
Notary Public, State of Texas  
My Commission Expires: 11-17-15

## EXHIBIT "A"

### Property Description

Attached to and made a part of that certain Memorandum of Option dated effective May 30, 2012, by and between Hamilton-Ingleside Limited, et al, as Seller, and Next Decade, LLC, as Buyer, covering 552.087 acres of land, more or less, San Patricio County, Texas, and more particularly described as follows:

Fieldnotes for a 552.087 acre tract out of the R.H. Welder 1229.47 acre tract and also being out of the T.T. Williamson Survey, Abstract 292, the T.T. Williamson Survey, Abstract 294, the T.T. Williamson Survey, Abstract 295, the Day Land & Cattle Company Survey, Abstract 387, the Hatch Bros. Survey, Abstract 163 and the R.S. Williamson Survey, Abstract 283, all in San Patricio County, Texas;

Beginning at a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for the northeast corner of the 1229.47 acre R.H. Welder Tract and for the northeast corner of this tract, from which corner a NGS concrete monument with brass disc stamped "Donnel 1933" bears South  $70^{\circ}12'53''$  West, a distance of 8474.30 feet;

Thence, South  $01^{\circ}04'09''$  East (record=South  $01^{\circ}05'09''$  East), with the east boundary of said 1229.47 acre tract, same being the east boundary of this tract, at 710.00 feet pass a 5/8 inch iron rod with cap stamped "J.L.BRUNDRETT JR., R.P.L.S. 2133" found on line, at 843.39 feet a found 5/8 inch iron rod bears North  $88^{\circ}55'51''$  East 0.12 feet, in all a total distance of 1400.90 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set on the westerly boundary of 100 foot wide F.M. Highway 1069 for a corner of this tract and for the beginning of a circular curve to the left;

Thence, with said circular curve turning to the left, same being the westerly boundary of said FM 1069 and the east boundary of this tract, whose radius point bears South  $81^{\circ}54'24''$  East, and which has a delta angle of  $09^{\circ}41'02''$ , a radius of 1960.08 feet, a tangent length of 330.89 feet and an arc length of 331.28 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for the end of this circular curve to the left and for a corner of this tract;

Thence, South  $01^{\circ}35'26''$  East, continuing with the west boundary of FM 1069 and the east boundary of this tract, a distance of 524.73 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for the beginning of a circular curve to the right and for a corner of this tract;

Thence, with said circular curve turning to the right, whose radius point bears South  $87^{\circ}32'48''$  West, and which has a delta angle of  $10^{\circ}46'18''$ , a radius of 2033.68 feet, a tangent length of 191.73 feet and an arc length of 382.33 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for the end of this circular curve to the right and for a corner of this tract;

Thence, South  $09^{\circ}30'32''$  West, continuing with the west boundary of FM 1069 and the east boundary of this tract, a distance of 592.82 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for the beginning of a circular curve to the right and for a corner of this tract;

Thence, with said circular curve turning to the right, whose radius point bears North  $81^{\circ}01'49''$  West, and which has a delta angle of  $09^{\circ}24'35''$ , a radius of 1860.08 feet, a tangent length of 153.09 feet and an arc length of 305.48 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for the end of this circular curve to the right and for a corner of this tract;

Thence, South  $18^{\circ}27'54''$  West, continuing with the west boundary of FM 1069 and the east boundary of this tract, a distance of 1085.75 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for the beginning of a circular curve to the right and for a corner of this tract;

Thence, with said circular curve turning to the right, whose radius point bears North  $71^{\circ}29'30''$  West, and which has a delta angle of  $16^{\circ}07'07''$ , a radius of 867.19 feet, a tangent length of 122.79 feet and an arc length of 243.96 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for the end of this circular curve to the right and for a corner of this tract ;

Thence, South  $34^{\circ}29'47''$  West, continuing with the west boundary of FM 1069 and the east boundary of this tract, a distance of 324.62 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for a corner of this tract;

Thence, South  $34^{\circ}38'43''$  West, a distance of 47.30 feet 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set the beginning of a circular curve to the left and for a corner of this tract;

Thence, with said circular curve turning to the left, whose radius point bears South  $55^{\circ}23'57''$  East, and which has a delta angle of  $19^{\circ}05'34''$ , a radius of 1046.87 feet, a tangent length of 176.06 feet and an arc length of 348.85 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for the end of this circular curve to the left and for a corner of this tract;

Thence, South  $15^{\circ}33'37''$  West, continuing with the west boundary of FM 1069 and the east boundary of this tract, a distance of 417.76 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for a corner of this tract;

Thence, South  $15^{\circ}48'51''$  West, continuing with the west boundary of FM 1069 and the east boundary of this tract, a distance of 245.09 feet (record=259.72 feet) to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for the southeast corner of this tract;

Thence, North 78°21'08" West, with the south boundary of this tract, a distance of 650.38 feet (record=650.05 feet) to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for a corner of this tract;

Thence, North 36°04'50" West (record=North 36°05'03" West), continuing with the south boundary of this tract, at 89.24 feet pass a found concrete monument with brass disc stamped "Kiewit", in all a total distance of 5045.90 feet (record=5045.83 feet) to a concrete monument with brass disc stamped "Kiewit" found for a corner of this tract;

