

Volume 412 February 2, 2012

Market- February natural gas futures expired at \$.2678 last Friday. The gas market traded lower during the week and then rebounded today after a large storage withdrawal report this morning; 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 3 putting the count at 777 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 March is lower this week at \$96.62 per barrel. Heating oil is higher at \$3.06 per gal. Unleaded gasoline futures are higher this week at \$2.88 and gasoline at the pump is around \$3.39...in Indiana. The natural gas storage report today was a withdrawal of 132 BCF; storage is **586 BCF higher** than last year and **601 BCF higher** than the 5 year average.



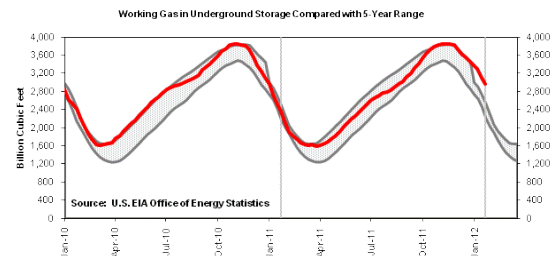
Above Graph – Mar 2012 NYMEX gas futures

Weather: Tonight: Mostly cloudy. Low 36F. Winds NNE at 5 to 10 mph. **Fri:** Cloudy skies. High around 45F. Winds NE at 10 to 15 mph. **Fri night:** Cloudy skies with a few showers later at night. Low 39F. Winds NE at 10 to 20 mph. Chance of rain 30%. **Saturday:** Partly to mostly cloudy. High 44F. Winds ENE at 10 to 20 mph. **Sunday:** Highs in the mid 40s and lows in the upper 30s. **Monday:** Considerable cloudiness. Highs in the mid 40s and lows in the mid 30s.

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
2,966	2,380	2,365

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



Above Graph - Storage levels as of 2-2-12

Comparative Fuels: Futures Prices for Feb

	Price	Compared to Nat Gas
Natural Gas (therm)	\$.2505	\$.2505
Propane (gal)	\$1.28	\$1.41
Crude Oil (barrel)	\$96.62	
Heating Oil (gal)	\$3.06	\$2.20
Unleaded Gas (gal)	\$2.88	

North American Natural Gas Rig Count:

This week	777
Last week	780
Year Ago this week	913

US Horizontal Rig Count:

This week	1185
Last week	1183
Year Ago this week	973

NGI for February 2012 \$2.770

