

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

**In The Matter Of:**

**Driftwood LNG LLC**

)  
)  
)

**FE Docket No. 16-144- LNG**

**SUPPLEMENT TO LONG-TERM AUTHORIZATION AND  
APPLICATION FOR LONG-TERM AUTHORIZATION**

Pursuant to Section 3 of the Natural Gas Act (“NGA”)<sup>1</sup> and Part 590 of the Department of Energy’s (“DOE”) regulations,<sup>2</sup> Driftwood LNG LLC (“Driftwood LNG”) hereby submits a Supplement to the DOE, Office of Fossil Energy (“DOE/FE”) to (1) the authorization received in DOE/FE Order No. 3968 (“Order No. 3968”)<sup>3</sup> and (2) its pending application in FE Docket No. 16-144-LNG (“Application”) to align the optimized production capacity in Order No. 3968 and the Application with that in its application pending before the Federal Energy Regulatory Commission (“FERC” or “Commission”) in Docket No. CP17-117-000 (“FERC Application”) for authorization to site, construct and operate the proposed Driftwood liquefied natural gas (“LNG”) Facility (the “Facility”).<sup>4</sup>

Through this Supplement, Driftwood LNG will align export volumes from the Facility with the optimized estimated LNG production capacity of approximately 27.6 MTPA (equivalent to

---

<sup>1</sup> 15 U.S.C. § 717b (2012).

<sup>2</sup> 10 C.F.R. Part 590 (2017).

<sup>3</sup> *Driftwood LNG LLC*, 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, DOE/FE Order No. 3968, FE Docket No. 16-144-LNG (Feb. 28, 2017).

<sup>4</sup> *Driftwood LNG LLC & Driftwood Pipeline LLC*, Application for Authorizations under Sections 3 and 7 of the Natural Gas Act, Docket Nos. CP17-117-000 and CP17-118-000 (Mar. 31, 2017). The FERC Application also included a request by Driftwood Pipeline LLC for a certificate of public convenience and necessity to construct, own and operate a new approximately 96-mile-long interstate natural gas pipeline, compression, and related facilities (the “Pipeline”). The Facility and the Pipeline are herein referred to collectively as the “Project”.

approximately 1,415.3 billion cubic feet per year (“Bcf/y”).<sup>5</sup> No changes to the design of the Facility are required or proposed to achieve the increased production capacity.

In support of the instant Supplement, Driftwood LNG provides as follows:

### **I. DESCRIPTION OF APPLICANT AND CURRENT OWNERSHIP INFORMATION**

The exact legal name of the applicant is Driftwood LNG LLC, which is a limited liability company formed under the laws of Delaware with its principal place of business at 1201 Louisiana Street, Suite 3100, Houston, TX 77002. Driftwood LNG is an indirect wholly-owned subsidiary of Tellurian Inc. (“Tellurian”). At the time the Application was filed, Driftwood LNG was an indirect wholly-owned subsidiary of Tellurian Investments Inc. (“Tellurian Investments”). Tellurian Investments was founded as a private company on February 23, 2016, by Charif Souki and Martin Houston.

On December 19, 2016, Tellurian Investments entered into a common stock purchase agreement with TOTAL Delaware, Inc. (“TOTAL”), a Delaware corporation and subsidiary of TOTAL S.A., pursuant to which agreement Tellurian Investments agreed to issue 35.4 million shares of its common stock to TOTAL for an aggregate purchase price of approximately \$207 million. The TOTAL investment was completed on January 3, 2017. On February 10, 2017, Tellurian Investments merged with a wholly-owned subsidiary of Magellan Petroleum Corporation. Upon close of the merger, Magellan Petroleum Corporation changed its name to Tellurian, and is listed on the Nasdaq under the symbol TELL. Driftwood LNG is now an indirect wholly-owned subsidiary of Tellurian.<sup>6</sup>

---

<sup>5</sup> On February 15, 2018, Driftwood LNG made a similar filing with the Commission in Docket No. CP17-117-000 to clarify the LNG production capability of the Facility.

<sup>6</sup> Upon Tellurian Investments merger with Magellan Petroleum Corporation TOTAL’s shares in Tellurian Investments were converted to 45,999,999 shares of common stock of Tellurian. Currently, TOTAL holds 20.65% of the outstanding shares of Tellurian.

## II. COMMUNICATIONS AND CORRESPONDENCE

All correspondence and communications concerning this Supplement, including all service of pleadings and notices, should be directed to the following persons:<sup>7</sup>

Patricia Outtrim  
Rachel Candelet  
Driftwood LNG LLC  
1201 Louisiana Street, Suite 3100  
Houston, TX 77002  
Telephone: (832) 962-4000  
Email: [pat.outtrim@driftwoodlng.com](mailto:pat.outtrim@driftwoodlng.com)  
Email: [rachel.candelet@driftwoodlng.com](mailto:rachel.candelet@driftwoodlng.com)

Lisa M. Tonery  
Mariah T. Johnston  
Orrick, Herrington & Sutcliffe LLP  
51 West 52<sup>nd</sup> Street  
New York, N.Y. 10019-6142  
Telephone: (212) 506-3710  
Email: [ltoney@orrick.com](mailto:ltoney@orrick.com)  
Email: [mjohnston@orrick.com](mailto:mjohnston@orrick.com)

