Southeastern Ohio Oil and Gas Association
Gas Committee Report
March, 2018

PRICING

Prices March 12, 2018

NYMEX Settle – March 2018 $2.64
One Year NYMEX strip (Apr., 2017 – March, 2019) $2.94
Summer NYMEX strip for 2018 (April-October) $2.87
Winter NYMEX strip – 2018 (Nov., 2018 – Mar. 2019) $3.05

TCO Index Posting – March, 2018 $2.37
DTI Index Posting – March, 2018 $2.10

GAS STORAGE AS OF THE March 8, 2018 Report

<table>
<thead>
<tr>
<th>Region</th>
<th>03/02/18</th>
<th>02/23/18</th>
<th>net change</th>
<th>implied flow</th>
<th>Year ago (03/02/17)</th>
<th>5-year average (2013-17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>359</td>
<td>382</td>
<td>-23</td>
<td>-23</td>
<td>407</td>
<td>379</td>
</tr>
<tr>
<td>Midwest</td>
<td>380</td>
<td>398</td>
<td>-18</td>
<td>-18</td>
<td>583</td>
<td>446</td>
</tr>
<tr>
<td>Mountain</td>
<td>97</td>
<td>102</td>
<td>-5</td>
<td>-5</td>
<td>140</td>
<td>128</td>
</tr>
<tr>
<td>Pacific</td>
<td>177</td>
<td>189</td>
<td>-12</td>
<td>-12</td>
<td>202</td>
<td>217</td>
</tr>
<tr>
<td>South Central</td>
<td>612</td>
<td>611</td>
<td>1</td>
<td>1</td>
<td>973</td>
<td>756</td>
</tr>
<tr>
<td>Salt</td>
<td>189</td>
<td>183</td>
<td>6</td>
<td>6</td>
<td>327</td>
<td>201</td>
</tr>
<tr>
<td>Nonsalt</td>
<td>423</td>
<td>429</td>
<td>-6</td>
<td>-6</td>
<td>646</td>
<td>554</td>
</tr>
<tr>
<td>Total</td>
<td>1,625</td>
<td>1,682</td>
<td>-57</td>
<td>-57</td>
<td>2,305</td>
<td>1,925</td>
</tr>
</tbody>
</table>

Working gas in underground storage, Lower 48 states

Historical Comparisons
Summary

Working gas in storage was 1,625 Bcf as of Friday, March 2, 2018, according to EIA estimates. This represents a net decrease of 57 Bcf from the previous week. Stocks were 680 Bcf less than last year at this time and 300 Bcf below the five-year average of 1,925 Bcf. At 1,625 Bcf, total working gas is within the five-year historical range.

Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2013 through 2017. The dashed vertical lines indicate current and year-ago weekly periods.

EIA WEEKLY REPORT FEBRUARY 7, 2017:

Natural Gas

Northeast prices rise. At the Algonquin Citygate, which serves Boston-area consumers, prices went up $1.88 from $2.32/MMBtu last Wednesday to $4.20/MMBtu yesterday, as the region experienced colder temperatures. In addition, the Pilgrim nuclear plant in Plymouth, Massachusetts, was taken offline unexpectedly on Tuesday as a result of possible leaks in the feed water heating system and remained offline as of yesterday. The shutdown of this nuclear power plant likely increased demand for other sources of electricity, including natural gas-fired power plants. At the Transcontinental Pipeline Zone 6 trading point for New York, prices increased 39¢ from $2.70/MMBtu last Wednesday to $3.09/MMBtu yesterday with a low of $2.66/MMBtu on Friday.
Tennessee Zone 4 Marcellus spot prices increased 28¢ from $1.98/MMBtu last Wednesday to $2.26/MMBtu yesterday. Prices at Dominion South in northwest Pennsylvania rose 20¢ from $2.10/MMBtu last Wednesday to $2.30/MMBtu yesterday.

**Nymex prices rise.** At the Nymex, the price of the April 2018 contract increased 11¢, from $2.667/MMBtu last Wednesday to $2.777/MMBtu yesterday. The price of the 12-month strip averaging April 2018 through March 2019 futures contracts climbed 10¢ to $2.934/MMBtu.

**Supply remains flat.** According to data from PointLogic Energy, the average total supply of natural gas remained the same as in the previous report week, averaging 84.4 Bcf/d. Dry natural gas production remained constant week over week. Average net imports from Canada increased by 8% from last week.

**Demand rises.** Total U.S. consumption of natural gas rose by 2% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation declined by 5% week over week. Industrial sector consumption increased by 1% week over week. In the residential and commercial sectors, consumption increased by 10% as temperatures generally became colder, except on the West Coast. Natural gas exports to Mexico were the same as last week, averaging 4.3 Bcf/d.

**U.S. liquefied natural gas (LNG) exports February 7, 20018.**

**U.S. LNG exports increase week over week.** One vessel (LNG-carrying capacity 3.5 Bcf) departed the Sabine Pass liquefaction facility about midnight on February 28 and five LNG vessels (LNG-carrying capacity 18.5 Bcf combined) departed the facility from March 1 to March 7. One vessel (LNG-carrying capacity 3.7 Bcf) was loading at the terminal on Wednesday.

Dominion Energy Cove Point facility loaded its first commissioning cargo onto an LNG vessel, Gemmata (LNG carrying capacity 3.0 Bcf), which departed the facility on March 1 and appears to be en route to South America.

**UTICA WELL LPRODUCTION**

During the fourth quarter of 2017, Ohio’s horizontal shale wells produced 4,193,562 barrels of oil and 503,066,907 Mcf (503 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 – 2017 – Utica Production Volumes:**

<table>
<thead>
<tr>
<th></th>
<th>2017 QUARTER 3</th>
<th>2017 QUARTER 4</th>
<th>PERCENTAGE CHANGE</th>
</tr>
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<tbody>
<tr>
<td>Barrels of Oil</td>
<td>4,165,729</td>
<td>4,193,562</td>
<td>1.01%</td>
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The ODNR quarterly report lists 1,897 horizontal shale wells, 1,869 of which reported oil and natural gas production during the quarter. Of the 1,869 reporting oil and natural gas results:

- The average amount of oil produced was 2,367 barrels.
- The average amount of gas produced was 261,681 Mcf.
- The average number of first quarter days in production was 88.

As of February 5, 2018, there have been 2,756 Utica shale permits issues in Ohio, and 2,267 of them have been developed.

There are currently 1,869 Utica shale wells in production, with 19 rigs running.