

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

PRICING

Prices December 9, 2019

NYMEX Settle – December -2019	\$2.47
One Year NYMEX strip (Jan., 2020 – Dec. 2020)	\$2.27
Summer NYMEX strip for 2020 (Apr.-October, 2020)	\$2.24
Winter NYMEX strip – 2019 (Jan., 2019 – Mar. 2020)	\$2.23
TCO Index Posting – December, 2019	\$2.13
DTI Index Posting – December, 2019	\$2.05

December 5, 2019 Storage Report:

Working gas in underground storage, Lower 48 states Summary text

Region	Historical Comparisons							
	Stocks billion cubic feet (Bcf)				Year ago (11/29/18)		5-year average (2014-18)	
	11/29/19	11/22/19	net change	implied flow	Bcf	% change	Bcf	% change
East	891	894	-3	-3	756	17.9	857	4.0
Midwest	1,040	1,052	-12	-12	917	13.4	1,035	0.5
Mountain	200	204	-4	-4	168	19.0	206	-2.9
Pacific	286	293	-7	-7	253	13.0	320	-10.6
South Central	1,174	1,166	8	8	906	29.6	1,183	-0.8
Salt	316	303	13	13	262	20.6	343	-7.9
Nonsalt	858	863	-5	-5	644	33.2	839	2.3
Total	3,591	3,610	-19	-19	3,000	19.7	3,600	-0.3

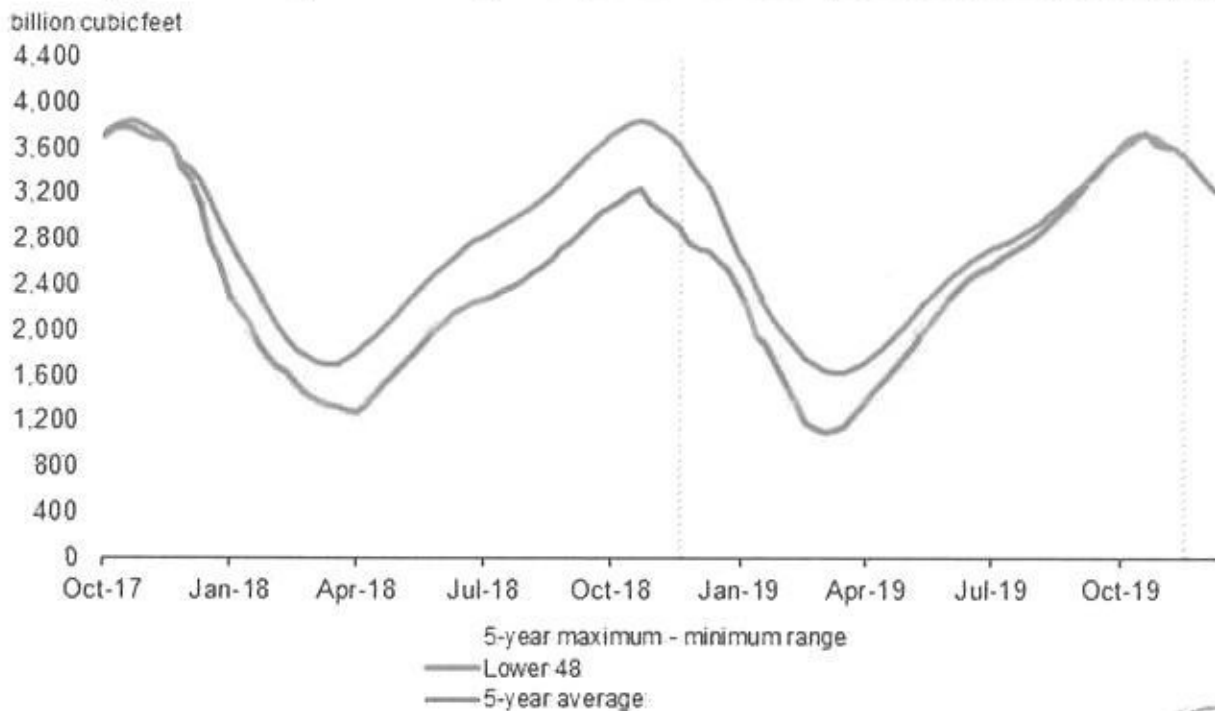
Working gas in underground storage, Lower 48 states [Summary text](#)

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

Summary

Working gas in storage was 3,591 Bcf as of Friday, November 29, 2019, according to EIA estimates. This represents a net decrease of 19 Bcf from the previous week. Stocks were 591 Bcf higher than last year at this time and 9 Bcf below the five-year average of 3,600 Bcf. At 3,591 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 decline. At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went down 85¢ from \$4.63/MMBtu last Wednesday to a low of \$3.78/MMBtu yesterday. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price decreased 4¢ from \$2.40/MMBtu last Wednesday to a low of \$2.36/MMBtu yesterday.

The Tennessee Zone 4 Marcellus spot price was constant week over week at \$1.79/MMBtu. The price at Dominion South in southwest Pennsylvania fell 5¢ from \$1.85/MMBtu last Wednesday to \$1.80/MMBtu yesterday.

Supply is flat. According to data from IHS Markit, the average total supply of natural gas **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 20% from last week.

Demand rises across all sectors. Total U.S. consumption of natural gas rose by 7% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 6% week over week. In the residential and commercial sectors, consumption increased by 13%. Industrial sector consumption stayed constant, averaging 24.4 Bcf/d. Natural gas exports to Mexico increased 2%.

U.S. LNG exports decrease week over week. Ten liquefied natural gas (LNG) vessels (five from Sabine Pass; two from Corpus Christi; and one each from Cove Point, Cameron, and Freeport) with a combined LNG-carrying capacity of 36 Bcf departed the United States between November 28 and December 4, according to shipping data compiled by Bloomberg. Four vessels (one each at Sabine Pass, Corpus Christi, Cameron, and Freeport) were loading on Wednesday.

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.

	2018 Quarter 2 (Shale)	2019 Quarter 2 (Shale)	Percentage Change
Barrels of oil	4,488,104 bbl	5,813,755 bbl	29.54%
Mcf of natural gas	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 3,217 Utica Permits, and 2,740 Utica shale wells drilled, with 11 rigs running.