

# 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: [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 \$29,952 from those PDA Partnerships having March 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

	March Prod. Month	May Prices
PDA Average Natural Gas Price/MCF (1)	\$ 2.95	
Dominion Transmission (DTI) Appalachian Index	\$ 2.21	\$ 2.44
NYMEX Natural Gas/MCF*	\$ 2.77	\$ 2.69
PDA Average Net Oil Price/ BBL	\$52.19	

(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

## U.S. Pullout from Iran Nuclear Deal May Unsettle Markets

President Trump's decision to withdraw from the Iran nuclear deal has so far had no more than a muted effect on oil and gasoline prices. But that could easily change. The full impact on global oil markets may not be seen for weeks or months. It will depend on how tightly the administration enforces new sanctions on Iran, and whether the entire deal collapses or can somehow be salvaged. That may well depend on the responses of a diverse cast of geopolitical actors from Moscow to Beijing to New Delhi since the United States imports no oil directly from Iran. A cascade of unpredictable events may follow the administration's action, one that could ultimately lead to compromise. If not, there could be even greater instability across the Middle East and possibly an oil-price spike. The biggest wild card is how Iran will respond. European leaders have urged Iran to continue to abide by the agreement to freeze its nuclear development, despite the American withdrawal. President Hassan Rouhani has said he wants to negotiate with the Europeans, Russia and China on terms for continuing the deal, but the country's supreme leader, Ayatollah Ali Khamenei, has left the door open to resuming its nuclear program. For additional leverage, Iran could unleash allied militias based in Lebanon, Syria and Yemen against Israel and Saudi Arabia.

Read the full article at <https://www.nytimes.com/2018/05/09/business/energy-environment/iran-oil.html>

Source: *The New York Times*

## Natural Gas Market

The DTI Appalachian Index price for May was \$2.44/MCF. The volume of natural gas in storage, at the beginning of May, was 1,432 billion cubic feet (BCF) which was 863 BCF less than the same time in 2017. Penneco will monitor the gas market for opportunities to hedge future gas production at attractive prices. March PDA gas hedges resulted in a gain of \$61,573 to the PDA Partnerships.

The U.S. RIG COUNT on May 6, 2018 was 1,030 with 834 drilling for oil and 196 drilling for natural gas. The Pennsylvania gas rig count is 39, down 77, from the high of 116 reached in February of 2012. The total U.S. oil rig count is 834 up by 131 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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6608 Route 22 • Delmont, PA 15626-2408  
(ph) 800-242-1241 • (fax) 724-468-8230 • [PENNECO.com](http://PENNECO.com)