

ENERGY INSIDER

PDA Investor News

April 2018 • Issue #98

PENNECO

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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: [https:// www.patreasury.gov/Unclaimed-property/](https://www.patreasury.gov/Unclaimed-property/)

Oil Hedges

There were hedge payments to our counter parties in the amount of \$33,832 from those PDA Partnerships having February oil production. Penneco has hedged approximately 81.25% of its oil production for the first half of 2018 at an average price of \$53.85/bbl and approximately 50% of its oil production for the second half of 2018 at an average price of \$54.31/bbl. As always, Penneco will monitor the crude oil futures market for hedging opportunities at attractive prices.

Natural Gas & Oil Prices

	February Prod. Month	April Prices
PDA Average Natural Gas Price/MCF (1)	\$ 2.50	
Dominion Transmission (DTI) Appalachian Index	\$ 3.03	\$ 2.35
NYMEX Natural Gas/MCF*	\$ 3.81	\$ 2.83
PDA Average Net Oil Price/ BBL	\$46.04	

(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

Syria, Middle East Tensions Pose Bigger Risk for Oil Prices

Oil prices rose the most in two weeks Monday, as President Trump mulls a response to a Syrian chemical attack, but crude still reflects very little geopolitical risk. Earlier Monday, Trump flanked by John Bolton, his new, hawkish national security adviser, promised a “major decision” on Syria over the next 24 to 48 hours. Analysts said they expect whatever the response, it will be focused strictly on Syria and would not affect oil supplies. The incident is the latest in the region to spill into the oil market after the Iran-backed Houthis in Yemen attacked a Saudi oil tanker last week, one in a series of recent attacks on Saudi Arabia. However, analysts say the market is currently only reflecting \$2 or \$3 of geopolitical risk. I don’t think this becomes an event that limits physical supply from the region, but there are risks,” said Bart Melek, head of commodities strategy at TD Securities. West Texas Intermediate crude futures settled at \$63.42, a gain of 2.2% Monday. Both Syria’s government and Russia denied involvement in the Saturday night attack that killed at least 60 and wounded more than 1,000 in Douma. However, both accused Israel of carrying out attacks the following day on a Syrian air base, killing at least 14 people, including Iranian personnel. “The market seems to be moving on the trade war story. I think the Middle East stories are important,” said Helima Croft, head of global commodities strategy at RBC. Read the full article at <https://www.cnbc.com/2018/04/09/syria-middle-east-tensions-pose-bigger-risk-for-oil-prices.html>
Source: CNBC

Natural Gas Market

The DTI Appalachian Index price for April was \$2.35/MCF. The volume of natural gas in storage, at the beginning of April, was 1,354 billion cubic feet (BCF) which was 688 BCF less than the same time in 2017. Penneco will monitor the gas market for opportunities to hedge future gas production at attractive prices. February PDA gas hedges resulted in a loss of \$18,944 to the PDA Partnerships.

The U.S. RIG COUNT on April 6, 2018 was 1,002 with 808 drilling for oil and 194 drilling for natural gas. The Pennsylvania gas rig count is 41, down 75, from the high of 116 reached in February of 2012. The total U.S. oil rig count is 1,002 up by 330 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, or fax to Donna Musser at 724-468-8230. Our National toll free number is 1-800-242-1241.



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