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

In the Matter of:

STABILIS GDS, INC.

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Docket No. 22- 61 -LNG

**APPLICATION OF STABILIS GDS, INC.
FOR LONG-TERM AND SHORT-TERM
MULTI-CONTRACT AUTHORIZATION TO EXPORT
SMALL-SCALE LIQUEFIED NATURAL GAS TO
FREE TRADE AGREEMENT AND
NON-FREE TRADE AGREEMENT NATIONS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. Section 717b, and Part 590 of the Department of Energy’s (“DOE”) regulations, 10 C.F.R. Part 590 (2021), Stabilis GDS, Inc. (“Stabilis”) submits this application to the Office of Fossil Energy (“FE”) for an order granting it authorization for small-scale liquefied natural gas (“LNG”) exports to both nations with which there is, and with nations with which there is not, in effect a free trade agreement with the United States requiring national treatment for trade in natural gas and with which trade is not prohibited by United States law or policy. Specifically, Stabilis seeks authorization to export LNG in a volume equivalent of 51.75 billion cubic feet (“Bcf”) per year for a term ending December 31, 2050, to commence on the date that an order granting the requested authorization is issued. In support of this application, Stabilis respectfully submits the following:

I. COMMUNICATIONS

All communications regarding this application should be addressed to the following:

Andrew Puhala
Stabilis GDS, Inc.
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II. DESCRIPTION OF APPLICANT

Stabilis is a U.S. corporation organized under the laws of the State of Delaware, with its principal place of business located at 11750 Katy Freeway, Suite 900, Houston, TX 77079. Stabilis is owned by Stabilis Solutions, Inc., which is a U.S. corporation organized under the laws of the State of Florida. Stabilis provides full service LNG fuel solutions to customers, including the purchase and manufacture of LNG, fuel management and delivery to customers, and the provision of on-site equipment to store and handle LNG to the fueling point. Stabilis is registered to do business in the states of Colorado, Florida, South Carolina and Texas. Stabilis also has various affiliates that are registered to do business in other states. Stabilis commits to ensuring that the applicable registration requirements of any state in which it does business relating to the small scale LNG export permit requested here will be satisfied.

III. AUTHORIZATION REQUESTED

Stabilis is filing this application pursuant to the final rule issued by DOE/FE on July 25, 2018 to revise its regulations to facilitate the approval of small-scale exports of natural gas, including LNG, effective August 24, 2018.¹ Small-scale natural gas exports are deemed to be

¹ *Small-Scale Natural Gas Exports*, 83 Fed. Reg. 35106 (Jul. 25, 2018).

considered to be consistent with the public interest under Section 3(a) of the NGA, 15 U.S.C. § 717b(a).² The final rule provides that DOE/FE will issue an export authorization upon receipt of any complete application that seeks to export natural gas, including LNG, to countries with which the United States has not entered into 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”) if the application satisfies the following two criteria: (i) the application proposes to export natural gas in a volume up to and including 51.75 Bcf per year, which is equivalent to 0.14 Bcf per day; and (ii) DOE’s approval of the application does not require an environmental impact statement (“EIS”) or an environmental assessment (“EA”) under the National Environmental Policy Act of 1969 (“NEPA”).³

The instant application satisfies both of these criteria. First, Stabilis seeks authorization to export LNG from the United States up to a volume equivalent of 51.75 Bcf of natural gas per year, which is equivalent to 0.14 Bcf per day. Second, the LNG proposed to be exported will be sourced from manufacturing facilities in existence as of the date of this application.⁴ The source of the proposed exports will be the vast natural gas supply produced throughout the United States and delivered to the existing facilities through the integrated pipeline grid. No new facilities or facility expansions will be constructed in the United States for the proposed exportation of LNG, and, should Stabilis, during the effective term of its export permit, desire to add any LNG source facility to the list set forth on Appendix C, Stabilis will seek to amend its export permit in that regard.

² 10 C.F.R. § 590.208(a) (2021).

