

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT**

Nopetro LNG, LLC

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FE Docket No. 20-167-LNG

**APPLICATION OF NOPETRO LNG, LLC TO AMEND LONG-TERM
AUTHORIZATION FOR SMALL-SCALE EXPORTS OF LIQUEFIED NATURAL GAS**

Pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, and Part 590 of the Department of Energy’s regulations, 10 C.F.R. Pt. 590, Nopetro LNG, LLC (“Nopetro”) submits this application (“Application”) to amend Order No. 4671 issued on March 23, 2021 in the above-captioned docket (the “Order”). As relevant to this Application, the Order grants Nopetro the authority (the “Small-Scale Authorization”) to engage in long-term small-scale exports of domestically produced liquefied natural gas (“LNG”) to any country with which the United States does not have a free trade agreement (“FTA”) requiring national treatment for trade in natural gas and with which trade is not prohibited by United States law or policy (“Non-FTA Countries”).¹

Nopetro hereby seeks an extension to the condition in Ordering Paragraph C of the Order that Nopetro must commence commercial LNG export operations under the Small-Scale Authorization no later than two years from the date of issuance of the Order. Nopetro requests to extend the time period for two more years to make the Small-Scale Authorization conditioned upon Nopetro commencing such operations within four years from the date of the Order (i.e., by no later than March 23, 2025).

¹ The Order also allows Nopetro to engage in long-term exports of domestically produced LNG to any country with which the United States currently has, or in the future may enter into, a free trade agreement requiring national treatment for trade in natural gas (“FTA Countries”). Under the Order, Nopetro must begin such exports to FTA Countries within five years of the date of the Order. *See* Ordering Paragraph C.

As explained below, Nopetro’s requested amendment is consistent with the public interest, and the Office of Fossil Energy and Carbon Management of the Department of Energy (“DOE/FE”) has the authority to grant the requested amendment.

I. DESCRIPTION OF APPLICANT

The exact legal name of the applicant is Nopetro LNG, LLC (“Nopetro”). Nopetro is a limited liability company organized under the laws of the State of Florida, with its principal place of business at 14 N.E. 1st Ave., Suite 1209, Miami, Florida 33132. Nopetro is a wholly-owned subsidiary of Nopetro-CH4 Holdings, LLC (“Nopetro-CH4 Holdings”), which is also a limited liability company organized under the laws of the State of Florida. Nopetro-CH4 Holdings is owned by CH4 Venture, LLC (38.1759%), Nopetro, LLC (36.8241%) and TLW CNG, LLC (25%), all limited liability companies organized under the laws of the State of Florida. CH4 Venture, LLC is jointly/majority owned by two individuals, Jay Demetree and Hawley Smith. Nopetro, LLC is jointly/majority owned by two individuals, Jorge Herrera and Jonathan “Jack” Locke. TLW CNG, LLC is owned by an individual, Tom Ward. All of the individual owners of the Nopetro entities are U.S. citizens.

II. COMMUNICATIONS

All communications and correspondence regarding this Application should be addressed to:

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III. BACKGROUND

On December 28, 2020, Nopetro filed an application (“Initial Application”) with the Office of Fossil Energy under Section 3 of the Natural Gas Act, requesting authority to export domestically produced LNG. Nopetro requested a long-term authorization to export LNG (1) under section 3(c) of the NGA, to FTA Countries, and (2) under section 3(a) of the NGA, to Non-FTA Countries. In its Initial Application, Nopetro requested that the authorization for both FTA and Non-FTA Countries commence on the date of first commercial export and end on December 31, 2050.

On March 22, 2021, DOE/FE determined the proposed action was excluded from National Environmental Policy Act review. On March 23, 2021, DOE/FE issued Order No. 4671 granting Nopetro the long-term authorization to export to FTA Countries and the long-term small-scale authorization to export to Non-FTA Countries. Under Ordering Paragraph C of the Order, Nopetro must commence exports to Non-FTA Countries within two years of the date of the Order (i.e., by March 23, 2023). DOE/FE indicated that it provided a shortened two-year period for small-scale exports to begin because such exports would be from existing facilities.²

IV. REQUESTED AMENDMENT

Nopetro hereby requests that DOE/FE amend the Order to extend the time period for Nopetro to commence exports under the Small-Scale Authorization from two years from the date of the Order (March 23, 2023), to four years from the date of the Order (March 23, 2025).

² See Order at 8 (Section VI.B.).

