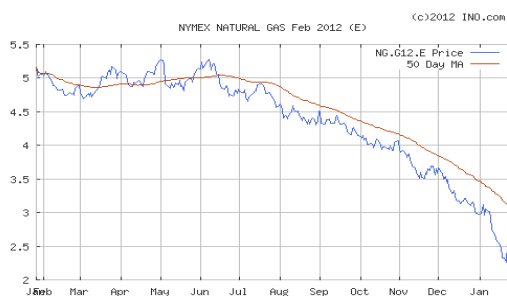


Volume 411 January 26, 2012

**Market-** The gas market experienced a rise in price early in the week after Chesapeake Energy (the 2<sup>nd</sup> largest gas producer) announced natural gas output cuts at 70% of 2011 levels. The storage report was a large withdrawal but we still have more gas in storage than last year and the 5 year average. The US gas traditional rig count was a decrease this week of 11 putting the count at 780 but horizontal drilling continues to increase. Prices continue to be tempered by flat industrial demand and a sluggish economy. Gas production levels due mostly to shale drilling are still strong and exports continue. Natural gas is very attractive to fix at this time.

The Crude oil price for February is lower this week at \$100.70 per barrel. Heating oil is higher at \$3.04 per gal. Unleaded gasoline futures are higher this week at \$2.85 and gasoline at the pump is around \$3.29...in Indiana. The natural gas storage report today was a withdrawal of 192 BCF; storage is **531 BCF higher** than last year and **547 BCF higher** than the 5 year average.



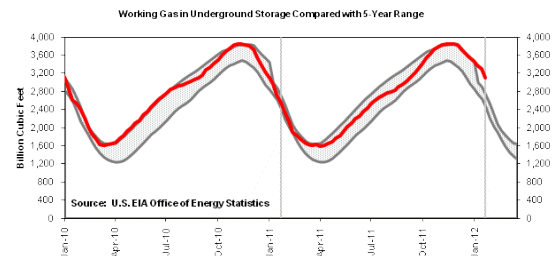
Above Graph – Feb 2012 NYMEX gas futures

**Weather: Today:** Mostly cloudy skies. Temps in the mid to upper 30s. Winds WSW at 10 to 15 mph. **Tonight:** Partly cloudy skies. Low 31F. Winds WNW at 10 to 20 mph. **Fri:** Sunshine giving way to clouds and a few showers during the afternoon. High 42F. Winds WSW at 10 to 15 mph. Chance of rain 30%. **Sat:** Partly cloudy. Highs in the upper 30s and lows in the upper 20s. **Sun:** Mix of sun and clouds. Highs in the low 30s and lows in the low 20s.

### Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,098	2,567	2,551

The total is a decrease of 192 BCF from last week.



Above Graph - Storage levels as of 1-26-12

### Comparative Fuels: Futures Prices for Feb

	Price	Compared to Nat Gas
Natural Gas (therm)	\$2.676	\$2.676
Propane (gal)	\$1.26	\$1.38
Crude Oil (barrel)	\$100.70	
Heating Oil (gal)	\$3.04	\$2.18
Unleaded Gas (gal)	\$2.84	

### North American Natural Gas Rig Count:

This week	780
Last week	791
Year Ago this week	906

### US Horizontal Rig Count:

This week	1183
Last week	1161
Year Ago this week	966

**NGI for January 2012 \$3310**

