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1100 Louisiana Street, Suite 3550  
Houston, TX 77002  
United States of America

September 30, 2016

**By Electronic Mail**

U.S. Department of Energy  
Office of Fossil Energy  
Office of Oil and Gas Global Security and Supply  
[fergas@hq.doe.gov](mailto:fergas@hq.doe.gov)  
P.O. Box 44375  
Washington, D.C. 20026-4375

Attention: Delfin LNG, LLC, FE Docket Nos. **13-129-LNG and 13-147-LNG**  
Order No. 3393, Order Condition J -- Semi-annual progress report

Dear Sirs:

Delfin LNG, LLC ("Delfin") hereby submits this semi-annual progress report in compliance with ordering paragraph J of Order No. 3393 issued in FE Docket No. 13-129-LNG on February 20, 2014. Order No. 3393 authorized Delfin to export domestically produced LNG by marine vessel from its proposed floating liquefaction project to be located in the Gulf of Mexico (the "Project") to countries with which the United States currently has, or in the future will have, a Free-Trade Agreement requiring the national treatment of natural gas. Delfin's application for authorization to export LNG to nations with which the United States does not have such a free trade agreement, but with which trade is not prohibited, is pending in FE Docket No. 13-147-LNG.

**a) Progress of the Project:**

- As explained in previous semi-annual reports, Delfin's application for all federal authorizations required for a license to own, construct, and operate its planned Deepwater Port for the export of LNG under the Deepwater Port Act of 1974 as amended is pending with the Maritime Administration ("MARAD") and the U.S. Coast Guard ("USCG") is pending in Docket USCG-2015-0472. Delfin's application for a certificate of public convenience and necessity for the related onshore facilities for the Project is pending with the Federal Energy Regulatory Commission ("FERC") in its Docket No. CP15-490-000.
- On November 19, 2015, Delfin submitted its amended deepwater port license application with the MARAD and USCG. In the amended application, Delfin's four FLNGVs will be designed to produce approximately 12 mtpa of LNG for export (approximately 585 Billion standard cubic feet (Bcf) per year), and as much as 13.2 mtpa (or approximately 657.5 Bcf per year). Thus, the total export capacity of the facilities under review by MARAD and USCG is equivalent to the export volumes proposed for export in Delfin's application pending in FE Docket No. 13-147-LNG. On December 24, 2015, Notice of Receipt of the amended



Office of Fossil Energy  
Office of Oil and Gas Global Security and Supply  
September 30, 2016  
Page 2 of 3

application was published in the Federal Register, along with a request for comments on the amended application by January 19, 2016.

- Contemporaneous with the November 19, 2015, filing of the amended Deepwater Port application, Delfin also submitted an amendment to its FERC application, to increase the horsepower of its proposed on-shore compression facility sufficiently to allow the transportation of the increased feed gas associated with the proposed larger FLNGVs. FERC issued its Notice of the Amended Application on December 1, 2015, and Notice of its Scoping for Delfin's proposed on-shore facilities on December 29, 2015.
- In the subsequent months, MARAD and the USCG, working in coordination with participating Federal and State agencies, have been processing Delfin's amended license application and preparing a Draft Environmental Impact Statement ("DEIS"). As part of that process, Delfin has responded to numerous "data gap" requests from the USCG, as well as certain Environmental Information Requests from the FERC Staff.
- On March 7, 2016, the MARAD and USCG notified Delfin of the suspension of the statutory timeline for the Port Delfin Project, pending the receipt of additional information required for the completion of the DEIS for the Project. On July 8, 2016, MARAD and USCG notified Delfin that all the required information had been provided, and that the suspension of the statutory timeline was removed effective on July 8, 2016.
- On July 7, 2016, MARAD issued public notice of the availability of the DEIS, established a 45-day period for public comments on the DEIS, and announced informational open houses and public meetings to be held on August 9, 2016 in Cameron, Louisiana, and on August 10, 2016, in Beaumont, Texas. Those public meetings were held as scheduled, and the comment period on the DEIS ended on August 29, 2016.
- Following the close of the period for comments on the DEIS, Delfin received certain minor data gap requests from the USCG and Environmental Information Requests from the FERC Staff. Delfin is in the process of answering all of these requests.
- On September 15, 2016, Delfin submitted a letter to the USCG that responded to certain public comments on the DEIS. Delfin also noted in its letter the strong support the Project has received from political, community and business leaders, both at the public meetings and in letters sent to the USCG and MARAD by Louisiana's Senators Vitter and Cassidy, together with Congressmen Boustany, Scalise, Richmond, and Grave. Delfin also expressed its view that the stage is set for the prompt issuance of the Final Environmental Impact Statement for the Port Delfin deepwater port and its associated onshore facilities.



Office of Fossil Energy  
Office of Oil and Gas Global Security and Supply  
September 30, 2016  
Page 3 of 3

**b) Date the Project is expected to be operational:**

- Delfin anticipates that, subject to all necessary regulatory approvals, it will begin operation of its first FLNGV in 2020. Delfin will sequence the start-up of its additional three FLNGVs in accordance with contracted customer demand.

**c) Status of the long-term contracts associated with the long-term export of LNG and any long-term supply contracts:**

- Delfin has not yet entered into any binding contracts with customers for the export of LNG from its Project, but continues to make significant progress in negotiations with potential customers. Delfin will file all long-term, binding contracts associated with the export of LNG from its facility once executed, in accordance with the requirements of DOE/FE Order No. 3393.

We hope this update provides you with sufficient detail regarding the status of the Delfin Project in compliance with Order No. 3393. Please feel free to contact our counsel, Patrick Nevins of Hogan Lovells US LLP at (202) 637-6441 or [Patrick.Nevins@HoganLovells.com](mailto:Patrick.Nevins@HoganLovells.com), if you have any questions or require additional information.

Respectfully submitted,

A handwritten signature in black ink that reads "W. H. Daughdrill".

William H. Daughdrill  
Director, Health, Safety and Environment  
Fairwood Peninsula Energy Corporation  
1100 Louisiana Street, Suite 3550  
Houston, TX 77002  
[w.daughdrill@fairwoodlng.com](mailto:w.daughdrill@fairwoodlng.com)