

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

PRICING

Prices October 13, 2020

NYMEX Settle – Oct. -2020	\$2.10
One Year NYMEX strip (Nov. 2020 – Oct. 2021)	\$3.01
Summer NYMEX strip for 2020 (April-October, 2021)	\$2.90
Winter NYMEX strip – 2020 (Nov., 2020 – Mar. 2021)	\$3.19

TCO Index Posting – October, 2020	\$1.20
DTI Index Posting – October, 2020	\$1.00

October 8, 2020 Storage Report:

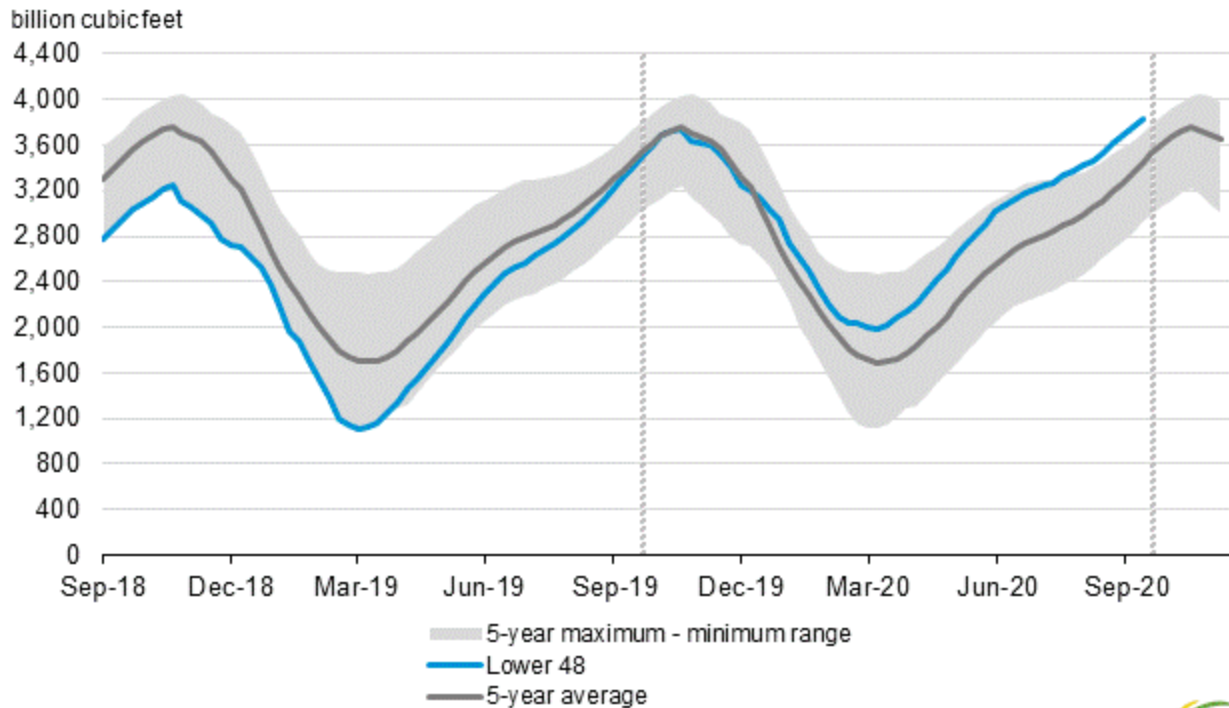
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	10/02/20	09/25/20	net change	implied flow	Year ago (10/02/19)		5-year average (2015-19)	
					Bcf	% change	Bcf	% change
East	893	872	21	21	846	5.6	852	4.8
Midwest	1,062	1,033	29	29	999	6.3	979	8.5
Mountain	236	231	5	5	202	16.8	209	12.9
Pacific	318	316	2	2	295	7.8	310	2.6
South Central	1,322	1,304	18	18	1,047	26.3	1,088	21.5
Salt	366	358	8	8	226	61.9	268	36.6
Nonsalt	955	945	10	10	820	16.5	819	16.6
Total	3,831	3,756	75	75	3,387	13.1	3,437	11.5

Summary

Working gas in storage was 3,831 Bcf as of Friday, October 2, 2020, according to EIA estimates. This represents a net increase of 75 Bcf from the previous week. Stocks were 444 Bcf higher than last year at this time and 394 Bcf above the five-year average of 3,437 Bcf. At 3,831 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 rise. At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went up 31¢ from \$1.13/MMBtu last Wednesday to a high of \$1.44/MMBtu yesterday. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price increased 20¢ from \$0.95/MMBtu last Wednesday to \$1.15/MMBtu yesterday after reaching a low of \$0.50/MMBtu on Thursday. Maintenance on the [Rover Pipeline](#) at the Cadiz Compressor Station in Eastern Ohio on October 8 reduced receipt nominations by an estimated 1.0 Bcf/d according to Genscape.

The Tennessee Zone 4 Marcellus spot price increased 22¢ from \$0.88/MMBtu last Wednesday to \$1.10/MMBtu yesterday. The price at Dominion South in southwest Pennsylvania rose 18¢ from \$0.95/MMBtu last Wednesday to \$1.13/MMBtu yesterday.

Supply rises slightly. According to data from IHS Markit, the average total supply of natural gas rose by 0.5% compared with the previous report week. Dry natural gas production decreased by 0.2% compared with the previous report week amid production shut-ins in the Gulf of Mexico due to Hurricane Delta. Average net imports from Canada increased by 14.8% from last week.

Demand rises because of heating demand in buildings. Total U.S. consumption of natural gas rose by 6.9% compared with the previous report week, according to data from IHS Markit. In the residential and commercial sectors, consumption increased by 49.3%. Natural gas consumed for power generation declined by 2.1% week over week. Industrial sector consumption increased by 2.0% week over week. Natural gas exports to Mexico decreased 6.7%. Natural gas deliveries to U.S. liquefied natural gas (LNG) export facilities (LNG pipeline receipts) averaged 7.3 Bcf/d, or 0.8 Bcf/d higher than last week.

U.S. LNG exports are flat week over week. Fourteen liquefied natural gas (LNG) vessels (six from Sabine Pass, four from Freeport, three from Corpus Christi, and one from Cameron) with a combined LNG-carrying capacity of 52 Bcf departed the United States between October 1 and October 7, according to shipping data provided by [Marine Traffic](#). Cove Point LNG terminal remains shut down for a scheduled annual maintenance. [Cameron LNG](#) has resumed exports and shipped first post-Hurricane Laura cargo on October 5.

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.