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August 7, 2013

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


**Re: *ConocoPhillips Company*, FE Docket No. 13- 97 -LNG
Application for Blanket Authorization to Export Liquefied Natural Gas
on a Short-Term Basis**

Dear Mr. Anderson:

Pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, and Part 590 of the regulations of the Department of Energy, 10 C.F.R. Part 590 (2013), ConocoPhillips Company hereby files an original and fifteen (15) copies of the enclosed Application for Blanket Authorization to Export Liquefied Natural Gas on a Short-Term Basis. The application specifically seeks to renew the blanket re-export authorization that was granted to ConocoPhillips Company in Order No. 3038, which expires on November 29, 2013. *See ConocoPhillips Company*, FE11-109-LNG, DOE/FE Order No. 3038 (Nov. 22, 2011). An electronic copy of the application is provided on the enclosed compact disk and a check in the amount of \$50 is being provided as the filing fee stipulated by 10 C.F.R. § 590.207 (2013). Four (4) extra copies of the application are provided to be date-time stamped and returned with our messenger.

Thank you for your attention to this matter. If you have any questions regarding this filing, please contact the undersigned at (202) 429-8801.

Respectfully submitted,



Douglas F. John
Matthew T. Rick
Attorneys for ConocoPhillips Company

Enclosures

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

In the Matter of:

CONOCOPHILLIPS COMPANY

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Docket No. 13-__-LNG

**APPLICATION OF CONOCOPHILLIPS COMPANY
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 (2013), ConocoPhillips Company (“ConocoPhillips”) hereby submits this application to the DOE, Office of Fossil Energy (“DOE/FE”) for an order granting it blanket authorization to export liquefied natural gas (“LNG”) that has previously been imported into the United States (“U.S.”) from foreign sources in an amount up to the equivalent of 500 billion cubic feet (“Bcf”) of natural gas on a cumulative basis over a twenty-five month period commencing on November 30, 2013 and ending on December 31, 2015.¹ ConocoPhillips seeks authorization to export this volume of LNG on a short-term or spot market basis from LNG terminal facilities owned by Freeport LNG Development, L.P. (“Freeport LNG”) on Quintana Island, Texas, 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. ConocoPhillips is not requesting authorization to re-export LNG to those countries with which trade is prohibited by Federal law or policy, or to export domestically-produced LNG. Good cause exists to grant the requested authorization for the reasons set forth below.

¹ As explained in Section III below, this period coincides with the term of a commercial terminaling arrangement relating to the blanket authorization requested herein. November 30, 2013 is the date following the date upon which ConocoPhillips’ current LNG re-export authorization is scheduled to expire.

I. COMMUNICATIONS

Communications and correspondence concerning this filing should be directed to the following:

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Pursuant to the requirements of 10 C.F.R. § 90.103(a) (2013), ConocoPhillips hereby certifies that the persons listed above and undersigned are its duly authorized representatives.

II. DESCRIPTION OF APPLICANT

The exact legal name of applicant is ConocoPhillips Company. ConocoPhillips is a Delaware corporation with its executive offices located at 600 North Dairy Ashford, Houston, Texas, 77079. ConocoPhillips is an independent producer and seller of natural gas that imports LNG into the U.S. and exports foreign-sourced LNG from the U.S.

ConocoPhillips has been granted the authority to export LNG to Canada and Mexico by vessel, and to import LNG from various international sources by vessel, up to a combined total of the equivalent of 500 Bcf of natural gas pursuant to transactions that have terms of no longer than two years. The currently-effective version of such authorization was granted by Order No. 2978 and extends for a two-year term that commenced on August 30, 2011 and ends on August 29, 2013.² On June 18, 2013, DOE/FE issued Order No. 3296 and extended the term of such

² *ConocoPhillips Company*, FE11-78-LNG, DOE/FE Order No. 2978 (Jul. 8, 2011).

