

July 25, 2024

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Ms. Amy Sweeney, Director  
Office of Regulation, Analysis, and Engagement  
Office of Fossil Energy and Carbon Management  
Forrestal Building, FE-34  
1000 Independence Ave. S.W.  
Washington, DC 20585

**Re: Commonwealth LNG, LLC - DOE/FECM Docket No. 19-134-LNG  
Notice of Change in Control and Amendment to Pending Application**

Dear Ms. Sweeney:

In accordance with the FTA export authorization issued by the U.S. Department of Energy, Office of Fossil Energy and Carbon Management (“DOE/FECM”) in the captioned proceeding and the *Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas* (the “CIC Procedures”),<sup>1</sup> Commonwealth LNG, LLC (“Commonwealth”) hereby submits the following statement and notice of change in control with respect to Commonwealth’s corporate ownership. Commonwealth also requests that this filing serve as notice of the change in control and an amendment to its pending non-FTA export application.

Pursuant to an agreement executed and closed on June 25, 2024 (referred to as the “Transaction”), a wholly owned subsidiary of Kimmeridge Texas Gas, LLC (“KTG”), an affiliate of Kimmeridge Energy Management Company, LLC (“Kimmeridge”), purchased 100% of the equity in Commonwealth. Consistent with DOE’s CIC Procedures, Commonwealth respectfully requests DOE/FECM give immediate effect to the change in control resulting from the Transaction for Commonwealth’s existing FTA authorization, and that this filing serve as an amendment of Commonwealth’s pending non-FTA export application in the above-captioned docket, as further described herein.

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<sup>1</sup> 79 Fed. Reg. 65541 (Nov. 5, 2014).

## **Background**

The exact legal name of Commonwealth is Commonwealth LNG, LLC. Commonwealth is a Texas limited liability company, with its primary place of business located at One Riverway, Suite 500, Houston, TX 77056, and is authorized to do business in the State of Louisiana. Prior to the Transaction, Commonwealth was a wholly owned subsidiary of Commonwealth Projects, LLC, which was in turn wholly owned by a private individual, Paul Varello. Commonwealth is authorized to export up to 9.5 million metric tons per annum (“MTPA”) of liquefied natural gas (“LNG”) to Free Trade Agreement (“FTA”) nations.<sup>2</sup> On October 16, 2019, Commonwealth filed an application with DOE/FECM to export an equivalent volume of LNG to non-FTA nations.<sup>3</sup> This application is currently pending with DOE/FECM.

## **Change in Control Procedures**

Under DOE’s regulations, an authorization to import or export natural gas (including LNG) may not be transferred or assigned unless authorized by the Assistant Secretary for Fossil Energy and Carbon Management or the person to whom the Assistant Secretary further delegates such authority.<sup>4</sup> With respect to transfers or assignments triggered by changes in control, DOE/FECM issued the CIC Procedures which govern how import or export authorization holders notify DOE/FECM of certain changes in control.<sup>5</sup> Pursuant to the CIC Procedures, “a rebuttable presumption that control exists will arise from the ownership or the power to vote, directly or indirectly, 10 percent or more of the voting securities of an entity.”<sup>6</sup> Entities must file a notice of change in control to DOE/FECM before or after the consummation of a change in control, but no later than 30 days after the change in control has been effectuated.<sup>7</sup>

Pursuant to the CIC Procedures, for already issued FTA authorizations, DOE/FECM will give immediate effect to the change in control upon receipt of the notice and take no further action. For pending non-FTA authorizations, under the CIC Procedures, an applicant may amend their application to reflect a change of control by submitting notice of such amendment to DOE and serving that notice on other parties to the proceeding. DOE will give immediate effect to the

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<sup>2</sup> *Commonwealth LNG, LLC*, DOE/FECM Order No. 4521, FECM Docket No. 19-134-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Gas to Free Trade Agreement Countries (Apr. 17, 2020) (“FTA Authorization”).

<sup>3</sup> *Commonwealth LNG, LLC*, FECM Docket No. 19-134-LNG, Application for Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Nations and Non-Free Trade Agreement Nations (Oct. 16, 2019) (“non-FTA Application”), *amended*, *Commonwealth LNG, LLC*, FECM Docket No. 19-134-LNG, (Sep. 11, 2020) (Amending non-FTA Application to Request an Export Term Through December 31, 2050).

<sup>4</sup> 10 C.F.R. §§ 590.102(a) and 590.405.

<sup>5</sup> CIC Procedures, *supra* note 1.

<sup>6</sup> *Id.* at 65542.

