MIDSTREAM Monitor

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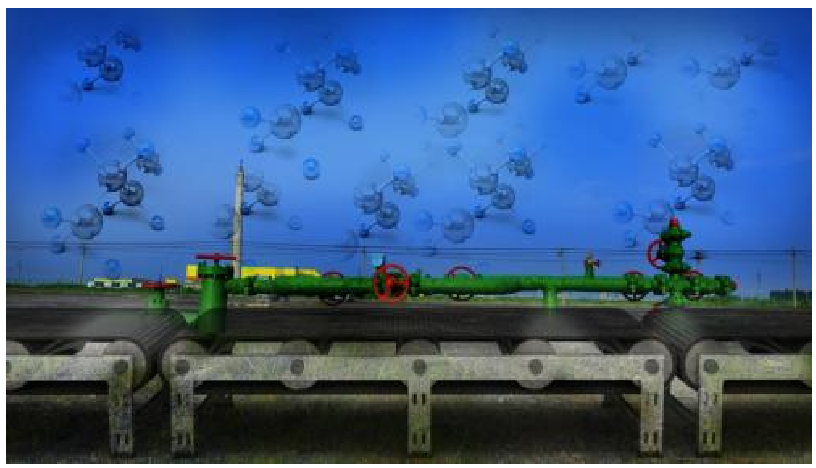
FEATURES

Contents Under Pressure: New Pipelines Ease Marcellus Takeaway Troubles

By DARREN BARBEE, Hart Energy



New Marcellus Shale regional pipelines are beginning to pressure Henry Hub prices, sapping differentials in gas value as more of the area's production escapes regional lockdown.

With more pipelines coming online in the next couple of years—two with a combined 4.75 billion cubic feet per day (Bcf/d) takeaway capacity—the Marcellus' formidable production may no longer be so tightly confined.

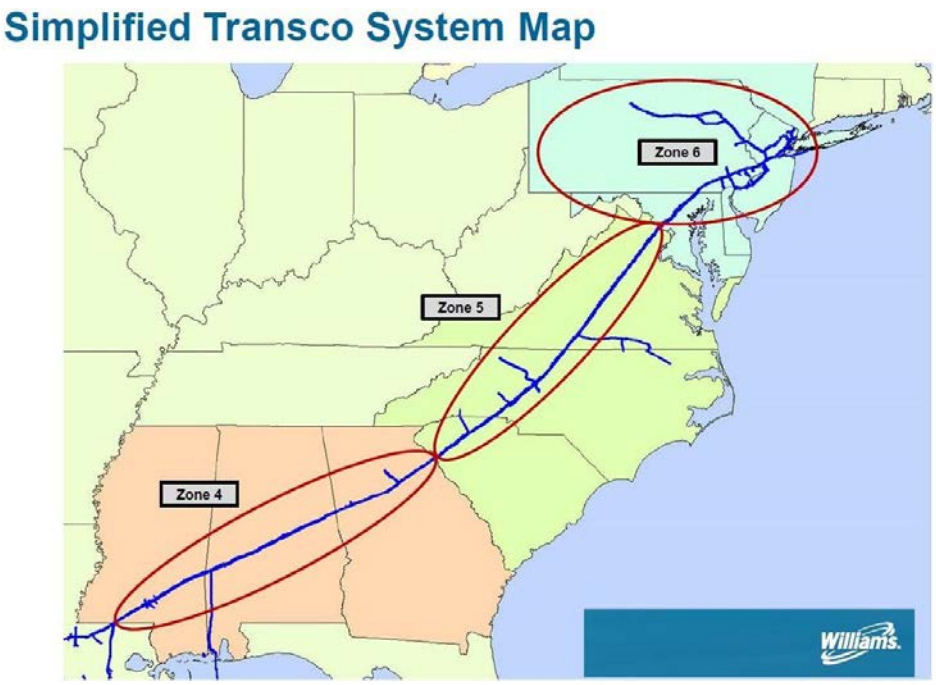
Charles Robertson II, analyst with Cowen and Co., said that 2017 will likely mark the year in which new pipeline capacity outpaces supply growth in the Appalachian Basin, leading to stronger local pricing while weakening the Gulf Coast and Midwest.

Capacity will increase as pipeline construction continues through 2017-18.

"All the firm transport pricing that some companies have locked into for high prices over years will revert toward transport cost or lower as pipelines are overbuilt by end of 2018," Robertson said.

The Northeast should see further pricing improvements as gas moves from local demand to new markets, Robertson said. However, other regions gas growth could be limited—particularly in the Barnett, Haynesville, Midcontinent and Rockies.

For now, prices in the Appalachia region are still low, trading for less than $1.50 per million British thermal units (MMBtu), the Energy Information Administration (EIA) said. However, since November they have crept somewhat closer to the Henry Hub price.



