

Southeastern Ohio Oil and Gas Association
Gas Committee Report
March, 2021

Prices March 7, 2021

NYMEX Settle – Mar. -2021	\$2.85
One Year NYMEX strip (Apr. 2021 – Mar. 2022)	\$2.89
Summer NYMEX strip for 2020 (April-October, 2021)	\$2.80
Winter NYMEX strip – 2020 (Nov., 2021 – Mar. 2022)	\$3.00

TCO Index Posting – March, 2021	\$2.51
DTI Index Posting – March, 2021	\$2.29

March 4, 2021 Storage Report:

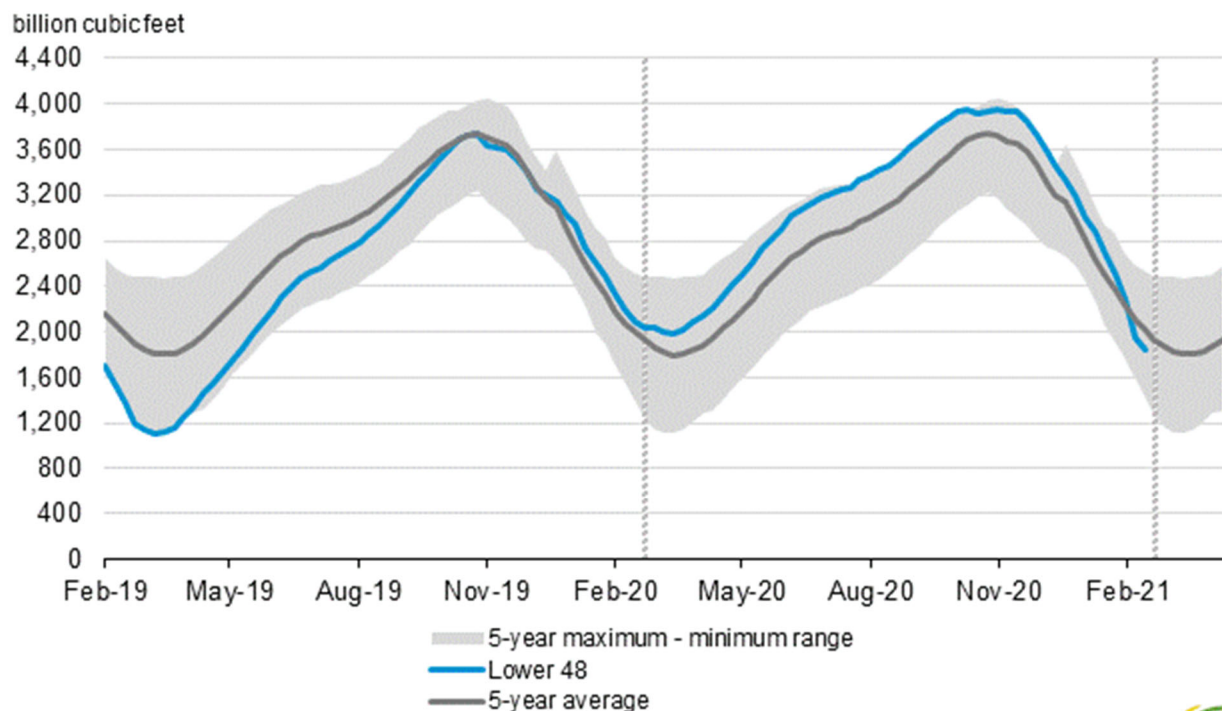
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	02/26/21	02/19/21	net change	implied flow	Year ago (02/26/20)		5-year average (2016-20)	
					Bcf	% change	Bcf	% change
East	383	424	-41	-41	460	-16.7	415	-7.7
Midwest	465	508	-43	-43	567	-18.0	507	-8.3
Mountain	117	123	-6	-6	103	13.6	113	3.5
Pacific	210	218	-8	-8	197	6.6	191	9.9
South Central	670	670	0	0	795	-15.7	796	-15.8
Salt	159	150	9	9	233	-31.8	245	-35.1
Nonsalt	511	520	-9	-9	562	-9.1	552	-7.4
Total	1,845	1,943	-98	-98	2,122	-13.1	2,023	-8.8

