

# ENERGY INSIDER

PDA Investor News

September 2020 • Issue #127

**PENNECO**  
YOUR ENERGY EXPLORATION PARTNER

## Pennsylvania Unclaimed Property

During 2014, 2015, 2016, 2017, 2018 and 2019 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/>

## Oil Hedges

There were hedge payments from our counter parties in the amount of \$17,182 to those PDA Partnerships having July oil production. For 2020, Penneco has hedged 42% of its oil production with a 3-way collar of \$40/\$50/\$65. A monthly closing price below \$40 we receive the market price plus \$10, between \$40 and \$50 we receive \$50, between \$50 and \$65 we receive the market price and above \$65 we receive \$65. As always, Penneco will monitor the crude oil futures market for hedging opportunities at attractive prices.

## Natural Gas & Oil Prices

	July Prod. Month	September Prices
PDA Average Natural Gas Price/MCF (1)	\$1.22	
Dominion Transmission (DTI) Appalachian Index/MCF	\$1.22	\$1.17
NYMEX Natural Gas/MCF*	\$1.57	\$2.71
PDA Average Net Oil Price/ BBL	\$52.02	

(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

## Natural Gas Futures Dive Lower as Demand Becoming More Difficult to Gauge

Natural gas futures gave up ground on Tuesday as markets weighed a mixed weather outlook and new data pointing to both increased production and demand for U.S. liquefied natural gas (LNG) as the industry recovers from the impacts of Hurricane Laura. The October Nymex contract settled at \$2.400/MMBtu, down 18.8 cents/day. November declined 9.5 cents to \$2.892. Spot gas prices, meanwhile, declined as weather turned cooler-than-normal across much of the country, while robust heat and wildfire risks in the West forced planned power outages across more than 20 California counties. NGI's Spot Gas national average fell 16.5 cents to \$2.005. The National Weather Service (NWS) said while extreme heat continues to permeate the Southwest and California, heightening wildfire and blackout threats, high temperatures could begin to ease Wednesday. At the same time, the NWS said, conditions cooled substantially on Monday across the Rocky Mountains, and the "cold front will continue to slowly push east through the end of the week, providing a focus for heavy rain and thunderstorms along and ahead of the front- especially for the Southern Plains and central U.S." Against that backdrop, bespoke Weather Services said it is becoming increasingly challenging for traders to gauge weather-driven demand. The Lower 48 is moving into an early fall period when heat can drive cooling demand in parts of the country, and potentially, cold weather can fuel heating needs. However, such demand can quickly prove fleeting if temperatures level off to near historic norms, leaving comfortable conditions and easing both cooling and heating demand. Read full article at <https://www.naturalgasintel.com/natural-gas-futures-dive-lower-as-demand-becoming-more-difficult-to-gauge/>  
Source: [Naturalgasintel.com](https://www.naturalgasintel.com)

## Natural Gas Market

The DTI Appalachian Index price for September was \$1.17/MCF. The volume of natural gas in storage, at the end of August, was 3,454 billion cubic feet (BCF) which was 537 BCF more than the same time in 2019. Penneco will monitor the gas market for opportunities to hedge future gas production at attractive prices. July PDA gas hedges resulted in a payment of \$11,015 from our counter parties.

The U.S. RIG COUNT on August 28, 2020, was 252 with 180 drilling for oil and 72 drilling for natural gas. The Pennsylvania gas rig count is 18, down 98, from the high of 116 reached in February of 2012. The total U.S. oil rig count is 180 down by 562 since last year at this time. Source: BakerHughes

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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