

Southeastern Ohio Oil and Gas Association
Gas Committee Report
March, 2020

PRICING

Prices March 10, 2020

NYMEX Settle – March -2020	\$1.82
One Year NYMEX strip (April., 2020 – Mar. 2021)	\$2.23
Summer NYMEX strip for 2020 (Apr.-October, 2020)	\$2.00
Winter NYMEX strip – 2020 (Nov., 2020 – Mar. 2021)	\$2.51
TCO Index Posting – March, 2020	\$1.55
DTI Index Posting – March, 2020	\$1.46

March 5, 2020 Storage Report:

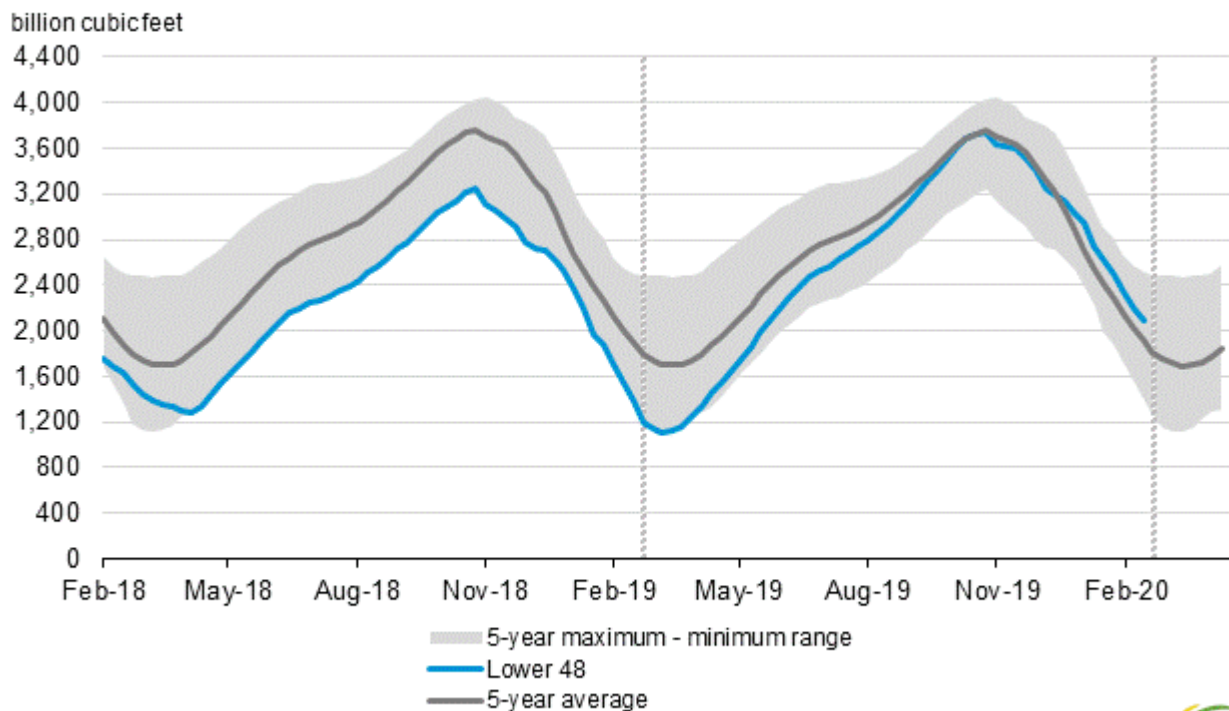
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	02/28/20	02/21/20	net change	implied flow	Year ago (02/28/19)		5-year average (2015-19)	
					Bcf	% change	Bcf	% change
East	451	484	-33	-33	317	42.3	385	17.4
Midwest	558	591	-33	-33	345	61.7	457	22.1
Mountain	101	108	-7	-7	74	36.5	115	-12.2
Pacific	197	196	1	1	113	74.3	204	-3.4
South Central	784	821	-37	-37	563	39.3	753	4.1
Salt	229	244	-15	-15	183	25.1	224	2.2
Nonsalt	555	578	-23	-23	380	46.1	530	4.7
Total	2,091	2,200	-109	-109	1,411	48.2	1,915	9.2

Summary

Working gas in storage was 2,091 Bcf as of Friday, February 28, 2020, according to EIA estimates. This represents a net decrease of 109 Bcf from the previous week. Stocks were 680 Bcf higher than last year at this time and 176 Bcf above the five-year average of 1,915 Bcf. At 2,091 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



Prices/Supply/Demand

Northeast prices are down. At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went down 42¢ from \$2.11/MMBtu last Wednesday to \$1.69/MMBtu yesterday after reaching a low of \$1.60/MMBtu on Monday. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price decreased 24¢ from \$1.90/MMBtu last Wednesday to \$1.66/MMBtu yesterday after reaching a low of \$1.53/MMBtu on Monday.

The Tennessee Zone 4 Marcellus spot price decreased 15¢ from \$1.60/MMBtu last Wednesday to \$1.45/MMBtu yesterday. The price at Dominion South in southwest Pennsylvania fell 14¢ from \$1.65/MMBtu last Wednesday to \$1.51/MMBtu yesterday.

Supply falls. According to data from IHS Markit, the average total supply of natural gas fell by 1% compared with the previous report week. Dry natural gas production remained unchanged week over week. Average net imports from Canada decreased by 11% from last week amid warmer-than-normal temperatures in Northeast and Midwestern markets.

Demand falls, driven by declines for heating demand in buildings. Total U.S. consumption of natural gas fell by 8% compared with the previous report week, according to data from IHS Markit. In the residential and commercial sectors, consumption declined by 14%. 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 increased 3%.

U.S. LNG exports decrease week over week. Fifteen LNG vessels (six from Sabine Pass, three from Freeport, and two each from Corpus Christi, Cameron, and Cove Point) with a combined LNG-carrying capacity of 53 Bcf departed the United States between February 27 and March 4, 2020, according to shipping data compiled by Bloomberg. Two vessels were loading at the Sabine Pass terminal on Wednesday.

Elba Island LNG, located near Savannah, Georgia, received a [letter order](#) from the Federal Energy Regulatory Commission authorizing the facility to “commence service for liquefaction and export activities from the Moveable Modular Liquefaction System No. 5.” Elba Island LNG [began commercial operation](#) on September 30, 2019, and has exported three LNG cargoes so far.

Natural Gas

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 4 (Shale)	2019 Quarter 4 (Shale)	Percentage Change
Barrels of oil	5,810,484 bbl	6,803,057 bbl	17.08%
Mcf of natural gas	663,534,323 Mcf	684,771,042 Mcf	3.2%

The ODNR quarterly report lists 2,523 horizontal shale wells, 2,452 of which reported oil and natural gas production during the quarter. Of the wells reporting oil and natural gas results:

There are currently 3,200 Utica Permits, and 2,724 Utica shale wells drilled, with 10 rigs running.