

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

PRICING

Prices June 9, 2020

NYMEX Settle – June -2020	\$1.72
One Year NYMEX strip (July, 2020 – June 2021)	\$2.41
Summer NYMEX strip for 2020 (July-October, 2020)	\$1.88
Winter NYMEX strip – 2020 (Nov., 2020 – Mar. 2021)	\$2.77
TCO Index Posting – June, 2020	\$1.47
DTI Index Posting – June, 2020	\$1.27

June 4, 2020 Storage Report:

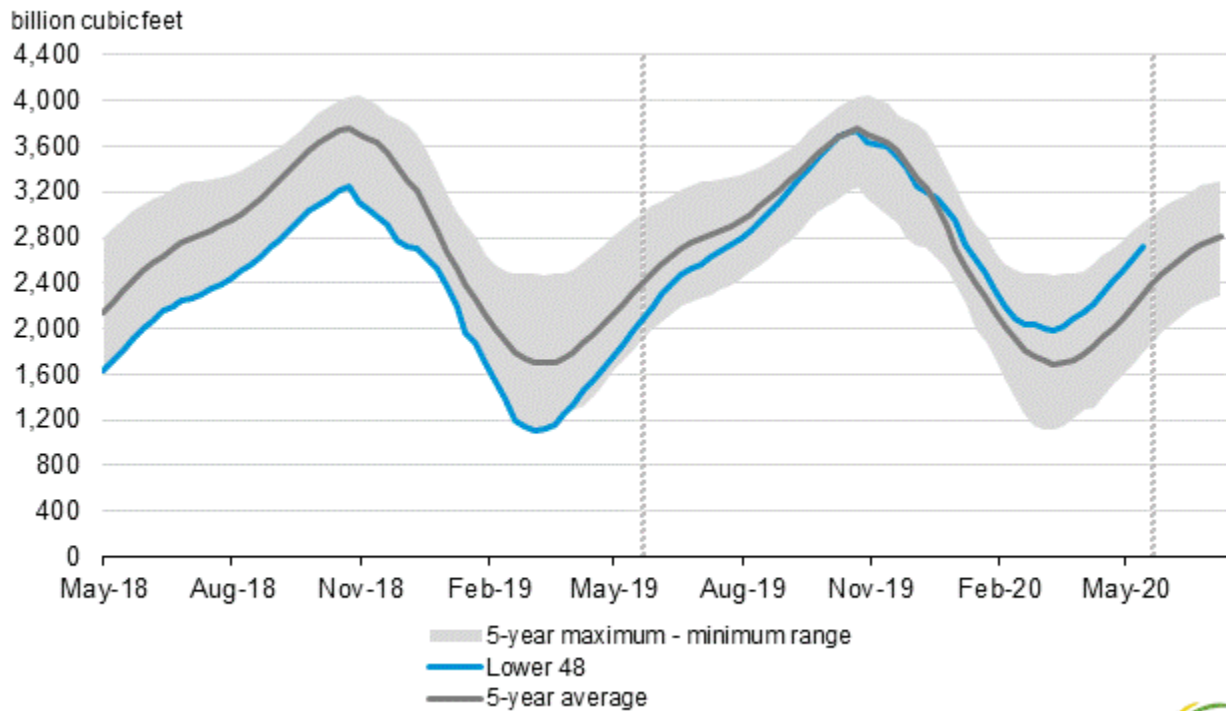
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	05/29/20	05/22/20	net change	implied flow	Year ago (05/29/19)		5-year average (2015-19)	
					Bcf	% change	Bcf	% change
East	536	504	32	32	405	32.3	433	23.8
Midwest	634	606	28	28	425	49.2	489	29.7
Mountain	140	132	8	8	99	41.4	140	0.0
Pacific	273	264	9	9	209	30.6	264	3.4
South Central	1,131	1,105	26	26	813	39.1	966	17.1
Salt	353	348	5	5	255	38.4	297	18.9
Nonsalt	778	757	21	21	558	39.4	668	16.5
Total	2,714	2,612	102	102	1,952	39.0	2,292	18.4

Summary

Working gas in storage was 2,714 Bcf as of Friday, May 29, 2020, according to EIA estimates. This represents a net increase of 102 Bcf from the previous week. Stocks were 762 Bcf higher than last year at this time and 422 Bcf above the five-year average of 2,292 Bcf. At 2,714 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 rise. At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went up 12¢ from \$1.59/MMBtu last Wednesday to a high of \$1.71/MMBtu yesterday as power burn increased with seasonal end-of May temperatures. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price increased 7¢ from \$1.52/MMBtu last Wednesday to a high of \$1.59/MMBtu yesterday.

The Tennessee Zone 4 Marcellus spot price increased 4¢ from \$1.38/MMBtu last Wednesday to \$1.42/MMBtu yesterday. The price at Dominion South in southwest Pennsylvania rose 1¢ from \$1.46/MMBtu last Wednesday to \$1.47/MMBtu yesterday.

Supply rises slightly with increased imports from Canada. According to data from IHS Markit, the average total supply of natural gas rose by 0.8% compared with the previous report week. Dry natural gas production grew by 0.5% compared with the previous report week as higher crude oil prices supported [increased shale production](#). Average net imports from Canada increased by 4.7% from last week.

Overall demand rises because of electric power sector demand. Total U.S. consumption of natural gas rose by 3.9% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 10.1% week over week. In the residential and commercial sectors, consumption declined by 5.9%. Industrial sector consumption decreased by 0.3% week over week. Natural gas exports to Mexico increased 4.8%.

U.S. LNG exports decrease week over week. Ten liquefied natural gas (LNG) vessels (four from Sabine Pass, two each from Corpus Christi and Cameron, and one each from Cove Point and Freeport) with a combined LNG-carrying capacity of 36 Bcf departed the United States between May 28 and June 3, 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.