## III. BACKGROUND

On September 28, 2016, in FE Docket No. 16-144-LNG, Driftwood LNG filed the Application, seeking DOE/FE authorization to export LNG in an amount up to 26 MTPA from the proposed Facility in Calcasieu Parish, Louisiana (1) for a term of 30 years to any nation that has, or in the future develops, the capacity to import LNG with which the United States (“U.S.”) has a free trade agreement (“FTA”) requiring the national treatment for trade in natural gas (“FTA Nations”) and (2) for a term of 20 years to any nation that has, or in the future develops, the capacity to import LNG, with which the U.S. does not have an FTA requiring the national treatment for trade in natural gas and with which trade is not prohibited by U.S. law or policy (“Non-FTA Nations”).<sup>8</sup> On January 12, 2017, DOE/FE issued a notice of Driftwood LNG’s request for authorization to export LNG to Non-FTA Nations, and this portion of the Application

---

<sup>7</sup> Driftwood LNG requests waiver of Section 590.202(a) of DOE’s regulations, to the extent necessary to include outside counsel on the official service list in this proceeding. 10 C.F.R. § 590.202(a) (2017).

<sup>8</sup> *Driftwood LNG LLC*, Application of Driftwood LNG LLC for Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreement Nations, FE Docket No. 16-144-LNG (Sept. 28, 2016).

is currently pending before DOE/FE.<sup>9</sup> On February 28, 2017, DOE/FE issued Order No. 3968 authorizing Driftwood LNG to export LNG from the Facility to FTA Nations.<sup>10</sup>

Relatedly, on March 31, 2017, Driftwood LNG filed the FERC Application with the Commission pursuant to Section 3 of the NGA for authorization to site, construct, and operate the Facility.<sup>11</sup> As noted above, on February 15, 2018, Driftwood LNG filed with the Commission to update its pending FERC Application to clarify the LNG production capability of the Facility of approximately 27.6 MTPA. This Supplement aligns with the updated production capacity filed with the Commission in Docket No. CP17-117-000.

#### **IV. AUTHORIZATION REQUESTED**

Driftwood LNG hereby respectfully provides to the DOE/FE this Supplement to the authorization received in Order No. 3968 and the Application to align export volumes from the Facility with the optimized estimated LNG production capacity of approximately 27.6 MTPA (equivalent to approximately 1,415.3 Bcf/y).

To comply with the National Environmental Policy Act,<sup>12</sup> Driftwood LNG respectfully submits that it would be appropriate for DOE/FE to fulfill its requirements for the pending Application for exports to Non-FTA Nations through adoption of the FERC Final Environmental Impact Statement which is anticipated to issue in October 2018.<sup>13</sup>

---

<sup>9</sup> 82 Fed. Reg. 3,760 (Jan. 12, 2017).

<sup>10</sup> *Order No. 3968*.

<sup>11</sup> *FERC Application*, supra note 4.

<sup>12</sup> 42 U.S.C. §§ 4321 et seq. (2012).

<sup>13</sup> *Driftwood LNG LLC & Driftwood Pipeline LLC*, Notice of Schedule for Environmental Review, Docket Nos. CP17-117-000 and CP17-118-000 (Dec. 22, 2017).

## **V. APPENDICES**

Appendix A: Verification

Appendix B: Opinion of Counsel

## **VI. CONCLUSION**

WHEREFORE, Driftwood LNG respectfully submits this Supplement.

Respectfully submitted,

/s/Lisa M. Tonery

Lisa M. Tonery

Mariah T. Johnston

*Attorneys for*

*Driftwood LNG LLC*

March 5, 2018

**APPENDIX A**

VERIFICATION

**VERIFICATION**

State of )

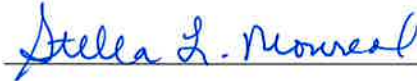
County of )

BEFORE ME, the undersigned authority on this day personally appeared Pat Outtrim, who, having first by me been duly sworn, says she is duly authorized to make this Verification; that she has read the forgoing instrument and that the facts therein stated are true and correct to the best of her knowledge, information, and belief.



Pat Outtrim  
SVP Government and Regulatory Affairs

SWORN TO and SUBSCRIBED on this 5<sup>th</sup> day of March 2018.



NAME: Stella L. Monreal

TITLE: Notary Pubic

Commission Expires:

July 21, 2021



**APPENDIX B**

OPINION OF COUNSEL



March 5, 2018

Ms. Amy Sweeney  
Office of Fossil Energy  
U.S. Department of Energy  
FE-34  
Forrestal Building  
1000 Independence Avenue, S.W.  
Washington, DC 20585

**RE: Driftwood LNG LLC  
DOE/FE Docket No. 16-144-LNG  
Supplement to Long-Term Authorization and Application for Long-Term  
Authorization**

Dear Ms. Sweeney:

This opinion of counsel is submitted pursuant to Section 590.202(c) of the regulations of the U.S. Department of Energy, 10 C.F.R. § 590.202(c) (2017). I am the duly authorized representative for Driftwood LNG LLC. I have reviewed the organizational and internal governance documents of Driftwood LNG LLC and other documents and authorities as necessary for purposes of this opinion. On the basis of the foregoing, it is my opinion that the proposed long-term, multi-contract exports of liquefied natural gas by Driftwood LNG LLC, as described in the above-referenced Supplement, are within the company powers of Driftwood LNG LLC.

Respectfully submitted,



---

Daniel Belhumeur  
General Counsel and Chief Compliance Officer  
Tellurian Inc.

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list in this proceeding.

Dated at New York, N.Y. this 5<sup>th</sup> day of March, 2018.



---

Dionne McCallum-George  
*Legal Secretary on behalf of*  
Driftwood LNG LLC