

About Public Citizen

- Founded in 1971 by Ralph Nader, Public Citizen is a nonpartisan, not-for-profit research and advocacy organization based in Washington, DC. We are dedicated to holding powerful corporations accountable, and ensuring that laws and regulations serve to protect health, safety and democracy.
- Tyson Slocum has been an employee of Public Citizen since 2000, and today serves as the Energy Program Director, where he is active before the Federal Energy Regulatory Commission. tslocum@citizen.org and on Twitter [@TysonSlocum](https://twitter.com/TysonSlocum)
- Our goal in Port St. Joe is to assist the community in efforts to oppose the proposed Nopetro natural gas export facility.
- Learn more about Public Citizen at www.citizen.org

Nopetro LNG LLC

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graph TD; A[Nopetro LNG LLC] --> B[CH4 Venture, LLC (38.2%)  
J.C. "Jay" Demetree Jr. & Hawley Smith]; A --> C[Nopetro, LLC (36.8%)  
Jorge Herrera & Jonathan "Jack" Locke]; A --> D[TLW CNG, LLC (25%)  
Tom L. Ward];
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Tom L. Ward

Led by industry icon Tom Ward, Mach Resources this year bagged the vast portfolio of Alta Mesa Resources out of bankruptcy and for a song. His premise: Prepare to be the last owner of any asset acquired. And he's far from done.

ARTICLE BY
DARREN BARBEE

April 2020 came and went, but there was something familiar about the times, something anachronistic about Mach Resources LLC's purchase of Alta Mesa Resources. It was déjà vu all over again for an industry stuck on repeat.

At least, that's how it felt for Tom L. Ward.

Alta Mesa was once expected to have a market capitalization of \$3.8 billion. The company's worth never approached half that amount. It ended its public run with a value, as adjudged by Wall Street, of just under \$27 million.

In the spring, Alta Mesa signed away its Midcontinent leases and midstream infrastructure for \$220 million, ending the company's brief rise and tortured fall through bankruptcy.

Mach Resources was the only serious bidder likely because it's one of the few companies with the capital and the appetite to take on the Oklahoma assets. But this is a scenario made by design. Ward's game plan, hatched two years ago, was to make Mach Resources an acquirer of distressed and overlooked assets.

Ward doesn't fault Alta Mesa's management team for its financial woes. The company had been run by the highly respected CEO Jim Hackett, who previously headed Anadarko Petroleum Corp. Alta Mesa's troubles are part of a larger, universal ailment afflicting the industry, Ward said.

For the last decade or perhaps two, oil and gas companies have consistently lost money and, as an industry, "We've tended to over promise and under deliver," he said.

Ward's been talking about the gap in returns since 2015. In a May 2016 interview on CNBC's Squawk on the Street, Ward was already convinced the industry model was off kilter, saying the industry's "dirty little secret is you can't really spend within cash flow and grow production."

"I don't necessarily think there's anything

day's COVID ravaged market to the disastrous oil glut of the 1980s, particularly 1987. Ward sees it more as a reflection of the oil and gas industry when he and Aubrey McClendon, who co-founded Chesapeake Energy Corp. on a handshake, began making deals in the 1990s.

Those times were filled with heartbreak but also rife with opportunity.

"And I think this is similar to 1998 when we were at Chesapeake and we were starting a growth," Ward said. "What we're doing today is very motivating to me. We are trying to thrive at a time when the industry is collapsing all around us."

In 1998, the collision of several events sent oil and gas prices into a tailspin. Warmer than expected weather, an increase in OPEC oil quotas and a financial crisis in Asian markets sent oil prices to lows of about \$10/bbl, according to the Dallas Federal Reserve Bank. Worldwide, planned engineering and industrial construction projects were canceled.

"Chesapeake at that time had raised some capital, and we were able to go buy some properties," Ward said. "We had an idea that future prices couldn't stay as low as they were because nobody had any money to drill. We also had a firm belief that natural gas prices could not stay at those prices because of new demand. This is very close to the way we see the industry today."

