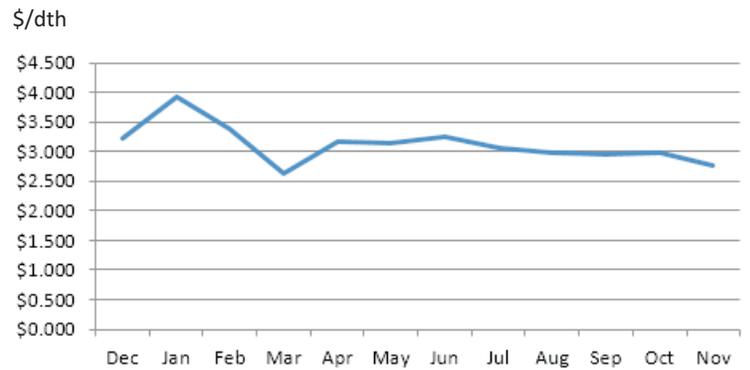


## News Tracker:

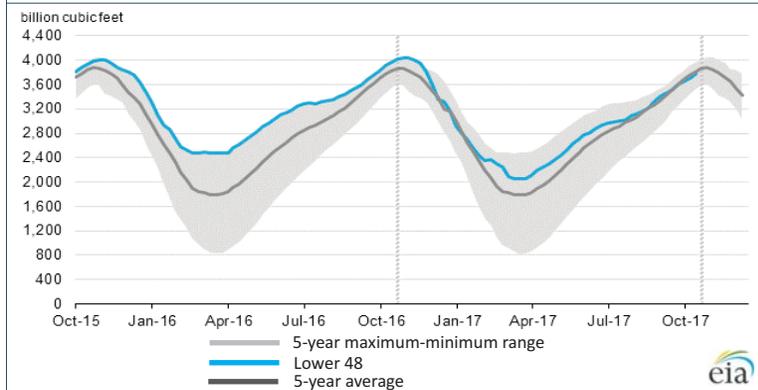
- Natural gas spot prices fell at most locations from Wednesday, October 25 to Wednesday, November 1 (the Report Week). The Henry Hub spot price fell from \$2.93 per million British thermal units (MMBtu) to \$2.64/MMBtu from start to end of the Report Week.
- At the New York Mercantile Exchange (Nymex), the November 2017 natural gas futures contract expired Friday, October 27 at \$2.752/MMBtu. The December 2017 contract price decreased to \$2.893/MMBtu, down 19¢ from open to close of the Report Week.
- Total U.S. consumption of natural gas rose by 14% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation declined by 8% week over week. Industrial sector consumption increased by 5% week over week. In the residential and commercial sectors, consumption increased by 73% as the weekly average U.S. temperature decreased 9°F, from 60°F last report week to 51°F this report week. Natural gas exports to Mexico decreased 2%.
- Net injections into storage totaled 65 Bcf, compared with the five-year (2012-16) average net injection of 60 Bcf and last year's net injections of 56 Bcf during the same week. Working gas stocks total 3,775 Bcf, which is 41 Bcf less than the five-year average and 180 Bcf less than last year at this time. So far during the 2017 refill season, net injections into storage are 16% lower than the comparable five-year average 1,724 Bcf increase during the 2017 refill season compared with the five-year average increase of 2,030 Bcf. If net injections follow the five-year average for the remaining week of the injection season, working gas stocks will reach 3,782 Bcf by the end of the refill season. This level would be the lowest level reported at the end of October since 2014, when working gas stocks totaled 3,564 Bcf. In practice, injections into working gas typically continue for a couple of weeks into November after the official beginning of the heating season. As a result, working gas stocks could reach 3,831 Bcf by November 10 if net injections match the five-year average over the next two weeks.
- According to Baker Hughes, for the week ending Friday, October 27, the natural gas rig count decreased by 5 to 172. The number of oil-directed rigs rose by 1 to 737. The total rig count decreased by 4, and it now stands at 909.

Excerpted from 

## Monthly NYMEX Natural Gas Settle Price: Dec 2016 - Nov 2017:



## Working nat. gas in underground storage as of October 27, 2017



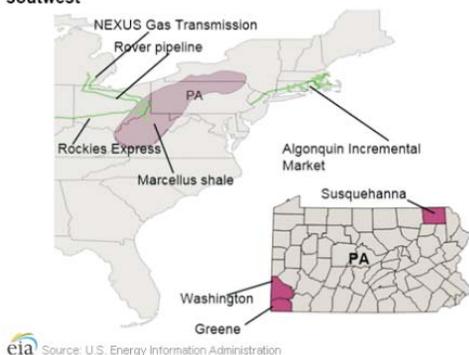
## Forward 12-month NYMEX natural gas strip price - Dec17-Nov18:

Process Load-weighted \$2.949/dth - w/o/w = ▼\$0.102  
 Typical Heat Load-weighted \$2.981/dth - w/o/w = ▼\$0.121

## Permitting, drilling and infrastructure activities increase as Pennsylvania's natural gas production reaches new highs:

Pennsylvania's natural gas production reached a new high of 15 billion cubic feet per day (Bcf/d) in October 2017, an increase of 25% from year-ago levels and an increase of 80% from January 2013. Currently Pennsylvania accounts for 19% of total U.S. natural gas production. This production is largely from Appalachia's Marcellus shale formation, 76% of which currently comes from Pennsylvania. The Marcellus formation is primarily located in Pennsylvania, West Virginia, and New York. Pennsylvania is seeing an increase in permitting and drilling activity as new pipelines come online capable of moving natural gas to market centers outside of the region. The Pennsylvania Dep. of Environmental Protection issued 1,371 natural gas drilling permits in 2016, but so far in 2017 it has already issued 1,447 permits. Permitting and drilling activity in Pennsylvania is concentrated in a few counties with the state's most productive wells. Of the three counties with the largest number of permits and rig counts, two of them Washington and Greene are in the southwest region of the state. Susquehanna County in the northeast has the third-highest number of permits and rigs. In 2016 and 2017, these three counties combined accounted for slightly more than half of the total permits and two-thirds of the rig operating in Pennsylvania. Pipeline projects are being developed close to Pennsylvania's southwest and northeast regions to carry natural gas from these counties to demand centers. Last year, completed projects include the Rockies Express Zone 3 expansion, which entered into service in January 2017, to increase the capacity to move natural gas westward out of southwest Pennsylvania and the Algonquin Incremental Market pipeline, which entered into service in December 2016, primarily to move natural gas from northeastern Pennsylvania into New England.

### Pipeline projects around Pennsylvania's northeast and southwest



Excerpted from 

“People who think they know everything are a great annoyance to those of us who do.” -Isaac Asimov<sup>1</sup>

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<sup>1</sup><https://www.brainyquote.com/quotes/quotes/i/isaacasimo140809.html>