<sup>7</sup> *Id.*

amendment but will accept and consider answers to such a notice received within 15 days of service of the applicant's pleading. In its final order on the application, DOE/FECM will address the issues raised in any answers. Generally, DOE will take no further action on the change in control and the amendment will be given effect "[u]nless the opponents of the change in control demonstrate that the change renders the underlying application inconsistent with the public interest, or unless DOE independently makes such a determination."<sup>8</sup>

### **Description of the Transaction**

As stated above, through the Transaction, Kimmeridge's affiliate, KTG, through a wholly owned subsidiary, has purchased approximately 100% of the equity interest in Commonwealth. Kimmeridge is an alternative asset manager focused exclusively on the energy sector. As Kimmeridge is a U.S.-based company, the Transaction does not result in Commonwealth being owned, in whole or in part, or subsidized, directly or indirectly, by any foreign government. Nor is Commonwealth contractually committed to ownership or subsidization by any foreign government or foreign entity.

KTG is a conventional producer of natural gas committed to accelerating carbon neutrality by developing environmentally responsible, low-cost energy assets. With approximately 148,000 net acres in Texas overlaying the dry gas window of the Eagle Ford Shale within Webb, La Salle, McMullen and Karnes counties, KTG produces approximately 400 million cubic feet equivalent of natural gas and oil per day, selling into the South Texas market with access to Mexican export channels, to LNG terminals for global sales, and into pipelines directly servicing Gulf Coast petrochemical facilities.

### **Statement and Notice of Change in Control**

#### **FTA Export Authorization**

As discussed above, the CIC Procedures provide that with respect to existing FTA Authorizations, upon receipt of a statement of change in control, DOE/FECM shall give immediate effect to the change in control and take no further action.<sup>9</sup> Accordingly, for Commonwealth's FTA Authorization, DOE/FECM Order No. 4521, Commonwealth respectfully requests DOE/FECM give immediate effect to the above-described change in control.

#### **Pending Non-FTA Export Authorization**

For pending non-FTA export applications, such as Commonwealth's, the CIC Procedures provide that an applicant may amend its application to reflect the change in control by providing notice to

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<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

DOE, and serving that notice on parties to the subject proceeding.<sup>10</sup> Upon receipt, DOE is to give immediate effect to the amendment and provide a 15-day period for answers to the notice of the amendment, and address any answers in its final order on the non-FTA application.<sup>11</sup> The CIC Procedures provide that in reviewing answers to a notice of amendment due to a change in control, DOE/FECM will take no further action on the change in control and the amendment will continue to be given effect unless opponents of the change in control demonstrate that the change renders the underlying application inconsistent with the public interest.<sup>12</sup>

Through this notice of change in control, Commonwealth hereby amends its pending non-FTA Application to reflect the change in control as discussed herein, with immediate effectiveness. Consistent with DOE Regulations and the CIC Procedures, Commonwealth will serve notice to all parties in the above-captioned proceeding of this amendment. Kimmeridge is an experienced investor in and developer of energy infrastructure in the United States, and is committed to utilizing clean, domestically produced LNG to help bridge the energy transition, and including Commonwealth's best-in-class LNG facility in Kimmeridge's portfolio heightens Commonwealth's commercial viability to meet the world's need for cleaner-burning, U.S. supplied LNG. Accordingly, Commonwealth asserts that nothing in this change in control renders Commonwealth's pending non-FTA Application inconsistent with the public interest. If, however, protests or comments in opposition to this notice are filed, Commonwealth reserves the right to file an answer to any such filings.

### **Conclusion**

Based on the foregoing, Commonwealth respectfully requests that DOE/FECM give immediate effect to the change in control as described herein with regards to Commonwealth's existing FTA Authorization and pending non-FTA Application. For the reasons provided in this notice, neither the Transaction nor the resulting change in ownership will have any impact on Commonwealth's existing FTA Authorization, or Commonwealth's pending non-FTA Authorization.

Thank you for your attention to this matter. Please contact me with any questions regarding this filing.

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<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

Best regards,

A handwritten signature in black ink, appearing to read "D. L. Wochner". The signature is fluid and cursive, with the first name "D" being particularly prominent.

David L. Wochner  
*Counsel for Commonwealth LNG, LLC*

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served this 25<sup>th</sup> day of July 2024 upon each person designated on the official service list compiled by the Secretary in this proceeding, in accordance with 10 C.F.R § 590.107(a).

/s/ Stuart B. Robbins

Stuart B. Robbins

*Counsel for Commonwealth LNG, LLC*

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

|                              |   |                                   |
|------------------------------|---|-----------------------------------|
| <b>In the Matter of</b>      | ) |                                   |
|                              | ) | <b>FECM Docket No. 19-134-LNG</b> |
| <b>Commonwealth LNG, LLC</b> | ) |                                   |

**VERIFICATION**

I, Farhad Arabi, declare that I am President and CEO for Commonwealth LNG, LLC, and am duly authorized to make this Verification; that I have read the foregoing instrument and that the facts therein stated are true and correct to the best of my knowledge, information, and belief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Houston, Texas on July 25, 2024.

/s/  
Farhad Arabi  
President and CEO  
Commonwealth LNG, LLC