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15-169-LNG

November 4, 2015

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Submitted electronically to fergas@hq.doe.gov

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

**Re: Flint Hills Resources, LP
FE Docket No. 15 - ____ - LNG
Application for Short-Term, Multi-Contract Authorization to Export
Liquefied Natural Gas to Free Trade Agreement Countries**

Dear Mr. Anderson:

Flint Hills Resources, LP ("Flint Hills") hereby submits for filing with the U.S. Department of Energy, Office of Fossil Energy, its application for short-term authorization to export liquefied natural gas ("LNG") in an amount up to the equivalent of 12.06 billion cubic feet of natural gas for a two-year period (the "Application"). The requested authorization would permit Flint Hills to export LNG to any country with which the United States has, or in the future will have, a Free Trade Agreement requiring national treatment for trade in natural gas.

Flint Hills is electronically transmitting a PDF of the application materials and, on the same day, is hand delivering the application materials provided electronically. The hand delivered submission will include a paper copy of the original Application, three additional paper copies of the Application, and a check in the amount of \$50.00 in payment of the applicable filing fee. A photocopy of the check is included with the electronic submission.

Please do not hesitate to contact the undersigned should you have any questions.

Respectfully submitted,

Jeffrey E. Evans
(316) 828-7775
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Counsel to Flint Hills Resources, LP

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

Flint Hills Resources, LP

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Docket No. 15-____-LNG

**APPLICATION OF FLINT HILLS RESOURCES, LP FOR SHORT-TERM
AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO
FREE TRADE AGREEMENT NATIONS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”), as amended by Section 201 of the Energy Policy Act of 1992,¹ and Part 590 of the Department of Energy’s (“DOE”) regulations,² Flint Hills Resources, LP (“Flint Hills”) hereby submits this application (“Application”) to the Department of Energy Office of Fossil Energy (“DOE/FE”) for blanket authorization to engage in short-term exports of up to 12.06 billion cubic feet (“Bcf”) of liquefied natural gas (“LNG”). The authorization requested is for a two-year period commencing on the earlier of the date of first export or three months after issuance of this authorization in order to provide Flint Hills sufficient time to execute LNG sales agreements prior to export.³ Flint Hills requests that such authorization allow it to export, on its own behalf and as an agent for others, via truck, rail, barge or other waterborne vessel domestically sourced LNG to Canada,

¹ 15 U.S.C. § 717b.

² 10 C.F.R. Part 590.

³ See, e.g., *Techgen S.A. de C.V.*, DOE/FE Order No. 3470 (Aug. 21, 2014) (granting an authorization effective date over four months after issuance of the applicant’s blanket authorization to export natural gas to Mexico); see also, e.g., *Houston Pipe Line Company LP*, DOE/FE Order No. 3399 (Feb. 20, 2014) (granting an authorization effective date over one month after the issuance of the applicant’s blanket authorization to export natural gas).

Mexico, and any other country 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.⁴

This Application requests authority to export LNG only to countries with which the United States has or in the future enters into an FTA requiring national treatment for trade in natural gas. Accordingly, this Application is subject to review under the standards established by Section 3(c) of the NGA, as amended by Section 201 of the Energy Policy Act of 1992.⁵ Pursuant to Section 3(c) of the NGA, exports of LNG to FTA countries are “deemed to be consistent with the public interest” and applications for such exports shall be “granted without modification or delay.”⁶

In support of this Application, Flint Hills respectfully states the following:

I. COMMUNICATIONS

All communications and correspondence regarding this Application should be directed to:⁷

⁴ The U.S. currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore.

⁵ 15 U.S.C. §717b(c).

⁶ *Id.*

⁷ Flint Hills requests waiver of Section 590.202(a) of DOE’s regulations, 10 C.F.R. § 590.202(a), to the extent necessary to include each of the listed persons on the official service list in this proceeding.

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II. DESCRIPTION OF THE APPLICANT

The exact legal name of the applicant is Flint Hills Resources, LP. Flint Hills is a limited partnership organized and existing under the laws of the State of Delaware, with its principal place of business at 4111 East 37th Street North, Wichita, Kansas. Flint Hills is a wholly-owned, indirect subsidiary of Flint Hills Resources, LLC, a Delaware limited liability company with its principal place of business at 4111 East 37th Street North, Wichita, Kansas.

III. AUTHORIZATION REQUESTED

Flint Hills requests blanket authorization to export up to a cumulative total of 12.06 Bcf of LNG over a two-year term at all points of export to Canada, Mexico, and any other country which has, or in the future will have, the capacity to import LNG via truck, rail, barge or other waterborne vessel, and with which the United States currently has, or in the future will have, an FTA requiring national treatment for trade in natural gas and LNG. Consistent with previous DOE/FE authorizations,⁸ Flint Hills respectfully requests that DOE/FE grant export authorization on a blanket basis at all points of export to Canada, Mexico, or any other FTA

⁸ See *Cleancor Energy Solutions LLC*, DOE/FE Order No. 3516 (Oct. 9, 2014); see also *Clean Energy*, DOE/FE Order No. 3484 (Aug. 29, 2014).

country, to provide Flint Hills the necessary flexibility to pursue opportunities with prospective FTA customers.