Two decades later, the world has changed but the strategy remains sound. Ward has capital with his partners at Bayou City Energy. And he has long rejected the idea of building new companies focused on growth.

"I've been very hesitant to invest capital into a growth through the drill bit company. That's why we never competed really in the STACK or SCOOP or Permian or any of the highly competitive locations as other companies were doing," he said. "This was not because then



J.C. "Jay" Demetree, Jr.

Jay Demetree is the President and CEO of Demetree Brothers, Inc., a Florida based real estate service company. He serves as Managing Member and President of Pentagon Properties, LLC, a limited liability company with investments in real estate, banking, chemical, bio tech, and communications. Mr. Demetree currently serves as a Director on the boards of both growing and established companies and serves on numerous charitable boards including St. Vincent's Hospital Foundation, Inc., the Jacksonville Aviation Authority, Ronald McDonald House Advisory Board of Jacksonville, Ascension Florida Board of Directors, and the Jack and Betty Demetree Family Foundation. He is a graduate of Georgia Institute of Technology with a B.S. degree.



Assessing the downturn, Tom Ward, CEO of Mach Resources LLC, said "We're

JAX DAILY RECORD

TUESDAY, DEC. 27, 2016 12:00 PM EST

Developer Hawley Smith's vision, patience and timing led to successful real estate career



Jorge A. Herrera

Co-Founder, Chief Executive Officer

As CEO, Mr. Herrera is responsible for overseeing all corporate activities, strategy, business development, financing and sales. His strategic vision for Nopetro focuses on three fundamental pillars: forming true synergistic partnerships with government agencies for the benefit of entire communities; fostering innovation and creativity to develop comprehensive CNG turnkey solutions; and expanding into new markets by offering complimentary services using natural gas as the catalyst.



Jonathan “Jack” Locke

Co-Founder, President & Chief Operating Officer

Mr. Locke is responsible for all corporate governance, operations, procurement, legal and assists with business strategies/development. Mr. Locke reports directly to the Board of Directors.

Mr. Locke has led the growth of Nopetro's 10 successful CNG fueling stations and the recent expansion of the Company into the small-scale LNG and RNG business sectors. He has in-depth experience in CNG, LNG and RNG facility design, construction, and operation and maintenance (O&M), and has managed the day-to-day customer needs of the Company's many government and private customers for over a decade. Prior to co-founding Nopetro, Mr. Locke developed an early understanding of natural gas as an energy source during his tenure at the law firm of Steptoe and Johnson LLP in Washington, DC, and is well versed in the operations of natural gas E&Ps and distributors. While at Steptoe, Mr. Locke was also responsible for designing and leading firm-wide marketing campaigns



St. Joseph Bay

**Area A - Port St.
Joe Lease Site
60 +/- ACRES**

What We Know About Nopetro's Proposed Liquefied Natural Gas (LNG) Export Facility

Nopetro has authorization to export up to 51.75 billion cubic feet of liquefied natural gas per year, which would include exports from a proposed facility on 60 acres in the heart of Port St. Joe on land owned by the [St. Joe Company](#). Nopetro will buy natural gas through two lateral pipelines from [St. Joe Natural Gas](#), and operate three natural gas liquefaction trains to fill ISO shipping containers. Trucks will move those LNG-filled shipping containers 1,329 feet from the liquefaction trains to the newly constructed dock. The dock will be owned and operated by the [Port of Port St. Joe](#). Nopetro will build and operate a crane at this dock to load the LNG containers on to marine cargo vessels, destined for export to Central America, South America and the Caribbean.

