

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

PRICING

Prices May 12 2020

NYMEX Settle – May -2020	\$1.79
One Year NYMEX strip (June, 2020 – May 2021)	\$2.42
Summer NYMEX strip for 2020 (June-October, 2020)	\$2.02
Winter NYMEX strip – 2020 (Nov., 2020 – Mar. 2021)	\$2.80
TCO Index Posting – May, 2020	\$1.59
DTI Index Posting – May, 2020	\$1.45

May 7, 2020 Storage Report:

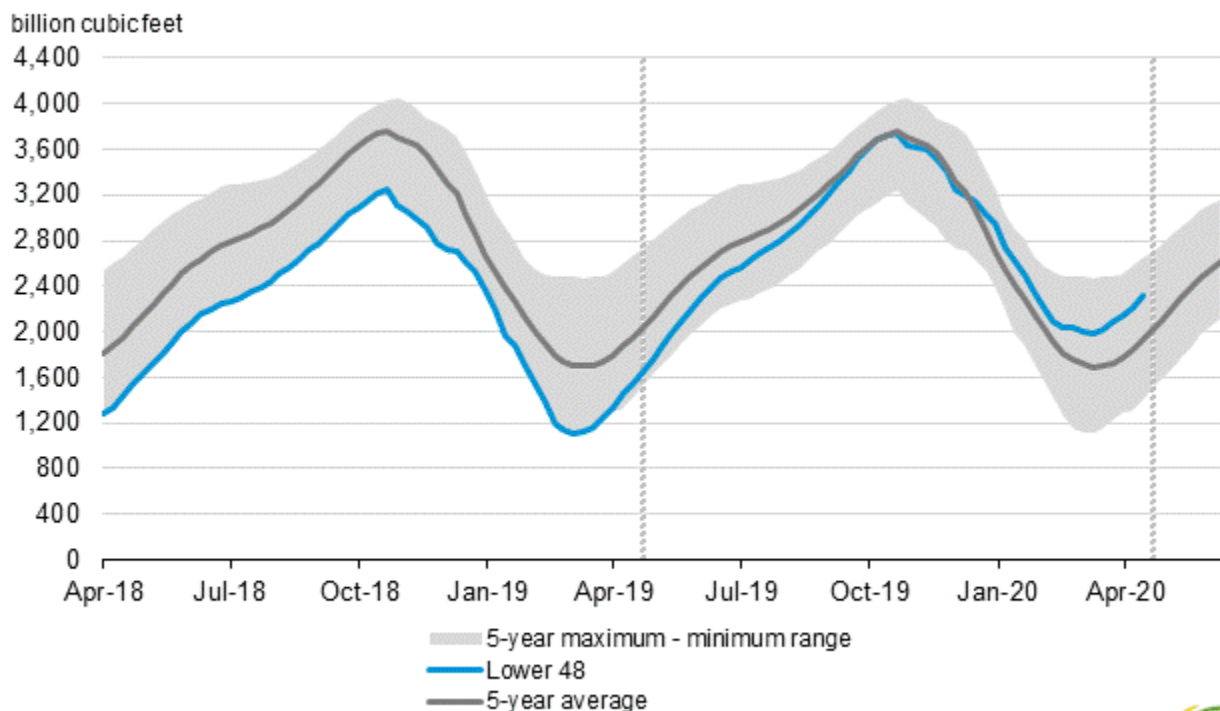
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	05/01/20	04/24/20	net change	implied flow	Year ago (05/01/19)		5-year average (2015-19)	
					Bcf	% change	Bcf	% change
East	424	404	19	19	293	44.7	326	30.1
Midwest	530	506	24	24	304	74.3	388	36.6
Mountain	111	103	8	8	77	44.2	120	-7.5
Pacific	228	218	10	10	159	43.4	232	-1.7
South Central	1,027	979	48	48	690	48.8	859	19.6
Salt	331	314	17	17	231	43.3	269	23.0
Nonsalt	695	664	31	31	459	51.4	589	18.0
Total	2,319	2,210	109	109	1,523	52.3	1,924	20.5

Summary

Working gas in storage was 2,319 Bcf as of Friday, May 1, 2020, according to EIA estimates. This represents a net increase of 109 Bcf from the previous week. Stocks were 796 Bcf higher than last year at this time and 395 Bcf above the five-year average of 1,924 Bcf. At 2,319 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 amid seasonal spring temperatures. Prices in the northeast fell as a result of rerouting of natural gas flows on the TETCO pipeline. At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went down 6¢ from \$1.66/MMBtu last Wednesday to \$1.60/MMBtu yesterday. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price decreased 12¢ from \$1.55/MMBtu last Wednesday to \$1.43/MMBtu yesterday.

The Tennessee Zone 4 Marcellus spot price decreased 12¢ from \$1.38/MMBtu last Wednesday to \$1.26/MMBtu yesterday. The price at Dominion South in southwest Pennsylvania fell 10¢ from \$1.50/MMBtu last Wednesday to \$1.40/MMBtu yesterday because of [reductions in flow capacity](#) out of the Appalachia producing region.

Supply falls. According to data from IHS Markit, the average total supply of natural gas fell by 1.4% compared with the previous report week. Dry natural gas production decreased by 1.3% compared with the previous report week, led by declines in the Appalachia Basin. Average net imports from Canada decreased by 4.6% from last week. See this week's In the News article for further discussion of declining imports from Western Canada.

Demand falls, driven by decreased demand for heating and cooling in buildings. Total U.S. consumption of natural gas fell by 15.3% compared with the previous report week, according to data from IHS Markit. In the residential and commercial sectors, consumption declined by 38.2% driven by low consumption during the weekend. Natural gas consumed for power generation climbed by 0.5% week over week. Industrial sector consumption decreased by 11.8% week over week. Natural gas exports to Mexico decreased 5.3%.

U.S. LNG exports increase week over week. Fifteen liquefied natural gas (LNG) vessels (six from Sabine Pass, three each from Cameron and Corpus Christi, two from Freeport, and one from Cove Point) with a combined LNG-carrying capacity of 54 Bcf departed the United States between April 30 and May 6, 2020, according to shipping data compiled by Bloomberg. One vessel was loading at the Cove Point terminal on Wednesday.

On May 1, Train 3 at the Freeport LNG facility in Texas [began commercial operations](#). Freeport's Train 3 adds 0.66 Bcf/d to [total U.S. export capacity](#). Trains 1 and 2 began commercial operations in December 2019 and January 2020, respectively. Train 4 has received approval from the Federal Energy Regulatory Commission, but it has not yet begun construction.

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.