

News Tracker:

-Natural gas spot prices fell at most locations this Report Week - Wednesday, November 21 to Wednesday, November 28. Henry Hub spot prices fell from \$4.68/MMBtu to \$4.44/MMBtu from open to close of the Report Week.

-At the Nymex, the December 2018 natural gas futures contract rose during the Report Week, expiring on 11-28-18 at \$4.72/MMBtu. The January 2019 contract price increased to \$4.7/MMBtu, up 22¢/MMBtu during the Report Week. The January 2019 contract had the highest front-month contract price since February 2014, which was an unseasonably cold winter with low inventory levels. The price of the 12-month strip averaging January 2019 through December 2019 futures contracts climbed 12¢/MMBtu to \$3.26/MMBtu.

- Net natural gas withdrawals from storage totaled 59 Bcf for the week ending November 23, compared with the five-year (2013-17) average net withdrawals of 49 Bcf and last year's net withdrawals of 35 Bcf during the same week. Working gas stocks totaled 3,054 Bcf, which is 720 Bcf (19%) lower than the five-year average and 644 Bcf (17%) lower than last year at this time. Temperatures in the Lower 48 states averaged 41 degrees Fahrenheit (°F), 4°F lower than normal and 6°F lower than last year at this time.

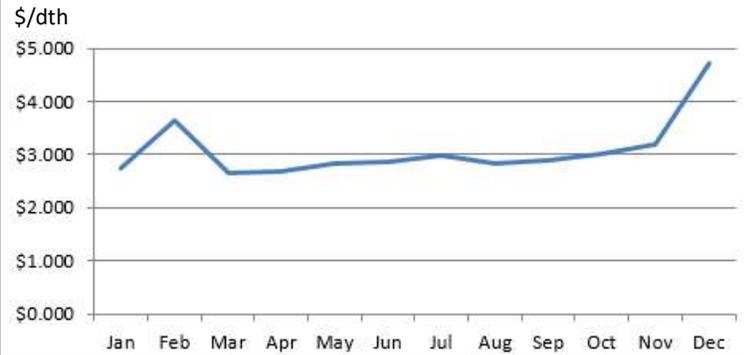
- Total U.S. consumption of natural gas was unchanged from the previous report week, averaging 84.2 Bcf/d, according to data from PointLogic Energy. Natural gas consumed for power generation declined by 4% week over week. Industrial sector consumption stayed constant, and consumption in the residential and commercial sectors increased by 4%. Natural gas exports to Mexico decreased 1%.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 63¢/MMBtu, averaging \$6.54/MMBtu for the week ending November 28. The price of natural gasoline, ethane, propane, butane, and isobutane all fell by 11%, 9%, 8%, 12%, and 7%, respectively.

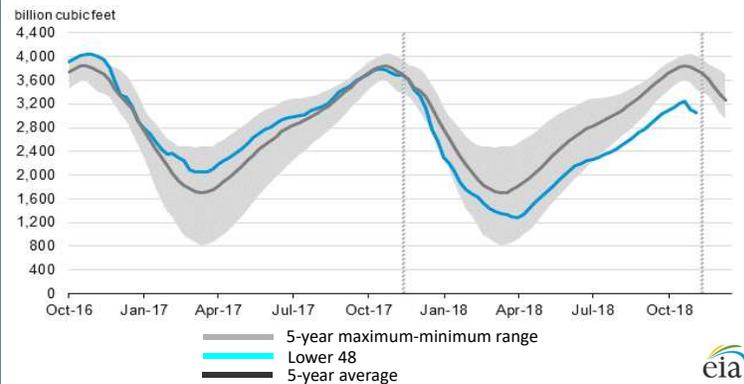
-According to Baker Hughes, for the week ending Wednesday, November 21, the natural gas rig count remained flat at 194. The number of oil-directed rigs fell by 3 to 885. The total rig count decreased by 3, and it now stands at 1,079.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Jan 2018 - Dec 2018:



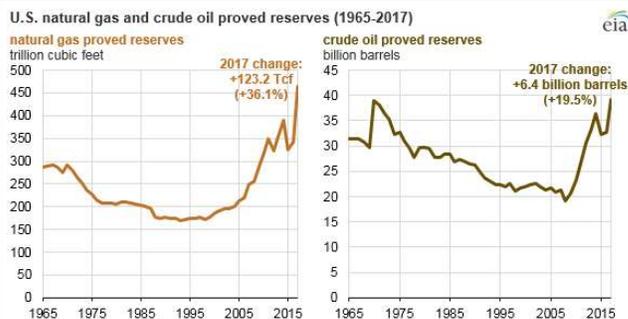
Working natural gas in underground storage as of Nov. 23, 2018



Forward 12-month NYMEX natural gas strip price - Jan19-Dec19:

Process Load-weighted \$3.256/dth - w/o/w = ▲\$0.135
 Typical Heat Load-weighted \$3.632/dth - w/o/w = ▲\$0.116

U.S. natural gas and crude oil proved reserves set new records in 2017:



High prices and continued development of shale and tight resources drove proved reserves of both U.S. crude oil and natural gas to new records in 2017. Proved reserves of U.S. crude oil increased 19.5% from the end of 2016, reaching 39.2 billion barrels and surpassing the previous peak level of 39.0 billion barrels set in 1970. Proved reserves of natural gas increased 36.1% from the end of 2016 to reach 464.3 trillion cubic feet (Tcf) in 2017, surpassing the previous record of 388.8 Tcf set in 2014. Proved reserves are those volumes of oil and natural gas that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Changes in proved reserves from year to year reflect new discoveries, net revisions and other adjustments to previous reserve estimates. Higher fuel prices typically increase estimates as operators consider a broader portion of the resource base economically producible. In 2017, the annual average spot price for the benchmark West Texas Intermediate (WTI) crude oil increased 20% from the

2016 average price, exceeding \$60 per barrel for the first time since June 2015 and helping to drive increases in reserves. Texas and New Mexico had the largest net increases in proved reserves of crude oil in 2017, adding 3.1 billion and 1.0 billion barrels of proved crude oil reserves, respectively. Increases in these states were primarily the result of increased crude oil prices and development in the Permian Basin. The annual average spot price for natural gas also increased in 2017, helping to drive increases in natural gas reserves. Pennsylvania added 28.1 Tcf of natural gas proved reserves, the largest net increase among states in 2017, as a result of increased prices and development of the Marcellus and Utica shales in the Appalachian Basin.

Excerpted from 

"I had several different bosses during the early years of 'Dilbert'. They were all pretty sure I was mocking someone else." -Scott Adams¹