

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

Application of:)
)
Sandcastle Petroleum Gas & Energy, LLC) **15-39-LNG**
) Docket No. ■ - _____ - LNG
)
)

**APPLICATION FOR SHORT-TERM AUTHORIZATION TO EXPORT LIQUEFIED
NATURAL GAS TO FREE TRADE AGREEMENT COUNTRIES**

Pursuant to Section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. §717(b), and Part 590 of the regulations of the Department of Energy (“DOE”), 10 C.F.R. Part 590, Sandcastle Petroleum Gas & Energy, LLC (“Sandcastle Energy”) requests that the DOE, Office of Fossil Energy, issue an order granting Sandcastle Energy short-term, single and multi-contract, authorization to export up to one billion six-hundred million cubic feet (1.6 bcf) per month of liquefied natural gas (“LNG”), and/or natural gas, for a two year term, commencing on the date when the DOE authorizes the requested export.

Pursuant to this application, Sandcastle Energy is requesting authorization to export to any country with which the United States has entered into a Free Trade Agreement (“FTA”), which requires national treatment for trade in LNG and/or natural gas, and to those countries with which the United States may enter into a FTA at some date in the future, with which trade is not prohibited by United States law. Currently, the United States has entered into FTAs with Australia, Bahrain, Canada, Chile, Columbia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, and Singapore. (See <http://www.ustr.gov/trade-agreements/free-trade-agreements>).

Under the NGA §3(c), as amended by §201 of the Energy Policy Act of 1992, this application for authorization to export LNG and/or natural gas to FTA countries is entitled to the statutory presumption that such exports are “deemed to be within the public interest”, and is governed by the statutory requirement that this application “shall be granted without modification or delay” 15 U.S.C. §717(c).

Note: Modification on last page of this document received 3/3/2015. lam

I.

Communications

Communications regarding this application by Sandcastle Petroleum Gas & Energy, LLC should be directed to:

Mark C. Rutecki, Esq., General Counsel

Mark Rutecki & Associates, P.A.
1420 Celebration Boulevard, Suite 200
Celebration, Florida 34747
Office: (407) 566-9503
Fax: (407) 566-9506
E-mail: mark@rutecki.com

Carlos Troche, Chief Executive Officer

Sandcastle Petroleum Gas & Energy, LLC
1200 Brickell Avenue, Suite 1800
Miami, Florida 33131
Office: 305-961-1131
Fax: 407-566-9506
Email: Carlos@SandcastleEnergy.com

II.

Applicant

The exact legal name of Sandcastle Energy is Sandcastle Petroleum Gas & Energy, LLC, a limited liability company organized in the State of Florida. The company is a wholly owned subsidiary of Sandcastle Energy, LLC, a limited liability company organized in the State of Florida. Sandcastle Energy, LLC is owned by TrocheCo, LLC, a Florida limited liability company, whose sole Member is Carlos Troche Acosta, and by Rutecki Giroux & Company, LLC, a Florida limited liability company, whose sole Member is Mark C. Rutecki. The principle office, and place of business, of the company is located at 1200 Brickell Avenue, Suite 1800, Miami, Florida 33131.

III.

Authorization Requested

Sandcastle Energy requests that the DOE, Office of Fossil Energy, issue an order granting Sandcastle Petroleum Gas & Energy, LLC short-term, single and multi-contract, authorization to export up to one billion six-hundred million cubic feet (1.6 bcf) (approximately 30,000 metric tons) per month of liquefied natural gas ("LNG"), and/or

natural gas, for a two (2) year term, commencing on the date when the DOE enters an order authorizing the requested export. Sandcastle Petroleum Gas & Energy, LLC is requesting authorization to export to any country with which the United States has entered into a Free Trade Agreement ("FTA"), which requires national treatment for trade in LNG and/or natural gas, and to those countries with which the United States may enter into a FTA at some date in the future, with which trade is not prohibited by United States law. Sandcastle Petroleum Gas & Energy, LLC is requesting said short-term, single and multi-contract, authorization to export LNG, and/or natural gas, on its own behalf whereby title to the LNG, and/or natural gas, will be held by Sandcastle Petroleum Gas & Energy, LLC at the time of export.

IV.

