

# ENERGY INSIDER

PDA Investor News

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**PENNECO**

YOUR ENERGY EXPLORATION PARTNER

## Pennsylvania Unclaimed Property

During 2014, 2015, and 2016, the PDA Partnerships were required to submit to the Pennsylvania Department of Revenue the face value of un-cashed PDA partnership checks. The number of checks involved and the value of the checks was substantial. You may have money on deposit with the Pennsylvania Department of Revenue, which you may claim by visiting: <http://www.patreasury.gov/Unclaimed/Search.html>.

## Oil Hedges

Those PDA Partnerships, having September oil production, paid \$297 to their hedging counterparties. Penneco hedged approximately 90% of its 2017 oil production at an average floor of \$50.00/BBL and an average ceiling of \$59.87/BBL. Any close below \$40.00/BBL would be priced at market plus \$10.00/BBL. This is called a 3-way producer collar. As always, Penneco will monitor the crude oil futures market for hedging opportunities at attractive prices.

## Natural Gas & Oil Prices

	September Prod. Month	November Prices
PDA Average Natural Gas Price/MCF (1)	\$ 2.36	
Dominion Transmission (DTI) Appalachian Index	\$ 1.80	\$ 1.65
NYMEX Natural Gas/MCF*	\$ 3.11	\$ 2.89
PDA Average Net Oil Price/ BBL	\$47.33	

(1) Net of third party transportation, compression, line loss, etc.

\*As of the 1st of the month

Hedges are currently based on the monthly NYMEX Natural Gas Futures Price and the monthly NYMEX WTI Crude Oil Futures Price

## Anti-fracking Argument not Sound

Dorothy T. Hufford's letter "Ban fracking to protect water" (<http://triblive.com/opinion/letters/12773416-74/ban-fracking-to-protect-water>) claims justification for the proposed Delaware River Basin fracking ban is "scientifically sound" and fracking "will destroy our drinking water." But the latest studies show that Hufford's argument is anything but "scientifically sound." The Environmental Protection Agency's report "Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources in the United States" found no evidence of widespread water contamination from fracking, despite expanding fracking's definition to include activities that are part of all oil and gas development and not exclusive to fracking. The report is one of no fewer than 28 studies reaching the same conclusion, including a Department of Energy study that found "no evidence" of Marcellus shale natural gas or brine migration into Pennsylvania groundwater. In 2013, the Susquehanna River Basin Commission found no "significant" impacts to the river over three years, despite the fact it runs through the heart of Marcellus drilling regions. And the Pennsylvania Department of Environmental Protection released a 2016 report that found no water contamination threat posed by fracking to streams, lakes and groundwater. As these studies show, the Delaware River Basin Commission's entire justification for its unconstitutional land grab is based entirely on an anti-fracking talking point that's been thoroughly debunked. Not only is DRBC's proposed fracking ban anything but "scientifically sound" - it's flat out unconstitutional. Source: *Triblive.com*

## Natural Gas Market

The DTI Appalachian Index price for November was \$1.65/MCF. The volume of natural gas in storage, at the beginning of November, was 3,790 billion cubic feet (BCF) which was 219 BCF less than the same time in 2016. Penneco will monitor the gas market for opportunities to hedge future gas production at attractive prices. September PDA gas hedges resulted in a gain of \$90,984 to the PDA Partnerships.

The U.S. RIG COUNT on November 3, 2017 was 898 with 729 drilling for oil and 169 drilling for natural gas. The Pennsylvania gas rig count is 31, down 85, from the high of 116 reached in February of 2012. The total U.S. oil rig count is 729 up by 279 since last year at this time. Source: *Baker Hughes*

This document is intended solely for existing investors in PDA Partnerships and their legal, business, financial and tax advisors and any distribution or use for any other purpose is unauthorized.

Please call Amy Turowski for any questions you have relative to your cash distribution. If you have changed your address or desire an account change, please email changes to [donnam@penneco.com](mailto:donnam@penneco.com), or fax to Donna Musser at 724-468-8230. Our National toll free number is 1-800-242-1241.



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