

June 22, 2009

Natural Gas Trends

Highlights

EIA RELEASES UPDATED GAS MAPS

The Energy Information Administration (EIA) recently posted on its website updated maps of domestic natural gas resources at: http://www.eia.doe.gov/pub/oil_gas/natural_gas/analysis_publications/maps/maps.htm

Gas Production in Conventional Fields, Lower 48 States.

- The conventional fields map displays:
- the location of each natural gas basin in the U.S.,
 - the location of each outer Continental shelf (OCS) area in the Gulf of Mexico, and
 - the most recently reported level of gas production, in billions of cubic feet (Bcfs).

Gas Production in Offshore Fields, Lower 48 States.

- The offshore fields map displays:
- the location of offshore gas fields in the Gulf of Mexico,
 - the location of offshore gas fields off the California coast, and
 - the most recently reported level of gas production, in Bcfs.

Shale Gas Plays, Lower 48 States.

- The shale map displays:
- the boundaries of each of the basins where shale gas is located,
 - the location of each shale gas play within a basin (for example, the area of the Barnett shale gas play inside the Fort Worth basin and the area of the Barnett shale gas play inside the Permian basin), and
 - the location, relative age, and relative depth of stacked gas plays, for example, the Devonian shale play, the Marcellus shale play, and the Utica shale play, all of which are located within the Appalachian basin.

Major Tight Gas Plays, Lower 48 States.

The tight gas map, like the other maps, shows each basin, the location of tight gas plays within each basin, and the location, relative age, and relative depth of stacked tight gas plays.

Coalbed Methane Fields, Lower 48 States.

The coalbed methane map displays coalbed methane fields as well as coal basins, regions and fields.

Data

- July Natural Gas Futures Contract (June 19), NYMEX at Henry Hub closed at \$4.032
- July Light, Sweet Crude Oil Futures Contract (June 22), NYMEX at Cushing closed at \$66.93 per Bbl. or approximately \$10.66 per MMBtu

Cooling Degree Days Above Normal for Texas

From 6/14/09 thru 6/20/09, Texas and the U.S. experienced warmer than normal weather. For the cooling season (1/1/09 to 12/31/09), cumulative cooling degree days were 15% above normal for Texas and 2% above normal for the U.S. Source: www.cpc.ncep.noaa.gov

Cooling Degree Days (CDD) *Week ending 6/20/09*

City or Region	Week Total CDD	Week CDD +/- from Normal *	Year-to-date Total CDD	YTD, % +/- from Normal *
Amarillo	83	+13	289	+ 3 %
Austin	161	+ 43	1036	+ 19 %
DFW	145	+ 30	793	+ 21 %
El Paso	121	0	881	+ 33 %
Houston	157	+ 41	1102	+ 25 %
San Antonio	164	+ 43	1246	+ 35 %
Texas**	136	+ 28	898	+ 15 %
U.S.**	52	+ 1	294	+ 2 %

* A minus (-) value is cooler than normal; a plus (+) value is warmer than normal. NOAA uses 65° Fahrenheit as the 'normal' basis from which CDDs are calculated.
 ** State and U.S. degree-days are population-weighted by NOAA.

U.S. Gas Storage 32% Higher Than One Year Ago

For the week ending 6/12/09, U.S. working gas in storage increased from 2,443 to 2,557 Bcf, 32% higher than the 1,935 Bcf in storage a year ago and 22.6% higher than the 2,085 Bcf for the 5-year average from 2004 to 2008. Working gas in storage in the producing region (which includes Texas) increased from 957 to 985 Bcf, as compared to 666 Bcf in storage a year ago and 716 Bcf for the 5-year average from 2004 to 2008. Source: www.eia.doe.gov

U. S. Working Gas in Storage (Bcf) *Week ending 6/12/09*

Region	This Week	Last Week	Change	Current Δ from 5-Year Average (%)
East	1164	1091	+73	+ 9.6 %
West	408	395	+13	+ 33.3 %
Producing	985	957	+28	+ 37.6 %
Lower 48 Total	2557	2443	+114	+ 22.6 %

Rig Counts Rise

A hiatus from week after week declines, the U.S. gas rig count was up 7 for the week and down 822 when compared to 12 months ago. The U.S. total rig count was up 23 for the week and down 1007 when compared to 12 months ago.

