

Southeastern Ohio Oil and Gas Association  
Gas Committee Report  
January, 2022

**Prices January 11, 2022**

NYMEX Settle – Jan. – 2022	\$4.02
One Year NYMEX strip (Feb. 2022 – Jan. 2023)	\$3.95
Summer NYMEX strip for 2022 (April, 2022 - Oct., 2022)	\$3.86
Winter NYMEX strip – 2021 (Feb., 2022 – Mar. 2022)	\$3.94

TCO Index Posting – January, 2022	\$3.30
DTI Index Posting – January, 2022	\$3.15

December 2, 2021 Storage Report:

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

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
					Year ago (12/31/20)		5-year average (2016-20)	
					Bcf	% change	Bcf	% change
East	767	777	-10	-10	771	-0.5	728	5.4
Midwest	893	918	-25	-25	930	-4.0	873	2.3
Mountain	172	180	-8	-8	197	-12.7	178	-3.4
Pacific	219	235	-16	-16	283	-22.6	256	-14.5
South Central	1,143	1,116	27	27	1,166	-2.0	1,063	7.5
Salt	347	326	21	21	333	4.2	315	40.2
Nonsalt	796	790	8	6	833	-4.4	749	6.3
<b>Total</b>	<b>3,195</b>	<b>3,226</b>	<b>-31</b>	<b>-31</b>	<b>3,349</b>	<b>-4.6</b>	<b>3,099</b>	<b>3.1</b>

**Summary**

Working gas in storage was 3,195 Bcf as of Friday, December 31, 2021, according to EIA estimates. This represents a net decrease of 31 Bcf from the previous week. Stocks were 154 Bcf less than last year at this time and 96 Bcf above the five-year average of 3,099 Bcf. At 3,195 Bcf., Total working gas is within the five-year historical range.

## **EIA 2022 price forecast:**

The agency estimated that Henry Hub prices would average \$3.97/MMBtu for full-year 2021 and \$3.98/MMBtu in 2022, down from the previous month's estimates of \$4.10/MMBtu in 2021.

### Prices/Supply/Demand

**Prices in the Northeast rise as a result of pipeline constraints and high space heating demand.** At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went up \$7.78 from \$3.78/MMBtu last Wednesday to a weekly high of \$11.56/MMBtu yesterday. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price increased \$5.16 from \$2.50/MMBtu last Wednesday to a weekly high \$7.66/MMBtu yesterday. Winter weather swept through the Northeast starting on New Year's Day, and temperatures across New England [ranged from averages of 11°F to 30°F on the two coldest days, January 3 and 4](#). Total Northeast natural gas consumption reached a heating-season high of 30.6 Bcf/d on January 3, according to IHS Markit. Imports from Canada were also up, reaching 1.4 Bcf/d on January 3.

Tennessee Gas Pipeline (TGP) completed an emergency repair at Station 325 near Liberty, New Jersey, ([Notice ID No. 381406](#)) on January 2. TGP estimated the impact of the repair to be about 180 MMcf/d, and the issue was resolved the next day.

**Prices in the Appalachia production region rise in response to higher demand in the Midwest and Northeast, and a slight fall in production.** The Tennessee Zone 4 Marcellus spot price increased 90 cents from \$2.42/MMBtu last Wednesday to \$3.32/MMBtu yesterday. The price at Eastern Gas South in southwest Pennsylvania rose \$1.06 from \$2.32/MMBtu last Wednesday to \$3.38/MMBtu yesterday. Natural gas production in the Appalachia region is down 0.6 Bcf/d this report week at 34.6 Bcf/d from 35.2 Bcf/d last week.

**U.S. total natural gas supply falls week-over-week with a decrease in dry natural gas production.** According to data from IHS Markit, the average total supply of natural gas fell by 1.5% (1.5 Bcf/d) from a week ago. Dry natural gas production decreased by 2.7% (2.6 Bcf/d), but the decline in total supply was partially offset by average net imports from Canada increasing by 28.5% (1.1 Bcf/d) across the same time period.

**U.S. consumption of natural gas substantially increases this report week across all sectors.** U.S. residential and commercial sector consumption increased by 21.8% (7.6 Bcf/d) as the National Oceanic and Atmospheric Administration (NOAA) [reports](#) widespread, below-average temperatures across the central and western United States. As a result, total U.S. consumption of natural gas increased by 13.3% (11.1 Bcf/d) week over week, according to data from IHS Markit. Natural gas consumption by the electric power and industrial sectors also increased significantly, rising respectively by 9.6% (2.4 Bcf/d) and 4.5% (1.1 Bcf/d), week over week. Natural gas exports to Mexico increased 2.3% (0.1 Bcf/d), while natural gas deliveries to U.S. LNG export facilities (LNG pipeline receipts) declined, averaging 11.9 Bcf/d, or 0.5 Bcf/d lower than last week.

**U.S. LNG exports increased by three vessels this week from last week.** Twenty-four LNG vessels (seven from Sabine Pass, five each from Corpus Christi and Freeport, four from Cameron, two from Cove Point, and one from Elba Island) with a combined LNG-carrying capacity of 88 Bcf departed the United States between December 30, 2021, and January 5, 2022, according to shipping data provided by Bloomberg Finance L.P

The ODNR quarterly report list horizontal shale wells, 2,753 of which reported oil and natural gas production during the first quarter of 2021.

There are currently 3,428 Utica Permits, and 2,914 Utica shale wells drilled.

There was a total of 548,140,794 Bcf produced in the first quarter of 2021.

As of December 4, the national Baker Hughes total rig count increased to 569.