Thence, South 64°47'25" West (record=South 64°47'12" West), continuing with the southerly boundary of this tract, at 3143.00 feet pass a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set on line for reference, in all a total distance of 3362.00 feet (record=3361.83 feet) for the southwest corner (no monumentation found or set) of this tract;

Thence, North 23°45'14" West, with the westerly boundary of this tract, at 418.12 feet pass the aforementioned NGS monument "Donnel 1933", in all a total distance of 2434.23 feet for the southwest corner of the 119.00 acre Helix Energy Tract and for the northwest corner (no monumentation found or set) of this tract;

Thence, North 88°14'51" East, with the south boundary of said 119.00 acre tract, same being the north boundary of this tract, at 240.00 feet pass a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set on line for reference, in all a total distance of 6797.38 feet (record=6796.97 feet) to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set for the southeast corner of said 119.00 acre tract and for a corner of this tract;

Thence, North 01°45'09" West, with the east boundary of said 119.00 acre tract, same being the northerly boundary of this tract, a distance of 750.00 feet to a 5/8 inch iron rod with red plastic cap stamped "URBAN ENGR C.C. TX" set on the north boundary of the aforementioned 1229.47 acre R.H. Welder Tract for the northeast corner of said 119.00 acre tract and for a corner of this tract;

Thence, North 88°14'51" East, with the north boundary of said 1229.47 acre R.H. Welder Tract, same being the north boundary of this tract, at 1634.74 feet a found 5/8 inch iron bears North 01°45'09" West 0.26 feet, at 1992.40 feet a found 5/8 inch iron bears North 01°45'09" West 1.52 feet, in all a total distance of 2017.57 feet to the Point of Beginning and containing 552.087 acres of land.

Description prepared from previous surveys and a current on the ground survey. Bearings based on GPS bearings, NAD83, Texas South Zone. National Geodetic Survey monument "Donnell 1933" (North coordinate = 17,203,255.6480 East coordinate = 1,390,990.0410) was used as control point. Coordinates shown are based on Texas State Plane Coordinate System, South Zone (NAD83).

**FILED AND RECORDED**  
**OFFICIAL PUBLIC RECORDS**

*Gracie Alaniz-Gonzales*

Gracie Alaniz-Gonzales, County Clerk  
San Patricio Texas

August 31, 2012 11:53:17 AM

FEE: \$52.00  
MEM OF OPTION

620811



**APPENDIX C**

**OPINION OF COUNSEL**



# COGAN & PARTNERS LLP

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Houston, Texas 77002

www.coganpartners.com  
T: 713.651.1881 F: 713.651.1888

November 28, 2012

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

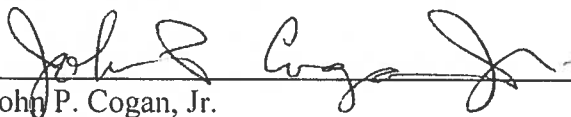
Re: Pangea LNG (North America) Holdings, LLC  
FE Docket No. 12- -LNG  
Application for Long-Term, Multi-Contract Authorization to Export Liquefied  
Natural Gas to Free Trade Agreement Countries

Dear Mr. Anderson:

This opinion of counsel is provided in accordance with the requirements of Section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2012). I have examined the organizational and governance documents of Pangea LNG (North America) Holdings, LLC, a Delaware limited liability company ("Pangea"), and other documents and authorities as necessary for purposes of this opinion. On the basis of the foregoing, it is my opinion that the proposed long-term, multi-contract export of liquefied natural gas by Pangea, as described in the above-referenced application, is within the limited liability company powers of Pangea.

Respectfully submitted,

COGAN & PARTNERS LLP

  
\_\_\_\_\_  
John P. Cogan, Jr.  
Counsel for Pangea LNG (North America)  
Holdings, LLC

JPCjr/lw

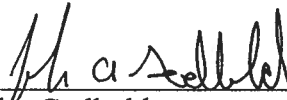
## **APPENDIX D – VERIFICATION**

**UNITED STATES OF AMERICA DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

**VERIFICATION**

John Godbold, first being sworn, states that he is Project Director for Pangea LNG (North America) Holdings, LLC with responsibility for the proposed South Texas LNG Export Project; that he is duly authorized to execute this Verification; that he has read the foregoing filing and is familiar with the contents thereof; and that all of the statements of fact therein contained are true and correct to the best of his knowledge and belief.



\_\_\_\_\_  
John Godbold  
On behalf of  
Pangea LNG (North America) Holdings, LLC

DISTRICT OF COLUMBIA )

Subscribed and sworn to before me on this 29<sup>th</sup> day of November 2012, by John Godbold proved to me on the basis of satisfactory evidence to be the person who appeared before me.



NOTARY PUBLIC SIGNATURE

NOTARY PUBLIC SEAL

**SHARON ALLEN RASHEED**  
NOTARY PUBLIC DISTRICT OF COLUMBIA  
My Commission Expires August 14, 2017