Export Arrangements

The source of LNG supply for Sandcastle Energy will be North America producers currently operating in the United States or its territories within the LNG industry, and/or natural gas market, whereby the LNG will be delivered to Sandcastle Energy via LNG trucking logistics. Based upon commercial arrangements, contracts and letters of intent received to date, Sandcastle Energy anticipates the volume to commence at approximately 5,000 metric tons per month from the companies' U.S. production sources, increasing by an additional 25,000 metric tons per month quickly after the start of deliveries. The price of the LNG supply will be based upon one or more of the natural gas indexes, including the New York Mercantile Exchange (NYMEX) and Inside FERC's Gas Market Report, Southern Natural Gas Index, and in some transactions the price of the LNG will be a fixed price per gallon or MMBtu of LNG delivered.

Sandcastle Energy proposes and intends to transport the LNG, initially from the LNG production plants involved, by truck in ISO LNG containers to one or more export ports or terminals in the United States or its territories capable of exporting LNG. Sandcastle Energy's suppliers currently operate their own fleet of LNG trucks for this stage of the logistics. At the export ports or terminals, in the United States or its territories, the ISO containers will either be loaded on to ocean transport vessels and

delivered to the end users of the LNG in the ISO containers, or the LNG contained within the ISO containers, after transported by truck to an export port or terminal, may be unloaded to ocean transport LNG carriers for transport overseas via the LNG carriers. Several shipping companies currently offer LNG shipping via small-quantity small-load type of LNG carriers. The LNG loads for these smaller LNG carriers vary from 6,500 metric tons of LNG to 30,000 metric tons of LNG. See information on LNG carrier capabilities from TGE Marine AG, attached hereto as Exhibit 1.

Commercial arrangements by Sandcastle Energy, for LNG supply contracts with companies currently operating natural gas liquefaction facilities within the United States, are near completion currently, and it is anticipated that Sandcastle Energy will be prepared to commence exporting LNG when a determination is made upon this application. The points of export are anticipated to be terminals primarily at ports along the Gulf Coast and Eastern Seaboard of the United States.

V.

Monthly Reports

Sandcastle Energy shall file, within 30 days following each calendar month, a report indicating whether exports have been made. Sandcastle Energy requests that the due date for the first monthly report be established as not later than the 30th day of the month following the month of first export. Sandcastle Energy further requests permission to file these reports with the DOE under seal. Sandcastle Energy acknowledges that each report shall include: (1) the name of the authorized exporter registered with DOE; (2) the name of the U.S. export terminal; (3) the name of the LNG tanker; (4) the date of departure from the U.S. export terminal; (5) the country of destination; (6) the name of the supplier/seller; (7) the volume in Mcf; (8) the price at point of export per MMBtu; (9) the duration of the supply agreement; and (10) the name of the purchaser.

VI.

Standard of Review

Section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. §717(b), requires that applications for authorization to export natural gas, and/or LNG, to countries with which the United States has entered into a Free Trade Agreement requiring national treatment for trade in natural gas, be deemed consistent with the public interest and granted without delay or modification. There is no need for the DOE to engage in a public interest analysis in conjunction with such applications for export authorization to FTA countries. Further, an analysis of environmental impact is likewise neither necessary nor appropriate because Sandcastle Energy is not currently constructing any new facilities or terminals for importing or exporting natural gas in conjunction with this application.

VII.

Exhibits

Exhibit 1 – Information on small load LNG carriers

Exhibit 2 – Opinion of Counsel

VIII.

Conclusion

Sandcastle Energy respectfully requests the United States Department of Energy, Office of Fossil Energy, to grant this application and issue an order, without delay or modification, authorizing Sandcastle Petroleum Gas & Energy, LLC to export up to one billion six-hundred million cubic feet (1.6 bcf) (approximately 30,000 metric tons) per month of liquefied natural gas (“LNG”), and/or natural gas, for a two (2) year term, by and through single and multi-contract transactions, to any country with which the United States has entered into a Free Trade Agreement (“FTA”), which requires national treatment for trade in LNG and/or natural gas, and to those countries with which the

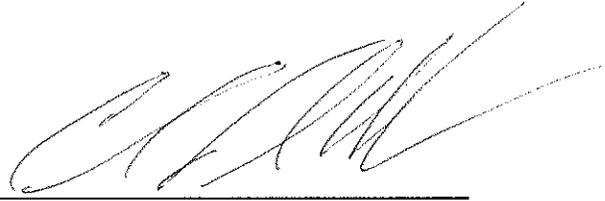
United States may enter into a FTA at some date in the future, commencing on the date when the requested authorization is granted.



