

Volume 428 May 31, 2012

Market- The June natural gas futures contract expired Tuesday at \$.2429 per therm; July is now the front month. The natural gas market traded lower this week and 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 6 and horizontal drilling decreased 2 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 July is lower this week at \$86.55 per barrel. Heating oil is lower at \$2.71 per gal. Unleaded gasoline futures are lower this week at \$2.72 and gasoline at the pump is around \$3.65...in Indiana. The natural gas storage report today was an injection of 71 BCF; storage is **732BCF higher** than last year and **724 BCF higher** than the 5 year average.



Above Graph – July 2012 NYMEX gas futures

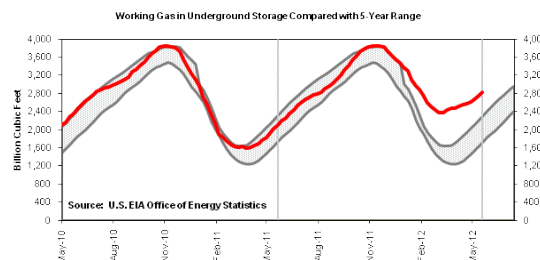
**Extended Temperature Forecast:
Chicago Area**

	Thu	Fri	Sat	Sun	Mon
High	54	62	72	79	77
Low	50	53	58	63	61

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
2,815	2,083	2,091

The total is an increase of 71 BCF from last week.



Above Graph - Storage levels as of 5-31-12

Comparative Fuels: Futures Prices for July

	Price	Compared to Nat Gas
Natural Gas (therm)	\$.2474	\$.2474
Propane (gal)	\$.8300	\$.9047
Crude Oil (barrel)	\$86.55	
Heating Oil (gal)	\$2.71	\$1.95
Unleaded Gas (gal)	\$2.72	

North American Traditional Nat. Gas Rig Count:

This week	594
Last week	600
Year Ago this week	881

US Horizontal Rig Count:

This week	1191
Last week	1193
Year Ago this week	1054

NGI for May 2012 (est.) \$.2554

