

Volume 427 May 24, 2012

Market- The natural gas market traded higher again this week without any real technical reason other than hot weather 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 an increase this week of 2 and horizontal drilling increased 6 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 \$90.81 per barrel. Heating oil is lower at \$2.83 per gal. Unleaded gasoline futures are lower this week at \$2.80 and gasoline at the pump is around \$3.95...in Indiana. The natural gas storage report today was an injection of 77 BCF; storage is **750BCF higher** than last year and **753 BCF higher** than the 5 year average.



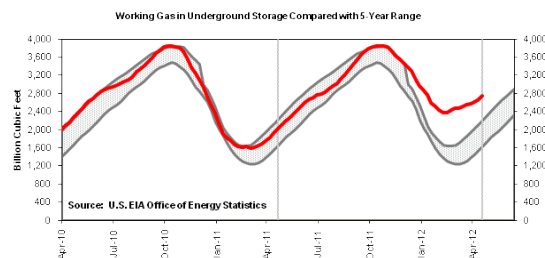
Above Graph – June 2012 NYMEX gas futures

Extended Temperature Forecast: Chicago Area

	Thu	Fri	Sat	Sun	Mon
High	87	79	88	92	90
Low	63	63	72	73	65

Storage Statistics: (BCF) Billion Cubic Ft	This Week	Last Year	5 Year Ave.
	2,744	1,994	1,991

The total is an increase of 77 BCF from last week.



Above Graph - Storage levels as of 5-24-12

Comparative Fuels: Futures Prices for June	Price	Compared to Nat Gas
Natural Gas (therm)	\$2.724	\$2.724
Propane (gal)	\$9.080	\$9.897
Crude Oil (barrel)	\$90.81	
Heating Oil (gal)	\$2.83	\$2.03
Unleaded Gas (gal)	\$2.80	

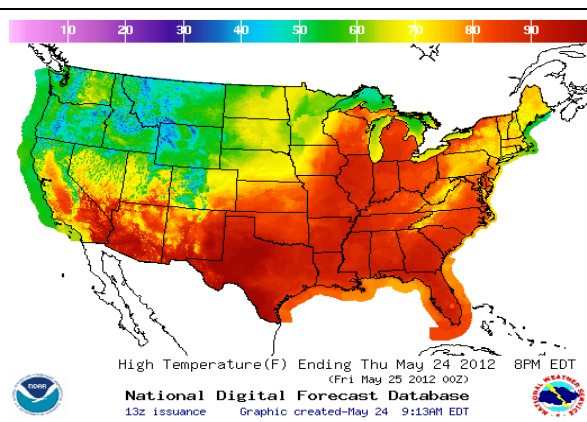
North American Traditional Nat. Gas Rig Count:

This week	600
Last week	598
Year Ago this week	866

US Horizontal Rig Count:

This week	1193
Last week	1187
Year Ago this week	1038

NGI for May 2012 \$2.090



High Temperature (F) Ending Thu May 24 2012 8PM EDT
(Fri May 25 2012 00Z)
National Digital Forecast Database
13z Issuance Graphic created May 24 9:13AM EDT