

Southeastern Ohio Oil and Gas Association  
Gas Committee Report  
January, 2021

**Prices January 11, 2021**

|  |        |
|--|--------|
| NYMEX Settle – Jan. -2021                          | \$2.47 |
| One Year NYMEX strip (Jan. 2021 – Dec. 2021)       | \$2.78 |
| Summer NYMEX strip for 2020 (April-October, 2021)  | \$2.73 |
| Winter NYMEX strip – 2020 (Jan., 2021 – Mar. 2021) | \$2.63 |

|                                    |        |
|------------------------------------|--------|
| TCO Index Posting – November, 2020 | \$2.04 |
| DTI Index Posting – November, 2020 | \$1.89 |

January 8, 2021 Storage Report:

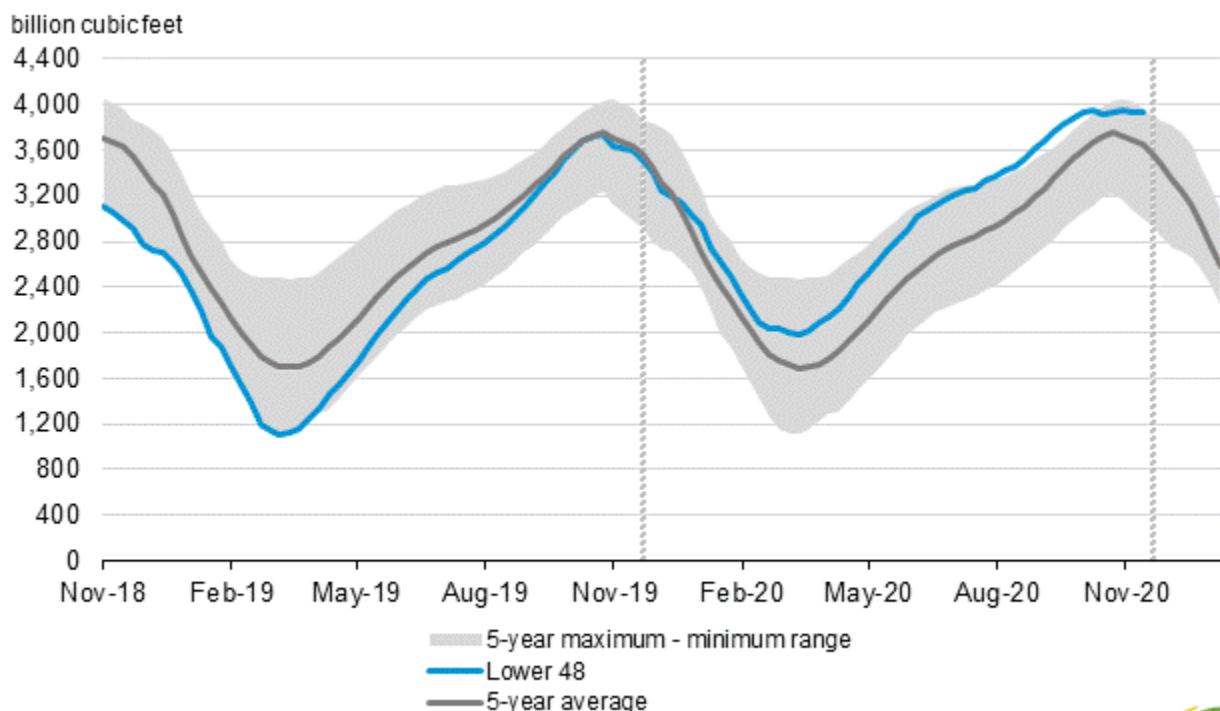
Working gas in underground storage, Lower 48 states

| Region        | Stocks<br>billion cubic feet (Bcf) |              |             |              | Historical Comparisons |            |                             |            |
|---------------|------------------------------------|--------------|-------------|--------------|------------------------|------------|-----------------------------|------------|
|               | 01/01/21                           | 12/25/20     | net change  | implied flow | Year ago<br>(01/01/20) |            | 5-year average<br>(2016-20) |            |
|               |                                    |              |             |              | Bcf                    | % change   | Bcf                         | % change   |
| East          | 765                                | 810          | -45         | -45          | 771                    | -0.8       | 737                         | 3.8        |
| Midwest       | 923                                | 973          | -50         | -50          | 905                    | 2.0        | 871                         | 6.0        |
| Mountain      | 196                                | 204          | -8          | -8           | 173                    | 13.3       | 171                         | 14.6       |
| Pacific       | 282                                | 289          | -7          | -7           | 251                    | 12.4       | 274                         | 2.9        |
| South Central | 1,163                              | 1,183        | -20         | -20          | 1,093                  | 6.4        | 1,075                       | 8.2        |
| Salt          | 333                                | 334          | -1          | -1           | 313                    | 6.4        | 323                         | 3.1        |
| Nonsalt       | 830                                | 849          | -19         | -19          | 780                    | 6.4        | 752                         | 10.4       |
| <b>Total</b>  | <b>3,330</b>                       | <b>3,460</b> | <b>-130</b> | <b>-130</b>  | <b>3,192</b>           | <b>4.3</b> | <b>3,129</b>                | <b>6.4</b> |

## Summary

Working gas in storage was 3,330 Bcf as of Friday, January 1, 2021, according to EIA estimates. This represents a net decrease of 130 Bcf from the previous week. Stocks were 138 Bcf higher than last year at this time and 201 Bcf above the five-year average of 3,129 Bcf. At 3,330 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 44¢ from \$2.55/MMBtu last Wednesday to \$2.99/MMBtu yesterday. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price increased 49¢ from \$2.31/MMBtu last Wednesday to a high of \$2.80/MMBtu yesterday.

The Tennessee Zone 4 Marcellus spot price increased 33¢ from \$1.97/MMBtu last Wednesday to \$2.30/MMBtu yesterday. The price at Dominion South in southwest Pennsylvania rose 35¢ from \$1.97/MMBtu last Wednesday to \$2.32/MMBtu yesterday.

**Supply rises.** According to data from IHS Markit, the average total supply of natural gas rose by 0.2% 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 6.0% from last week.

**Demand falls across all domestic sectors.** Total U.S. consumption of natural gas fell by 2.9% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 2.7% week over week. In the residential and commercial sectors, consumption declined by 7.6%. Industrial sector consumption decreased by 0.9% week over week. Natural gas exports to Mexico increased 8.2%. Natural gas deliveries to U.S. liquefied natural gas (LNG) export facilities (LNG pipeline receipts) were about the same as last week averaging 11.0 Bcf/d.

**U.S. LNG exports decrease week over week.** Twenty one LNG vessels (seven from Sabine Pass, five from Freeport, four each from Cameron and Corpus Christi, and one from Cove Point) with a combined LNG-carrying capacity of 77 Bcf departed the United States between December 31, 2020 and January 6, 2021, according to shipping data provided by Bloomberg Finance, L.P.

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.

|                           | <b>2018 Quarter 4 (Shale)</b> | <b>2019 Quarter 4 (Shale)</b> | <b>Percentage Change</b> |
|---------------------------|-------------------------------|-------------------------------|--------------------------|
| <b>Barrels of oil</b>     | 5,810,484 bbl                 | 6,803,057 bbl                 | 17.08%                   |
| <b>Mcf of natural gas</b> | 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 3,354 Utica Permits, and 2,851 Utica shale wells drilled, with 8 rigs running.