Summary

Working gas in storage was 1,845 Bcf as of Friday, February 26, 2021, according to EIA estimates. This represents a net decrease of 98 Bcf from the previous week. Stocks were 277 Bcf less than last year at this time and 178 Bcf below the five-year average of 2,023 Bcf. At 1,845 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



Prices/Supply/Demand

Prices in the Northeast rise in response to lower-than-normal temperatures late in the report week. At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went up \$4.76 from \$3.48/MMBtu last Wednesday to a weekly high of \$8.24/MMBtu yesterday. [Temperatures across New England](#) fell approximately 12°F lower than normal yesterday, and they are expected to remain lower than normal through the weekend. IHS Markit reports higher natural gas pipeline flows into the region and increased sendout from the Everett liquefied natural gas (LNG) import terminal. Estimated demand rose to 4,446 million cubic feet on March 2—the highest level since February 12. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price increased 26¢ from \$2.65/MMBtu last Wednesday to \$2.91/MMBtu yesterday after falling to a weekly low of \$2.34/MMBtu last Thursday. [Temperatures](#) across the Mid-Atlantic regions fell approximately 5°F lower than normal on Tuesday and Wednesday, resulting in elevated residential heating demand.

Appalachia Basin production area prices rise in response to increased Northeast demand.

Prices throughout the Appalachia region reached weekly highs yesterday. The Tennessee Zone 4 Marcellus spot price increased 13¢ from \$2.31/MMBtu last Wednesday to \$2.44/MMBtu yesterday. The price at Dominion South in Southwest Pennsylvania rose 11¢ from \$2.39/MMBtu last Wednesday to \$2.50/MMBtu yesterday.

Supply continues to recover as estimated dry gas production rises to early February levels.

According to data from IHS Markit, the average total supply of natural gas rose by 6.7% compared with the previous report week. Dry natural gas production grew by 10.1% compared with the previous report week, averaging more than 90 Bcf/d for the first time since the week ending February 10. Average net imports from Canada decreased by 31.7% from last week, reaching the lowest weekly average since the week ending December 1, 2020, reflecting growth in U.S. domestic production. Half of the total decline in pipeline imports from Canada was into the Midwest, where [warmer-than-normal temperatures](#) resulted in decreased heating demand for natural gas.

Demand declines as temperatures continue to rise across most of the Lower 48 states. Total U.S. consumption of natural gas fell by 12.8% compared with the previous report week, according to data from IHS Markit. The residential and commercial sectors led demand declines with a combined decline of 22.4%. Natural gas consumed for power generation declined by 5.2% week over week. Industrial sector consumption decreased by 4.2% week over week. Total exports increased. Pipeline natural gas exports to Mexico increased 8.4% to approximately 5.5 Bcf/d, approaching levels reported prior to the second week of February. Natural gas deliveries to U.S. LNG export facilities (LNG pipeline receipts) also reached their highest levels since the week of February 10, averaging 9.8 Bcf/d, which was 2.3 Bcf/d higher than last week. **U.S.**

U.S. LNG exports increase week over week. Seventeen LNG vessels (five from Sabine Pass, three each from Cameron, Corpus Christi, and Freeport; two from Cove Point; and one from Elba Island) with a combined LNG-carrying capacity of 62 Bcf departed the United States between February 25 and March 3, according to shipping data provided by [Marine Traffic](#).

The ODNR quarterly report lists 2,723 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 3,354 Utica Permits, and 2,851 Utica shale wells drilled, with 7 rigs running.

As of Tuesday, February 23, the national total rig count increased to 402, the highest level since the first week of May 2020.