By Dec. 1, the price at Williams Cos. Inc.'s (NYSE: WMB) Transco System Leidy Hub averaged $0.89 below the Henry Hub. Five months earlier, the differential averaged $1.65 per MMBtu in July. The Transco pipeline underwent more than $2 billion in expansions from 2001-13, according to Williams.

Transco's Leidy Line project began service in December, and flows gas from the Marcellus to Transco's main pipeline extending from Texas to New York.

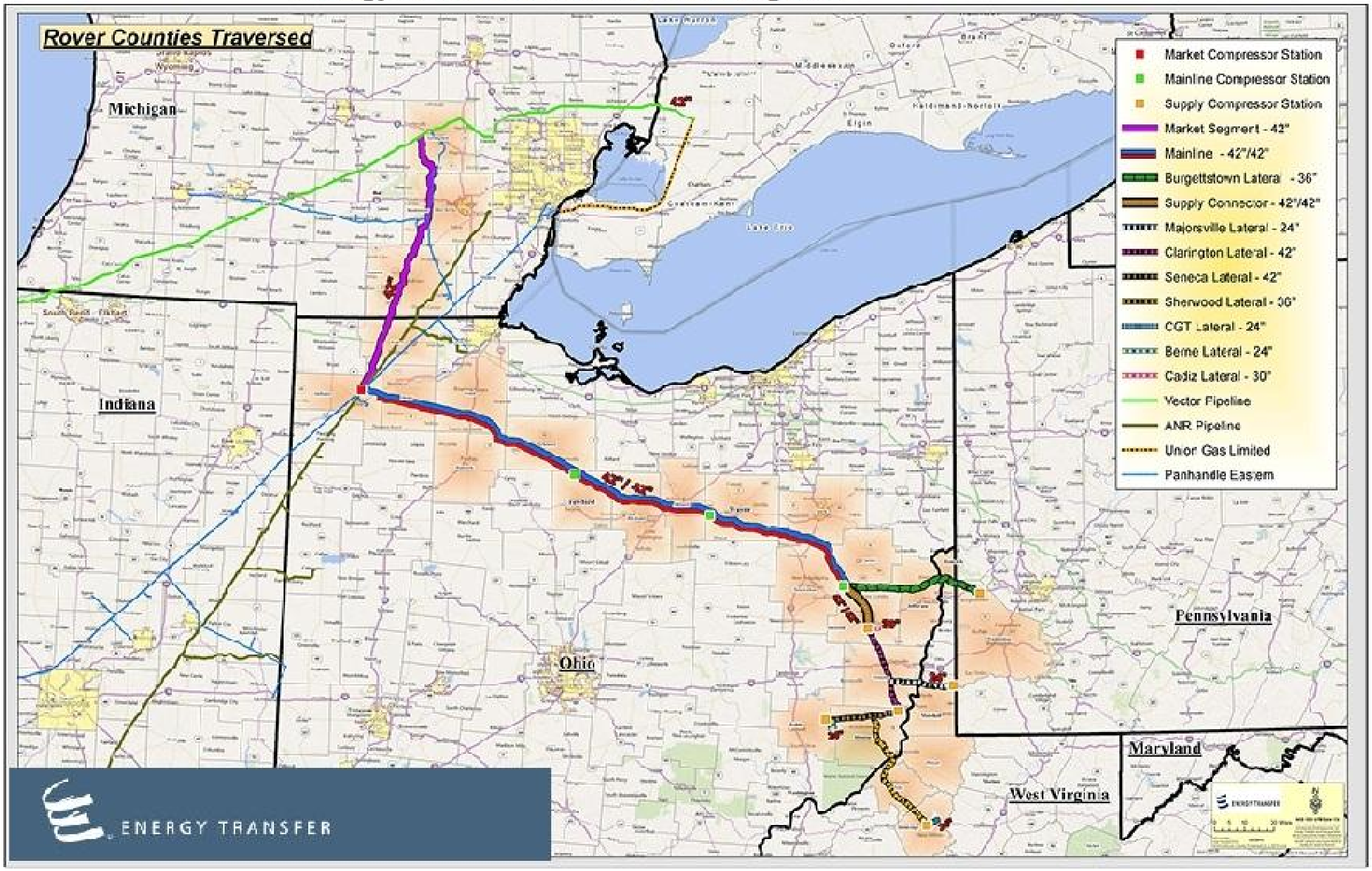
In recent months, several new pipeline infrastructure projects and expansions have started operations. Spectra Energy Corp.'s (NYSE: SE) Texas Eastern Transmission Co. (Tetco) OPEN project added 550 MMcf/d of pipeline takeaway capacity out of Ohio and began full service in early November 2015.

