

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

**PRICING**

**Prices September 9, 2019**

NYMEX Settle – September -2019	\$2.23
One Year NYMEX strip (Oct., 2019 – Sept. 2020)	\$2.60
Summer NYMEX strip for 2020 (Apr.-October, 2020)	\$2.41
Winter NYMEX strip – 2018 (Nov., 2019 – Mar. 2020)	\$2.75
TCO Index Posting – September, 2019	\$1.89
DTI Index Posting – September, 2019	\$1.61

**Working gas in underground storage, Lower 48 states**

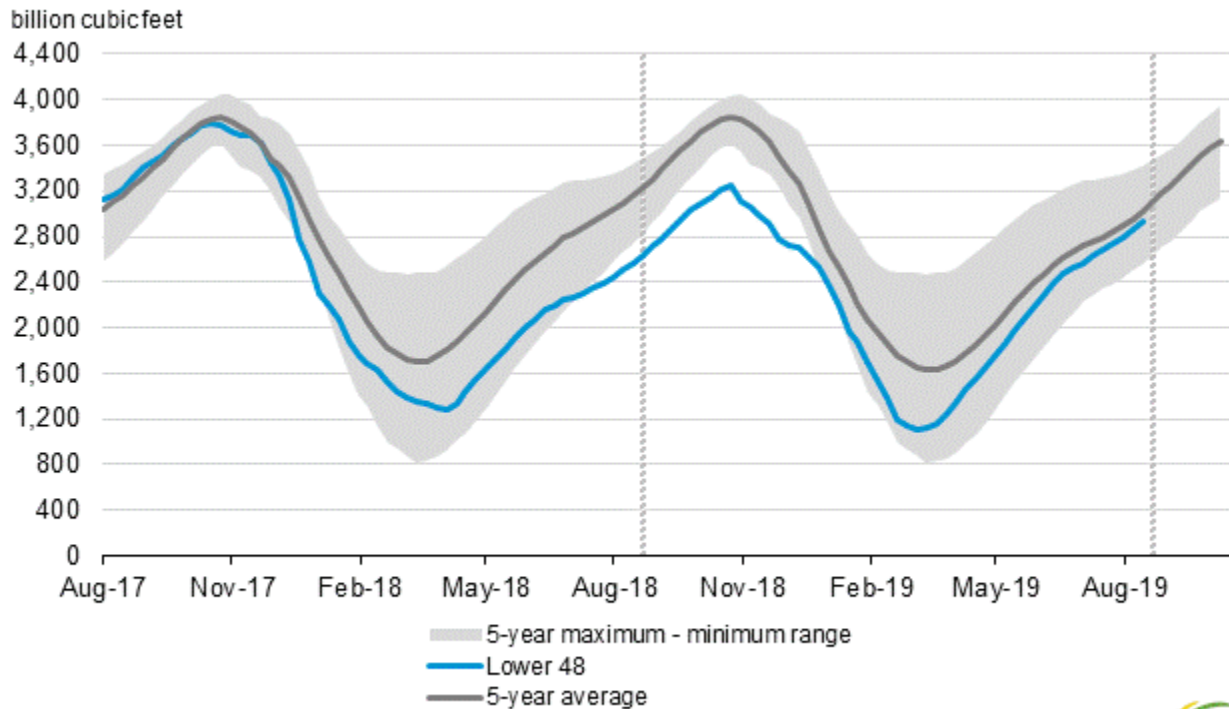
Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	08/30/19	08/23/19	net change	implied flow	Year ago (08/30/18)		5-year average (2014-18)	
					Bcf	% change	Bcf	% change
East	714	682	32	32	656	8.8	735	-2.9
Midwest	827	790	37	37	697	18.7	816	1.3
Mountain	177	173	4	4	161	9.9	188	-5.9
Pacific	276	278	-2	-2	245	12.7	300	-8.0
South Central	947	934	13	13	799	18.5	985	-3.9
Salt	197	199	-2	-2	184	7.1	247	-20.2
Nonsalt	749	736	13	13	615	21.8	738	1.5
<b>Total</b>	<b>2,941</b>	<b>2,857</b>	<b>84</b>	<b>84</b>	<b>2,558</b>	<b>15.0</b>	<b>3,023</b>	<b>-2.7</b>

Totals may not equal sum of components because of independent rounding.

## Summary

Working gas in storage was 2,941 Bcf as of Friday, August 30, 2019, according to EIA estimates. This represents a net increase of 84 Bcf from the previous week. Stocks were 383 Bcf higher than last year at this time and 82 Bcf below the five-year average of 3,023 Bcf. At 2,941 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.

**Hurricane Dorian impacts southeastern United States.** [Hurricane Dorian](#) devastated the [Bahamas](#) last week, and its current path follows the East Coast and is projected to bring [heavy rain](#) and [flash flooding](#) to the Carolinas. EIA's [energy disruptions map](#) tracks energy infrastructure in the hurricane's path, and EIA's [Hourly Electric Grid Monitor](#) reports power outages in near real-time. EIA expects that the most significant energy impacts from Hurricane Dorian will be demand-related, as cool weather and power outages in the Southeast decrease power burn.

**U.S. supply rises with increased imports from Canada.** According to data from IHS Markit, the average total supply of natural gas rose by 1% compared with the previous report week. Dry natural gas production remained constant week over week. Average net imports from Canada increased by 8% from last week.

**Demand down slightly.** Total U.S. consumption of natural gas fell by 1% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation declined by 3% week over week. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption increased by 4%. Natural gas exports to Mexico increased by 2%.

**Exports to Mexico set to increase as new pipeline enters service.** EIA expects flows to Mexico to increase in coming months after Mexico's utility [Comisión Federal de Electricidad](#) announced last week that it had renegotiated contracts with three pipeline companies. According to Platts S&P Global, the first pipeline to begin operations, the 2.6 Bcf/d Sur de Texas pipeline, posted flows of 50 MMcf/d on Tuesday, September 3. Platts reports that volumes on the line may increase sharply in the next few days.

**U.S. LNG exports increase week over week.** Twelve LNG vessels (seven from Sabine Pass, three from Corpus Christi, and one each from Cove Point and Freeport LNG export terminals) with a combined LNG-carrying capacity of 43 Bcf departed the United States between August 29 and September 4, according to shipping data compiled by Bloomberg. One vessel was loading at Sabine Pass terminal on Wednesday.

Freeport LNG has shipped its first LNG commissioning cargo from Train 1 on September 3, according to the company's [press release](#). Freeport LNG is a three-train facility with a combined LNG baseload production capacity of 1.98 Bcf/d (2.1 Bcf/d peak capacity) located on Quintana Island in Freeport, Texas. The second and third trains at the facility are currently under construction and are expected to be placed in service in January 2020 and May 2020, respectively. Freeport LNG is the fifth U.S. LNG export terminal in Lower 48 states to come online since 2016.

### **Ohio's Utica Shale 2019 SEcond Quarter Production**

During the second 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 2 (Shale)</b>	<b>2019 Quarter 2 (Shale)</b>	<b>Percentage Change</b>
<b>Barrels of oil</b>	4,488,104 bbl	5,813,755 bbl	29.54%
<b>Mcf of natural gas</b>	554,306,916 Mcf	614,218,362 Mcf	10.81%

The ODNR quarterly report lists 2,365 horizontal shale wells, 2,317 of which reported oil and natural gas production during the quarter. Of the wells reporting oil and natural gas results:

There are currently 3,157 Utica Permits, and 2,684 Utica shale wells drilled, with 12 rigs running.