Timeline of Nopetro LNG Regulatory Actions

- December 28, 2020: Nopetro [applies to the U.S. Department of Energy](#) for an authorization to export 51.75 billion cubic feet of natural gas per year from a planned Port St. Joe facility.
- March 23, 2021: Dept of Energy [grants the authorization](#) to Nopetro.
- April 20, 2021: Nopetro files a [Petition for Declaratory Order](#) with the Federal Energy Regulatory Commission (FERC) seeking a determination that FERC does not have regulatory authority over the proposed Nopetro facility.
- May 24, 2021: [Public Citizen protests](#) Nopetro's petition.
- June 8, 2021: [Stuart Shoaf](#), President of St. Joe Natural Gas, and Florida Rep. [Jason Shoaf](#) write separate letters to FERC in support of Nopetro petition.
- July 1, 2021: [U.S. Rep. Neal Dunn](#) writes FERC in support of Nopetro.
- March 25, 2022: [FERC grants Nopetro](#) its requested exemption from regulatory oversight.
- April 22, 2022: [Public Citizen files a rehearing request](#) with FERC.
- July 29, 2022: [FERC dismisses Public Citizen's rehearing](#) request.
- September 27, 2022: [Public Citizen sues FERC](#), asking a federal court to reverse FERC's decision to exempt Nopetro from regulatory oversight.
 - Opening brief due estimated January 2023; oral argument before the DC Circuit Court of Appeals perhaps by Summer 2023, with estimated Court decision issued 3 to 8 months after oral argument.

Florida House of Representatives

Representative Jason Shoaf

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June 4, 2021

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, D.C. 20426

Re: **Petition for Declaratory Order of Nopetro LNG, LLC**
FERC Docket No. CP21-179-000

Dear Secretary Bose:

I am writing in support of the Petition for Declaratory Order filed by Nopetro LNG, LLC. Port St. Joe, Florida, was severely impacted by Hurricane Michael in October 2018. Almost three years later, Port St. Joe is on the path to recovery. Nopetro's facilities would bring many valuable career opportunities to the Port St. Joe area, which is much needed.

The Port St. Joe community will greatly benefit from Nopetro's investment. The proposed facilities will bring employment opportunities to the area and will create long-term economic growth for Port St. Joe. Bringing Nopetro's facility to Port St. Joe is vital to achieve full recovery from Hurricane Michael.

I ask that you favorably consider Nopetro's Petition for Declaratory Order.

Respectfully,



Jason Shoaf
State Representative
House District 7

Why Is Public Citizen Fighting To Ensure FERC Has Jurisdiction Over Nopetro LNG?

- FERC is responsible for authorizing the siting and construction of onshore LNG export facilities under [Section 3 of the Natural Gas Act](#). As required by the National Environmental Policy Act, FERC prepares environmental assessments or impact statements for proposed LNG facilities under its jurisdiction.
- FERC must conduct a comprehensive, federal environmental assessment of a planned LNG export facility. During a FERC environmental review, local residents can—free of charge—participate in the FERC proceeding, raising objections and filing protests.
- Subjecting Nopetro LNG to FERC oversight provides an opportunity to the residents of Port St. Joe to fight against the granting of a FERC siting and construction permit. That process usually takes several years.

FERC's Approach To Performing National Environmental Policy Act Impact Analysis

The National Environmental Policy Act (NEPA) requires FERC to take into account the environmental impacts of proposed LNG export facilities, including a requirement for it to address concerns the public may have about project. This process is referred to as scoping. The goal of the scoping process is to focus the analysis in the environmental impact statement (EIS) on the important environmental, public health and public safety issues. The public can actively participate, and can lodge protests and challenge the project.

A FERC EIS typically considers a proposed LNG export facility's impact on:

- geology and soils;
- land use;
- water resources and wetlands;
- cultural resources;
- vegetation, fisheries, and wildlife;
- socioeconomics;
- air quality and noise;
- endangered and threatened species;
- public safety and reliability; and
- cumulative impacts.

What is Liquefied Natural Gas (LNG)

Liquefied natural gas (LNG) is natural gas that has been condensed into a liquid form by reducing its temperature to -260°F. This process is known as liquefaction. LNG takes up about 1/600th of the volume of natural gas in its natural, vapor state, making it more economical to ship across oceans.

