

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

PRICING

Prices July 7, 2020

NYMEX Settle – July -2020	\$1.49
One Year NYMEX strip (Aug., 2020 – July 2021)	\$2.46
Summer NYMEX strip for 2020 (Aug.-October, 2020)	\$1.94
Winter NYMEX strip – 2020 (Nov., 2020 – Mar. 2021)	\$2.74
TCO Index Posting – July, 2020	\$1.26
DTI Index Posting – July, 2020	\$1.16

July 2, 2020 Storage Report:

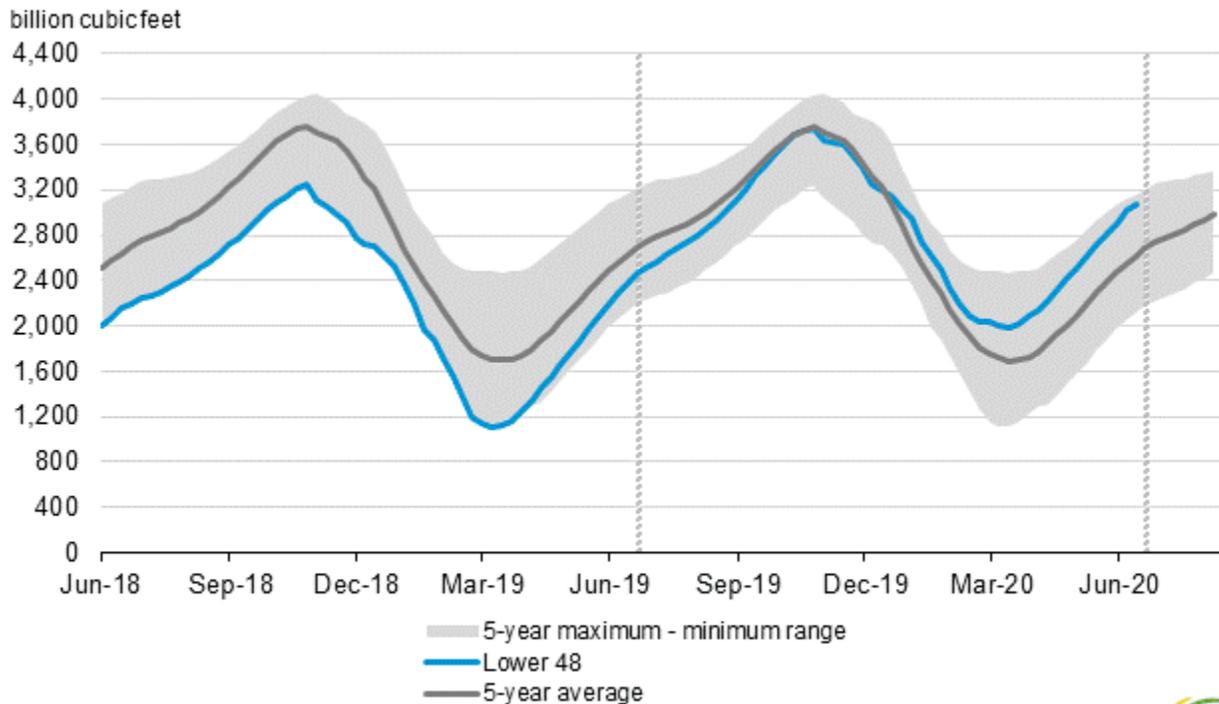
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	06/26/20	06/19/20	net change	implied flow	Year ago (06/26/19)		5-year average (2015-19)	
					Bcf	% change	Bcf	% change
East	639	619	20	20	518	23.4	541	18.1
Midwest	740	716	24	24	559	32.4	596	24.2
Mountain	173	165	8	8	132	31.1	162	6.8
Pacific	304	299	5	5	252	20.6	287	5.9
South Central	1,222	1,212	10	10	903	35.3	1,025	19.2
Salt	368	372	-4	-4	260	41.5	299	23.1
Nonsalt	854	840	14	14	643	32.8	726	17.6
Total	3,077	3,012	65	65	2,365	30.1	2,611	17.8

Summary

Working gas in storage was 3,077 Bcf as of Friday, June 26, 2020, according to EIA estimates. This represents a net increase of 65 Bcf from the previous week. Stocks were 712 Bcf higher than last year at this time and 466 Bcf above the five-year average of 2,611 Bcf. At 3,077 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 during heat wave. At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went up 8¢ from \$1.51/MMBtu last Wednesday to \$1.59/MMBtu yesterday after reaching a high of \$1.84/MMBtu on Monday. [Temperatures in Boston](#) were generally higher than 80 degrees Fahrenheit throughout the week, prompting increased demand for cooling. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price increased 7¢ from \$1.44/MMBtu last Wednesday to \$1.51/MMBtu yesterday as [temperatures reached monthly highs](#) at the end of the report week.

The Tennessee Zone 4 Marcellus spot price increased 7¢ from \$1.30/MMBtu last Wednesday to \$1.37/MMBtu yesterday. The price at Dominion South in southwest Pennsylvania rose 9¢ from \$1.31/MMBtu last Wednesday to \$1.40/MMBtu yesterday.

Supply rises slightly, driven by an increase in imports from Canada. According to data from IHS Markit, the average total supply of natural gas rose by 0.6% compared with the previous report week. Dry natural gas production decreased by 0.3% compared with the previous report week. Average net imports from Canada increased by 13.0% from last week, with increased flows at border crossing points in the Northeast to meet regional demand.

Demand rises because of increased power generation. Total U.S. consumption of natural gas rose by 9.8% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 20.5% week over week as temperatures increase following last week's mild weather. In the residential and commercial sectors, consumption declined by 0.1%. Industrial sector consumption decreased by 1.0% week over week. Natural gas exports to Mexico increased 6.4%. Feedgas to liquefied natural gas (LNG) terminals on Wednesday increased 0.6 billion cubic feet per day (Bcf/d), or 18%, compared to last Wednesday, giving lift to prices.

U.S. LNG exports decrease week over week. Seven liquefied natural gas (LNG) vessels (three from Cameron, two from Sabine Pass, and one each from Cove Point and Corpus Christi) with a combined LNG-carrying capacity of 25 Bcf departed the United States between June 18 and June 24, 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.