Mark C. Rutecki, General Counsel

Date: December 10, 2014

Mark Rutecki & Associates, P.A.
1420 Celebration Boulevard, Suite 200
Celebration, Florida 34747
Office: (407) 566-9503
Fax: (407) 566-9506
E-mail: mark@rutecki.com



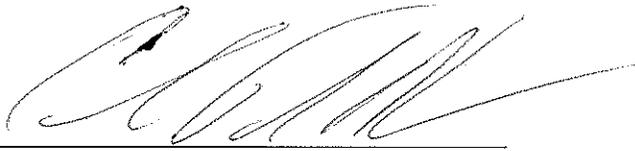
Carlos Troche, Chief Executive Officer

Date: December 10, 2014

Sandcastle Petroleum Gas & Energy, LLC
1200 Brickell Avenue, Suite 1800
Miami, Florida 33131
Office: 305-961-1131
Fax: 407-566-9506
Email: Carlos@SandcastleEnergy.com

Verification

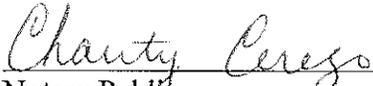
Carlos Troche, having been first duly sworn and upon oath deposes and states that he is Chief Executive Officer of Sandcastle Petroleum Gas & Energy, LLC, a Florida limited liability company, that as such he is duly authorized to make this verification on behalf of Sandcastle Petroleum Gas & Energy, LLC, that he has read the foregoing application and is familiar with the contents thereof, that all statements and matters contained therein are true and correct to the best of his knowledge and belief, and that he is authorized to file this application with the U.S. Department of Energy.



Carlos Troche
Chief Executive Officer
Sandcastle Petroleum Gas & Energy, LLC

State of Florida:
County of Osceola:

Before me, the undersigned officer, duly authorized to administer oaths and take acknowledgments, personally appeared Carlos Troche who was sworn and subscribed to the foregoing this 10th day of December 2014.


Notary Public



CHARITY CERZO
MY COMMISSION # FF 061534
EXPIRES: October 9, 2017
Bonded Thru Budget Notary Services

Personally Known OR Produced Identification _____
Type of Identification Produced _____