Liquification at a terminal like Nopetro's involves large heat exchangers, which function as giant refrigerators. These heat exchangers are arraigned at the facility in a connected series, called trains. The natural gas enters the heat exchangers and cools it to -260°F, thereby turning it into a liquid.

Today, the United States is both the world's largest natural gas producer, and the biggest gas exporter. The recent explosion in LNG exports have resulted in dramatic domestic energy price spikes for American families.

Health/Safety Impacts of an LNG Export Facility

- In order to stay below a 1.5°C temperature increase and avert the worst of the climate crisis, the [International Energy Agency](#) concludes that new fossil fuel infrastructure cannot be built.
- In addition to greenhouse gases, liquification facilities release air pollutants that are [hazardous to human health](#), including particulate matter, nitrogen oxides, volatile organic compounds, sulfur dioxide and carbon monoxide.
- There will be heavy truck and marine vessel traffic associated with the operation of the facility, resulting in additional air emissions.
- The location is prone to storm surge flooding and damage from hurricanes, posing health and safety risks.
- There will likely be significant disruption to St. Joseph Bay from the LNG terminal operations, dredging, and marine cargo ship congestion.



LOCAL NEWS

Brittany Taylor, Digital News Editor

Published: June 8, 2022 at 12:03 PM

Updated: June 8, 2022 at 6:56 PM

Texas, Local, Freeport, Surfside Beach

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Explosion shuts down Freeport LNG's liquefaction facility for next 3 weeks, officials say



Jobs / Economic Development

- Nopetro has thus far provided no detail on the estimated full-time jobs for its proposal. A similar proposal in Jacksonville, FL (Eagle LNG, FERC Docket CP17-41) informed FERC that it would only employ 8 to 12 full time employees during operations. In Public Citizen's experience, fossil fuel companies rarely, if ever, hire locally for such facilities. They typically bring in labor from outside the region, in this case likely Texas or Louisiana.

From the Port of St. Joe Port Authority 2021 Master Plan:

3.3.2 Natural Gas (LNG and CNG)

New methods of recovering natural gas and new discoveries in the last decade have dramatically increased its supply and decreased its cost. Countries such as Japan, the world's largest importer of liquid natural gas (LNG), who are energy dependent are increasing their purchases to take advantage of the savings. This has prompted the LNG industry to pursue the development of numerous new export terminals and the availability of vacant land at the Port, both on the Harbor Channel and inland, has drawn the attention of some in the natural gas industry. While the present natural gas capacity at Port St. Joe of 19,000 MCF/day is insufficient for an export LNG facility, those in the industry are aware of the means and methods to increase that supply through purchasing additional capacity on the delivery system, therefore the Port has not been precluded from consideration. The Port has received various inquiries in recent years into the opportunity for the shipment of natural gas in its compressed form, either to its liquid state as LNG or still in its gaseous state as compressed natural gas or CNG.

Most recently Florida's Department of Economic Opportunity issued a statewide solicitation under the code name "Project Daly" in support of a search by Global Location Strategies of Greenville, South Carolina, for communities to submit information on prospective LNG sites. The Gulf County Economic Development Coalition prepared a submittal package proposing a site inland from the Port and including detailed information on the area's infrastructure and attributes, including the Port. The package was reviewed along with many from around the State and Port St. Joe was selected as one of three locations for detailed review and consideration. While the ultimate resolution of that effort is unknown, being "short-listed" is evidence that the Port is considered to be a viable candidate site.

There has also been research by prospective Port tenants into the development of a CNG facility at Port St. Joe. The compression of the natural gas to approximately 3,000 psi is done to reduce its volume for transport either for delivery in high volumes by ship to an end user or as a fuel for the vessel itself. The potential for a CNG production and shipping facility at the Port is indeterminate at this time.