

Southeastern Ohio Oil and Gas Association  
Gas Committee Report  
August, 2017

PRICING

**Prices August 7, 2017**

NYMEX Settle – August -2017	\$2.969
One Year NYMEX strip (Sept., 2017 – Aug., 2018)	\$2.937
Summer NYMEX strip for 2017 (Sept.-October)	\$2.805
Winter NYMEX strip – 2017 (Nov., 2017 – Mar. 2018)	\$3.089
TCO Index Posting – August, 2017	\$2.78
DTI Index Posting – August, 2017	\$1.73

GAS STORAGE AS OF THE August 3, 2017 Report

**Working gas in underground storage, Lower 48 states**

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	07/28/17	07/21/17	net change	implied flow	Year ago (07/28/16)		5-year average (2012-16)	
					Bcf	% change	Bcf	% change
East	651	626	25	25	727	-10.5	678	-4.0
Midwest	754	744	10	10	824	-8.5	724	4.1
Mountain	200	197	3	3	213	-6.1	175	14.3
Pacific	293	294	-1	-1	315	-7.0	327	-10.4
South Central	1,112	1,129	-17	-17	1,211	-8.2	1,019	9.1
Salt	306	318	-12	-12	322	-5.0	266	15.0
Nonsalt	806	812	-6	-6	888	-9.2	753	7.0
<b>Total</b>	<b>3,010</b>	<b>2,990</b>	<b>20</b>	<b>20</b>	<b>3,289</b>	<b>-8.5</b>	<b>2,923</b>	<b>3.0</b>

## Summary

Working gas in storage was 3,010 Bcf as of Friday, July 28, 2017, according to EIA estimates. This represents a net increase of 20 Bcf from the previous week. Stocks were 279 Bcf less than last year at this time and 87 Bcf above the five-year average of 2,923 Bcf. At 3,010 Bcf, total working gas is within the five-year historical range.

### **EIA FORECAST APRIL 1, 2017:**

## **Natural Gas**

- U.S. dry natural gas production is forecast to average 73.3 billion cubic feet per day (Bcf/d) in 2017, a 1.0 Bcf/d increase from the 2016 level. This forecast increase would reverse a 2016 production decline, which was the first annual decline since 2005. Natural gas production in 2018 is forecast to be 3.3 Bcf/d above the 2017 level..
- In May, the average Henry Hub natural gas spot price was \$3.15 per million British thermal units (MMBtu), 5 cents/MMBtu higher than in April. New natural gas export capabilities and growing domestic natural gas consumption contribute to the forecast Henry Hub natural gas spot price rising from an average of \$3.16/MMBtu in 2017 to \$3.41/MMBtu in 2018. NYMEX contract values for September 2017 delivery that traded during the five-day period ending June 1 suggest that a range of \$2.30/MMBtu to \$4.41/MMBtu encompasses the market expectation for Henry Hub natural gas prices in September 2017 at the 95% confidence level.

### **U.S. liquefied natural gas (LNG) exports.**

**U.S. LNG exports increase.** Four vessels (combined LNG-carrying capacity of 14.7 Bcf) departed Sabine Pass last week (Thursday to Wednesday).

Cove Point liquefaction facility, which is currently under construction, is reportedly 95% complete, and 90% of the systems at the facility are undergoing commissioning, according to [Dominion Energy Midstream Partners' second quarter earnings call](#). The facility's operator, Dominion, stated that Cove Point has an agreement with a third party for LNG cargoes that will be produced prior to the terminal's official in-service date later this year, according to SNL Financial.

### **PIPELINE REPORT:**

New updates coming in September, 2017

## UTICA WELL LPRODUCTION

During the first quarter of 2017, Ohio's horizontal shale wells produced 3,904,732 barrels of oil and 371,921,659 Mcf (372 billion cubic feet) of natural gas. Natural gas production from the first quarter of 2017 showed an increase over the fourth quarter of 2016.

Horizontal shale well operators are required to submit production data by the 45th day following the close of each calendar quarter. Operators submit the amount of oil, natural gas and brine that each well produces, as well as the number of days that the well was in production.

### Fourth Quarter – 2016 – Utica Production Volumes:

	2016 QUARTER 4	2017 QUARTER 1	PERCENTAGE CHANGE
Barrels of Oil	3,357,333	3,904,732	1.16%
MCF Nat. Gas	364,307,926	371,921,659	1.02%

As of July 1, 2017, there have been 2,566 Utica shale permits issues in 23 counties in Ohio to 29 companies, and 2,063 of them have been developed.

There are currently 1,562 Utica shale wells in production, with 27 rigs running.