EXHIBIT 1

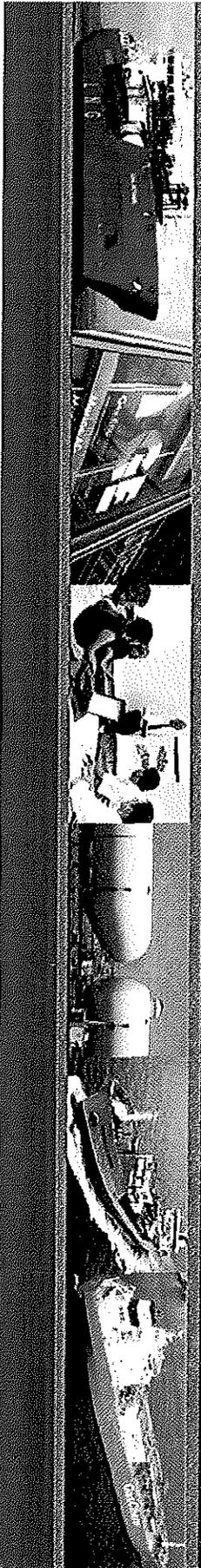
Information on small-load LNG carriers



Marine Gas Engineering

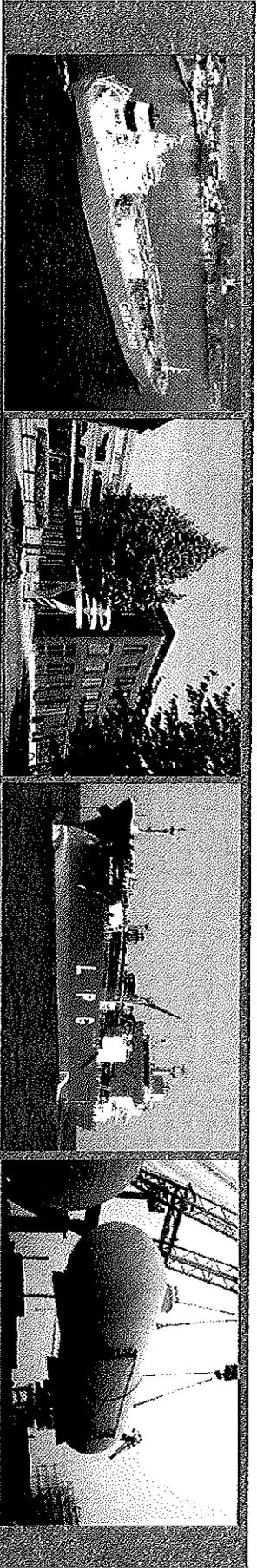
New generation of modern LNG carriers
with type C cargo tanks and LNG propulsion system

Björn Munko



Introduction

- TGE Marine Gas Engineering is one of the world's leading engineering contractors specialising in gas carrier and offshore units.
- The Group was founded in 1980 as "Liquid Gas International" (LGI) and in 1993, was acquired by Tractebel/Suez operating as "Tractebel Gas Engineering". Since an MBO in 2006, the Group has been called "TGE Marine AG" ("TGE Marine Gas Engineering GmbH").
- Major shareholders: 49.9% Caledonia Investment plc and GASFIN Group approx. 47.4%, Management, employees, individual shareholders approx. 2.7%
- Address: Mildred-Scheel-Str. 1, 53175 Bonn, Germany
- Web: www.tge-marine.com



Key facts

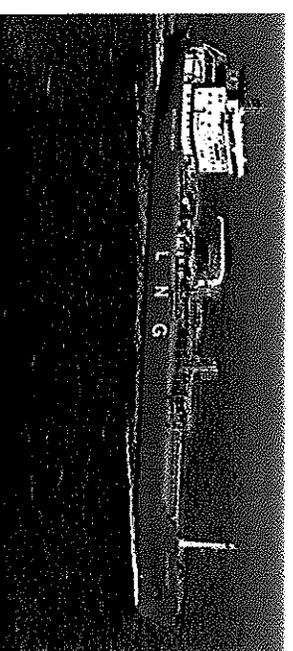
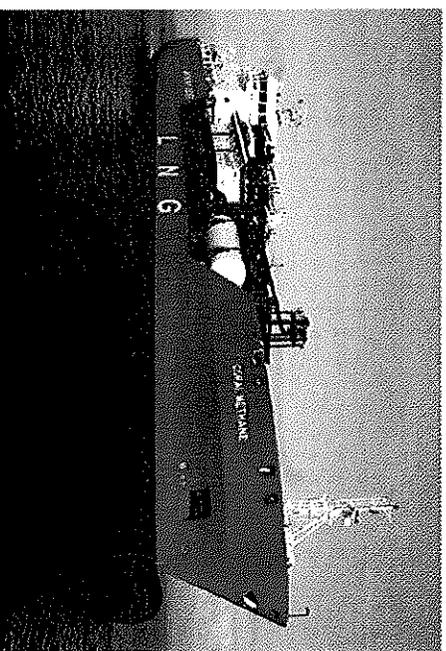
- 30 years of experience
- More than 140 gas carrier contracts
- Delivery of several novel and innovative gas plant solutions:
 - Five 22,000 m³ ethylene carriers, largest purpose-built ethylene ship in the world built at Jiangnan Shipyard
 - Topsides for 95,000 m³ LPG-FSO built at Samsung
 - World's first combined 7,500 m³ LNG/ethylene carrier built at Remontova for Anthony Veder Group
 - Lloyd's List Ship of the Year Award in 2008 for 8,000 m³ ethylene carrier "Isabella Kosan" built at Sekwang HI for Lauritzen Kosan Group
- Well established in East Asia with Shanghai branch office since 1994
- Fabrication and delivery of more than 200 cargo tanks
- More than 50%* market share of ethylene carrier gas plants
(*historically by total, >70% market share from 1992 to present)
- Own patented LNG tank support design for shuttle tankers and floating units
- In-house ship design packages available for a wide range of gas carriers

