

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

PRICING

Prices September 12, 2017

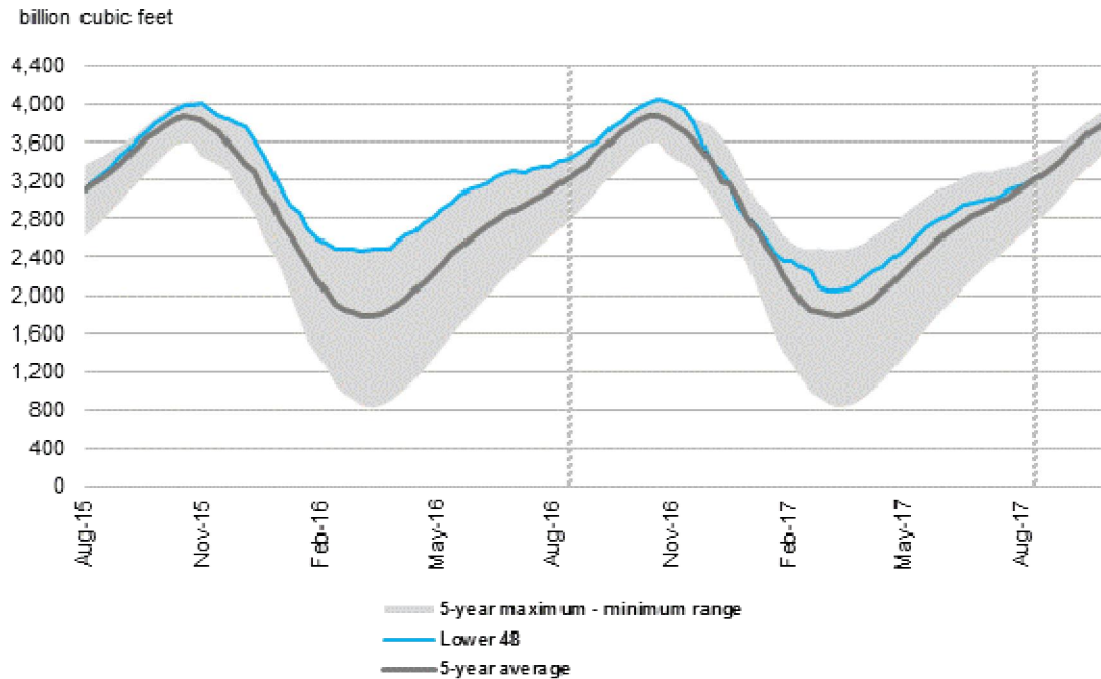
NYMEX Settle – Sept. -2017	\$2.961
One Year NYMEX strip (Oct., 2017 – Sept., 2018)	\$3.068
Summer NYMEX strip for 2018 (April-October)	\$2.946
Winter NYMEX strip – 2017 (Nov., 2017 – Mar. 2018)	\$3.234
TCO Index Posting – September, 2017	\$2.78
DTI Index Posting – September, 2017	\$1.71

GAS STORAGE AS OF THE September 7, 2017 Report

Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	09/01/17	08/25/17	net change	implied flow	Year ago (9/01/16)		5-year average (2012-16)	
					Bcf	% change	Bcf	% change
East	781	749	32	32	810	-3.6	774	0.8
Midwest	872	840	32	32	925	-5.7	865	0.8
Mountain	205	205	0	0	224	-8.5	191	7.3
Pacific	296	301	-5	-5	313	-5.4	333	-11.1
South Central	1,066	1,060	6	6	1,161	-8.2	1,040	2.5
Salt	266	262	4	4	281	-5.3	253	5.1
Nonsalt	800	797	3	3	880	-9.1	786	1.8
Total	3,220	3,155	65	65	3,432	-6.2	3,205	0.5

Working gas in underground storage compared with the 5-year maximum and minimum



Source: U.S. Energy Information Administration

EIA FORECAST AUGUST 1, 2017:

Natural Gas

- U.S. dry natural gas production is forecast to average 73.5 billion cubic feet per day (Bcf/d) in 2017, a 1.2 Bcf/d increase from the 2016 level. Natural gas production in 2018 is forecast to be 3.9 Bcf/d above the 2017 level.
- 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).

Dominion Energy Cove Point LNG facility, which is currently under construction, received a [letter](#) of authorization from the Federal Energy Regulatory Commission to begin commissioning activities at the terminal, including introduction of feed gas to the pre-treatment and liquefaction areas. LNG exports from Cove Point are expected to begin by the end of this year, according to the terminal's operator, Dominion Energy

UTICA WELL LPRODUCTION

During the second quarter of 2017, Ohio's horizontal shale wells produced 4,044,072 barrels of oil and 388,560,451 Mcf (388 billion cubic feet) of natural gas, according to the figures released by the Ohio Department of Natural Resources (ODNR).

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:

	2017 QUARTER 1	2017 QUARTER 1	PERCENTAGE CHANGE
Barrels of Oil	3,904,732	4,044,072	1.035%
MCF Nat. Gas	371,921,659	388,560,451	1.04%

The ODNR quarterly report lists 1,691 horizontal shale wells, 1,659 of which reported oil and natural gas production during the quarter. Of the 1,659 reporting oil and natural gas results:

- The average amount of oil produced was 2,438 barrels.
- The average amount of gas produced was 234,214 Mcf.
- The average number of first quarter days in production was 85

As of September 1, 2017, there have been 2,591 Utica shale permits issues in 23 counties in Ohio to 29 companies, and 2,111 of them have been developed.

There are currently 1,659 Utica shale wells in production, with 27 rigs running.