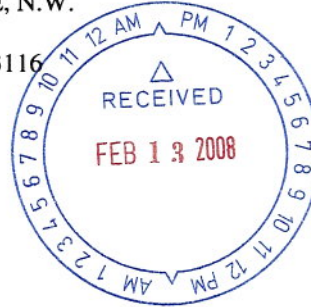


ORIGINAL

JOHN & HENGERER
A LAW PARTNERSHIP
1730 RHODE ISLAND AVENUE, N.W.
SUITE 600
WASHINGTON, D.C. 20036-3116

DOUGLAS F. JOHN
EDWARD W. HENGERER
KEVIN M. SWEENEY
KIM M. CLARK
GORDON J. SMITH
MATTHEW T. RICK
ELIZABETH A. ZEMBRUSKI



TELEPHONE
(202) 429-8801
TELECOPIER
(202) 429-8805

February 13, 2008

VIA HAND-DELIVERY

Mr. Robert Corbin
Office of Fuels Programs, 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: ConocoPhillips Alaska Natural Gas Corporation and Marathon Oil Company, FE Docket No. 07-02-LNG

Dear Mr. Corbin:

Enclosed please find an original and fifteen (15) copies of the "Response of ConocoPhillips Alaska Natural Gas Corporation and Marathon Oil Company to Comments of Chugach Electric Association, Inc. on Motion and Settlement Agreement Between Applicants and the State of Alaska."

I am also providing four (4) additional copies of this filing to be date-stamped and returned to our messenger. If you have any questions regarding this filing, please do not hesitate to contact the undersigned at (202) 429-8801.

Respectfully submitted,


Douglas F. John

Counsel for ConocoPhillips Alaska
Natural Gas Corporation and
Marathon Oil Company

Enclosure

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY



Docket No. 07-02-LNG

In the matter of:)
)
CONOCOPHILLIPS ALASKA)
NATURAL GAS CORPORATION)
and)
MARATHON OIL COMPANY)

RESPONSE OF CONOCOPHILLIPS ALASKA NATURAL GAS CORPORATION AND
MARATHON OIL COMPANY TO COMMENTS OF CHUGACH ELECTRIC
ASSOCIATION, INC. ON MOTION AND SETTLEMENT AGREEMENT BETWEEN
APPLICANTS AND THE STATE OF ALASKA

Pursuant to Section 590.302 of the Department of Energy's ("DOE") regulations,¹
ConocoPhillips Alaska Natural Gas Corporation and Marathon Oil Company (collectively
"Applicants"), hereby seek leave to reply to the comments filed by Chugach Electric Association,
Inc. ("Chugach") on February 7, 2008, in response to the Motion and Settlement Agreement filed
on January 4, 2008, by the State of Alaska.

That Settlement Agreement includes provisions that are specifically responsive to
Chugach's concerns over supply adequacy, as articulated in its previous pleadings in this
proceeding. Chugach's February 7th comments indicate that Chugach is demanding more,
however, *i.e.*, to leverage the export application for improved commercial terms. That tactic
should not be sanctioned by DOE/OFE. Applicants hereby individually affirm their
commitments, as contained in the Settlement Agreement, to continue to engage in good faith
efforts to complete gas sales agreements with Chugach and/or other service providers for this
market area.

¹ 10 C.F.R. § 590.302 (2007).

Comments on the State's Motion and Settlement Agreement were due on February 7, 2008. During the comment period, ENSTAR Natural Gas Company registered its support for the Settlement Agreement and its support for prompt approval of the export application without conditions. Chugach was the only intervenor to file timely comments indicating continued concern over the pending application, comments that essentially repeated and expanded its earlier arguments. Chugach does, however, state that it is not requesting a hearing or any further procedures and that it does not wish to see DOE/OFE delay its decision in this case.

Applicants concur with Chugach in this regard, and ask that DOE/OFE issue its decision on the merits of the export application as soon as possible.

Respectfully submitted,

Douglas F. John
JOHN & HENGERER
1730 Rhode Island Avenue, N.W.
Suite 600
Washington, D.C. 20036-3113

Counsel for ConocoPhillips Alaska Natural Gas
Corporation and Marathon Oil Company

Dated: February 13, 2008

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

In the matter of:)

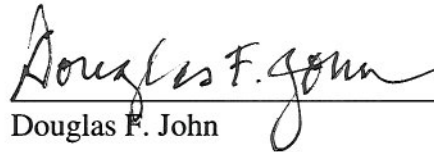
CONOCOPHILLIPS ALASKA)
NATURAL GAS CORPORATION)
and)
MARATHON OIL COMPANY)

Docket No. 07-02-LNG

VERIFICATION

DISTRICT OF COLUMBIA) ss:

BEFORE ME, the undersigned authority, on this day personally appeared Douglas F. John, who, having been by me first duly sworn, on oath says that he is counsel for ConocoPhillips Alaska Natural Gas Corporation and Marathon Oil Company in the above-captioned proceeding. He hereby certifies that the facts stated in the forgoing instrument are true and correct to the best of his knowledge, information and belief.



Douglas F. John

Subscribed and sworn to before me, a notary public, this 13th day of February, 2008.

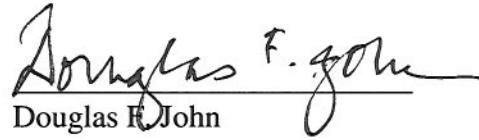


Notary Public

My Commission Expires: April 30, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document upon all of the individuals listed on the official service list in this proceeding by first-class mail.


Douglas F. John

Dated at Washington, D.C., this February 13, 2008