Transco Pipeline System	
System Peak Design Capacity	10.9 Bcf/d
Seasonal Storage	197 Bcf
Supply Areas	Gulf Coast, Midcontinent, Appalachia
Market Areas	Southeast, Mid-Atlantic and Northeastern states
Miles of Transmission Pipeline	10,200 miles
Compressor Stations	56
Source: Williams	

Tetco OPEN Project	
Location	Gulf Coast to Northeast United States
Length	9,098 miles
Capacity	10.38 Bcf/d
Storage	74 Bcf
Owner/ operator	Spectra Energy
Source: Spectra Energy	

EIA said other recent pipeline additions include Columbia Pipeline Group Inc.'s (NYSE:CPGX) East Side Expansion, a 310-MMcf/d project that moves natural gas produced in Pennsylvania to Middle Atlantic markets.

Energy Transfer Partner's Rover Pipeline



Tennessee Gas Pipeline's Broad Run Flexibility Project, a 590-MMcf/d project originating in West Virginia moves natural gas to the Gulf Coast states.

Circulation

Even more pipelines will add to the give and take between the Northeast and the South. Robertson said multiple pipeline projects are expected to come online in 2017, relieving pipeline constraints in the Northeast.

Energy Transfer Partner LP's (NYSE:ETP) Rover Pipeline project is designed to transport 3.25 Bcf/d of natural gas through about 710 miles of 24-inch, 30-inch, 36-inch and 42-inch pipeline.

The pipeline will include four mainline compressor stations, six supply lateral compressor stations and other ancillary facilities along its route. Rover will also construct a pipeline segment from the Midwest Hub in the Defiance County, Ohio area through Michigan to an interconnection with Vector Pipeline thereby enabling deliveries to additional points in Michigan and to the Union Gas Dawn Hub in Ontario, Canada.

The Rover pipeline's first phase consists of 1.9 Bcf/d and will serve Midwest/Gulf Coast markets in the first quarter of 2017, Robertson said. In the second phase, the line will add 1.3 Bcf/d and will serve Michigan and Canadian markets beginning in the third quarter of 2017. Energy Transfer Partners said on its website that the pipeline is under review by the Federal Energy Regulatory Commission (FERC).

NEXUS Gas Transmission, another large-scale takeaway project scheduled to come online in late 2017, formally applied to FERC in November to build a 1.5 Bcf/d pipeline moving gas out of the Appalachian to markets in northern Ohio, southeastern Michigan and Dawn Hub in Ontario, Robertson said.

“The NEXUS and ET Rover, along with several other projects such as TETCO’s TEAL project, Ohio Valley Connector, and ANR’s East Project will enable pipeline takeaway capacity growth to eclipse supply growth in late 2017 and cause supply/demand market spreads to collapse,” he said.

While access to new pipeline capacity is generally a positive move for gas producers, they will also seek to maintain an optimal mix of in-basin exposure going forward, Robertson said.

Producers have also see demand increase from LNG projects and exports to Mexico.

“U.S. exports to Mexico have started to experience a lift as new pipelines have come online,” Robertson said.

December exports of U.S. natural gas hit a high, averaging 3.3 Bcf/d, up 1.5 Bcf/d since December 2014.

“The jump in exports is attributed to the Los Ramones II North pipeline which is taking South Texas gas deliveries from the NET Mexico pipeline,” he said.

New Pipeline Shippers and Commitments

ET Rover Shippers Phase I	MMcf/d
AR	800
SWN	100
ECR	50
GPOR	110
ET Rover Shippers Phase II	
RRC	400
ECR	100
RICE	100
NEXUS Commitments	
Consol Energy, Noble Energy, Chesapeake Energy	835

Source: Cowen and Co. research

January exports have been consistent with December 2015 levels, peaking at 3.5 Bcf/d earlier this month. December exports of LNG to Mexico dropped to 560 MMcf/d, down 240 MMcf/d year-over-year.

US, Texas Join To Protect Eagle Ford From Terror

By **JOSEPH MARKMAN,** Hart Energy

The Texas Railroad Commission is working with federal and state government agencies on ways to protect the Eagle Ford Shale in South Texas from a possible terrorist attack, the commission’s chairman told pipeline executives.

“With the growth in production in the Eagle Ford Shale, large portions of pipelines and processing facilities in South Texas have been left vulnerable to theft and attack because of their proximity to an unsecured border,” David Porter told the Texas Pipeline Association (TPA) at its annual meeting last week in Houston.

Attacks on the Es Sider and Ras Lanuf oil ports in Libya on Jan. 4-6 have been blamed on militants connected to the Islamic State. They have resulted in the destruction of several onshore oil tanks. An oil tanker docked at Es Sider was attacked over the weekend, creating a tower of fire that strained the ability of firefighters to keep blazes under control.