Flint Hills is considering purchasing LNG on both a spot basis and under longer-term purchase agreements from existing suppliers. Flint Hills is currently negotiating with Stabilis LNG Eagle Ford, LLC (“Stabilis LNG”)⁹ for the purchase of LNG from Stabilis LNG’s liquefaction facility located in George West, Texas. The liquefaction facility owned by Stabilis LNG currently has the capability to load LNG onto trucks and ISO units, and thus, no additional infrastructure will be required for Flint Hills to purchase LNG from Stabilis LNG for export. Flint Hills may also utilize other liquefaction production facilities existing or that will exist during the term of this blanket authorization.¹⁰

Flint Hills requests this authorization for itself and as an agent for third parties. Flint Hills will comply with all DOE/FE requirements for an exporter or agent. Consistent with DOE/FE Order No. 2913, Flint Hills will register with DOE/FE each LNG title holder for whom Flint Hills seeks to export LNG. Flint Hills will also provide DOE/FE with a written statement by the title holder acknowledging and agreeing to (i) comply with all requirements in Flint Hills’ export authorization and (ii) include those requirements in any subsequent purchase or sale agreement entered into for the exported LNG by that title holder.¹¹

⁹ Stabilis LNG Eagle Ford, LLC is owned by an affiliate of Flint Hills, FHR LNG, LLC (49%), Stabilis FHR Oilfield, LLC (2%), and Stabilis Oilfield Investco LLC (49%).

¹⁰ See *SB Power Solutions Inc.*, DOE/FE Order No. 3105 (June 15, 2012) at 3 (providing that the applicant will purchase LNG on both a spot basis and under long-term purchase agreements from suppliers); see also *Argent Marine Management, Inc.*, DOE/FE Order No. 3356 (Nov. 6, 2013) at 4 (providing that the applicant has had discussions with other suppliers in addition to the named liquefaction facility that may desire to export under the applicant’s authorization).

¹¹ *Freeport LNG Development, L.P.*, DOE/FE Order No. 2913 (Feb. 17, 2011).

IV. PUBLIC INTEREST STANDARD

Section 3(c) of the NGA deems exports of natural gas, including LNG, to nations with which there is in effect an FTA requiring national treatment for trade in natural gas “to be consistent with the public interest” and requires that applications for such exports be “granted without modification or delay.”¹² The DOE/FE has repeatedly found that, in light of the statutory obligation to grant authorization applications to FTA countries, there is no need for DOE/FE to review factors affecting the public interest.¹³ This Application clearly falls within the scope of Section 3(c) and therefore should be processed and approved in accordance with this standard.

V. REVIEW OF ENVIRONMENTAL IMPACTS

No new facilities (or modifications to any existing facilities) would be required in order for Flint Hills to export LNG produced at the Stabilis LNG facility. In those cases in which the owners of liquefaction facilities that sell and deliver LNG to Flint Hills modify their facilities to produce additional volumes of LNG or to accommodate deliveries to Flint Hills, the owners of the facilities will obtain the necessary state, local or federal permits before any such modifications or deliveries occur.

¹² 15 U.S.C. § 717b(c).

¹³ See *Corpus Christi Liquefaction, LLC*, DOE/FE Order No. 3699 at 8 (Aug. 27, 2015); see also *Floridian Natural Gas Storage Company, LLC*, DOE/FE Order No. 3691 at 8 (July 31, 2015).

VI. APPENDICES AND ENCLOSURES

The following appendices are included with this Application:

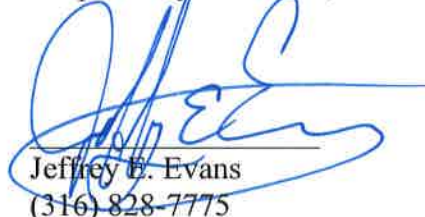
Appendix A Verification

Appendix B Opinion of Counsel

VII. CONCLUSION

For the reasons set forth above, Flint Hills respectfully requests that the DOE expeditiously consider this Application and, in accordance with Section 3 of the NGA and Part 590 of the DOE regulations, grant the blanket short-term export authorization requested herein.

Respectfully submitted,



Jeffrey E. Evans

(316) 828-7775

jeff.evans@fhr.com

Counsel to Flint Hills Resources, LP

APPENDIX A

VERIFICATION

County of Sedgwick)
) ss:
State of Kansas)

BEFORE ME, the undersigned authority, on this day personally appeared Jeffrey E. Evans, who, having been by me first duly sworn, on oath says that he is Senior Counsel of Flint Hills Resources, LP, and is duly authorized to make this Verification on behalf of such company, that he has read the foregoing instrument, and that the facts therein stated are true and correct to the best of his knowledge, information and belief.



SWORN TO AND SUBSCRIBED before me on the 4th day of November, 2015.


Notary Public

APPENDIX B

OPINION OF COUNSEL

November 4, 2015

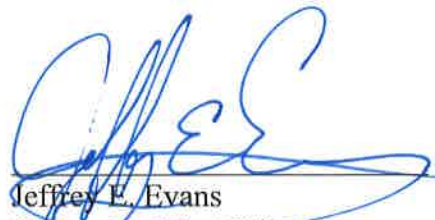
Mr. John Anderson
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

RE: Flint Hills Resources, LP Application for Short-Term, Multi-Contract Authorization to Export Liquefied Natural Gas to Free Trade Agreement Countries

Dear Mr. Anderson:

This opinion of counsel is submitted pursuant to Section 590.202(c) of the regulations of the United States Department of Energy, 10 C.F.R. § 590.202(c) (2015). I am counsel to Flint Hills Resources, LP ("Flint Hills"). I have reviewed the organizational and internal governance documents of Flint Hills and it is my opinion that the proposed export of liquefied natural gas as described in the application filed by Flint Hills, to which this Opinion of Counsel is attached as Appendix B, is within the company powers of Flint Hills.

Respectfully submitted,



Jeffrey E. Evans
Counsel to Flint Hills Resources, LP