V. NOPETRO’S REQUEST TO EXTEND THE TERM OF THE CONDITION TO COMMENCE EXPORT UNDER THE SMALL-SCALE EXPORT RULE IS CONSISTENT WITH THE PUBLIC INTEREST

Nopetro respectfully submits that a two-year extension of the Small-Scale Authorization is in the public interest. In the Order, DOE/FE concluded that the non-FTA portion of the Initial Application satisfied the criteria for small-scale natural gas exports in 10 C.F.R. § 590.102(p).³ Accordingly, pursuant to 10 C.F.R. § 590.208(a), DOE/FE found that the proposed small-scale exports were deemed to be consistent with the public interest under Section 3(a) of the Natural Gas Act, 15 U.S.C. § 717b(a). Section 590.208(a) provides that “small-scale natural gas exports are deemed to be consistent with the public interest” under NGA Section 3(a) and that DOE/FE “will issue an export authorization upon receipt of any complete application to conduct small-scale natural gas exports.”⁴ If this extension request is granted, Nopetro’s proposed exports would continue to meet the criteria for small-scale natural gas exports in 10 C.F.R. § 590.102(p) and thus would continue to be consistent with the public interest.⁵

Nopetro has been actively negotiating potential LNG export contracts since the Order was issued. Nopetro believes that an additional two years will give Nopetro the time it needs to finalize such contracts and commence commercial LNG exports. Such a two-year extension will also save DOE/FE resources that would be consumed by an entirely new application for such authority.

³ Specifically, and consistent with 10 C.F.R. § 590.102(p), Nopetro requested authority to export LNG to Non-FTA Countries in a volume equivalent to 51.75 Bcf/yr of natural gas, and DOE’s approval did not require an environmental impact statement or environmental assessment because a categorical exclusion applied. *See* Order at 6-7.

⁴ *See also* U.S. Dep’t of Energy, Small-Scale Natural Gas Exports, Final Rule, 83 Fed Reg. 35,106 (July 25, 2018) (“Small-Scale Export Rule”).

⁵ In this regard, Nopetro incorporates herein by reference the description and discussion in its Initial Application of the proposed exports. Nopetro is only requesting a change to the time period for commencement of the small-scale exports; it is not seeking any other change.

Further, DOE/FE has acknowledged that it is concerned with better enabling U.S. companies to compete for LNG export contracts in the global market.⁶ As the Russian war on Ukraine highlights global dependence on Russian LNG, and as the Biden Administration has affirmed, at this time it is strongly within the public interest to enable LNG exports from the United States.⁷

For the above reasons, the requested extension is consistent with the public interest.

VI. DOE/FE HAS THE AUTHORITY TO GRANT THE REQUESTED EXTENSION OF THE TIME PERIOD FOR NOPETRO TO COMMENCE SMALL-SCALE EXPORTS UNDER THE SMALL-SCALE AUTHORIZATION

DOE/FE has the authority to extend the term to commence non-FTA exports in Nopetro's Small-Scale Authorization. DOE/FE typically grants a term of seven years to commence non-FTA exports.⁸ However, in Nopetro's Small-Scale Authorization, DOE/FE granted only a two-year term to begin non-FTA exports, which has proven to be an insufficient amount of time to conclude the required negotiations. Nopetro is therefore requesting a two-year extension, which would amend the term to commence non-FTA exports to four years, still three years shorter than DOE/FE typically approves.

⁶ U.S. Dep't of Energy, Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050; Notice of Final Policy Statement and Response to Comments, 85 Fed. Reg. 52,237 at 52,240 (Aug. 25, 2020) ("Final Policy Statement").

⁷ <https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/25/fact-sheet-united-states-and-european-commission-announce-task-force-to-reduce-europes-dependence-on-russian-fossil-fuels/>.

⁸ Final Policy Statement, 85 Fed. Reg. 52,237 at 52,239 ("DOE also allows a term for commercial export operations to commence—typically seven years—set from the date the order is issued.").

VII. APPENDIX LIST

The below Appendix is attached hereto consistent with Section 590.202 of DOE/FE's regulations:⁹

Appendix A Verification

VIII. CONCLUSION

For the reasons set forth in this Application, Nopetro respectfully requests that DOE/FE grant the amendment to the Small-Scale Authorization requested herein as consistent with the public interest.

Respectfully submitted,



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DATED: March 15, 2023

⁹ Nopetro incorporates herein by reference the appendices in its Initial Application, including Appendix B, Opinion of Counsel, and Appendix C, Liquefaction Facilities and Ports.

APPENDIX A

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VERIFICATION

The undersigned attests that he is the Chief Executive Officer of Nopetro LNG, LLC, that he is authorized to make this verification, that he has read the foregoing application to amend long-term authorization for small-scale exports of liquefied natural gas, and that the statements and matters contained therein are true and correct to the best of his information, knowledge and belief.



Jorge Herrera