Smoke from fires at the Es Sider, upper left, and Ras Lanuf oil terminals in Libya following attacks last week is captured in this mage from a NASA satellite. (*Source: NASA*)

Porter told association members that he believes Texas shale plays provide a potential target for terrorists and said he wrote about his concerns to U.S. Homeland Security Secretary Jeh Johnson. The letter led to last week's meeting in the Rio Grande Valley with representatives of the commission, U.S. Customs and Border Protection, Texas Department of Public Safety and representatives of the pipeline industry.

"It was a very productive discussion," he said. "I think lines of communication have been opened and will remain open because it's critical for all of us to work together to protect public safety and to prevent any disruption in energy production."

Eagle Ford's daily production of oil and gas was up through the first 10 months of 2015, despite a cutback in rig counts forced by weak commodity prices. Production of crude oil increased by 1% to 1,082,167 barrels per day through October over 2014, according to commission data, and natural gas production rose 4.7% to 5.34 billion cubic feet per day.

The TPA later released a statement noting that it has not been informed of any specific incidents related to terrorism on pipeline rights of way, but "we are confident that our member companies remain vigilant in the face of potential threats."

The associated emphasized that federal and state regulations already mandate regular inspections of the lines and that rights of way be cleared to allow for unimpeded aerial observation.

"The security of Texas' pipeline infrastructure is the industry's No. 1 priority," the statement read. "We are committed to protecting the health and safety of workers and the communities in which we operate."

LNG: 'Real' Growth Yet To Come

By **LEN VERMILLION**, Hart Energy

The global LNG industry in 2015 was characterized by weak demand and the impact of the oil price crash. As a result, many LNG players shifted their focus to developing markets and employing new regasification capacity, according to a review by Wood Mackenzie.

Despite weakened demand, particularly in Asia where there was a 2% year-over-year decline, LNG production around the world remained high throughout the year. It reached 250 million tons, up 4 million tons over 2014. That increase was primarily due to a number of key project start-ups, particularly in the U.S. and Australia, according to Wood Mackenzie.

Three major coal seam gas (CSG)-to-LNG facilities on Australia's Curtis Island began shipping LNG exports to Asia over the last 12 months, despite Asia's drop in demand. BG Group's Queensland-Curtis Island LNG (QCLNG) and Santos' Gladstone LNG (GLNG) began exports earlier in 2015. The third, the Origin Energy and ConocoPhillips-led Australia-Pacific LNG (APLNG) began shipping at the beginning of 2016.

"The commissioning of these facilities, which have a combined capacity of 26.5 million metric tons per annum (mmtpa), marks the start of the country's ascent to become the world's largest supplier of LNG by 2019," said Giles Farrer, research director for global gas and LNG supply at Wood Mackenzie.

In 2016, however, the initial focus will be on the U.S., where the start of exports from Sabine Pass, would signify a key milestone for the Cheniere Energy-led project. However, Wood Mackenzie cautions that with a further 125 mmtpa of LNG under development, real LNG growth won't happen until after 2016.

LNG Sale and Purchase Agreements (SPAs)
Sabine Pass Liquefaction

~20 mtpa "take-or-pay" style commercial agreements
~$2.9B annual fixed fee revenue for 20 years

	BG GROUP BG Gulf Coast LNG	gasNatural fenosa Gas Natural Fenosa	KOGAS Korea Gas Corporation	GAIL GAIL (India) Limited	TOTAL Total Gas & Power N.A.	centrica Centrica plc
Annual Contract Quantity (MMBtu)	286,500,000 (1)	182,500,000	182,500,000	182,500,000	104,750,000 (1)	91,250,000
Annual Fixed Fees (2)	~$723 MM (3)	~$454 MM	~$548 MM	~$548 MM	~$314 MM	~$274 MM
Fixed Fees $/MMBtu (2)	$2.25 - $3.00	$2.49	$3.00	$3.00	$3.00	$3.00
LNG Cost	115% of HH	115% of HH	115% of HH	115% of HH	115% of HH	115% of HH
Term of Contract (4)	20 years	20 years	20 years	20 years	20 years	20 years
Guarantor	BG Energy Holdings Ltd.	Gas Natural SDG S.A.	N/A	N/A	Total S.A.	N/A
Corporate / Guarantor Credit Rating (5)	A-/A2/A-	BBB/Baa2/BBB+	A+/Aa3/AA-	NR/Baa2/BBB-	AA-/Aa1/AA-	BBB+/Baa1/A-
Fee During Force Majeure	Up to 24 months	Up to 24 months	N/A	N/A	N/A	N/A
Contract Start	Train 1 + additional volumes with Trains 2,3,4	Train 2	Train 3	Train 4	Train 5	Train 5

Source: Cheniere Energy

"U.S. LNG projects raced ahead in 2015 with three taking Final Investment Decision (FID) in the first half of the year," said Alex Munton, principal analyst, Americas LNG and gas research, at Wood Mackenzie. " There was 18.5 mmtpa of capacity sanctioned, most notably by Cheniere Energy, which took FID on two trains at Corpus Christi and a fifth train at Sabine Pass, although Freeport LNG also took FID on a third train. These projects were all able to take sanction as a result of agreements signed in previous years before the fall in prices;

however, project sanctions slowed significantly in the second half of the year as the collapse in prices took effect."

