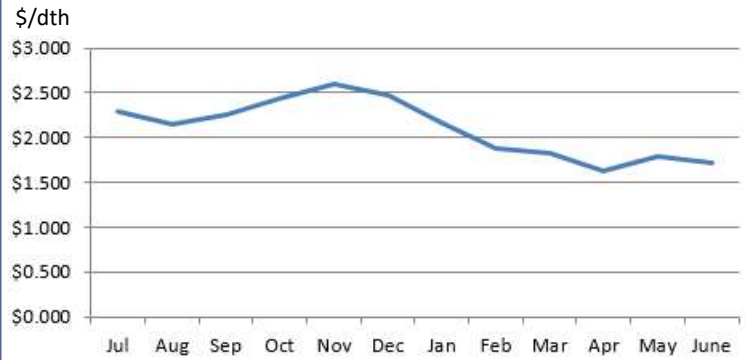


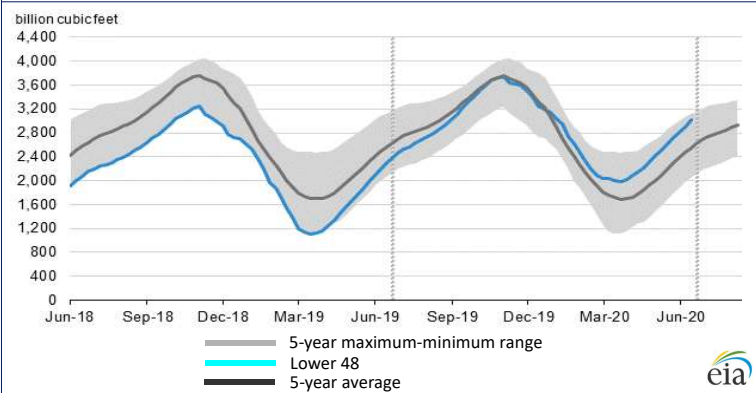
**Newstracker:**

- Natural gas spot prices rose at most locations from Wednesday, June 17 to Wednesday, June 24 (the Report Week). The Henry Hub spot price rose from \$1.48 per million British thermal units (MMBtu) to \$1.58/MMBtu from start to finish of the Report Week.
- At the New York Mercantile Exchange (Nymex), the price of the July 2020 natural gas futures contract decreased 4¢ from open to close of the Report Week, from \$1.638/MMBtu to \$1.597/MMBtu. The price of the 12-month strip averaging July 2020 through June 2021 futures contracts declined 8¢/MMBtu to \$2.286/MMBtu.
- Natural gas net injections into storage totaled 120 Bcf for the week ending June 19, compared with the five-year (2015-19) average net injections of 73 Bcf and last year's net injections of 103 Bcf during the same week. Working natural gas stocks totaled 3,012 Bcf, which is 466 Bcf (18%) more than the five-year average and 739 Bcf (33%) more than last year at this time.
- Total US consumption of natural gas rose by 9.8% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation climbed 20.5% w/o/w as temperatures increased on mild weather. Residential and commercial consumption declined by 0.1%. Industrial sector consumption decreased by 1.0% w/o/w. Natural gas exports to Mexico increased 6.4%. Feedgas to liquefied natural gas (LNG) terminals on Wednesday increased 0.6 billion cubic feet per day (Bcf/d), or 18%, compared to last Wednesday, giving lift to prices.
- US LNG exports decreased w/o/w as seven liquefied natural gas (LNG) vessels with a combined LNG-carrying capacity of 25 Bcf departed the US between June 18 and June 24, 2020, according to shipping data provided by Marine Traffic.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, rose 1¢/MMBtu, averaging \$4.43/MMBtu for the week ending June 24. The prices of ethane, butane, and isobutane fell by 4%, 3%, and 1%, respectively. The prices of natural gasoline and propane rose by 5% and 4%, respectively. The continuing drop in the natural gasoline price reflects stock overbuild.
- According to Baker Hughes, for the week ending Tuesday, June 16, the natural gas rig count decreased by 3 to 75. The number of oil-directed rigs fell by 10 to 189. The total rig count decreased by 13, and it now stands at 266. Excerpted from eia

**Monthly NYMEX Natural Gas Settle Price: Jul 2019 - Jun 2020:**



**Working natural gas in underground storage as of June 19, 2020**

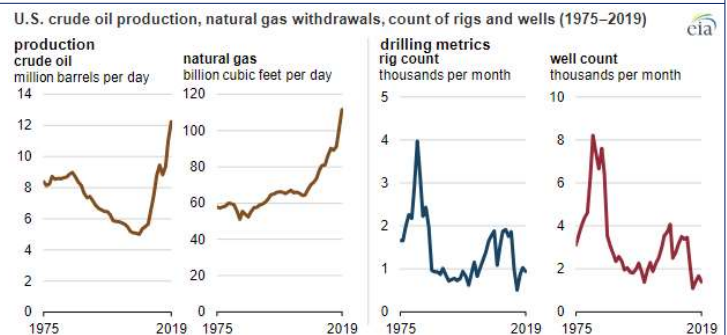


**Forward 12-month NYMEX natural gas strip price - Jul20-Jun21:**

Process Load-weighted \$2.430/dth - w/o/w = ▼\$0.075  
 Typical Heat Load-weighted \$2.670/dth - w/o/w = ▼\$0.089

**US crude oil and natural gas production in 2019 hit records with fewer rigs and wells:**

Increases in drilling set new US crude oil and natural gas production records of 12.2 million barrels per day (b/d) and 111.5 billion cubic feet per day (Bcf/d), respectively, in 2019. Using preliminary data for 2019, the average active rig count per month was 943, and the average count of new wells drilled per month was 1,400, according to Baker Hughes rig data and IHS Markit well data. Both the number of active rigs and the number of wells drilled were at the lower end of the range during the past 45 years, despite the record production. One factor that has contributed to the increase in production has been the ability to contact more of the formation using horizontal drilling. The average footage drilled per well was 15,000 feet per well in 2019, reflecting longer horizontal well lengths. The number of U.S. oil and natural gas wells drilled each month per active rig has decreased since the peak in 1986 of 3.6 wells per rig per month. In 2019, an average rig drilled 1.5 wells per month. By drastically increasing the horizontal length of wells, producers have increased production despite using fewer rigs and drilling fewer wells. Horizontal wells in the US averaged about 10,000 feet of lateral length in the early 2000s but averaged 18,000 feet in 2019. Because horizontal wells now account for a larger share of new wells, the average linear footage per well increased from 6,000 feet to 15,000 feet during the same period. Horizontal wells have become the predominant way of drilling oil and natural gas wells in the US, first outnumbering vertical and directional wells combined in 2015. In 2019, 75% of newly drilled wells were horizontal. Excerpted from eia



“There are some ideas so wrong that only a very intelligent person could believe in them.” -George Orwell<sup>1</sup>