Source: Baker Hughes, Inc.

Baker Hughes Rotary Rig Count (6/19/09)

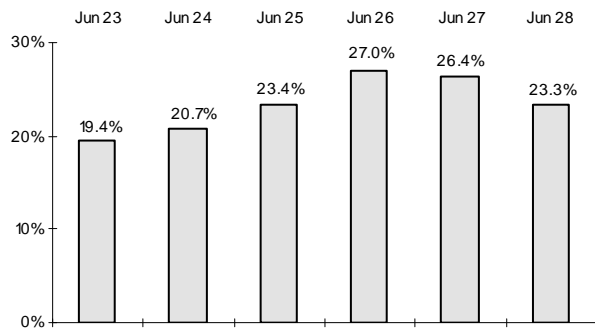
	This Week	+/- Last Week	Year Ago	+/- Year Ago
U.S.	899	+23	1906	-1007
Gas	692	+7	1514	-822
Oil	196	+13	384	-188
Texas	330	+10	916	-586
N. Amer.	1042	+58	2165	-1123

U.S. Energy Use Above Normal This Week

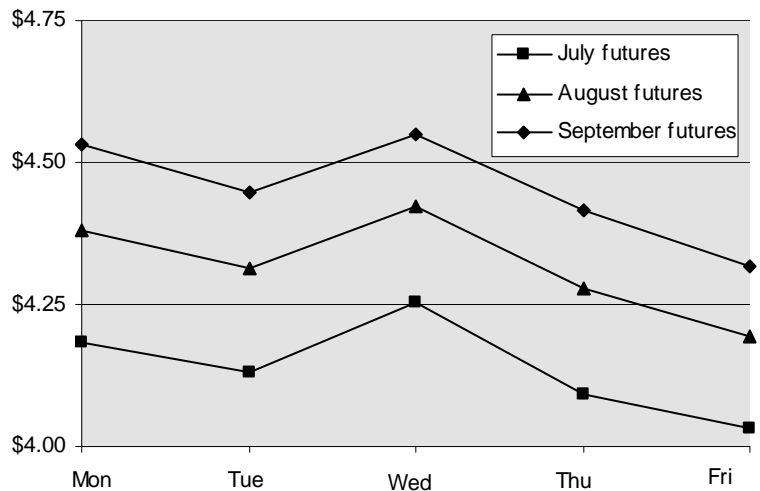
U.S. energy use is forecast to be significantly above normal for the week, according to the Dominion Energy Index, as shown below. The index forecasts total U.S. residential energy usage, a component of which is natural gas.

Source: Dominion Energy Index

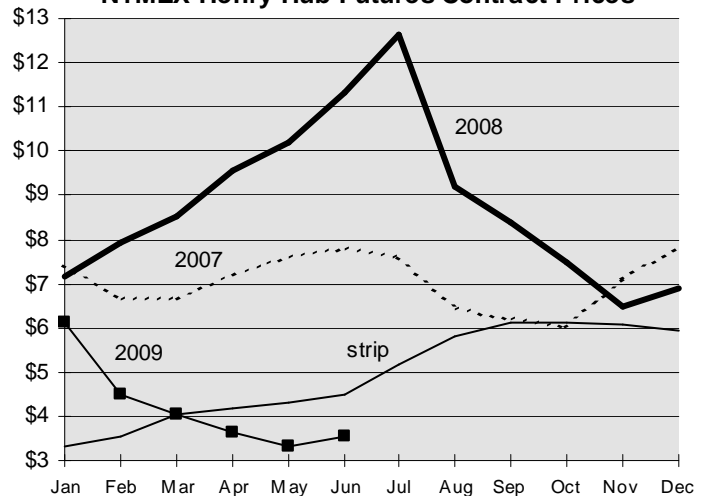
U.S. Energy Use Forecast



NYMEX Natural Gas Price Movement 6/15/09 - 6/19/09



NYMEX Henry Hub Futures Contract Prices



Gas Price Summary 6/19/09

	This Week	+/- Last Week	+/- Last Year	12-Month Strip Avg.
U.S. (July futures)				
NYMEX	\$4.032	\$0.175	-\$8.618	\$5.360