³ 10 C.F.R. § 590.102(p) (2021).

⁴ Stabilis is, in Appendix C to this application, providing a list of thirty-nine LNG manufacturing facilities that are currently in place in the United States. For each facility, Stabilis is also providing the current rated production capacity, the respective port(s) through which Stabilis anticipates exporting the LNG sourced from that facility, and the producing basin from which the LNG in question is assumed to have been produced. This pairing of source facilities and export locations is based on Stabilis’s best information to date.

Consequently, granting this application will qualify for a categorical exclusion from NEPA, and, as such, will not be a federal action significantly affecting the quality of the human environment within the meaning of the NEPA. An EA or EIS is not required under these circumstances.

Stabilis will commit to comply with all DOE/FE-imposed reporting requirements for export activity carried out pursuant to this permit, including notice of initial use and monthly reporting thereafter. Further, and also consistent with export authorizations issued to other applicants under the small scale LNG export program,⁵ Stabilis will undertake to file or cause to be filed any long term (having a primary term of more than one year) commercial agreements associated with the supply of natural gas to be exported pursuant to this blanket authorization, in redacted and (under seal) unredacted forms, and will take appropriate steps to insure that any such contracts contain language prohibiting the landing of such LNG cargoes in countries with which United States trade in energy is prohibited.

Stabilis requests that it be accorded “agency rights” under its small scale LNG export permit, by means of which it may, but is not required to, utilize a portion of its annual 51.75 Bcf allowance to facilitate the (likely short-term) export of LNG for one or more third parties. Stabilis understands and accepts that it will be required (i) to register the names of any such third parties, (ii) to satisfy the same reporting obligations for these third party-owned volumes as it does for its own export volumes, and (iii) to insure that any third parties on behalf of which Stabilis uses its agency rights in this regard will be made subject to the same requirement as is Stabilis to include in any resale contract a provision preventing the landing of such LNG in any country with which United States trade in energy is prohibited.

⁵ See DOE/FE Order No. 4461, FE Docket No. 19-104-LNG (Nov. 8, 2019) (“SpotX”); DOE/FE Order No. 4671, FE Docket No. 20-167-LNG (Mar. 23, 2021) (“Nopetro”).

Stabilis is looking at an array of vehicles by which to apply its requested small scale LNG export authorization. Although conventional International Organization for Standardization (“ISO”) containers should play a leading role in that regard,⁶ Stabilis is also considering use of smaller LNG carriers, *e.g.*, those having a maximum capacity of between 5,000 and 10,000 cubic meters. In terms of potential markets for the LNG to be exported, Western hemisphere venues remain attractive, but recent world events strongly support a broader view. Specifically, Stabilis believes that prompt approval of this LNG export application will allow it to move forward with one or more projects in the very near term that can make a meaningful contribution to easing the natural gas challenges that the European market is currently facing. To that end, Stabilis requests that DOE act on this application as soon as practicable, and, in any event, within ninety (90) days of its filing date.

Stabilis requests that the small-scale natural gas export authorization be granted through December 31, 2050, to commence on the date that an order granting the requested authorization is issued. Stabilis has determined this term will afford it sufficient flexibility to design its short-term and long-term commercial arrangements for the international markets it intends to serve.

IV. APPENDICES

The following appendices are included with this application:

Appendix A: Verification

Appendix B: Opinion of Counsel

Appendix C: List of Liquefaction Facilities and Ports

⁶ Stabilis will utilize ISO containers that have been specified as ASME tanks and have been approved by the U.S. Department of Transportation for the transportation of LNG.

V. **CONCLUSION**

WHEREFORE, for the foregoing reasons Stabilis respectfully requests that the DOE/FE expeditiously issue an order granting its application for small-scale authorization to export LNG in a volume equivalent of 51.75 Bcf per year to FTA countries and non-FTA countries for a term ending December 31, 2050.

Respectfully submitted,

Handwritten signature of Douglas F. John in black ink.

Douglas F. John
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Counsel for Stabilis GDS, Inc.

