

Southeastern Ohio Oil and Gas Association
Gas Committee Report
June, 2019

PRICING

Prices June 11, 2019

NYMEX Settle – June -2019	\$2.63
One Year NYMEX strip (July, 2019 – June 2020)	\$2.51
Summer NYMEX strip for 2019 (July-October, 2019)	\$2.36
Winter NYMEX strip – 2018 (Nov., 2019 – Mar. 2020)	\$2.66
TCO Index Posting – June, 2019	\$2.32
DTI Index Posting – June, 2019	\$2.17

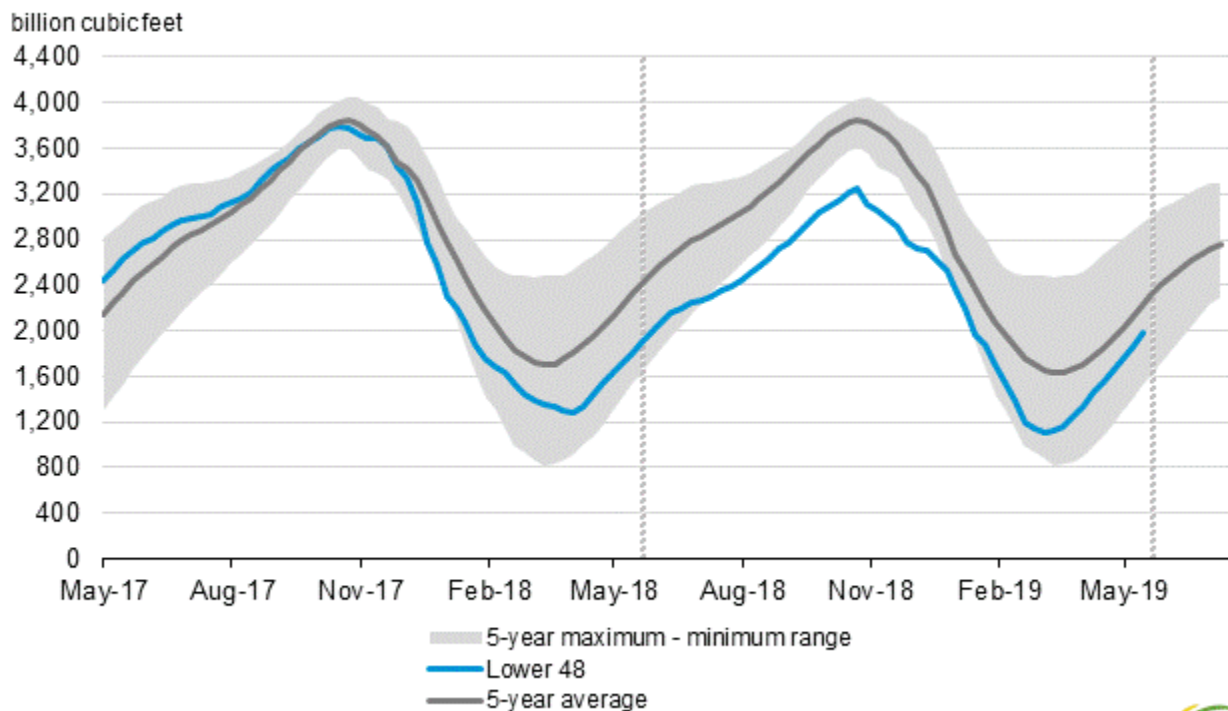
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	05/31/19	05/24/19	net change	implied flow	Year ago (05/31/18)		5-year average (2014-18)	
	Bcf	Bcf	Bcf	Bcf	Bcf	% change	Bcf	% change
East	414	383	31	31	348	19.0	427	-3.0
Midwest	436	399	37	37	337	29.4	473	-7.8
Mountain	101	93	8	8	120	-15.8	142	-28.9
Pacific	213	198	15	15	230	-7.4	263	-19.0
South Central	821	793	28	28	769	6.8	920	-10.8
Salt	256	253	3	3	244	4.9	281	-8.9
Nonsalt	565	540	25	25	526	7.4	639	-11.6
Total	1,986	1,867	119	119	1,804	10.1	2,226	-10.8

Summary

Working gas in storage was 1,986 Bcf as of Friday, May 31, 2019, according to EIA estimates. This represents a net increase of 119 Bcf from the previous week. Stocks were 182 Bcf higher than last year at this time and 240 Bcf below the five-year average of 2,226 Bcf. At 1,986 Bcf, total working gas is within the five-year historical range.

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



Source: U.S. Energy Information Administration



Natural Gas

Prices/Supply/Demand:

Northeastern prices fall. At the Algonquin Citygate, which serves Boston-area consumers, prices went down 2¢ from a high of \$2.32/MMBtu last Wednesday to \$2.30/MMBtu yesterday. At the Transcontinental Pipeline Zone 6 trading point for New York City, prices decreased 9¢ from a high of \$2.33/MMBtu last Wednesday to \$2.24/MMBtu yesterday.

Tennessee Zone 4 Marcellus spot prices decreased 17¢ from a high of \$2.19/MMBtu last Wednesday to \$2.02/MMBtu yesterday. Prices at Dominion South in southwest Pennsylvania fell 13¢ from \$2.21/MMBtu last Wednesday to \$2.08/MMBtu yesterday.

Supply is flat. According to data from PointLogic Energy, the average total supply of natural gas remained the same as in the previous report week, averaging 94.2 Bcf/d. Dry natural gas production decreased by 1% compared with the previous report week. Average net imports from Canada increased by 8% from last week.

Increased natural gas-fired power generation drives rising demand. Total U.S. consumption of natural gas rose by 4% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 10% week over week. Industrial sector consumption increased by 2% week over week. In the residential and commercial sectors, consumption declined by 11%. Natural gas exports to Mexico increased by 1%.

U.S. LNG exports decrease week over week. Eight LNG vessels (six from Sabine Pass, one from Cove Point, and one from Cameron) with a combined LNG-carrying capacity of 33.4 Bcf departed the United States from May 30 to June 5, according to shipping data compiled by Bloomberg. One vessel was loading at the Sabine Pass terminal on Wednesday.

Cheniere Energy—the developer of the Sabine Pass and Corpus Christi liquefaction terminals in Louisiana and Texas—[announced](#) on Monday that the company made a Final Investment Decision to proceed with the development of Sabine Pass Train 6. Currently, Sabine Pass has five trains in operation, with a combined baseload LNG-production capacity of 2.96 Bcf/d (3.45 Bcf/d peak capacity). Train 6 has a full set of regulatory approvals and will have a 0.59 Bcf/d baseload LNG-production capacity.

Ohio's Utica Shale 2019 First Quarter Production

During the First quarter of 2019, Ohio's horizontal shale wells produced 5,073,536 barrels of oil and 609,452,391 Mcf (609 billion cubic feet) of natural gas, according to figures released today by the Ohio Department of Natural Resources (ODNR).

Natural gas production from the first quarter of 2019 showed a 8.15% decrease over the fourth quarter of 2018, while oil production decreased 12.7% for the same period.

	2018 Quarter 3 (Shale)	2018 Quarter 4 (Shale)	Percentage Change
Barrels of oil	5,810,484 bbl	5,073,536	-12.7%
Mcf of natural gas	663,534,323 Mcf	609,452,391	-8.15%

As of June 3, 2019, there have been 3,105 Utica shale permits issues in Ohio, and 2,613 of them have been developed.

There are currently 2,278 Utica shale wells in production, with 19 rigs running.