

Newstracker:

-Natural gas spot prices rose at most locations from Wednesday, February 12 to Wednesday, February 19 (the Report Week). The Henry Hub spot price rose from \$1.87 per million British thermal units (MMBtu) to \$2.02/MMBtu for the term of the Report Week.


-At the New York Mercantile Exchange (Nymex), the price of the March 2020 natural gas futures contract increased 11¢, from \$1.844/MMBtu to \$1.955/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging March 2020 through February 2021 futures contracts climbed 4¢/MMBtu to \$2.213/MMBtu.

-Net natural gas withdrawal from storage totaled 151 Bcf for week ending February 14, compared with the five-year (2015-19) average net withdrawal of 136 Bcf and last year's net withdrawal of 163 Bcf during the same week. Working gas stocks totaled 2,343 Bcf, which is 200 Bcf (9%) more than the five-year average and 613 Bcf (35%) more than last year at this time.

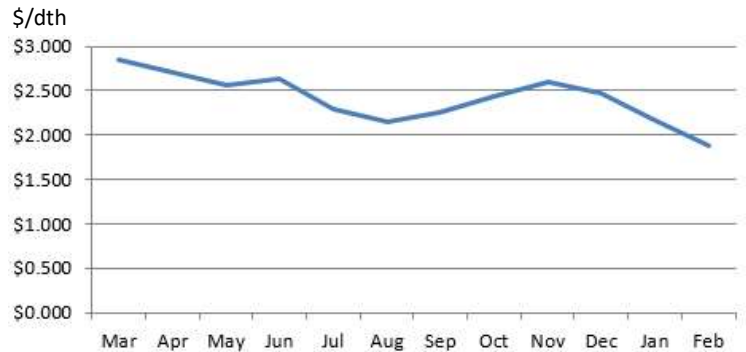
- Total U.S. consumption of natural gas rose by 3% compared with the previous report week, according to data from IHS Markit. In the residential and commercial sectors, consumption increased by 7%. Natural gas consumed for power generation declined by 1% week over week. Industrial sector consumption increased by 1% week over week. Natural gas exports to Mexico increased 3% as deliveries into Mexico's Sur de Texas-Tuxpan pipeline at the United States-Mexico border in Brownsville, Texas reached a new high of almost 1.0 Bcf/d according to Genscape.

- According to data from IHS Markit, the average total supply of natural gas rose by 1% compared with the previous report week. Dry natural gas production remained constant week over week. Average net imports from Canada increased by 7% from last week with higher imports into New England because of winter temperatures.

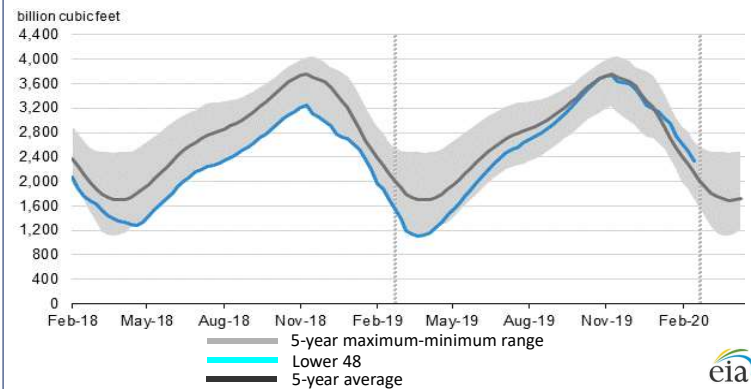
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 22¢/MMBtu, averaging \$4.55/MMBtu for the week ending February 19. The prices of natural gasoline, isobutane, propane, ethane, and butane all rose, by 3%, 4%, 5%, 7%, and 7%, respectively.

-According to Baker Hughes, for the week ending Tuesday, February 11, the natural gas rig count decreased by 1 to 110. The number of oil-directed rigs rose by 2 to 678. The total rig count stayed at 790. Excerpted from 

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



Working natural gas in underground storage as of Feb. 14, 2020

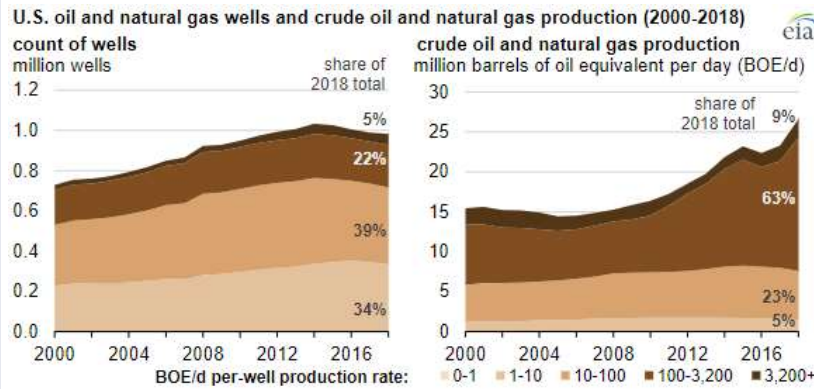



Forward 12-month NYMEX natural gas strip price - Mar20-Feb21:

Process Load-weighted \$2.213/dth - w/o/w = ▲\$0.041
 Typical Heat Load-weighted \$2.302/dth - w/o/w = ▲\$0.035

US crude oil and natural gas production increased in 2018, with 10% fewer wells:

In 2018, while production was increasing, the total number of wells producing crude oil and natural gas in the US fell to 982,000, down from a peak of 1,035,000 wells in 2014. This increase in production, despite the decline in the number of wells, reflects advances in technology and drilling techniques. Wells classified as non-horizontalmost of which are vertical wellshave decreased 10% from 935,000 in 2014 to 842,000 in 2018. Horizontal wells are relatively less common, but they are growing as a share of the total; the 99,000 horizontal wells producing in 2014 accounted for 10% of the total. In 2018, 140,000



horizontal wells accounted for 14% of total producing wells. Although horizontal wells are more expensive to drill than vertical wells, they contact more reservoir rock and therefore produce greater volumes. Only 1% of vertical wells produced at least 100 barrels per day of crude oil in 2018, but 32% of horizontal wells produced at least 100 barrels per day. As horizontal wells became more common, production growth continued as the well count fell. Even with fewer wells, US oil production grew from 8.8 million barrels per day (b/d) in 2014 to 10.8 million b/d in 2018. During that same period, U.S. natural gas production (gross withdrawals) increased from about 78.5 billion cubic feet per day (Bcf/d) to 94.8 Bcf/d. Since 2019, crude oil and natural gas production has continued to grow. In November 2019, crude oil production had increased to about 12.9 million b/d and natural gas production had increased to 116.9 Bcf/d. Excerpted from 

“Although the world is full of suffering, it is also full of the overcoming of it.” -Helen Keller¹