



Department of Energy  
Washington, DC 20585

July 17, 2017

BY EMAIL

Lisa M. Toner  
Mariah T. Johnston  
Orrick, Herrington & Sutcliffe LLP  
51 West 52nd Street  
New York, NY 10019-6142  
[ltonery@orrick.com](mailto:ltonery@orrick.com)  
[mjohnston@orrick.com](mailto:mjohnston@orrick.com)

**RE: Statement and Notice of Change in Control  
Driftwood LNG LLC  
FE Docket No. 16-144-LNG**

Dear Ms. Toner and Ms. Johnston:

This correspondence constitutes the response of the Department of Energy (DOE), Office of Fossil Energy (FE), to your Notice of Change in Control filed on February 17, 2017, on behalf of Driftwood LNG LLC (Driftwood LNG) in the above-captioned docket.<sup>1</sup> You submitted the Notice of Change in Control pursuant to DOE/FE's Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas (CIC Procedures).<sup>2</sup> In the Notice, you describe a change to the ownership interests of Driftwood LNG, as discussed below.

## **I. BACKGROUND**

On September 28, 2016, Driftwood LNG filed an application (Application)<sup>3</sup> with DOE/FE requesting long-term, multi-contract authorization to export domestically produced liquefied natural gas (LNG) in a volume equivalent to 1,496.5 billion cubic feet (Bcf) per year of natural gas. Driftwood LNG seeks to export this LNG from its proposed natural gas liquefaction facility

---

<sup>1</sup> Letter from Lisa Toner, Counsel for Driftwood LNG LLC, to John Anderson, U.S. Dep't of Energy, re: Statement and Notice of Change in Control, FE Docket No. 16-144-LNG (Feb. 17, 2017) [hereinafter Notice of Change in Control].

<sup>2</sup> See U.S. Dep't of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541 (Nov. 5, 2014) [hereinafter CIC Procedures].

<sup>3</sup> Driftwood LNG LLC, Application for Long-Term Authorization to Export Liquefied Natural Gas, FE Docket No. 16-144-LNG (Sept. 29, 2016).

to be located in Calcasieu Parish, Louisiana, to both: (i) any country with which the United States has, or in the future will have, a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries),<sup>4</sup> and (ii) any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries).

On February 28, 2017, in DOE/FE Order No. 3968, DOE/FE issued an order granting the FTA portion of the Application.<sup>5</sup> Under the terms of that Order, Driftwood LNG is authorized to export the requested volume of LNG, on its own behalf or as agent for other entities, to FTA countries for a term of 30 years.<sup>6</sup>

With respect to the non-FTA portion of the Application, DOE/FE published a notice in the *Federal Register* seeking public comment on the requested authorization.<sup>7</sup> The comment period ended on March 13, 2017. DOE/FE's review of the non-FTA portion of Driftwood LNG's Application remains pending.

## **II. DESCRIPTION OF REQUEST**

On February 17, 2017, Driftwood LNG filed the Notice of Change in Control with DOE/FE in the above-referenced docket. Driftwood LNG states that it is a Delaware limited liability company, with its principal place of business in Houston, Texas. According to Driftwood LNG, at the time it filed its Application, Driftwood LNG was an indirect, wholly-owned subsidiary of Tellurian Investments Inc. (Tellurian Investments). Driftwood LNG states that Tellurian Investments was founded as a private company in 2016.

Driftwood LNG states that, on February 10, 2017, Tellurian Investments merged with a wholly-owned subsidiary of Magellan Petroleum Corporation. Upon close of that merger, Magellan Petroleum Corporation changed its name to Tellurian Inc. (Tellurian). Tellurian is listed on the NASDAQ stock exchange under the symbol TELL. As a result of that merger, Driftwood LNG is now an indirect, wholly-owned subsidiary of Tellurian.

## **III. DISCUSSION AND CONCLUSIONS**

DOE/FE's Procedures for Changes in Control provide that, upon receipt of a statement of change in control relating to existing FTA export authorizations, DOE will give immediate effect to the change in control and will take no further action.<sup>8</sup> Accordingly, Driftwood LNG's change in control has taken effect insofar as it relates to DOE/FE Order No. 3968.

---

<sup>4</sup> The United States 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. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas.

<sup>5</sup> *Driftwood LNG LLC*, DOE/FE Order No. 3968, FE Docket No. 16-144-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel From the Proposed Driftwood LNG Facility in Calcasieu Parish, Louisiana, to Free Trade Agreement Nations (Feb. 28, 2017).

<sup>6</sup> See *Driftwood LNG*, DOE/FE Order No. 3968, at 9-10 (Ordering Para. A).

<sup>7</sup> 82 FR 3760 (Jan. 12, 2017).

<sup>8</sup> See CIC Procedures, 79 Fed. Reg. at 65,542.

Regarding the pending non-FTA portion of the Application, the CIC Procedures state that applicants may amend a pending non-FTA export application to reflect a change in control, but must serve notice of the change in control on other parties to the proceeding, as provided in 10 C.F.R. § 590.107. Driftwood LNG complied with these service requirements when it served the Notice of Change in Control on the service list for this proceeding.<sup>9</sup> The amendment to Driftwood LNG's Application thus has taken effect. Since no parties in this proceeding opposed or otherwise timely responded to the Notice, no further action is required in relation to the change in control.

Sincerely,



Digitally signed by John A.  
Anderson  
Date: 2017.07.17 10:39:43  
-04'00'

John A. Anderson  
Director, Office of Regulation and International Engagement  
Office of Oil and Natural Gas  
Office of Fossil Energy

cc: Pat Outtrim, Counsel for Driftwood LNG  
Rachel Candelet, Counsel for Driftwood LNG

---

<sup>9</sup> See Notice of Change in Control, Certificate of Service.