

Southeastern Ohio Oil and Gas Association
Gas Committee Report
September, 2020

PRICING

Prices September 8, 2020

NYMEX Settle – Sept. -2020	\$2.58
One Year NYMEX strip (Oct. 2020 – Sept. 2021)	\$2.94
Summer NYMEX strip for 2020 (April-October, 2021)	\$2.83
Winter NYMEX strip – 2020 (Nov., 2020 – Mar. 2021)	\$3.02

TCO Index Posting – September, 2020	\$1.70
DTI Index Posting – September, 2020	\$1.11

September 4, 2020 Storage Report:

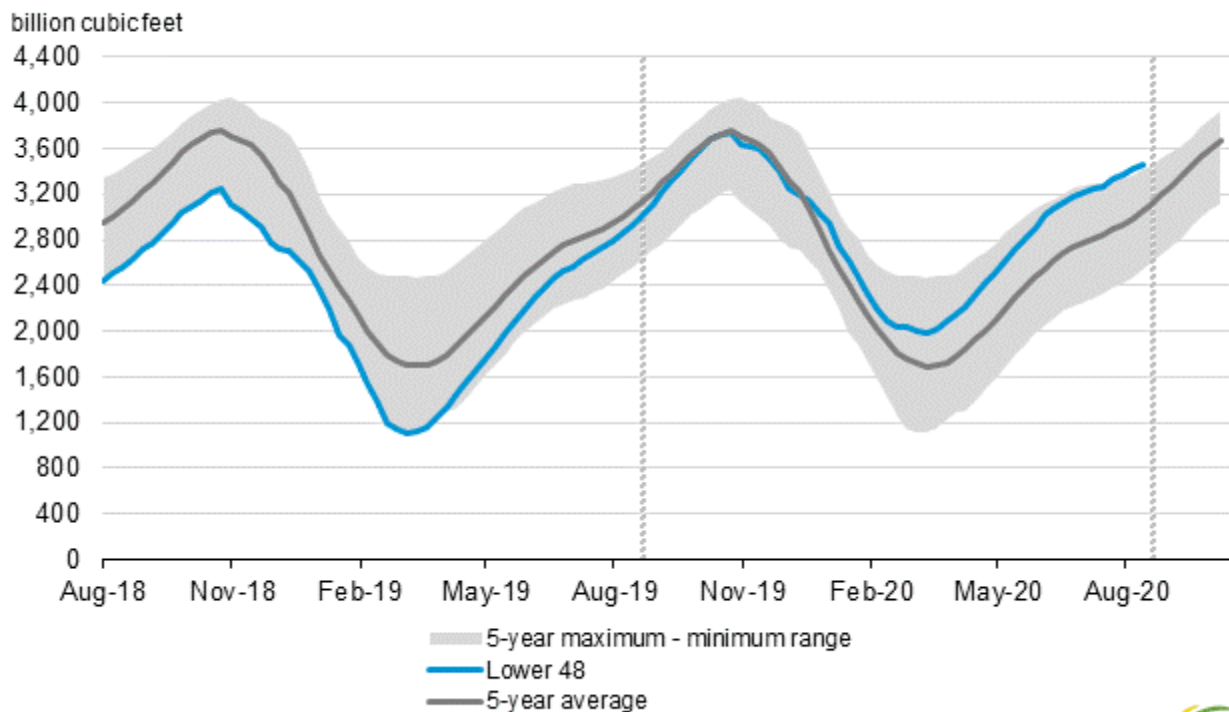
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	08/28/20	08/21/20	net change	implied flow	Year ago (08/28/19)		5-year average (2015-19)	
					Bcf	% change	Bcf	% change
East	789	775	14	14	705	11.9	734	7.5
Midwest	924	904	20	20	816	13.2	817	13.1
Mountain	212	212	0	0	176	20.5	190	11.6
Pacific	304	306	-2	-2	277	9.7	295	3.1
South Central	1,225	1,223	2	2	943	29.9	1,013	20.9
Salt	331	334	-3	-3	198	67.2	244	35.7
Nonsalt	895	889	6	6	745	20.1	768	16.5
Total	3,455	3,420	35	33	2,917	18.4	3,048	13.4

Summary

Working gas in storage was 3,455 Bcf as of Friday, August 28, 2020, according to EIA estimates. This represents a net increase of 35 Bcf from the previous week. Stocks were 538 Bcf higher than last year at this time and 407 Bcf above the five-year average of 3,048 Bcf. At 3,455 Bcf, total working gas is above the five-year historical range.

