

Volume 426 May 17, 2012

**Market-** The natural gas market traded higher again this week without any real technical reason to support the increase; but over-supply is keeping prices low. This week was another storage **injection**. 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 8 but horizontal drilling increased 29 rigs. Prices continue to be tempered by flat industrial demand; but the economy is improving. 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 June is lower this week at \$93.19 per barrel. Heating oil is lower at \$2.89 per gal. Unleaded gasoline futures are lower this week at \$2.85 and gasoline at the pump is around \$3.89...in Indiana. The natural gas storage report today was an injection of 61 BCF; storage is **774BCF higher** than last year and **773 BCF higher** than the 5 year average.



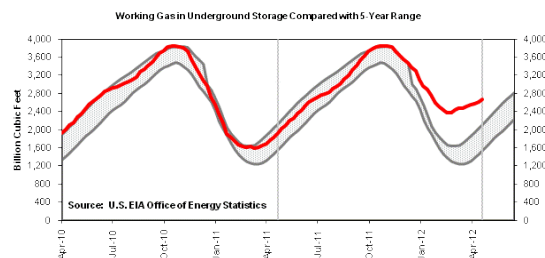
Above Graph – June 2012 NYMEX gas futures

### Extended Temperature Forecast: Chicago Area

	Thu	Fri	Sat	Sun	Mon
High	70	82	86	85	72
Low	54	62	66	64	55

Storage Statistics: (BCF) Billion Cubic Ft	This Week	Last Year	5 Year Ave.
	2,667	1,893	1,894

The total is an increase of 61 BCF from last week.



Above Graph - Storage levels as of 5-17-12

Comparative Fuels: Futures Prices for June	Price	Compared to Nat Gas
Natural Gas (therm)	\$2.573	\$2.573
Propane (gal)	\$9.780	\$1.07
Crude Oil (barrel)	\$93.19	
Heating Oil (gal)	\$2.89	\$2.08
Unleaded Gas (gal)	\$2.85	

### North American Traditional Nat. Gas Rig Count:

This week	5986
Last week	606
Year Ago this week	874

### US Horizontal Rig Count:

This week	1187
Last week	1158
Year Ago this week	1041

NGI for May 2012 \$2.090

