Southeastern Ohio Oil and Gas Association
Gas Committee Report
May, 2018

PRICING

Prices May 8, 2018

NYMEX Settle – May 2018 $2.82
One Year NYMEX strip (May, 2017 – April, 2019) $2.78
Summer NYMEX strip for 2018 (April-October) $2.76

TCO Index Posting – April, 2018 $2.61
DTI Index Posting – April, 2018 $2.32

GAS STORAGE AS OF THE May 3, 2018 Report

Working gas in underground storage, Lower 48 states

<table>
<thead>
<tr>
<th>Region</th>
<th>04/27/18</th>
<th>04/20/18</th>
<th>net change</th>
<th>implied flow</th>
<th>Bcf</th>
<th>% change</th>
<th>Bcf</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>223</td>
<td>205</td>
<td>18</td>
<td>18</td>
<td>322</td>
<td>-30.7</td>
<td>324</td>
<td>-31.2</td>
</tr>
<tr>
<td>Midwest</td>
<td>221</td>
<td>211</td>
<td>10</td>
<td>10</td>
<td>517</td>
<td>-57.3</td>
<td>381</td>
<td>-42.0</td>
</tr>
<tr>
<td>Mountain</td>
<td>86</td>
<td>84</td>
<td>2</td>
<td>2</td>
<td>152</td>
<td>-43.4</td>
<td>126</td>
<td>-31.7</td>
</tr>
<tr>
<td>Pacific</td>
<td>187</td>
<td>177</td>
<td>10</td>
<td>10</td>
<td>232</td>
<td>-19.4</td>
<td>240</td>
<td>-22.1</td>
</tr>
<tr>
<td>South Central</td>
<td>626</td>
<td>604</td>
<td>22</td>
<td>22</td>
<td>1,023</td>
<td>-38.8</td>
<td>807</td>
<td>-22.4</td>
</tr>
<tr>
<td>Salt</td>
<td>190</td>
<td>182</td>
<td>8</td>
<td>8</td>
<td>328</td>
<td>-42.1</td>
<td>242</td>
<td>-21.5</td>
</tr>
<tr>
<td>Nonsalt</td>
<td>436</td>
<td>421</td>
<td>15</td>
<td>15</td>
<td>695</td>
<td>-37.3</td>
<td>565</td>
<td>-22.8</td>
</tr>
<tr>
<td>Total</td>
<td>1,343</td>
<td>1,281</td>
<td>62</td>
<td>62</td>
<td>2,246</td>
<td>-40.2</td>
<td>1,877</td>
<td>-28.4</td>
</tr>
</tbody>
</table>
Some natural gas storage operators have reported net withdrawals from base gas, beginning with the week ending April 6, 2018. The cumulative net withdrawals of base gas were treated as negative working gas stocks and are reflected in the working gas inventories. As a result, a small portion of this week's reported net change includes flows from base gas.

Summary

Working gas in storage was 1,343 Bcf as of Friday, April 27, 2018, according to EIA estimates. This represents a net increase of 62 Bcf from the previous week. Stocks were 903 Bcf less than last year at this time and 534 Bcf below the five-year average of 1,877 Bcf. At 1,343 Bcf, total working gas is within the five-year historical range.

For information on sampling error in this report, see Estimated Measures of Sampling Variability table below.

Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2013 through 2017. The dashed vertical lines indicate current and year-ago weekly periods.
EIA WEEKLY REPORT APRIL 28, 2018:

**Natural Gas**

**Rover Pipeline receives permission to place more facilities into service.** On Tuesday, the Federal Energy Regulatory Commission authorized Rover Pipeline to place into service the remaining facilities from its [April 13 in-service request](#). This request includes the new market segment, the compressor station in Defiance, Ohio, and the Vector meter station. Rover is not expected to have increased flow until supply laterals come online later this year.

**May contract expires up while June contract falls.** At the Nymex, the May 2018 contract expired Thursday at $2.821/MMBtu, up 4¢ from last Wednesday. The June 2018 contract decreased to $2.754/MMBtu, down 5¢ from last Wednesday to yesterday. The price of the 12-month strip averaging June 2018 through May 2019 futures contracts declined 5¢ to $2.816/MMBtu.

**Supply rises.** According to data from PointLogic Energy, the average total supply of natural gas rose by 1% compared with the previous report week. Dry natural gas production grew by 1% compared with the previous report week, and average net imports from Canada increased by 2%.

**Demand falls.** Total U.S. consumption of natural gas fell by 9% compared with the previous report week, according to data from PointLogic Energy. In the residential and commercial sectors, consumption declined by 26% as temperatures warmed in the Northeast and Midwest. Natural gas consumption in both the industrial and power sectors decreased by 2% week over week. Natural gas exports to Mexico increased 2%.

**U.S. LNG exports decrease week over week.** Five LNG vessels (combined LNG-carrying capacity 17.8 Bcf) departed the Sabine Pass liquefaction terminal from April 26 to May 2. On Wednesday, May 2, two vessels (combined LNG-carrying capacity 7.1 Bcf) were loading at the Sabine Pass terminal and one vessel (LNG-carrying capacity 3.5) was loading at the Dominion Energy Cove Point terminal.

**UTICA WELL LPRODUCTION**

During the fourth quarter of 2017, Ohio’s horizontal shale wells produced 4,193,562 barrels of oil and 503,066,907 Mcf (503 billion cubic feet) of natural gas, according to the figures released by the Ohio Department of Natural Resources (ODNR).

Horizontal shale well operators are required to submit production data by the 45th day following the close of each calendar quarter. Operators submit the amount of oil, natural gas and brine that each well produces, as well as the number of days that the well was in production.
## Fourth Quarter – 2017 – Utica Production Volumes:

<table>
<thead>
<tr>
<th></th>
<th>2017 Quarter 3</th>
<th>2017 Quarter 4</th>
<th>Percentage Change</th>
</tr>
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<tbody>
<tr>
<td>Barrels of Oil</td>
<td>4,165,729</td>
<td>4,193,562</td>
<td>1.01%</td>
</tr>
<tr>
<td>MCF Nat. Gas</td>
<td>460,558,077</td>
<td>503,066,758</td>
<td>1.09%</td>
</tr>
</tbody>
</table>

The ODNR quarterly report lists 1,897 horizontal shale wells, 1,869 of which reported oil and natural gas production during the quarter. Of the 1,869 reporting oil and natural gas results:

- The average amount of oil produced was 2,367 barrels.
- The average amount of gas produced was 261,681 Mcf.
- The average number of first quarter days in production was 88.

As of April 28, 2018, there have been 2,820 shale permits issues in Ohio, and 2,338 of them have been developed.

There are currently 1,869 Utica shale wells in production, with 23 rigs running.