Adjusting Strategies

Those developments, coupled with weak demand will force global LNG players to adjust their strategies and tactics, Wood Mackenzie said. Chong Zhi Xin, principal analyst for Southeastern Asia and Australasia gas and power research at Wood Mackenzie, said that's already happening as companies focus on emerging markets to cushion the decline in demand.

"Sellers started to look further afield to emerging markets in Middle East and Africa and new opportunities in Asia, while buyers exercised more caution in contracting," he said. He added that new buyers played a crucial role in balancing the LNG markets in 2015, offsetting some of the decrease Asian appetite.

"Jordan, Egypt and Pakistan all issued new tenders, which were met with intense interest," he said. "The emergence of these three new market entrants alone resulted in 5.8 million tons of LNG imports last year, via fast-tracked floating storage and regasification unit (FSRU) developments—a trend we expect to continue in 2016 as access to new customers and regasification capacity remain key."

Looking Ahead

Wood Mackenzie asserts that the prolonged fall in oil price also impacted company decision making with budgets and capital allocation across the industry under intense scrutiny.

"The biggest corporate news of 2015 was Shell's planned acquisition of BG, announced in April. Already a major LNG player, Shell has tried to capitalize on the downturn with the takeover, a move, which if finalized will create the largest LNG marketer in the world—meeting 15% of global demand," Munton said. "Within Japan, the TEPCO-Chubu Electric merger was implemented to strengthen corporate balance sheets and this resulted in the formation of JERA, the world's largest LNG buyer."

The fall in demand and the rise in supply meant some Atlantic LNG volumes were squeezed out of the market and Atlantic-to-Pacific trade flows fell by 16%—from 96 mmtpa to 82 mmtpa. "With the lower oil price driving down Asian LNG prices, the spread between European gas prices and Asian LNG prices narrowed," Farrer said. "Consequently, companies with Atlantic supply were drawn to European markets offering more attractive returns."

2015 in numbers:

- Global LNG production reached 250 million ton in 2015;
- China's LNG demand declined 2% in 2015, following years of double digit growth;
- Australia's key CSG-to-LNG projects added 18.5 mmtpa of nameplate capacity;
- New entrants Jordan, Pakistan and Egypt imported 5.8 million tons in 2015;
- Asia spot prices reached a low of US$6.90/mmbtu; Atlantic-to-Pacific LNG trade flows fell by 16%, from 96 mmtpa to 82 mmtpa;
- Weak demand translated into lower shipping rates of US$30,000/day—the lowest since 2010;
- The potential to optimize U.S. LNG flows saw 19 new LNG vessels ordered in 2015;
- Shell's proposed acquisition of BG would create the largest LNG marketer—supplying 15% of global demand.

But while everyone will be watching the U.S. in 2016, Chong points out the pace of new project ramp up and the threat of a prolonged outage at Yemen presents downside risk to LNG supply availability.

“Indeed, the reality is that the wave of LNG growth will not hit the market until after 2016,” he said. “Several key dynamics will affect prices and flows and we will be watching these closely over the course of the year: coal-to-gas competition in both Europe and Asia; Chinese energy policy; access to regas capacity in Europe and contract flexibility will all become more important as the year unfolds.”

Cheniere Energy Pushes Back First LNG Cargo

By **LEN VERMILLION**, Hart Energy

With all eyes are on U.S. LNG exports in the early part of this year, particularly Cheniere Energy Partners (LNG), this may be a good time to blink. Cheniere is expected to usher in the era of the U.S. as a global LNG player, just not as soon as it planned.

On Jan. 14, the company, which recently went through a major change of leadership, said that it expects to export the first LNG commissioning cargo in “late February or March,” a delay from previous announcements. Cheniere had been expected to ship its first cargo from its Sabine Pass liquefaction project in Cameron Parish, La., by late January.

Construction for Train 1 was completed well ahead of the guaranteed contractual schedule and within budget. However, instrumentation issues were discovered during the final phases of plant commissioning and cool down that will require some additional work over the next few weeks, leading to the delay.

