

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

PRICING

Prices August 13, 2019

NYMEX Settle – August -2019	\$2.14
One Year NYMEX strip (Sept., 2019 – Aug. 2020)	\$2.33
Summer NYMEX strip for 2019 (Sept.-October, 2019)	\$2.16
Winter NYMEX strip – 2018 (Nov., 2019 – Mar. 2020)	\$2.42
TCO Index Posting – August, 2019	\$1.87
DTI Index Posting – August, 2019	\$1.80

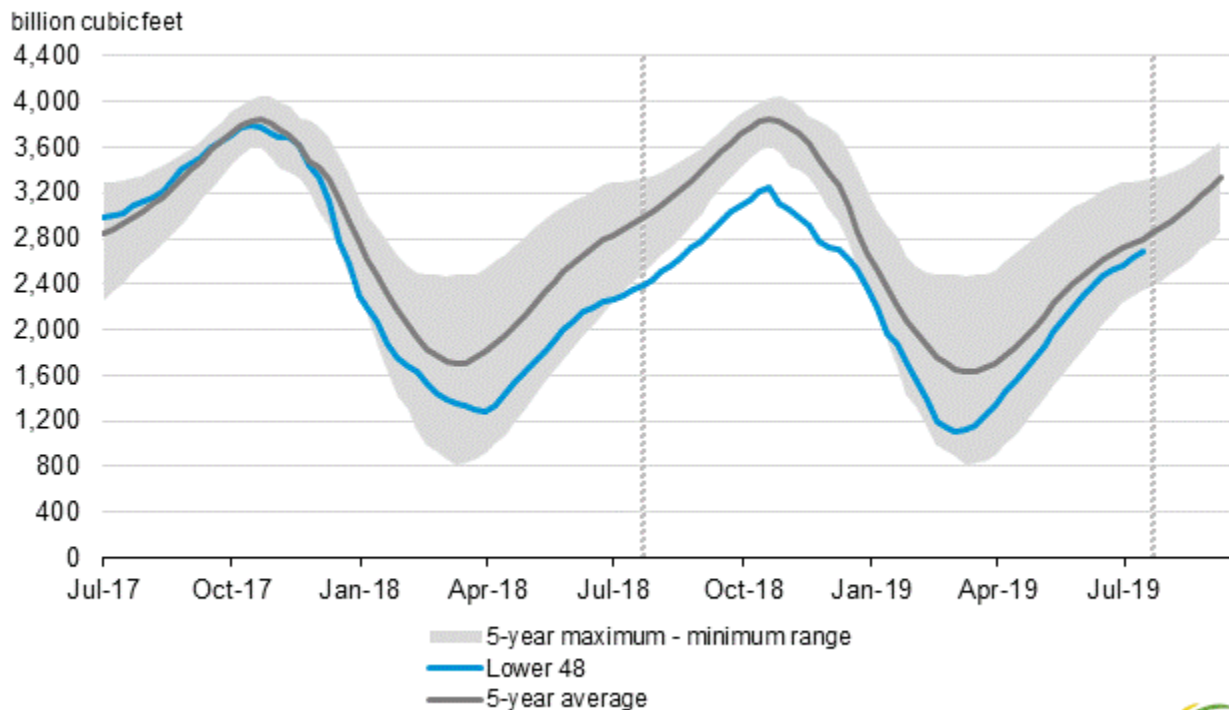
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	06/28/19	06/21/19	net change	implied flow	Year ago (08/02/18)		5-year average (2014-18)	
	Bcf	Bcf	Bcf	Bcf	Bcf	% change	Bcf	% change
East	613	597	16	16	571	7.4	646	-5.1
Midwest	701	677	24	24	576	21.7	700	0.1
Mountain	161	156	5	5	148	8.8	177	-9.0
Pacific	272	270	2	2	245	11.0	293	-7.2
South Central	941	934	7	7	808	16.5	984	-4.4
Salt	221	226	-5	-5	204	8.3	263	-16.0
Nonsalt	719	708	11	11	604	19.0	721	-0.3
Total	2,689	2,634	55	55	2,346	14.6	2,800	-4.0

Summary

Working gas in storage was 2,689 Bcf as of Friday, August 2, 2019, according to EIA estimates. This represents a net increase of 55 Bcf from the previous week. Stocks were 343 Bcf higher than last year at this time and 111 Bcf below the five-year average of 2,800 Bcf. At 2,689 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 fall. Northeast temperatures were slightly cooler than normal, moderating cooling demand. At the Algonquin Citygate, which serves Boston-area consumers, prices went down 17¢ from \$2.22/MMBtu last Wednesday to \$2.05/MMBtu yesterday, with a low of \$1.85/MMBtu on Monday. At the Transcontinental Pipeline Zone 6 trading point for New York City, prices decreased 9¢ from \$2.16/MMBtu last Wednesday to \$2.07/MMBtu yesterday, with a low of \$1.92/MMBtu set on Monday.

Tennessee Zone 4 Marcellus spot prices decreased 8¢ from \$1.86/MMBtu last Wednesday to \$1.78/MMBtu yesterday. Prices at Dominion South in southwest Pennsylvania fell 6¢ from \$1.94/MMBtu last Wednesday to \$1.88/MMBtu yesterday.

Supply rises with record-high dry natural gas production. According to data from PointLogic Energy, the average total supply of natural gas rose by 1% compared with the previous report week. Dry natural gas production grew by 1% compared with the previous report week, reaching an all-time high of 92.1 billion cubic feet per day (Bcf/d) on Monday, the first time dry gas production has surpassed 92 Bcf/d. Average net imports from Canada decreased by 9% from last week.

Demand rises and power burn reaches a record high. Total U.S. consumption of natural gas rose by 1% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 3% week over week, reaching an all-time high of 44.4 Bcf/d yesterday. Industrial sector consumption decreased by 2% week over week. In the residential and commercial sectors, consumption increased by 4%. Natural gas exports to Mexico increased 1%.

U.S. LNG exports decrease week over week. Eight liquefied natural gas (LNG) vessels (five from Sabine Pass, and one each from the Cove Point, Corpus Christi, and Cameron LNG export terminals) with a combined LNG-carrying capacity of 29 Bcf departed the United States between August 1 and August 7, according to shipping data compiled by Bloomberg. One vessel was loading at the Sabine Pass and one at the Corpus Christi terminals on Wednesday.

Natural gas feedstock deliveries to U.S. LNG export facilities have averaged 4.7 Bcf/d during the report week (August 1–7), a 1.3 Bcf/d decrease from the previous week as a result of several trains that have started scheduled maintenance. Sabine Pass has shut down Trains 3 and 4 for maintenance, and currently only Trains 1, 2, and 5 are operating, according to OPIS PointLogic Energy. Feedstock deliveries to Freeport LNG have also decreased by 50% during this report week compared with the previous week because of testing on Train 2. The first LNG production from Train 1 at Freeport LNG is expected in September 2019.

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 August 3, 2019, there have been 3,129 Utica shale permits issues in Ohio, and 2,662 of them have been developed.

There are currently 2,238 Utica shale wells in production, with 15 rigs running.