



December 13, 2010

The Honorable Jon Wellinghoff
Chairman
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Mr. John Anderson
Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: FE Docket No. 10-111-LNG

Dear Chairman Wellinghoff and Mr. Anderson:

Chesapeake Energy Corporation ("Chesapeake") is writing in strong support of the applications by Sabine Pass Liquefaction, LLC ("Sabine Pass"), a subsidiary of Cheniere Energy, Inc. ("Cheniere") for authorization to (1) export domestic natural gas from the United States to countries with which the United States does not have "Free Trade Agreements" in place that cover trade in natural gas, and (2) modify its existing LNG facilities in order to allow such exports.

As you are aware, Chesapeake and other natural gas producers have produced a revolutionary change in the U.S. natural gas picture. As a result of major technological advances in horizontal drilling and hydrofracturing techniques, massive new reserves of domestic natural gas have been made available. The change in the U.S. reserve picture has been significant – the projections of tight natural gas supplies and increased imports of LNG have been replaced by bountiful domestic supplies, and natural gas prices have reflected this new abundance.

The Sabine Pass project would allow Chesapeake and other producers to export natural gas to markets around the world. This would have several important benefits, while still protecting the interests of U.S. consumers in abundant supplies.

Chesapeake Energy Corporation

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First, export authority would create new markets for natural gas producers, providing the income necessary to support their continued investment in this important domestic energy resource.

Second, domestic producers would be able to balance domestic needs with opportunities to market surplus supplies. The availability of an outlet for surplus natural gas would maintain employment, revenues to States and royalty holders, and the cash flow necessary to support continued investment in technology development, land acquisition, and further exploration and development. Industry estimates suggest that allowing such exports could sustain 30,000-50,000 production and 1,800 construction jobs. The continued employment of highly-skilled personnel would help prevent the boom-and-bust cycle that has, in the past, caused the U.S. to lose highly skilled jobs and, as a result, be poorly prepared to respond as U.S. demand increases.

Third, the exports would improve the balance of trade for the U.S. by adding – from this project alone -- \$5 to \$7 billion in exports annually.

The proposed exports would not hurt U.S. consumers.

First, the new technologies have made vast amounts of new natural gas reserves accessible and economically viable.

Second, the nature of these new reserves allows for quick ramp-ups in production as domestic demand increases from a recovering economy. U.S. consumers will, as a result, be protected against long-term price spikes.

Third, the ability to pursue foreign markets to offset weak domestic markets would enable Chesapeake and others to continue investing in the future and to continue employing a highly-skilled and motivated work force. This is critical to the future.

These are very exciting times in the natural gas industry, with the U.S. emerging as the supply and technology leader in the world. Allowing exports will help maintain this lead, maintain the cash flow that producers need to continue their investments, and help assure U.S. consumers that exploration and development will continue so that they have continued access to clean, reliable and fairly priced natural gas.

Sincerely,



James C. Johnson
Senior Vice President - Marketing