Dated at Washington, D.C.: June 21, 2022.


Appendix A

Verification

VERIFICATION

STATE OF TEXAS)
) SS:
COUNTY OF HARRIS)


BEFORE ME, the undersigned authority, on this day personally appeared Andrew L. Puhala, who, having been by me first duly sworn, on oath says that he is Vice President for Stabilis GDS, Inc.; that he is familiar with the contents of the foregoing application; and that the matters set forth therein are true and correct to the best of his knowledge, information and belief.



[INSERT NAME]

Sworn to and subscribed before me, a Notary Public, this 16 day of June, 2022.

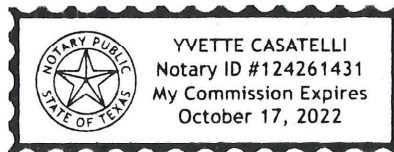
(NOTARIAL SEAL)



Notary Public

My Commission Expires:

October 17, 2022



Appendix B

Opinion of Counsel

John & Hengerer LLP

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June 21, 2022


Office of Fuels Program
Fossil Energy, U.S. Department of Energy
Docket Room 3F-056, FE-50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: Stabilis GDS, Inc. Application for Small-Scale Natural Gas Export
Authorization

Dear Sir or Madam:

This opinion of counsel is provided in accordance with the requirements of Section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2021). I have examined the certificate of formation for Stabilis GDS, Inc. ("Stabilis") and other authorities as necessary, and have concluded that the proposed exportation of liquefied natural gas by Stabilis is within its corporate powers. Further, Stabilis is authorized to do business in Texas and other U.S. states and to engage in foreign commerce.

Respectfully submitted,



Douglas F. John
Counsel for Stabilis GDS, Inc.

Appendix C

List of Liquefaction Facilities and Ports

IG Supply Plants/Locations for Small Scale Export

<u>#</u>	<u>Supplier</u>	<u>Plant Name</u>	<u>Location</u>	<u>Capacity [g/d]</u>	<u>Export Port(s)</u>	<u>Primary Gas Supply Basin</u>
1	Stabilis Solutions	George West	George West, TX	120,000	Corpus Christi, TX	Eagle Ford
2	Stabilis Solutions	Port Allen	Baton Rouge, LA	30,000	Baton Rouge, LA New Orleans, LA Beaumont, TX Port Arthur, TX	Haynesville
3	Exxon	Shute Creek	Kemmerer, WY	80,000	Oakland, CA Portland, OR Tacoma, WA Houston, TX Galveston, TX Beaumont, TX	Green River
4	XTO (Exxon)	Hawkins	Hawkins, TX	60,000	Port Arthur, TX	Haynesville
5	Harvest Midstream	Ignacio	Durango, CO	100,000	Houston, TX Galveston, TX Corpus Christi, TX	San Juan
6	Philadelphia Gas Works	Port Richmond	Philadelphia, PA	170,000	Philadelphia, PA Wilmington, DE	Marcellus
7	Philadelphia Gas Works	Passyunk	Philadelphia, PA	120,000	Philadelphia, PA Wilmington, DE	Marcellus
8	UGI Energy Services	Temple	Wyomissing, PA	120,000	Philadelphia, PA Wilmington, DE	Marcellus
9	UGI Energy Services	Manning	Archbald, PA	120,000	New Jersey, NJ Philadelphia, PA Wilmington, DE	Marcellus
10	Kinetrex Energy	North Plant	Indianapolis, IN	75,000	Toledo, OH Cleveland, OH Detroit, MI Toledo, OH	Woodford
11	Kinetrex Energy	South Plant	Indianapolis, IN	100,000	Cleveland, OH Detroit, MI	Woodford
12	Pivotal LNG	Trussville	Trussville, AL	60,000	Mobile, AL Gulfport, MS New Orleans, LA Panama City, FL Savannah, GA Charleston, SC	Gulf of Mexico
13	Southern Company / Pivotal LNG	Chattanooga	Chattanooga, TN	100,000	Mobile, AL Houston, TX Galveston, TX Beaumont, TX	Gulf of Mexico
14	Clean Energy Fuels	Pickens	Willis, TX	100,000	Port Arthur, TX	Haynesville
15	Memphis Light, Gas & Water	Capleville	Capleville, TN	50,000	Mobile, AL Gulfport, MS New Orleans, LA Baton Rouge, LA	Fayetteville
16	Clean Energy Fuels	Boron	Boron, CA	160,000	Los Angeles, CA Long Beach, CA	San Juan