authorization for an additional two-year period commencing on August 30, 2013 and ending on August 29, 2015.³

ConocoPhillips has also been granted the authority to export LNG that has previously been imported from foreign sources in an amount up to the equivalent of 500 Bcf of natural gas on a cumulative basis over a two-year period. The currently-effective version of that authorization was granted by Order No. 3038 and extends for a two-year term that commenced on November 30, 2011 and ends on November 29, 2013.⁴ The authorization permits ConocoPhillips to export previously-imported LNG on a short-term or spot market basis from terminal facilities owned by Freeport LNG on Quintana Island, Texas, 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. The re-export authorization extends to LNG supplies imported from foreign sources to which ConocoPhillips holds title, as well as to LNG supplies imported from foreign sources that ConocoPhillips may export on behalf of other entities who themselves hold title. ConocoPhillips is not authorized to export LNG to those countries with which trade is prohibited by Federal law or policy, or to export domestically-produced LNG.

III. AUTHORIZATION REQUESTED

In this application, ConocoPhillips seeks to renew the blanket re-export authorization that it was granted in Order No. 3038, which authorization expires on November 29, 2013. Specifically, ConocoPhillips requests blanket authorization to export previously-imported LNG on a short-term or spot market basis up to the equivalent of 500 Bcf of natural gas cumulatively over a twenty-five month period commencing on November 30, 2013 and ending on December

³ *ConocoPhillips Company*, FE13-67-LNG, DOE/FE Order No. 3296 (Jun. 18, 2013). ConocoPhillips expects to seek to renew the blanket authorization before it expires.

⁴ *ConocoPhillips Company*, FE11-109-LNG, DOE/FE Order No. 3038 (Nov. 22, 2011).

31, 2015. The twenty-five month period coincides with a commercial terminaling arrangement entered into by ConocoPhillips at the Freeport LNG terminal, which ConocoPhillips does not anticipate continuing beyond December 31, 2015 due to planned changes in the terminal's use announced by the owner. The issuance of a blanket authorization with a term that is coincident with the terminaling arrangement will ensure that ConocoPhillips is able to realize the full value of the terminaling arrangement.

Like the authorization granted by Order No. 3038, ConocoPhillips requests that the re-export authorization requested in this application extend to LNG supplies imported from foreign sources to which ConocoPhillips holds title, as well as to LNG supplies imported from foreign sources that ConocoPhillips may export on behalf of other entities who themselves hold title. ConocoPhillips agrees to comply with the agency registration requirements adopted by DOE/FE in *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, DOE/FE Order No. 2913 (Feb. 10, 2011).⁵ ConocoPhillips is not requesting authorization to re-export LNG to those countries with which trade is prohibited by Federal law or policy. ConocoPhillips is also not requesting authorization to export domestically-produced LNG. There are no other proceedings related to this application currently pending before DOE or any other federal agency.

IV. PUBLIC INTEREST STANDARD

A. Standard of Review.

Under Section 3 of the NGA, as amended by Section 201 of the Energy Policy Act of 1992, DOE/FE must authorize exports from the U.S. to a foreign country unless there is a finding that the export "will not be consistent with the public interest."⁶ DOE/FE has further found that

⁵ ConocoPhillips is subject to these requirements under its currently-effective re-export authorization. *See* Order No. 3038 at pp. 6-7.

⁶ 15 U.S.C. § 717b(a). Natural gas is defined to include LNG in 10 C.F.R. § 590.102(i) (2013).

Section 3 of the NGA creates a statutory presumption in favor of approval of a properly-framed export application,⁷ and that the public interest determination is guided by DOE Delegation Order No. 0204-111, which provides that domestic need for natural gas is the principal factor to be considered when evaluating an export application.⁸ As explained below, the blanket export authorization requested by ConocoPhillips satisfies this public interest standard.

