

ENERGY INSIDER

PDA Investor News

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PENNECO
YOUR ENERGY EXPLORATION PARTNER

“2021 PDA K-1s”

PDA K-1s to be mailed in mid-March

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 \$1,931 for those PDA Partnerships having December oil production. Penneco does not currently have any oil hedges for 2022. As always, Penneco will monitor the crude oil futures market for hedging opportunities at attractive prices.

Natural Gas & Oil Prices

	December Prod. Month	February Prices
PDA Average Natural Gas Price/MCF (1)	\$3.81	
Dominion Transmission (DTI) Appalachian Index/MCF	\$5.07	\$5.99
NYMEX Natural Gas/MCF*	\$5.72	\$6.58
PDA Average Net Oil Price/ BBL	\$68.27	

(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

Oil Rallies on Big Drawdown in U.S. Crude Stocks, Strong Demand

Oil prices rallied on Wednesday after U.S. crude inventories dropped by nearly 5 million barrels and fuel demand rose to an all-time high, underscoring the market's ongoing tightness. Brent crude futures settled up \$0.77, or 0.9%, to \$91.55 a barrel. U.S. West Texas Intermediate crude (WTI) ended up \$0.30 to \$89.66 a barrel. U.S. crude stocks fell by 4.8 million barrels last week to 410.4 million barrels, their lowest since October 2018, while overall product supplied, a proxy for demand, hit a record 21.9 million bpd over the past four weeks, government data showed. The heavy activity and ramp-up in U.S. refinery processing augur for a tight market for coming months. "The data was decidedly bullish hands down - everything was bullish, with inventories at their lowest level in years," said Phil Flynn, analyst at Price Futures Group. The market has also been supported by concerns about ongoing threats to supply in United Arab Emirates, which has been hit by attacks from Yemen's Houthi group, and over Russia due to the presence of thousands of its troops near Ukraine's border. The Biden administration responded to high prices by again stating this week that it has been talking with large producers about more output, as well as the possibility of additional strategic releases from large consumers, as it did late last year. Read full at <https://www.reuters.com/business/energy/oil-prices-nudge-up-after-api-data-shows-surprise-drop-us-stocks-2022-02-09/>

Source: [Reuters.com](https://www.reuters.com)

Natural Gas Market

The DTI Appalachian Index price for February was \$5.99/MCF. The volume of natural gas in storage, as of January 28th, was 2,323 billion cubic feet (BCF) which was 174 BCF less than the same time in 2021. Penneco will monitor the gas market for opportunities to hedge future gas production at attractive prices. December PDA gas hedges resulted in a payment of \$5,111 to our counter parties.

The U.S. RIG COUNT on January 28, 2022, was 610 with 495 drilling for oil and 115 drilling for natural gas. The Pennsylvania gas rig count is 23, down 93, from the high of 116 reached in February of 2012. The total U.S. oil rig count is 495 up by 200 since last year at this time.

Source: [BakerHughes](https://www.bakerhughes.com)

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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