

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

PRICING

Prices April 6, 2020

NYMEX Settle – March -2020	\$1.63
One Year NYMEX strip (May, 2020 – Apr. 2021)	\$2.30
Summer NYMEX strip for 2020 (May.-October, 2020)	\$1.98
Winter NYMEX strip – 2020 (Nov., 2020 – Mar. 2021)	\$2.66
TCO Index Posting – April, 2020	\$1.34
DTI Index Posting – April, 2020	\$1.19

March 5, 2020 Storage Report:

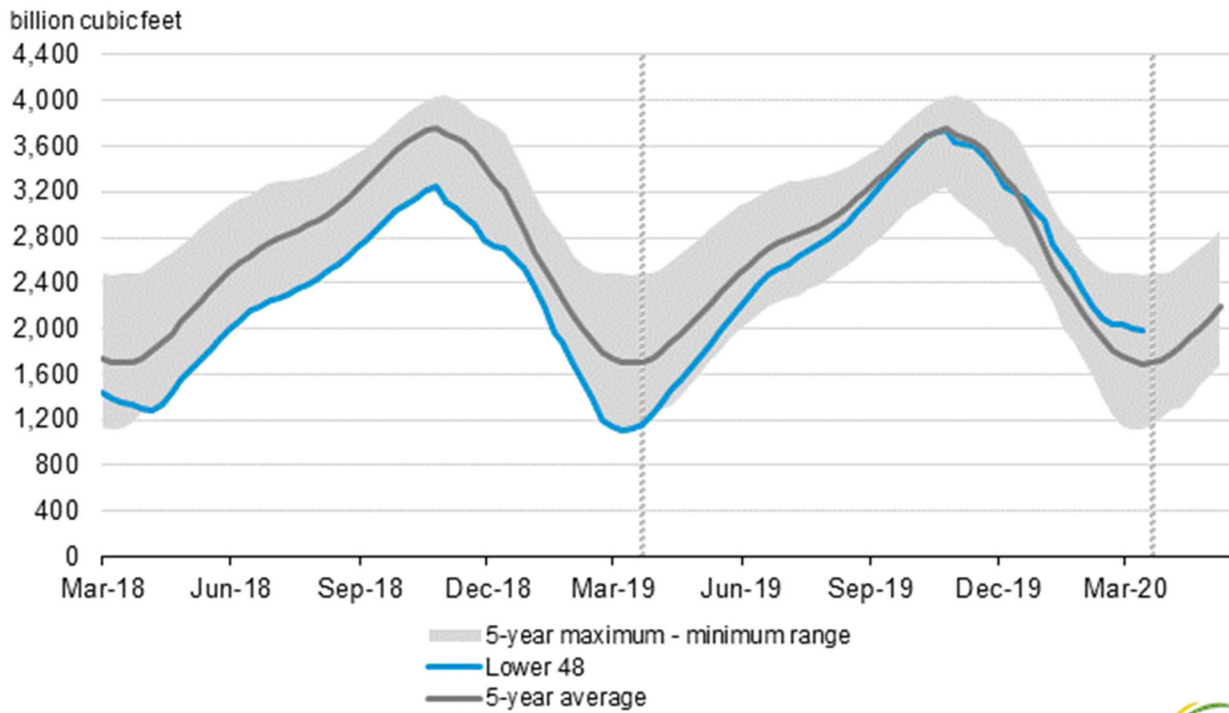
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	03/27/20	03/20/20	net change	implied flow	Year ago (03/27/19)		5-year average (2015-19)	
					Bcf	% change	Bcf	% change
East	382	398	-16	-16	214	78.5	283	35.0
Midwest	476	492	-16	-16	243	95.9	363	31.1
Mountain	92	92	0	0	63	46.0	111	-17.1
Pacific	197	194	3	3	110	79.1	204	-3.4
South Central	840	829	11	11	492	70.7	733	14.6
Salt	256	258	-2	-2	151	69.5	215	19.1
Nonsalt	585	571	14	14	342	71.1	518	12.9
Total	1,986	2,005	-19	-19	1,123	76.8	1,694	17.2

Summary

Working gas in storage was 1,986 Bcf as of Friday, March 27, 2020, according to EIA estimates. This represents a net decrease of 19 Bcf from the previous week. Stocks were 863 Bcf higher than last year at this time and 292 Bcf above the five-year average of 1,694 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



Prices/Supply/Demand

Northeast prices are down. At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went down 6¢ from \$1.55/MMBtu last Wednesday to \$1.49/MMBtu yesterday. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price remained unchanged week over week at \$1.38/MMBtu.

The Tennessee Zone 4 Marcellus spot price decreased 6¢ from \$1.32/MMBtu last Wednesday to \$1.26/MMBtu yesterday. The price at Dominion South in southwest Pennsylvania fell 4¢ from \$1.31/MMBtu last Wednesday to \$1.27/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 14% from last week, driven by decreased imports into the Northeast at the Waddington border crossing in upstate New York.

Demand is down, driven by declines in power generation and building consumption. Total U.S. consumption of natural gas fell by 7% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation declined by 7% week over week. In the residential and commercial sectors, consumption declined by 10%. Industrial sector consumption decreased by 4% week over week. Natural gas exports to Mexico decreased 2%.

U.S. LNG exports increase week over week. Nineteen LNG vessels (nine from Sabine Pass, three each from Corpus Christi and Freeport, and two each from Cove Point and Cameron) with a combined LNG-carrying capacity of 70 Bcf departed the United States between March 26 and April 1, 2020, according to shipping data provided by [Marine Traffic](#)

Natural Gas

Ohio's Utica Shale 2019 Fourth Quarter Production

During the Fourth 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 3,225 Utica Permits, and 2,732 Utica shale wells drilled, with 11 rigs running.