B. There is No Domestic Need for the LNG to be Exported by ConocoPhillips.

DOE/FE's evaluation of natural gas export applications typically involves an analysis of the domestic impacts that would result from the loss of domestic natural gas that is exported. DOE/FE has explained the applicability of this analysis to the export of previously-imported LNG as follows:

The instant application involves a request for authorization to export LNG that was not produced in the United States. Accordingly, exporting the gas necessarily could not reduce the availability of domestically produced gas. On the other hand, exporting previously imported LNG will still affect the domestic market because, for a two-year period, the exports will reduce the volume of natural gas potentially available for domestic consumption.⁹

In recent years, DOE/FE has issued a number of blanket authorizations to export previously-imported LNG, including the one issued to ConocoPhillips in Order No. 3038, upon finding that such LNG is not needed to meet domestic demand for natural gas.¹⁰ The most recent such blanket authorization was granted on July 19, 2013 in Order No. 3317.¹¹ There, DOE/FE

⁷ 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 (Apr. 2, 1999), citing *Panhandle Producers and Royalty Owners Association v. ERA*, 822 F.2d 1105, 1111 (DC Cir. 1987).

⁸ See *id.* at p. 14.

⁹ *Freeport LNG Development, L.P.*, DOE/FE Order No. 2986 at p. 6 (Jul. 19, 2011).

¹⁰ See, e.g., *ENI USA Gas Marketing LLC*, DOE/FE Order No. 3247 (Mar. 5, 2013); *The Dow Chemical Company*, DOE/FE Order No. 3162 (Oct. 11, 2012); *Cheniere Marketing, LLC*, DOE/FE Order No. 3102 (Jun. 7, 2012).

¹¹ *Freeport LNG Development, L.P.*, DOE/FE Order No. 3317 (Jul. 19, 2013).

renewed Freeport LNG's authorization to export previously-imported LNG from its terminal facilities on Quintana Island, Texas, upon finding that U.S. consumers will continue to have access to sufficient quantities of natural gas at competitive prices even if previously imported LNG is exported. DOE/FE arrived at this conclusion based on an analysis prepared by the Energy Information Administration ("EIA"), which Order No. 3317 summarized as follows:

DOE takes administrative notice that an analysis prepared by [EIA] within DOE in the Annual Energy Outlook 2013, issued May 2013 (AEO 2013), shows annual domestic dry natural gas production increasing from 21.33 trillion cubic feet (Tcf) in 2010, to a projection of 26.61 Tcf by 2020¹², an annual increase of 5.28 Tcf. Consumption over this period increases only 2.54 Tcf annually (from 23.78 to 26.32 Tcf). As a result, the EIA shows that while the United States experienced net natural gas imports of 2.60 Tcf in 2010, by 2020 the United States will be experiencing net exports of 0.14 Tcf. The *AEO2013* also shows that Henry Hub natural gas prices were \$4.46 per million Btu in 2010 but this price is projected to decline to \$4.13 per million Btu in 2020 (in 2011 dollars). **Inasmuch as domestic natural gas production levels are projected to increase by an amount that well exceeds the amount of gas proposed for export in the Application, even while the level of imports and domestic gas prices are both projected to fall, we find that United States consumers will continue to have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other sources at competitive prices without drawing on the LNG which Freeport LNG seeks to export.**¹³

The above analysis applies with equal force here and supports a finding that consumers in the U.S. will continue to have access to sufficient quantities of natural gas at competitive prices even if the re-export authorization requested by ConocoPhillips is granted.

C. Other Benefits.

As indicated in the monthly reports filed with DOE/FE pursuant to Order No. 3038, ConocoPhillips has used its currently-effective blanket authorization to export previously-imported LNG. The blanket export authorization has facilitated the importation of LNG cargos

¹² Citing EIA *AEO 2013*, Table A13, p. 147.

