UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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SEAONE GULFPORT, LLC (formerly known as SeaOne Pascagoula, LLC)

FE DOCKET NO. 14-83-CGL

ORDER GRANTING REQUEST TO AMEND DOE/FE ORDER NO. 3555 TO REFLECT CHANGES IN SITE LOCATION AND CORPORATE NAME

DOE/FE ORDER NO. 3555-A

SEPTEMBER 25, 2015

I. <u>BACKGROUND</u>

On December 2, 2014, in Order No. 3555,¹ the Office of Fossil Energy (FE) of the Department of Energy (DOE) granted the (Application)² of the entity then-known as SeaOne Pascagoula, LLC (SeaOne) requesting long-term, multi-contract authorization to export domestically produced Compressed Gas Liquid (CGL)³ pursuant to section 3 of the Natural Gas Act (NGA).⁴ SeaOne sought to export the CGL from the proposed Pascagoula Compressed Gas Liquid Export Facility (Facility), which it intended to develop, own, and operate at the Port of Pascagoula, Mississippi.

Under the terms of that order, SeaOne is currently authorized (on its own behalf and as agent for other entities) to export domestically produced natural gas contained in or mixed with CGL by vessel from the proposed Facility for a 30-year term. The volume of natural gas contained in or mixed with CGL may not exceed 548 billion cubic feet per year (Bcf/yr) (1.5 Bcf per day), and may be exported to any country located in or adjoining the Caribbean Basin and Gulf of Mexico with which the United States currently has, or in the future will have, a free trade agreement (FTA) requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy.⁵

¹ SeaOne Pascagoula, LLC, DOE/FE Order No. 3555, FE Docket No. 14-83-CGL, Order Granting Long-Term, Multi-Contract Authorization to Export by Vessel Natural Gas Contained in or Mixed With Compressed Gas Liquid From the Proposed Pascagoula Compressed Gas Liquid Export Facility to be Located at the Port of Pascagoula, Mississippi, to Free Trade Agreement Nations in the Caribbean Basin and the Gulf of Mexico Nations (Dec. 2, 2014).

² SeaOne Pascagoula, LLC, Application for Long-Term Authorization to Export Compressed Gas Liquid, DOE/FE Docket No. 14-83-CGL (June 3, 2014) [hereinafter App.]. In the Application, SeaOne stated that it is a Delaware limited liability company with its principal place of business in Houston, Texas.

³ SeaOne describes CGL as a "compressed liquid product consisting of a custom manufactured mixture of hydrocarbon chemicals produced from oil and gas wells." App. at 2.

⁴ The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. § 717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. 00-006.02 issued on November 17, 2014.

⁵ See SeaOne Pascagoula, LLC, DOE/FE Order No. 3555, at 10. The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic,

II. <u>DESCRIPTION OF REQUEST</u>

On April 3, 2015, SeaOne submitted a letter to DOE/FE requesting that DOE/FE amend Order No. 3555 in two respects: (i) to reflect the change in the location of its CGL production and shipping facility from the Port of Pascagoula, Mississippi, to the Port of Gulfport, Mississippi; and (ii) to reflect the corresponding change in SeaOne's corporate name from SeaOne Pascagoula, LLC to SeaOne Gulfport, LLC.⁶

As support for this request, SeaOne states that the Port of Gulfport is managed by the State of Mississippi and located outside the city limits of the City of Gulfport, and thus the change in location will simplify the regulatory process. SeaOne states that the new location is an existing site that will not require greenfield development; is not located near any residential areas; and does not present any restrictions on the size of the vessels or transit operations for current and expanded markets (and thus may facilitate potential future expansion). In a supplemental filing submitted on July 24, 2015, SeaOne provided a copy of the Lease Option Agreement for the Gulfport site between SeaOne, the Mississippi State Port Authority at Gulfport, and the Mississippi Development Agency.⁷ SeaOne further states that the source and point receipt of the feedstock for CGL will remain unchanged from its description in the Application, in that the feedstock will be delivered, via a new offtake pipeline located upstream from BP's existing Pascagoula Gas Processing Plant in Jackson, County, Mississippi, to SeaOne's dedicated, single purpose private plant pipeline.

El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas. ⁶ SeaOne Pascagoula, LLC, Change of Proposed Site of SeaOne's CGL Production & Shipping Facility, FE Docket

No. 14-83-CGL (Apr. 3, 2015).

⁷ SeaOne Pascagoula, LLC, Supplemental Filing, FE Docket No. 14-83-CGL (July 24, 2015). The Lease Option Agreement identifies the site as located in Harrison County, Mississippi.

To reflect the site change for the proposed facility, SeaOne states that it has changed its corporate name to "SeaOne Gulfport, LLC," effective March 10, 2015.⁸ SeaOne states that there has been no change in the ownership or corporate structure of the limited liability company, and therefore no change in control.

Pursuant to DOE's regulations (10 C.F.R. § 590.204), SeaOne asks DOE/FE to amend DOE/FE Order No. 3555 to reflect both its new site location and corporate name. Finding good cause for both actions, DOE/FE hereby grants SeaOne's request.

<u>ORDER</u>

Pursuant to section 3 of the Natural Gas Act, 15 U.S.C. § 717b, it is ordered that:

A. The name of the authorization holder of DOE/FE Order No. 3555 is hereby amended to SeaOne Gulfport, LLC.

B. The site of SeaOne's CGL production and shipping facility is hereby amended to the Port of Gulfport, located in Harrison County, Mississippi.

C. All obligations arising under DOE/FE Order No. 3555, and under any future DOE/FE authorization granted in FE Docket No. 14-83-CGL, apply to SeaOne Gulfport, LLC.

Issued in Washington, D.C., on September 25, 2015.

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John A. Anderson Director, Office of Oil and Gas Global Security and Supply Office of Oil and Natural Gas

⁸ With its letter filing, SeaOne provided a copy of the certificate issued by the Secretary of State for the State of Mississippi verifying SeaOne's name change.