17	Intermountain Gas Company	Nampa	Nampa, ID	40,000	Portland, OR Tacoma, WA Los Angeles, CA	Montney
18	Applied LNG	Topock	Needles, AZ	160,000	Long Beach, CA	Permian
19	Applied LNG	Midlothian	Midlothian, TX	80,000	Houston, TX Galveston, TX Corpus Christi, TX	Barnett
20	Centerpoint	Burnsville	Burnsville, MN	60,000	Duluth, MN Green Bay, WI	Bakken
21	Eagle LNG	Maxville	Maxville, FL	90,000	Jacksonville, FL Savannah, GA Port Canaveral, FL	Gulf of Mexico
22	Spectrum Energy	Ehrenburg	Ehrenburg, AZ	60,000	San Diego, CA Los Angeles, CA Long Beach, CA	Permian
23	Alkane Midstream	Seminole	Seminole, TX	80,000	Corpus Christi, TX Houston, TX Galveston, TX	Permian
24	JaxLNG / Pivotal LNG	Jacksonville	Jacksonville, FL	120,000	Jacksonville, FL Savannah, GA Port Canaveral, FL	Gulf of Mexico
25	Southern Company / Pivotal LNG Riverdale		Riverdale, GA	100,000	Savannah, GA Charleston, SC Jacksonville, FL Panama City, FL	Gulf of Mexico
26	Southern Company / Pivotal LNG Cherokee		Ball Ground, GA	100,000	Mobile, AL Savannah, GA Charleston, SC Jacksonville, FL Panama City, FL	Gulf of Mexico
27	Southern Company / Pivotal LNG Macon		Macon, GA	100,000	Mobile, AL	Gulf of Mexico
28	Duke Energy	Huntersville	Huntersville, NC	100,000	Wilmington, NC Charleston, SC	Haynesville
29	Duke Energy	Four Oaks	Four Oaks NC	100,000	Wilmington, NC Norfolk, VA	Haynesville
30	Duke Energy	Robeson	Robeson, NC	100,000	Wilmington, NC Charleston, SC Savannah, GA Charleston, SC Jacksonville, FL Panama City, FL	Haynesville
31	Duke Energy	Nashville	Nashville, TN	50,000	Mobile, AL	Haynesville
32	Transfuels	Plymouth	Plymouth, WA	120,000	Portland, OR Tacoma, WA Duluth, MN Green Bay, WI	Montney
33	MUD	Omaha	Omaha, NE	62,000	Chicago, IL	Niobara

34	Williams	Carlstadt	Carlstadt, NJ	100,000	New Jersey, NJ New Haven, CT Wilmington, DE Miami, FL Tampa, FL Port Canaveral, FL	Marcellus
35	New Fortress Energy	Miami	Miami, FL	100,000	Chicago, IL Green Bay, WI Duluth, MN	Gulf of Mexico
36	Northern Natural Gas	Gardner	Gardiner, IA	160,000	Philadelphia, PA Wilmington, DE	Woodford
37	South Jersey Gas	McKee City	McKee City, NJ	50,000	New Jersey, NJ Philadelphia, PA Wilmington, DE Rochester, NY	Marcellus
38	Niche LNG // Pivotal LNG	Towanda	Towanda, PA	50,000	Erie, PA Tacoma, WA Seattle, WA	Marcellus
39	Puget Sound Energy	Puget LNG	Tacoma, WA	225,000	Portland, OR	Montney