

ENERGY INSIDER

PDA Investor News

November 2021 • Issue #141

PENNECO
YOUR ENERGY EXPLORATION PARTNER

Pennsylvania Unclaimed Property

The PDA Partnerships were required to submit to the Pennsylvania Department of Revenue the face value of un-cashed PDA partnership checks between 2014 and 2021. 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 to our counter parties in the amount of \$17,640 for those PDA Partnerships having September oil production. For 2021, Penneco has hedged 50% of its oil production with an average price 3-way collar of \$38.50/\$50/\$57. A monthly closing price below \$38.50 we receive the market price plus \$11.50, between \$38.50 and \$50 we receive \$50, between \$50 and \$57 we receive the market price and above \$57 we receive \$57. As always, Penneco will monitor the crude oil futures market for hedging opportunities at attractive prices.

Natural Gas & Oil Prices

	September Prod.	November Prices
PDA Average Natural Gas Price/MCF (1)	\$2.04	
Dominion Transmission (DTI) Appalachian Index/MCF	\$3.61	\$5.72
NYMEX Natural Gas/MCF*	\$4.59	\$6.51
PDA Average Net Oil Price/ BBL	\$59.22	

(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. Projects Oversupplied Global Oil Markets By Early 2022

The U.S. government projected that the global oil market will become oversupplied and prices will fall by early next year, cooling expectations that the White House may tap the nation's emergency reserves. Supply increases next year from OPEC nations as well as U.S. drillers will ultimately pressure prices lower. The U.S. benchmark crude will fall below \$80 a barrel by December and reach as low as \$62 by the end of next year and its global counterpart Brent will average \$72 a barrel in 2022, the Energy Information Administration said in its Short-Term Energy Outlook. U.S. pump prices will drop below \$3 a gallon by February, the data show. "We forecast that global oil stocks will begin building in 2022, driven by rising production from OPEC+ and the U.S., along with slowing growth in global oil demand," the EIA said. The Biden administration has been under pressure to act to suppress rising gasoline prices that are now at the highest levels since 2014. But the report may weaken the argument for a release of oil from the U.S. Strategic Petroleum Reserve, a move that had been seen as the most direct action U.S. President Biden could take to drive down prices, especially after OPEC and its allies resisted Biden's calls to bring more crude supplies into the global market. The Strategic Petroleum Reserve holds more than 600 million barrels of crude in underground caverns in Louisiana and Texas for major emergencies. Existing volumes are large enough to replace all the oil that the U.S. imports from OPEC and its allies for more than a year. Read full article at <https://www.worldoil.com/news/2021/11/9/us-projects-oversupplied-global-oil-markets-by-early-2022>
Source: WorldOil.com

Natural Gas Market

The DTI Appalachian Index price for November was \$5.72/MCF. The volume of natural gas in storage, at the end of October, was 3,611 billion cubic feet (BCF) which was 313 BCF less than the same time in 2020. Penneco will monitor the gas market for opportunities to hedge future gas production at attractive prices. September PDA gas hedges resulted in a payment of \$42,134 to our counter parties.

The U.S. RIG COUNT on November 1, 2021, was 544 with 444 drilling for oil and 100 drilling for natural gas. The Pennsylvania gas rig count is 17, down 99, from the high of 116 reached in February of 2012. The total U.S. oil rig count is 444 up by 223 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, or fax to Donna Musser at 724-468-8230. Our National toll free number is 1-800-242-1241.



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