

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

PRICING

Prices November 12, 2019

NYMEX Settle – November -2019	\$2.60
One Year NYMEX strip (Nov., 2019 – Oct. 2020)	\$2.51
Summer NYMEX strip for 2020 (Apr.-October, 2020)	\$2.42
Winter NYMEX strip – 2019 (Nov., 2019 – Mar. 2020)	\$2.66
TCO Index Posting – November, 2019	\$2.22
DTI Index Posting – November, 2019	\$2.02

Working gas in underground storage, Lower 48 states

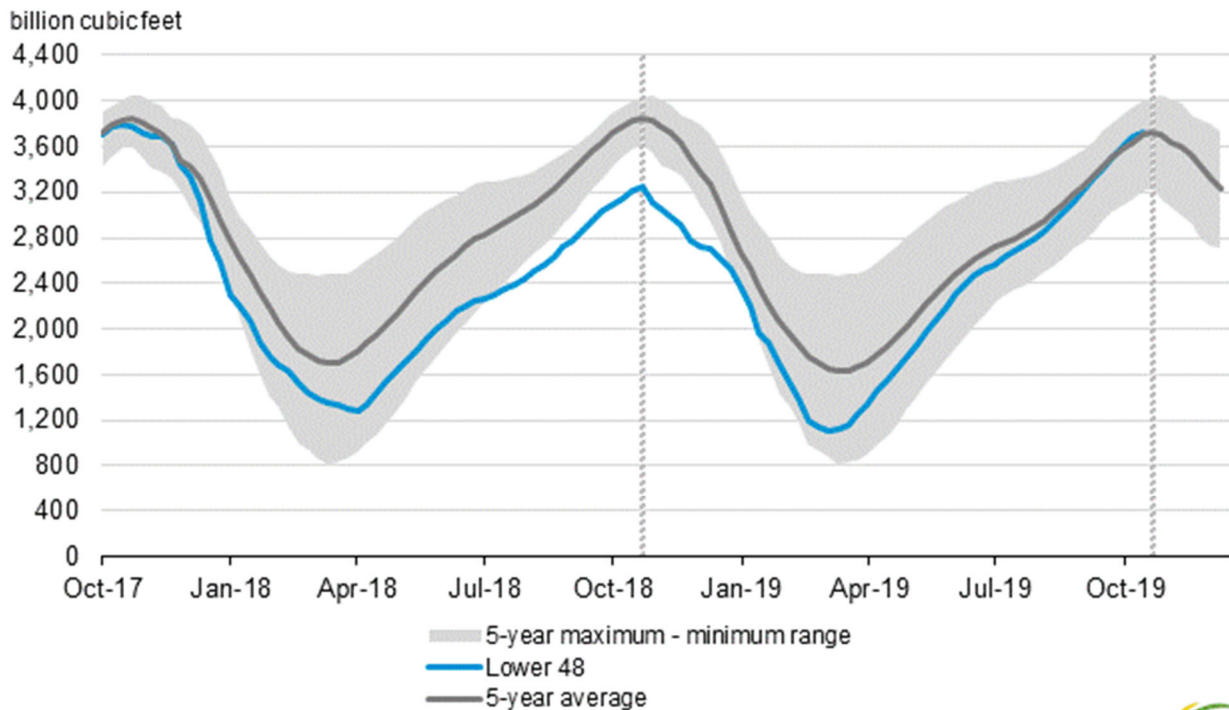
Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	11/01/19	10/25/19	net change	implied flow	Year ago (11/01/18)		5-year average (2014-18)	
					Bcf	% change	828	% change
East	932	913	19	19	830	12.3	903	3.2
Midwest	1,109	1,095	14	14	977	13.5	1,076	3.1
Mountain	207	211	-4	-4	182	13.7	213	-2.8
Pacific	292	298	-6	-6	265	10.2	327	-10.7
South Central	1,189	1,178	11	11	945	25.8	1,182	0.6
Salt	303	293	10	10	250	21.2	330	-8.2
Nonsalt	886	885	1	1	695	27.5	852	4.0
Total	3,729	3,695	34	34	3,199	16.6	3,700	-0.8

Totals may not equal sum of components because of independent rounding.

Summary

Working gas in storage was 3,729 Bcf as of Friday, November 1, 2019, according to EIA estimates. This represents a net increase of 34 Bcf from the previous week. Stocks were 530 Bcf higher than last year at this time and 29 Bcf above the five-year average of 3,700 Bcf. At 3,729 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:

Northeast prices increase with growing heating demand. At the Algonquin Citygate, which serves [Boston-area](#) consumers, the price went up \$1.18 from \$1.90/MMBtu last Wednesday to a high of \$3.08/MMBtu yesterday. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price increased 83¢ from \$1.87/MMBtu last Wednesday to a high of \$2.70/MMBtu yesterday. Although temperatures were generally normal in the Northeast, average minimum temperatures [were at or below freezing](#) in the region, increasing weather-driven demand for natural gas.

The Tennessee Zone 4 Marcellus spot price increased 67¢ from \$1.75/MMBtu last Wednesday to \$2.42/MMBtu yesterday. The price at Dominion South in southwest Pennsylvania rose 67¢ from \$1.79/MMBtu last Wednesday to \$2.46/MMBtu yesterday.

Supply is flat. According to data from IHS Markit, the average total supply of natural gas remained the same as in the previous report week, averaging 99.5 Bcf/d. Dry natural gas production remained constant week over week. Average net imports from Canada increased by 3% from last week.

Demand rises sharply in residential and commercial sectors and falls across all other sectors. Total U.S. consumption of natural gas rose by 8% compared with the previous report week, according to data from IHS Markit. In the residential and commercial sectors, consumption increased by 40% as generally cooler temperatures prompted widespread demand for space heating for this first time this season in the Lower 48 states. Natural gas consumed for power generation declined by 4% week over week. Industrial sector consumption decreased by 3% week over week. Natural gas exports to Mexico decreased 1%.

U.S. LNG exports decrease week over week. Twelve LNG vessels (six from Sabine Pass, two from Corpus Christi, two from Cove Point, and one each from Cameron and Freeport) with a combined LNG-carrying capacity of 43 Bcf departed the United States between October 31 and November 6, according to shipping data compiled by Bloomberg. One vessel was loading at the Sabine Pass terminal on Wednesday.

On November 4, the 1000th LNG export cargo was shipped from the United States since the start of LNG exports from the Lower 48 states in February 2016. An estimated 3.42 trillion cubic feet of natural gas have been exported as LNG from the United States between February 2016 and November 6, 201

Ohio's Utica Shale 2019 Second Quarter Production

During the second quarter of 2019, Ohio's horizontal shale wells produced 5,813,755 barrels of oil and 614,218,362 Mcf (614 billion cubic feet) of natural gas, according to the figures released today by the Ohio Department of Natural Resources (ODNR).

Compared to a year ago, oil production increased by 29.54% and natural gas production showed a 10.81% increase over the second quarter of 2018.

	2018 Quarter 2 (Shale)	2019 Quarter 2 (Shale)	Percentage Change
Barrels of oil	4,488,104 bbl	5,813,755 bbl	29.54%
Mcf of natural gas	554,306,916 Mcf	614,218,362 Mcf	10.81%

The ODNR quarterly report lists 2,365 horizontal shale wells, 2,317 of which reported oil and natural gas production during the quarter. Of the wells reporting oil and natural gas results:

There are currently 3,198 Utica Permits, and 2,719 Utica shale wells drilled, with 14 rigs running.