

ENERGY INSIDER

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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 2022. 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/>

Natural Gas Market

For April - October 2023 Penneco has hedged 52% of its natural gas production with 3-way collars averaging \$2.88/\$3.75/\$4.86. Below \$2.88 we receive market plus \$0.88, between \$2.88 and \$3.75 we receive \$3.75, between \$3.75 and \$4.86 we receive market pricing and above \$4.86 we receive \$4.86. Penneco has also hedged 52% of the EG-APP basis for this same period at a price of \$0.97. For the 2024 calendar year, Penneco has hedged approximately 25% of our total production at a fixed price of \$3.512 and another 25% of our total volume using a collar that has a floor of \$3.20 and a ceiling of \$3.90. For the calendar year of 2025, Penneco has hedged approximately 25% of our total volume using a 3-way collar averaging \$3.50/\$4.00/\$7.89, below \$3.50 Penneco receives the market price plus \$0.50, between \$3.50-\$4.00, Penneco receives \$4.00, between \$4.00-\$7.89, Penneco receives the market price and above \$7.89, Penneco receives \$7.89.

Penneco Has No Oil Hedges in Place For 2023

Natural Gas & Oil Prices

	March Prod. Month	May Prices
PDA Average Natural Gas Price/MCF (1)	\$2.65	
Dominion Transmission (DTI) Appalachian Index/MCF	\$2.13	\$1.61
NYMEX Natural Gas/MCF*	\$2.57	\$2.22
PDA Average Net Oil Price/ BBL	\$65.69	

(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, Gas Drilling Activity in U.S. Sees Largest Single-Week Drop Since Mid-2020

The total number of total active drilling rigs in the U.S. fell by 17 this week, according to new data from Baker Hughes published Friday, after falling by 7 last week. It is the largest single-week drop in the number of oil and gas rigs in the U.S. since June 2020. The total rig count fell to 731 this week, just 17 rigs higher than the rig count this time in 2022 and 344 rigs lower than the rig count at the beginning of 2019, prior to the pandemic. Oil rigs in the U.S. fell by 2 this week to 586. Gas rigs fell by 16 to 141. Miscellaneous rigs rose by 1. The rig count in the Permian Basin fell by 3, while the rig count in the Haynesville fell by 5. Primary Vision's Frac Spread Count, an estimate of the number of crews completing unfinished wells, a more frugal use of finances than drilling new wells, fell by 12 for the week ending May 5, to 282. This is 5 fewer finishing crews than a month ago, and 4 more than a year ago. It is the largest single-week drop since December 2021. Crude oil production levels in the U.S. saw no changes in the week ending May 5, staying at 12.3 million bpd, according to the latest weekly EIA estimates. U.S. production levels are up 500,000 bpd versus a year ago. At 12:41 p.m. ET, the WTI benchmark was trading down \$0.56 (-.79%) on the day at \$70.3, down less than \$1 per barrel from this time last week. The Brent benchmark was trading down \$.63 (-.84%) at \$74.35 per barrel on the day, also down just shy of \$1 per barrel from last Friday. WTI was trading at \$70.26 minutes after the data release, down 0.86% on the day

Source: oilprice.com

Natural Gas Market

The DTI Appalachian Index price for May was \$1.61/MCF. The volume of natural gas in storage, as of May 5th, was 2,141 billion cubic feet (BCF) which was 509 BCF more than the same time in 2022. Penneco will monitor the gas market for opportunities to hedge future gas production at attractive prices. There were no PDA gas hedges in place for March 2023 production.

The U.S. RIG COUNT on May 5, 2023, was 745 with 588 drilling for oil and 157 drilling for natural gas. The Pennsylvania gas rig count is 26, down 90, from the high of 116 reached in February of 2012. The total U.S. oil rig count is 588 up by 31 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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