"With construction of Train 1 finished, we ... anticipate no issues in meeting all contractual targets and guaranteed completion dates,” said Neal Shear, interim president and CEO.

A tugboat at Sabine Pass dock (*Source: Joseph Markman/Hart Energy*)

“Additionally, construction for Trains 2 to 5 continues to be on an accelerated schedule, and these trains are expected to come online on a staggered basis. Bechtel will hand over care, custody and control of each train as they complete its scope of work."

Bechtel, the engineering, construction and project management firm working on the Sabine Pass project, said it has been “continually working towards completing the first unit and working through a few items that will provide assurance to Cheniere Partners that plant reliability and performance will be as expected.”
Those last few unspecified items are in final resolution, according to Bechtel.

Cheniere's milestone of first cargo is expected to be a significant event around the world. The U.S. has long been considered a sleeping giant among global LNG players.

There has been 18.5 million metric tons per annum of LNG capacity sanctioned in the U.S., mostly by Cheniere. Its projects were all able to take sanction as a result of agreements signed in previous years before the fall in prices.

The company has entered into six third-party LNG sale and purchase agreements (SPAs) that in the aggregate equate to approximately 19.75million tons per annum (mtpa) of LNG and commence with the date of first commercial delivery of Trains 1 through 5 as specified in the respective SPAs.

Cheniere has SPAs with BG Group, Gas Natural Fenosa, KOGAS, GAIL (India) Ltd, Total and Centrica. BG Group holds the largest annual contract quantity guarantee at 286.5 MMBtu.

Tanks originally built to store imported LNG will be a component of Cheniere Energy Inc.'s export operations in Sabine Pass, La. Commercial shipments are expected to begin in midyear. (*Source: Joseph Markman/Hart Energy*)

The Sabine Pass LNG terminal located on the Sabine-Neches Waterway less than four miles from the Gulf Coast includes existing infrastructure of five LNG storage tanks with capacity of approximately 16.9 billion cubic feet equivalent, two docks that can accommodate vessels with nominal capacity of up to 266,000 cubic meters and vaporizers with regasification capacity of approximately 4 billion cubic feet per day.

Cheniere Partners owns 100% of the terminal and is developing and constructing natural gas liquefaction facilities at the Sabine Pass LNG terminal adjacent to the existing regasification facilities.

The company plans to construct over time up to six liquefaction trains, which are in various stages of development. Each liquefaction train is expected to have a nominal production capacity of approximately 4.5 mtpa of LNG.

Cheniere's journey to first cargo has been bumpy at times. In December the company ousted long-time CEO and co-founder of Cheniere Charif Souki. At the time, analysts following Cheniere expressed surprise at the timing of Charif Souki's departure from the company he built, but not at the outcome of the inevitable confrontation with Cheniere largest investor Carl Icahn given the conflicting outlooks of the two industrial titans.

For the first nine months of 2015, the company's net loss was $684 million compared to a net loss of $389.3 million for the first nine months of 2014.

FRAC SPREAD

Frac Spread: Declining Results

By **FRANK NIETO**, Hart Energy

Crude prices continue to crumble as West Texas Intermediate (WTI) traded in the $30 per barrel (/bbl) range the week of Jan. 6. The outlook for WTI remains is becoming gloomier as well with Barclays Capital lowering its forecast for prices from $56/bbl to $37/bbl.

"Global macroeconomic concerns are mounting, warm weather deleted the seasonal uptick in oil demand, OPEC supplies are rising especially with Iran's [quicker] return, and non-OPEC supply is not adjusting fast enough, meaning that there is still further downside risk to prices this quarter," the investment firm said in a Jan. 14 research note.

RESIN PRICES – MARKET UPDATE – JANUARY 15, 2016

TOTAL OFFERS: 26,578,600 lbs		SPOT		CONTRACT	
Resin	Total lbs	Low	High	Bid	Offer
LLDPE - Film	6,943,432	0.51	0.62	0.49	0.53
HDPE - Blow Mold	4,537,292	0.49	0.59	0.48	0.52
LDPE - Film	4,188,740	0.525	0.66	0.52	0.56
HDPE - Inj	3,469,532	0.54	0.605	0.48	0.52
PP Copolymer - Inj	2,071,220	0.585	0.675	0.6	0.64
HMWPE - Film	1,889,680	0.54	0.62	0.49	0.53
LLDPE - Inj	1,512,760	0.55	0.625	0.5	0.54
PP Homopolymer - Inj	1,180,656	0.545	0.665	0.585	0.625
LDPE - Inj	785,288	0.56	0.62	0.52	0.56

Source: Plastics Exchange – www.theplasticsexchange.com

CURRENT FRAC SPREAD (CENTS/GAL)