7,500 m³ LNG/LEG carrier:

- Owner: Anthony Veder, Holland
- Yard: Remontova, Poland
- Classification: BV
- Completion: 2009
- Cylindrical type C tanks
- Dual fuel, diesel/gas electric drive

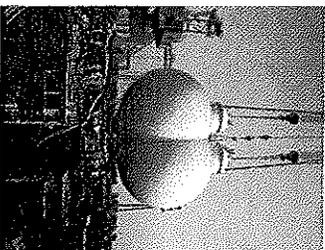
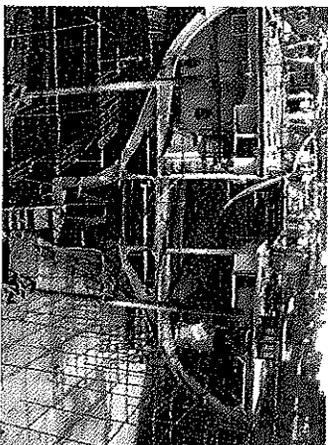
15,600 m³ LNG carrier:

- Owner: Anthony Veder, Holland
- Yard: Meyer-Werft, Germany
- Classification: BV
- Completion: 2012 (under construction)
- Bilobe tanks
- Dual fuel, direct drive



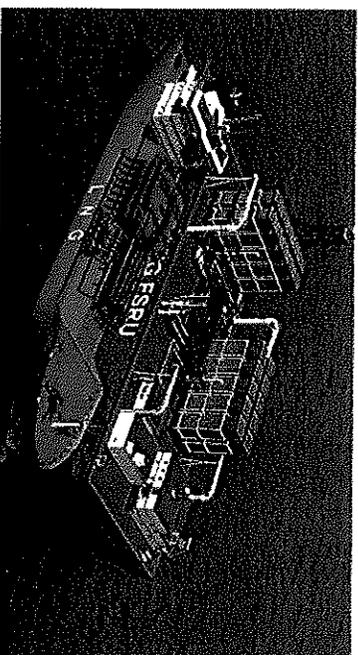
6,500 m³ LNG/LEG carrier:

- Owner: Anthony Veder, Holland
- Yard: Dingheng, China
- Classification: BV
- Completion: 2012 (under construction)
- 1 cylindrical, 1 bilobe
- Direct drive, diesel

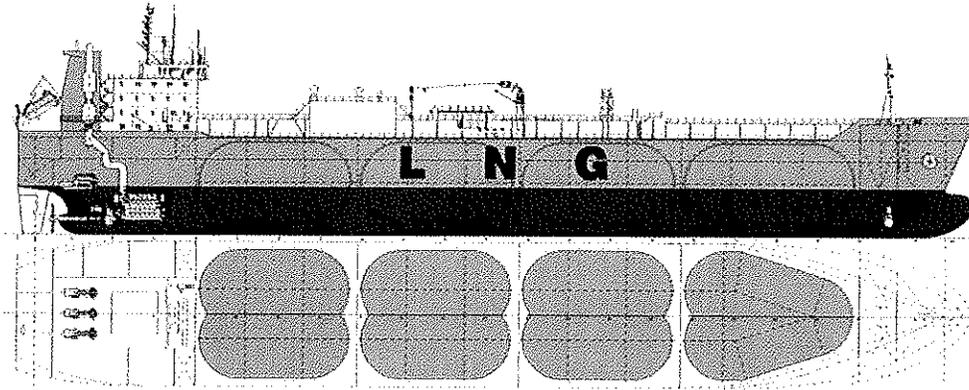


20,000 m³ LNG carrier / 25,000 LNG FSRU:

- Owner: Gasfin / EDF
- Yard: tbn
- Classification: BV
- FID: early 2012
- Completion: 2014
- 1 cylindrical
- 2 x 25K LNG FSRU
- 1 x 20K LNGC
- 1 x 20K LNG/LPG (back up vessel)

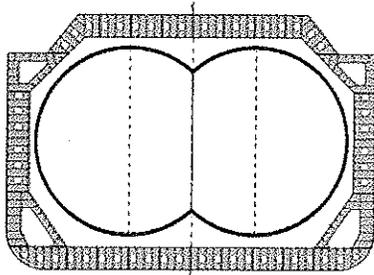


30,000 m³ LNG Carrier with IMO Type C Tanks



Characteristics:

The vessel is designed as a gas carrier for handling and transporting liquefied natural gas (LNG) stored in four bilobe-shaped IMO type C cargo tanks.



