

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

Prices October 12, 2021

NYMEX Settle – Oct. - 2021	\$5.84
One Year NYMEX strip (Nov. 2021 – Oct. 2022)	\$4.55
Summer NYMEX strip for 2022 (April,2022 - Oct., 2022)	\$3.91
Winter NYMEX strip – 2021 (Nov., 2021 – Mar. 2022)	\$4.64

TCO Index Posting – October, 2021	\$4.81
DTI Index Posting – October, 2021	\$4.56

September 2, 2021 Storage Report:

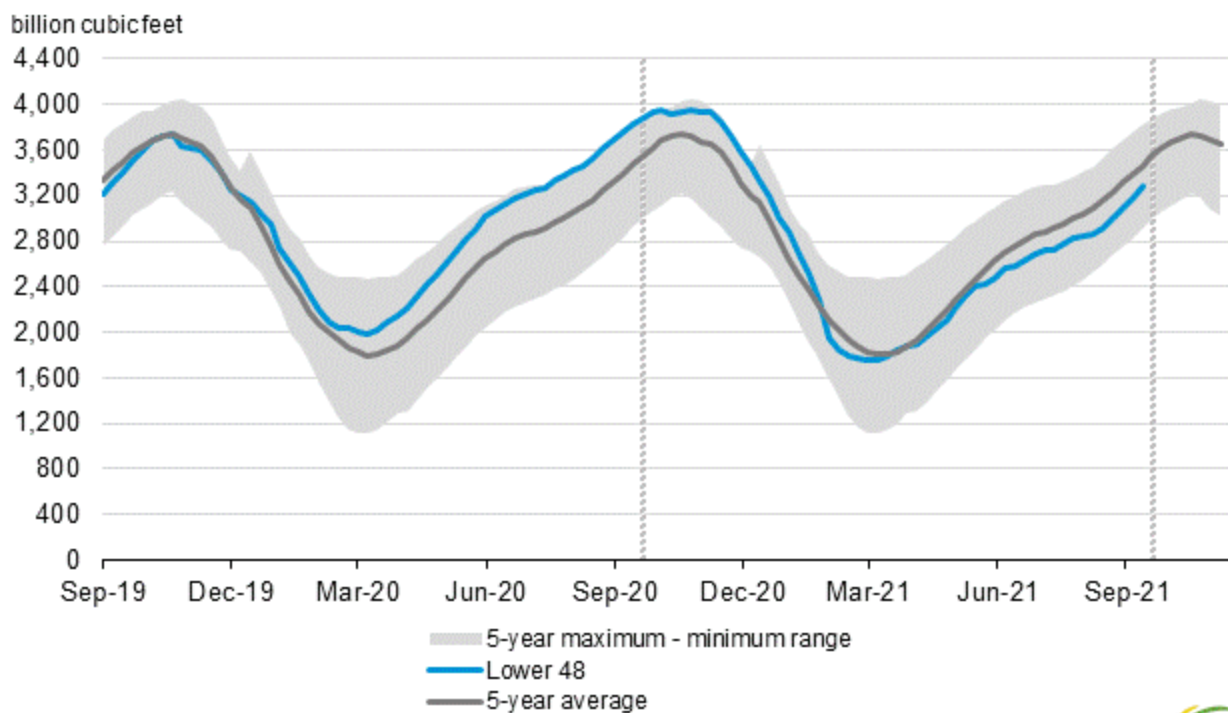
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	10/01/27/21	09/24/21	net change	implied flow	Year ago (10/01/20)		5-year average (2016-20)	
					Bcf	% change	Bcf	% change
East	810	779	31	31	890	-9.0	855	-5.3
Midwest	971	934	37	37	1058	-8.2	990	-1.9
Mountain	206	201	5	5	235	-12.3	215	-4.2
Pacific	248	243	5	5	318	-22.0	301	-17.6
South Central	1,054	1,013	41	41	1319	-20.1	1104	-4.5
Salt	259	239	20	20	365	-29.0	274	-5.5
Nonsalt	795	774	21	21	954	-16.7	830	-4.2
Total	3,288	3,170	118	118	3820	-13.9	3464	-5.1

Summary

Working gas in storage was 3,288 Bcf as of Friday, October 1, 2021, according to EIA estimates. This represents a net increase of 118 Bcf from the previous week. Stocks were 532 Bcf less than last year at this time and 176 Bcf below the five-year average of 3,464 Bcf. At 3,288 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



Storage

The average rate of injections into storage is 9% lower than the five-year average so far this refill season (April through October). If the rate of injections into storage matched the five-year average of 8.5 Bcf/d for the remainder of the refill season, the total inventory would be 3,543 Bcf on October 31, which is 176 Bcf lower than the five-year average of 3,719 Bcf for that time of year.