JANUARY 15, 2016	Conway	Change from Start of Week	Mont Belvieu	Last Week
Ethane	14.68		15.64	
Shrink	14.39		14.92	
Margin	0.29	154.87%	0.72	182.01%
Propane	30.42		34.88	
Shrink	19.88		20.61	
Margin	10.54	-22.07%	14.27	-20.63%
Normal Butane	48.26		50.98	
Shrink	22.50		23.33	
Margin	25.76	-16.82%	27.65	-17.99%
Isobutane	55.46		50.88	
Shrink	21.61		22.41	
Margin	33.85	-14.57%	28.47	-17.65%
Pentane+	76.96		79.02	
Shrink	24.07		24.95	
Margin	52.89	-17.85%	54.07	-17.66%
NGL $/Bbl	15.27	-10.36%	15.96	-9.50%
Shrink	7.93		8.22	
Margin	7.34	-16.36%	7.74	-17.48%
Gas ($/mmBtu)	2.17	-3.98%	2.25	-0.44%
Gross Bbl Margin (in cents/gal)	16.01	-16.80%	17.39	-17.64%
NGL Value in $/mmBtu (Basket Value)				
Ethane	0.81	1.59%	0.86	2.62%
Propane	1.06	-11.13%	1.21	-9.82%
Normal Butane	0.52	-11.29%	0.55	-10.80%
Isobutane	0.35	-10.74%	0.32	-10.86%
Pentane+	0.99	-13.96%	1.02	-12.91%
Total Barrel Value in $/mmbtu	3.72	-9.45%	3.96	-8.47%
Margin	1.55	-16.12%	1.71	-17.25%

Price, Shrink of 42-gal NGL barrel based on following: Ethane, 36.5%; Propane, 31.8%; Normal Butane, 11.2%; Isobutane, 6.2%; Pentane+, 14.3%, Fuel, frac, transport costs not included. Conway gas based on NGPL Midcontinent zone, Mont Belvieu based on Houston Ship Channel.

Barclays added that there could be price spikes in the first quarter due to geopolitical events, as well any delays in Iranian crude's return to the global market. However, the investment firm said these would be short-lived as market fundamentals do not currently support a sustained rally.

While WTI has been falling rapidly, it is likely approaching the bottom, according to En*Vantage. In its Jan. 14 *Weekly Energy Report*, the company said this floor could in the $20/bbl range, which is below the profitability level for most producers.

The WTI depreciation resulted in large decreases in C5+ prices, which fell more than 10% at both Conway and Mont Belvieu. The Midcontinent price was down 14% to 77 cents per gallon (/gal), its lowest price since it was 69 cents/gal the week of Dec. 3, 2008. The Gulf Coast price fell 13% to 79 cents/gal, its lowest level since it was 78 cents/gal the week of Jan. 1, 2009. Both hubs also experienced sizable decreases for the other two heavy NGL prices as butane and isobutane fell to their lowest levels in the past year.

Propane prices also fell at both hubs despite increased heating demand that resulted in nearly 4.5 million bbl being withdrawn from storage. However, inventories are still at record high levels and LPG export demand is lessening. Frac spread margins still remain positive, but are at their lowest level in years at 11 cents/gal at Conway and 14 cents/gal at Mont Belvieu.

The lone bright spot, if you can call it that, for commodity prices was the improvement in the ethane market. Prices were up at both hubs with a 3% gain at Mont Belvieu to 16 cents/gal and a 2% gain to 15 cents/gal at Conway.

The theoretical NGL bbl price fell 10% at both hubs with the Conway price down to $15.27/bbl with a 16% drop in margin to $7.34/bbl while the Mont Belvieu price was down to $15.96/bbl with an 18% decline in margin to $7.74/bbl.

The most profitable NGL to make at both hubs was C5+ at 53 cents/gal at Conway and 54 cents/gal at Mont Belvieu. This was followed, in order, by isobutane at 34 cents/gal at Conway and 29 cents/gal at Mont Belvieu; butane at 26 cents/gal at Conway and 28 cents/gal at Mont Belvieu; propane at 11 cents/gal at Conway and 14 cents/gal at Mont Belvieu; and ethane at nil at Conway and 1 cent/gal at Mont Belvieu.

The widespread cold weather in the Northeast and Midwest caused the largest natural gas withdrawal from storage this season as the U.S. Energy Information Administration reported stocks falling by 168 billion cubic feet the week of Jan. 8. This reduced storage levels to 3.475 trillion cubic feet (Tcf) from 3.643 Tcf the previous week, which was 20% greater than the 2.888 Tcf posted last year and 16% greater than the five-year average of 3.001 Tcf.

