

Southeastern Ohio Oil and Gas Association
Gas Committee Report
July, 2019

PRICING

Prices as of July 9, 2019

NYMEX Settle – July -2019	\$2.29
One Year NYMEX strip (Aug., 2019 – July 2020)	\$2.54
Summer NYMEX strip for 2019 (Aug.-October, 2019)	\$2.42
Winter NYMEX strip – 2018 (Nov., 2019 – Mar. 2020)	\$2.68
TCO Index Posting – July, 2019	\$1.99
DTI Index Posting – July, 2019	\$1.92

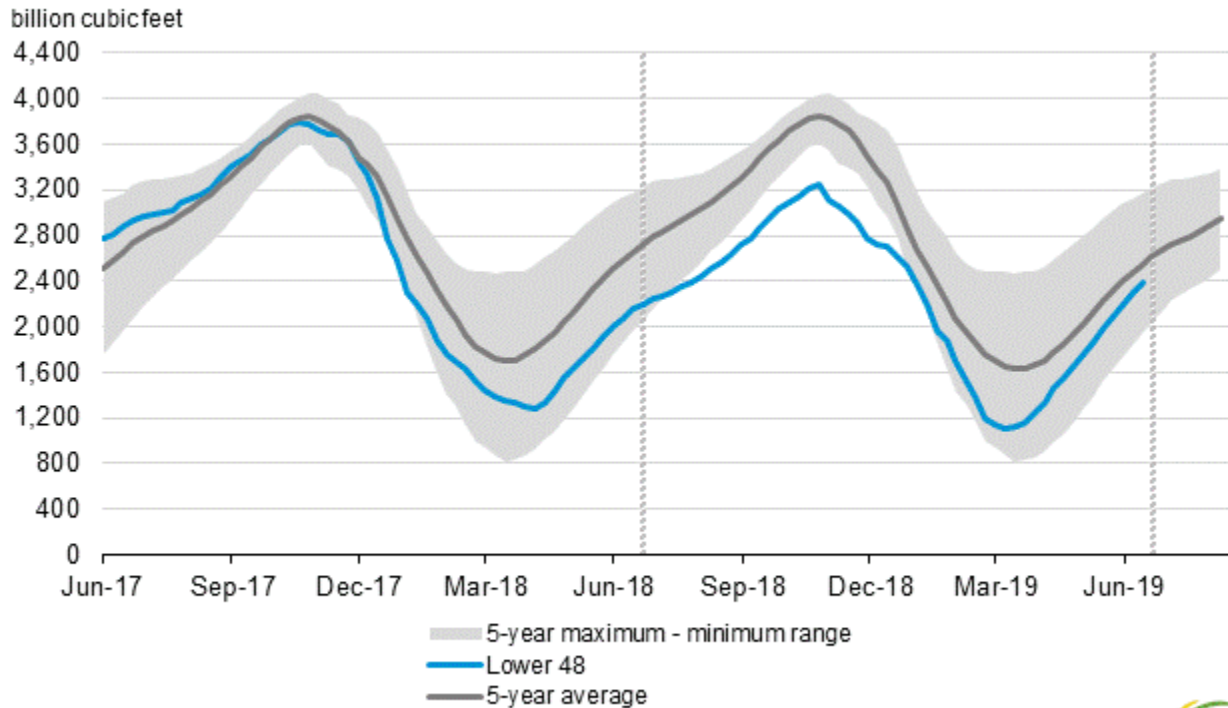
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	06/28/19	06/21/19	net change	implied flow	Year ago (06/28/18)		5-year average (2014-18)	
					Bcf	% change	Bcf	% change
East	526	499	27	27	456	15.4	536	-1.9
Midwest	568	538	30	30	451	25.9	583	-2.6
Mountain	134	127	7	7	138	-2.9	160	-16.3
Pacific	255	245	10	10	256	-0.4	286	-10.8
South Central	907	893	14	14	840	8.0	976	-7.1
Salt	259	263	-4	-4	246	5.3	284	-8.8
Nonsalt	648	630	18	18	594	9.1	693	-6.5
Total	2,390	2,301	89	89	2,141	11.6	2,542	-6.0

Summary

Working gas in storage was 2,390 Bcf as of Friday, June 28, 2019, according to EIA estimates. This represents a net increase of 89 Bcf from the previous week. Stocks were 249 Bcf higher than last year at this time and 152 Bcf below the five-year average of 2,542 Bcf. At 2,390 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



Natural Gas

Prices/Supply/Demand:

Northeast prices remain relatively flat and below Henry Hub prices. At the Algonquin Citygate, which serves Boston-area consumers, prices went up 4¢ from \$2.17/MMBtu last Wednesday to a weekly high of \$2.21/MMBtu yesterday with [forecasts of warmer temperatures](#) for the next report week. At the Transcontinental Pipeline Zone 6 trading point for New York City, prices decreased 1¢ from \$2.19/MMBtu last Wednesday to \$2.18/MMBtu yesterday, with a low of \$1.98/MMBtu on Friday.

Tennessee Zone 4 Marcellus spot prices increased 3¢ from \$1.98/MMBtu last Wednesday to \$2.01/MMBtu yesterday. Prices at Dominion South in southwest Pennsylvania fell 3¢ from \$2.04/MMBtu last Wednesday to \$2.01/MMBtu yesterday.

Supply is flat. According to data from PointLogic Energy, the average total supply of natural gas remained the same as in the previous report week, averaging 94.2 Bcf/d. Dry natural gas production grew by 1% compared with the previous report week. Average net imports from Canada decreased by 2% from last week. Rising dry natural gas production compensated for lower Canadian imports that were the result of a shutdown on the 1.8 Bcf/d Alliance pipeline (see article above), which resumed flows on Monday, June 24.

Demand increases are driven by the electric power sector. Total U.S. consumption of natural gas rose by 4% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 8% week over week amid temperatures that were [slightly warmer than normal in the Southeast region](#), where electricity is used for cooling demand. Industrial sector consumption decreased by 2% week over week. In the residential and commercial sectors, consumption declined by 1%. Natural gas exports to Mexico were the same as last report week, averaging 5.2 Bcf/d.

U.S. LNG exports decrease week over week. Eight LNG vessels (six from Sabine Pass, one from Corpus Christi, and one from Cove Point) with a combined LNG-carrying capacity of 28 Bcf departed the United States between June 20 and June 26, according to shipping data compiled by Bloomberg. On Wednesday, one vessel was loading at the Sabine Pass terminal, one at Corpus Christi, and one at the Cameron terminal.

Ohio's Utica Shale 2019 First Quarter Production

During the First quarter of 2019, Ohio's horizontal shale wells produced 5,073,536 barrels of oil and 609,452,391 Mcf (609 billion cubic feet) of natural gas, according to figures released today by the Ohio Department of Natural Resources (ODNR).

Natural gas production from the first quarter of 2019 showed a 8.15% decrease over the fourth quarter of 2018, while oil production decreased 12.7% for the same period.

	2018 Quarter 4 (Shale)	2019 Quarter 1 (Shale)	Percentage Change
Barrels of oil	5,810,484 bbl	5,073,536	-12.7%
Mcf of natural gas	663,534,323 Mcf	609,452,391	-8.15%

As of July 8, 2019, there have been 3,120 Utica shale permits issues in Ohio, and 2,639 of them have been developed.

There are currently 2,278 Utica shale wells in production, with 17 rigs running.