Prices/Supply/Demand

Prices in the Northeast rise in line with prices at other major hubs. At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went up 44¢ from \$4.90/MMBtu last Wednesday to \$5.34/MMBtu yesterday. At the Transcontinental Pipeline (Transco) Zone 6 trading point for New York City, the price increased 52¢ from \$4.69/MMBtu last Wednesday to \$5.21/MMBtu yesterday. Similar to prices throughout the country, prices at Algonquin Citygate and Transco Zone 6 reached weekly highs on Tuesday, at \$5.46/MMBtu and \$5.33/MMBtu, respectively. [Temperatures in New York's Central Park](#) averaged 65°F yesterday. The daily Central Park minimum and maximum was close to the average, at 61°F to 69°F, a significantly narrower range than the normal 55°F to 68°F, which resulted in zero HDDs and CDDs (cooling degree days—a measure of cooling demand, which is met with electric-powered air conditioning), compared with 5 HDDs and 1 CDD under a normal-weather scenario. The mild temperatures resulted in natural gas consumption remaining relatively flat week over week. IHS Markit estimates consumption in New England declined on average by less than 50 MMcf/d week over week and rose in the New York/New Jersey region by slightly more than 100 MMcf/d. Total demand in the Atlantic region also remained relatively flat, reflecting the mild weather and reduced export demand. Berkshire Hathaway Energy's Gas Transmission and Storage (GHE GT&S) [reports volumes](#) of feed gas delivered to the Cove Point LNG export terminal in Maryland remained at 2 MMcf/d this report week. Prior to [maintenance](#) (notice ID 124681) at the terminal, which is scheduled to last from September 20 through October 10, feed gas volumes averaged more than 750 MMcf/d.

Prices in the Appalachia Basin production region increase in line with prices in other regions. The Tennessee (TGP) Zone 4 Marcellus spot price increased 46¢ from \$4.60/MMBtu last Wednesday to \$5.06/MMBtu yesterday. The price at Eastern Gas South in Southwest Pennsylvania rose 45¢ from \$4.65/MMBtu last Wednesday to \$5.10/MMBtu yesterday. Prices at both hubs fell to weekly lows on Friday, reaching \$2.45/MMBtu at TGP Zone 4 Marcellus and \$3.57/MMBtu at Eastern Gas South, reflecting anticipated reduced demand for the forthcoming weekend in the Northeast and Midwest consuming regions as a result of unseasonably mild temperatures (see Midwest and Northeast sections above).

U.S. supply of natural gas remained relatively flat this report week. According to data from IHS Markit, the average total supply of natural gas fell by 0.4% compared with the previous report week. Average net imports from Canada decreased by 5.8% (0.3 Bcf/d) compared with the previous report week. Dry gas production was relatively flat, falling less than 0.1%.

U.S. natural gas consumption increases week over week on a substantial increase in power generation. 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 8.3%, or 2.4 Bcf/d, as a result of [warmer-than-average](#) temperatures across the Midwest and the South. Industrial sector consumption decreased by 0.6% week over week, balanced against a week-over-week increase in the residential and commercial sectors of 0.5%. Natural gas exports to Mexico decreased 4.3% week over week. Natural gas deliveries to U.S. liquefied natural gas export facilities (LNG pipeline receipts) averaged 10.0 Bcf/d, or 0.2 Bcf/d lower than last week.

U.S. LNG exports increase week over week. Twenty LNG vessels (eight from Sabine Pass, four each from Cameron and Corpus Christi, three from Freeport, and one from Elba Island) with a combined LNG-carrying capacity of 74 Bcf departed the United States between September 30 and October 6, 2021, according to shipping data provided by Bloomberg Finance, L.P.

The ODNR quarterly report list horizontal shale wells, 2,753 of which reported oil and natural gas production during the first quarter of 2021.

There are currently 3,428 Utica Permits, and 2,914 Utica shale wells drilled.

There was a total of 548,140,794 Bcf produced in the first quarter of 2021.

As of September 3, the national Baker Hughes total rig count increased to 533.