

Newstracker:

-Natural gas spot prices fell at most locations for the period of Wednesday, January 15 to Wednesday, January 22 (the Report Week). The Henry Hub spot price fell from \$1.98 per million British thermal units (MMBtu) to \$1.89/MMBtu from open to close of the Report Week.


-At the New York Mercantile Exchange (Nymex), the price of the February 2020 natural gas futures contract decreased 22¢, from \$2.120/MMBtu to \$1.905/MMBtu from start to finish of the Report Week. The contract price of \$1.895/MMBtu on 1-21-20 was the lowest price for a February contract since 1999. The price of the 12-month strip averaging February 2020 through January 2021 futures contracts declined 13¢/MMBtu to \$2.156/MMBtu.

-The net natural gas withdrawal from storage totaled 92 Bcf for the week ending January 17, compared with the five-year (2015-19) average net withdrawal of 194 Bcf and last year's net withdrawal of 152 Bcf during the same week. Working natural gas stocks totaled 2,947 Bcf, which is 251 Bcf (9%) more than the five-year average and 554 Bcf (23%) more than last year at this time.

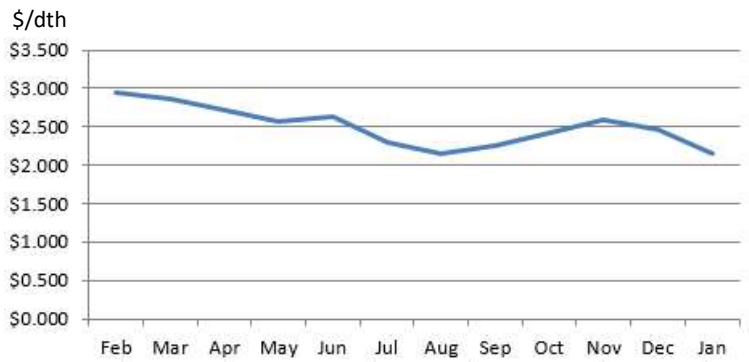
-Total U.S. consumption of natural gas rose by 17% compared with the previous report week, according to data from IHS Markit. In the residential and commercial sectors, consumption increased by 27%, driven by increased heating needs during the first half of the report week. Natural gas consumed for power generation climbed by 15% week over week as demand rose for electricity used in space heating. Industrial sector consumption increased by 3% week over week. Natural gas exports to Mexico decreased 7% with maintenance on the Sur de TexasTuxpan pipeline.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 15¢/MMBtu, averaging \$4.90/MMBtu for the week ending January 22. The prices of ethane, propane, and butane fell by 8%, 7%, and 2%, respectively. The prices of natural gasoline and isobutane rose by 1% and 5%, respectively.

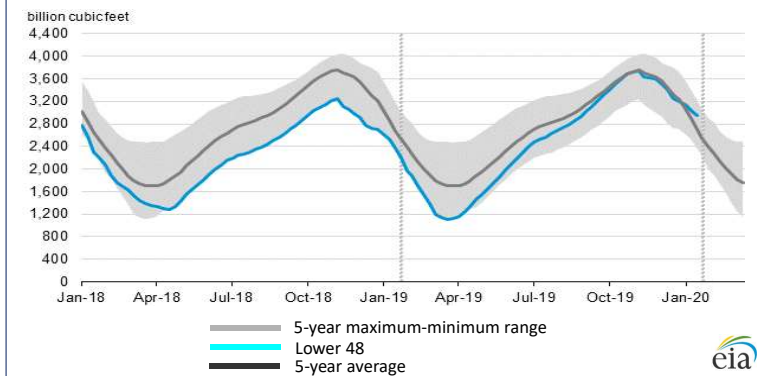
-According to Baker Hughes, for the week ending Tuesday, January 14, the natural gas rig count increased by 1 to 120. The number of oil-directed rigs rose by 14 to 673. The total rig count increased by 15, and it now stands at 796.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Feb 2019 - Jan 2020:



Working natural gas in underground storage as of Jan. 17, 2020

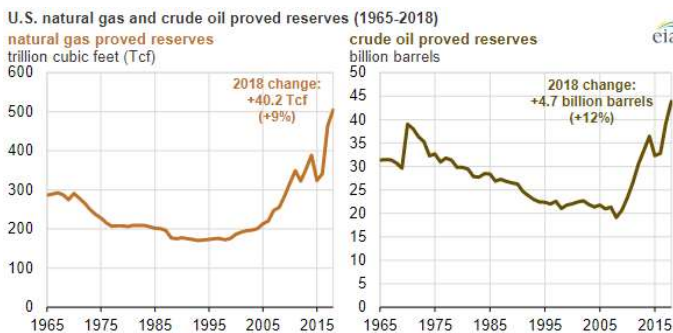


Forward 12-month NYMEX natural gas strip price - Feb20-Jan21:

Process Load-weighted \$2.156/dth - w/o/w = ▼\$0.133
 Typical Heat Load-weighted \$2.195/dth - w/o/w = ▼\$0.135

US oil and natural gas proved reserves and production set new records in 2018:

US oil and natural gas proved reserves had another record-breaking year, according to the US Energy Information Administration. US proved reserves of crude oil and lease condensate rose to 47.1 billion barrels in 2018, a 12% increase compared with the previous record set at year-end 2017 of 42 billion barrels. US proved reserves of natural gas rose to 504.5 trillion cubic feet (Tcf), a 9% increase compared with the record level set in 2017 of 464.4 Tcf. The growth in oil and natural gas proved reserves was driven by an increase in 2018 oil and natural gas prices. 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. Higher fuel prices can often increase the proved reserves estimates because a larger portion of the oil or natural gas resource base can be economically producible.



In 2018, the annual average spot price for West Texas Intermediate (WTI) crude oil rose from \$51.03 per barrel (b) in 2017 to \$65.66/b in 2018, a 29% increase. The annual average natural gas spot price at the Henry Hub national benchmark in Louisiana rose from \$2.99 per million British thermal units (MMBtu) in 2017 to \$3.35 per MMBtu in 2018, a 12% increase. US crude oil and lease condensate production increased 17% in 2018 compared with 2017. US marketed natural gas production increased 12% in 2018 compared with 2017. Texas saw the largest net increase in oil and natural gas proved reserves of all states in 2018. The next-largest net gains in natural gas proved reserves in 2018 were in Pennsylvania and New Mexico. Development in these states was led by the Marcellus shale play in the Appalachian Basin and the Wolfcamp and Bone Spring shale plays in eastern New Mexico.

Excerpted from 

"If I have to travel, I'm going to travel my way and travel in the real world. And I'm going to have conversations every day with people in rest stops and people in gas stations and people in hotels and diners. That nourishes me." -Neil Peart¹

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¹https://www.brainyquote.com/quotes/neil_peart_735416