¹³ DOE/FE Order No. 3317 at p 8 (emphasis added).

into the U.S. by enabling ConocoPhillips to import LNG cargos into the U.S. without fear that such cargos will become captive to the U.S. market if, in ConocoPhillips' view, market conditions ultimately do not support delivering regasified LNG into the U.S. market. ConocoPhillips has also sold LNG to Freeport LNG to replace boil off, thereby contributing to the operational stability of the Freeport LNG terminal facilities.

V. ENVIRONMENTAL IMPACT

The requested export authorization does not raise any environmental concerns. No new facilities or modification to any existing facilities at Freeport LNG's Quintana Island terminal will be required in order for ConocoPhillips to continue to export LNG from the terminal. The environmental impacts of permitting the exportation of LNG from Freeport LNG's Quintana Island terminal have already been reviewed by DOE/FE in previous orders, most recently, in the Freeport LNG order discussed in Section IV.B above (Order No. 3317).¹⁴ DOE/FE has also previously found that the re-export of LNG by ConocoPhillips from the Freeport LNG terminal facilities will have no additional environmental impact.¹⁵

VI. APPENDICES

The following appendices are attached hereto:

Appendix A: Verification

Appendix B: Opinion of Counsel

VII. CONCLUSION

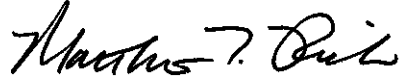
For the reasons set forth above, ConocoPhillips respectfully requests that DOE/FE issue an order granting ConocoPhillips blanket authorization for a twenty-five month period

¹⁴ See also DOE/FE Order No. 2986 at p. 9, n. 14.

¹⁵ DOE/FE Order No. 3038 at p. 8.

commencing on November 30, 2013 and ending on December 31, 2015 to engage in short-term exports of previously-imported LNG up to the equivalent of 500 Bcf of natural gas on a cumulative basis from Freeport LNG's terminal facilities on Quintana Island, Texas, to any country with which such trade is not prohibited by Federal law or policy.

Respectfully submitted,



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Counsel for ConocoPhillips Company

August 7, 2013

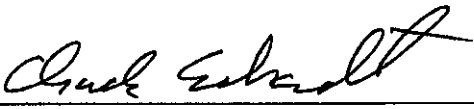
Appendix A

Verification

VERIFICATION

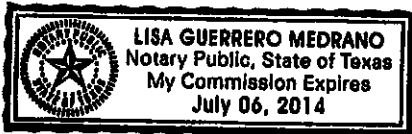
County of Harris)
) ss
State of Texas)

I, Chuck Eisenhardt, being duly sworn on his oath, does hereby depose and say that I am Senior Analyst, Gas & Power Regulatory Reporting, ConocoPhillips Company; 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.

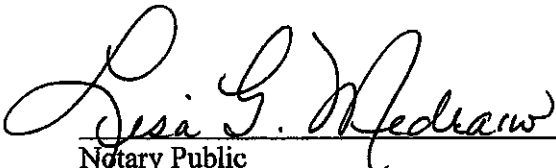


Chuck Eisenhardt

6 Sworn to and subscribed before me, a Notary Public, in and for the State of Texas, this day of August, 2013.



(NOTARIAL SEAL)



Notary Public

My Commission Expires: 7/6/14

Appendix B

Opinion of Counsel



Carolyn S. Hazel
Senior Counsel

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August 6, 2013

Office of Fuels Program
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: ConocoPhillips Company
Application for Blanket Authorization to Export Liquefied Natural Gas

Dear Sir or Madam:

This opinion of counsel is provided in accordance with the requirements of Section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2013). I have examined the Certificate of Incorporation of ConocoPhillips Company and other authorities as necessary, and have concluded that the proposed exportation of liquefied natural gas by ConocoPhillips Company is within its corporate powers. Further, ConocoPhillips Company is authorized to do business in Texas and other U.S. states and to engage in foreign commerce.

Respectfully submitted,

Carolyn S. Hazel
Senior Counsel