Principal particulars:

Length o. a.:	184.60 m
Length b. p.:	175.20 m
Breadth moulded:	27.60 m
Depth moulded:	18.50 m

Draught/Dead weight:

Design draught:	8.80 m
Corresponding dead weight:	approx. 17,600 t

Speed/Endurance:

Service speed at design draft:	approx. 16.00 knots
Endurance:	approx. 12,000 NM

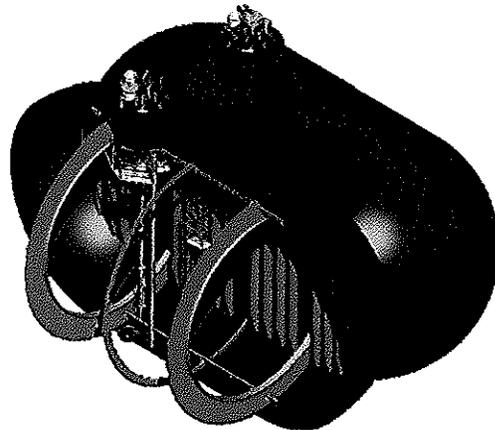
Machinery:

Dual fuel propulsion system running directly along the shaft line via a reduction gear box with a shaft generator connection for power take-off services. The propulsion engine may either burn standard HFO or environmentally-friendly LNG boil-off gas from the cargo tanks.

Dual fuel engine: approx. 9,000 kW

Cargo tank capacities:

Cargo volume (100%): approx. 30,000 m³



For further information, please e-mail to sales@tge-marine.com

EXHIBIT 2

Opinion of Counsel

Mark **Rutecki &**
Associates P.A

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mark@rutecki.com

Attorneys at Law

December 10, 2014

Larine A. Moore
U.S. Department of Energy
FE-34
P.O. Box 44375
Washington, D.C. 20026-4375

RE: Opinion of Counsel
Sandcastle Petroleum Gas & Energy, LLC – Application for Short-Term Authorization to
Export Liquefied Natural Gas to Free Trade Agreement Countries

Dear Ms. Moore:

This Opinion of Counsel is submitted pursuant to 10 C.F.R. §590.202(c) of the U.S. Department of Energy's administrative procedures. The undersigned is counsel to Sandcastle Petroleum Gas & Energy, LLC.

I have reviewed the corporate documents of Sandcastle Petroleum Gas & Energy, LLC. It is my opinion that the proposed export of natural gas, and/or liquefied natural gas, is within the company's corporate powers.

Respectfully submitted,



Mark C. Rutecki, Esq.

Attorney for Sandcastle Petroleum Gas & Energy, LLC

RECEIVED



By Docket Room via email 03/03/2015

Mark **Rutecki &
Associates P.A**

MODIFICATION

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Attorneys at Law

March 3, 2015

John Anderson
U.S. Department of Energy
FE-34
P.O. Box 44375
Washington, D.C. 20026-4375

RE: Sandcastle Petroleum Gas & Energy, LLC – Application for Short-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Countries

Dear Mr. Anderson:

Please accept this correspondence as acknowledgment and confirmation that Sandcastle Petroleum Gas & Energy, LLC inadvertently included, within its application, the countries of Costa Rica and Israel in the description of countries with which the United States has entered into Free Trade Agreements requiring national treatment for trade in LNG and/or natural gas. Because the Free Trade Agreements with Costa Rica and Israel do not include provisions requiring national treatment for trade in LNG and/or natural gas, Sandcastle Petroleum Gas & Energy, LLC is not seeking short-term export authorization to export LNG and/or natural gas to either Costa Rica or Israel.

Should you have any questions, please call me directly at your first convenience.
Thank you.

Sincerely Yours,

Mark C. Rutecki, Esq.