

**RECEIVED**

*By Docket Room at 11:26 am, Jan 14, 2013*

## Virginia Oil and Gas Association



VOGA PO Box 2285 Abingdon, VA 24212

January 14, 2013

To: U.S. Department of Energy  
Washington, DC

Re: 2012 LNG Export Study

Dear: Department of Energy

I am writing on behalf of the Virginia Oil and Gas Association to express the strong support of our association for export of liquefied natural gas (LNG) primarily because it is the right thing to do morally. When the tsunami struck Japan the United States jumped to help the Japanese people. Now that the initial crisis is over and Japan has shut down nuclear reactors they need dependable affordable energy. If we don't export LNG to them what are we telling our friend? "Tough luck go talk to Russia." We're not much of a friend. We export food to countries around the globe as we should. Does this increase food prices in the United States? Probably, but we still do it because it is the right thing to do. It is also good for our economy and creates jobs here in the United States. There is actually very little that we don't export if we can. What makes natural gas different?

I believe that energy is just as important as food. Energy is needed to grow and process food. Shouldn't we use our now abundant energy supply from the Marcellus and other shales to help support friendly nations with our dependable natural gas and create a more stable world? This will also help our economy by bringing revenue into the US and creating good paying jobs here.

As a practical matter, given the high capital costs of building export facilities, there will be a limited number of such facilities. The limited export of LNG will have significant benefits for our state and nation. The export of LNG will help avoid the price spikes that have typified natural gas prices in the past where a period of low prices leads to disinvestment in new exploration and production, resulting in price spikes down the road. This has also hurt the natural gas industry in Virginia. The export of LNG will help address our nation's shockingly high trade deficit. For too long we have imported our energy from countries that are not always our friends, rather than developing and benefitting from the resources that we have at home. We have the opportunity to go on offense here and to export energy rather than importing it. It will create jobs here in the United States helping our economy and generating tax income.

Our nation has been blessed with abundant, affordable, clean-burning natural gas. The new technologies used by the natural gas industry have made this happen in a very short period of time. It is hard for most people to understand how we went from shortage in 2006 to surplus today but that is exactly what has happened thanks to American ingenuity and free enterprise. We have discovered the second largest and maybe ultimately the largest natural gas field on the planet. That is the reason that we can now export natural gas.

We have more than enough natural gas to meet our domestic needs and to export a limited amount. Please support this export of LNG when it makes sense to do so, such as with Dominion Energy's proposal to export LNG from its Cove Point facility in Maryland. This facility is ideally located to open up export markets for producers in Virginia. It will also help to stabilize natural gas prices for Virginia producers. Very low natural gas prices may sound good in the short term but they will ultimately lead to less drilling by forcing many small producers out of business and forcing others to cut back on activity hurting our economy and costing jobs. Slightly higher and more stable natural gas prices due to LNG exports will benefit producers and consumers. Please support this project. We need the jobs and all of the economic benefits that come with them, not the least of which is tax revenue for the local and state government services we need, chief among them a high quality education. We also need to do the right thing by nations friendly to us that have been held hostage by OPEC. The Russians and OPEC nations with natural gas are already exporting it to Europe and other nations at their prices. We can change the world in a very positive way or we can choose to be selfish.

Thank you for considering our association's comments on this issue. If you have any questions or if I can help in any way please let me know. .

Sincerely,

Greg Kozera  
President- Virginia Oil and Gas Association  
[Gregory.Kozera@nabors.com](mailto:Gregory.Kozera@nabors.com)

304-545-7259