NGL PRICES

Mont Belvieu	Eth	Pro	Norm	Iso	Pen+	NGL Bbl
Jan. 6 - 12, '16	15.64	34.88	50.98	50.88	79.02	$15.96
Dec. 30, '15 - Jan. 5, '16	15.24	38.68	57.15	57.08	90.73	$17.63
Dec. 23 - 29, '15	14.20	37.05	53.40	53.75	87.35	$16.76
Dec. 16 - 22, '15	12.92	35.14	51.42	52.06	90.72	$16.42
December '15	14.83	38.66	56.87	57.47	92.65	$17.69
November '15	17.42	42.69	62.15	62.99	99.61	$19.47
4th Qtr '15	17.50	42.15	60.09	60.57	97.59	$19.11
3rd Qtr '15	18.26	40.99	54.16	55.19	100.10	$18.80
2nd Qtr '15	17.93	46.30	58.11	59.66	126.14	$21.48
1st Qtr '15	18.38	53.01	66.35	67.81	110.53	$21.94
Jan. 7 - 13, '15	18.94	45.08	63.54	64.68	92.58	$19.63
Conway, Group 140	**Eth**	**Pro**	**Norm**	**Iso**	**Pen+**	**NGL Bbl**
Jan. 6 - 12, '16	14.68	30.42	48.26	55.46	76.96	$15.27
Dec. 30, '15 - Jan. 5, '16	14.45	34.23	54.40	62.13	89.45	$17.03
Dec. 23 - 29, '15	11.00	33.20	50.30	56.65	87.75	$15.87
Dec. 16 - 22, '15	11.38	29.96	48.32	55.20	89.06	$15.49
December '15	13.32	33.23	54.07	60.36	91.32	$16.79
November '15	14.46	39.04	59.60	67.26	96.71	$18.51
4th Qtr '15	14.90	38.06	57.31	64.04	95.84	$18.20
3rd Qtr '15	15.47	36.28	48.59	54.34	99.10	$17.59
2nd Qtr '15	15.50	40.55	52.40	56.80	121.50	$19.89
1st Qtr '15	17.81	49.00	66.13	76.84	106.32	$21.49
Jan. 7 - 13, '15	17.03	40.70	66.36	72.32	95.48	$19.53

The National Weather Service's forecast for the week of Jan. 20 anticipates warmer-than-normal temperatures throughout much of the country, which will greatly reduce heating demand.

MORE TOP STORIES

OPEC's Oil Basket Price Drops To $25 A Barrel

The average price for a basket of crudes from OPEC producers fell to $25 a barrel on Jan. 14, the group said, even before unrestrained exports from Iran hit the market.

Benchmark global oil prices took a fresh hit on Jan. 15 with the market bracing for more supplies from Iran earlier than expected.
OPEC said the price of a basket of crudes produced by its 13 members was assessed at $25.69 on Jan. 13.

Iran expects the United Nations nuclear watchdog to confirm on Jan. 15 it has curtailed its nuclear program, paving the way for the unfreezing of billions of dollars of assets and an end to bans that have crippled its oil exports.

For the past 18 months, oversupply has been the main factor responsible for dragging down prices by two-thirds, after Saudi Arabia led OPEC in a shift of its policy by deciding against cutting production to support prices.

Low prices have also spurred global demand to multi-year highs, but just as Saudi Arabia's strategy was showing signs of success, the U.S. has lifted a decades-old ban on its oil exports and Iran is bracing to boost output after lifting of the sanctions, adding to bearish sentiment in oil market.

Gulf oil sources have been sceptical about a quick return of Iranian barrels and Tehran's ability to raise production as swiftly as it says it can. They have expected sanctions to be lifted by the end of March with around 200,000-300,000 barrels per day (bbl/d) of extra production flowing from Iran later this year.

Some now see oil prices falling further to around $25 a barrel. Brent was trading at $29.53 on Jan. 15 at 4:23 a.m. CST (10:23 GMT).

OPEC's Reference Basket of Crudes (ORB) is made up of: Saharan Blend (Algeria), Girassol (Angola), Oriente (Ecuador), Minas (Indonesia), Iran Heavy, Basra Light (Iraq), Kuwait Export, Es Sider (Libya), Bonny Light (Nigeria), Qatar Marine, Arab Light (Saudi Arabia), Murban (UAE) and Merey (Venezuela).

Chevron's Australian LNG Project Readies First Cargo

Chevron Corp. said it is on track to export the first cargo of LNG from its Australian Gorgon project—the world's most expensive—early this year.

Natural gas supplies from the $54 billion project will come to market just as a raft of other Australian projects come on line and the U.S. is due to export its first cargo from abundant shale gas supplies.

Chevron said that in preparation for the project's start-up it had begun to cool down the LNG storage and loading facilities at the Gorgon plant on Barrow Island off Western Australia.

First cargo is expected in the first quarter of 2016, according to the company.

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