Working gas in underground storage compared with the 5-year maximum and minimum



Source: U.S. Energy Information Administration



Prices/Supply/Demand

Northeast prices are mixed amid cooler-than-normal temperatures. At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went up 18¢ from \$1.52/MMBtu last Wednesday to \$1.70/MMBtu yesterday. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price decreased 22¢ from \$1.98/MMBtu last Wednesday to \$1.76/MMBtu yesterday.

The Tennessee Zone 4 Marcellus spot price increased 17¢ from \$1.22/MMBtu last Wednesday to \$1.39/MMBtu yesterday. The price at Dominion South in southwest Pennsylvania rose 17¢ from \$1.36/MMBtu last Wednesday to \$1.53/MMBtu yesterday.

Supply falls slightly. According to data from IHS Markit, the average total supply of natural gas fell by 0.8% compared with the previous report week. Dry natural gas production remained unchanged week over week, despite ongoing shut-ins in the Gulf of Mexico production. Average net imports from Canada decreased by 14.1% from last week with cooler temperatures at border crossing points in the Northeast, Midwest, and Pacific Northwest.

Demand drops driven by declines in power generation and building use. Total U.S. consumption of natural gas fell by 5.4% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation declined by 7.8% week over week. In the residential and commercial sectors, consumption declined by 5.4%. Industrial sector consumption decreased by 0.5% week over week. Natural gas exports to Mexico decreased 1.4%. Natural gas deliveries to U.S. LNG export facilities (LNG pipeline receipts) averaged 2.8 Bcf/d, which is down by half, or 1.4 Bcf/d lower following Hurricane Laura.

U.S. LNG exports decrease week over week. Six liquefied LNG vessels (three from Corpus Christi, two from Cove Point, and one from Elba Island) with a combined LNG-carrying capacity of 21 Bcf departed the United States between August 27 and September 2, 2020, according to shipping data provided by [Marine Traffic](#).

LNG pipeline receipts increased in August by 30% compared to July and averaged 4.3 Bcf/d before Hurricane Laura made landfall on August 27. Two LNG export terminals—Sabine Pass and Cameron, which were in the direct path of the hurricane—have shut down operations. Since hurricane landfall, total U.S. LNG pipeline receipts have declined to an average of 2.8 Bcf/d during the report week (August 27 through September 2). [Damage to electric transmission infrastructure near Cameron LNG](#) could delay the restart of exports from the terminal for up to three weeks in September.

Although both Sabine Pass and Cameron terminals have not been able to load any cargoes since August 23, some loadings from Sabine Pass were re-routed to the Corpus Christi LNG terminal in Texas.

Elba Island in Georgia has loaded a cargo this month, the first one since January 2020. The facility consists of 10 small-scale [Moveable Modular Liquefaction System \(MMLS\)](#) units with a combined capacity of 0.33 Bcf/d. [Unit 1 became operational in October 2019](#), and units 2 through 9 were placed in service sequentially through July 2020. Unit 10 is expected to be placed in service this month.

During the Fourth 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 4 (Shale)	2019 Quarter 4 (Shale)	Percentage Change
Barrels of oil	5,810,484 bbl	6,803,057 bbl	17.08%
Mcf of natural gas	663,534,323 Mcf	684,771,042 Mcf	3.2%

The ODNR quarterly report lists 2,523 horizontal shale wells, 2,452 of which reported oil and natural gas production during the quarter. Of the wells reporting oil and natural gas results:

There are currently 3,286 Utica Permits, and 2,780 Utica shale wells drilled, with 11 rigs running.