SNL Energy DAILY GAS REPORT™
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Citing weak gas prices, WPX Energy will shift focus to NGL, oil

by Robert Walton

WPX Energy Inc. is forecasting up to $1.2 billion in capital spending for 2012, on the low end of previous estimates, due to a decline in natural gas prices.

"For 2012, we've lowered our spending in keeping with our philosophy for capital discipline," WPX CEO Ralph Hill said. "We're primarily focusing on our Bakken oil and Piceance natural gas liquids properties where we have the best opportunities to generate the highest revenues and returns."

Previously, Williams Cos. Inc. forecast a capital budget of $1.2 billion to $1.8 billion and double-digit-percentage production growth for WPX Energy. Williams recently completed the spinoff of its exploration and production business, which now stands separately as WPX.

About 95% of the company's 2012 domestic capital budget is focused on its core areas in the Bakken Shale, Piceance Basin and Marcellus Shale, with about 65% of the budget designated for areas with oil and liquids production, WPX said. The company also plans to add a sixth rig in the Bakken Shale at midyear and deploy an average of five rigs in the Piceance Basin and three rigs in the Marcellus Shale in 2012. Those plans represent a reduction of six rigs in the Piceance and four rigs in the Marcellus compared to previous plans, which equates to more than a 40% decrease in the company's rig count in these basins.

"This drilling program allows us to remain in a position of strength with regard to our

Continued on p 9

In this Issue

Click on headline to advance to story

Economist: Blocking LNG exports would hurt US market

EIA: Drilling cut to slow nat gas production, support price recovery in 2012-2013

House committee moves Keystone XL bill forward

Poll: Majority of Canadians support hydraulic fracturing moratorium

Magellan, Copano pull in customers for Double Eagle pipeline

Magellan generates record results in 2011, plans for growth

Regulatory panel extends comment period for Northern Gateway

To Market Story

To Market Report

Gas industry must improve image to expand pipe infrastructure, panelists say

by Sarah Smith

While the gas industry weighs the need for upgraded pipeline infrastructure and the question of who should be responsible for its costs, public confidence in pipeline safety is growing shaky, according to panelists at the winter meetings of the National Association of Regulatory Utility Commissioners.

Balancing ratepayer costs, shareholder returns and the expensive process of maintaining pipeline safety is an issue that natural gas utilities and commissioners need to resolve, Rick Kessler, vice president of the Pipeline Safety Trust's board of directors, said Feb. 7 at the Washington, D.C., meeting.

"People now question whether we're really doing all we can to keep our citizens safe, and I think they're right to do so, especially with the rapid aging and apparent deteriorations of our pipeline system," Kessler told the commissioners. "Unless we can maintain the integrity of these older systems … we'll find it harder and harder to convince Americans that new production and the pipelines that go with it are in their best interest."

Continued on p 9

Sierra Club declares war on LNG exports

by Sean Sullivan

With objections filed with the U.S. Department of Energy and FERC, the Sierra Club committed to a broad effort to bring legal and administrative challenges against proposed LNG export terminals.

"Liquefied natural gas is not only the dirtiest and most polluting form of gas, but it also requires an increase in fracking, a process we know to be unsafe and dangerous," Deb Nardone, director of the Sierra Club's natural gas reform campaign, said in a Feb. 7 statement. "The industry is pushing forward with these export facilities with their profits in mind, not the families who will bear the burden of increased fracking."

The Sierra Club, which has intervened in gas pipeline projects but until recently has seemed to ignore LNG export proposals, joined other LNG export opponents such as the American Public Gas Association and the Industrial Energy Consumers of America, which are more concerned with the effect exports would have on U.S. gas prices, policy and supply.

The group is making up for lost time. On Feb. 6, the Sierra Club filed an objection with the DOE against a Dominion Resources Inc. application to export LNG from the Cove Point Terminal in Maryland. The group argued that exports would raise gas and power prices in the U.S. and expand production in the Marcellus Shale and elsewhere. The filing requested a full environmental impact statement on the environmental effects of Marcellus production, which the group said was the first such request involving LNG export authorizations before the DOE.

The Sierra Club moved against other projects. On Jan. 27, it submitted comments to FERC criticizing the commission's environmental review of Cheniere Energy Inc.'s export plans for the Sabine Pass Terminal in Louisiana.

On Jan. 18, the Sierra Club and other groups appealed the Oregon Department of State Lands' decision to issue a dredging permit for the Port of Coos Bay, which the Sierra Club said was designed to facilitate LNG and coal shipments.

COMPANIES REFERENCED IN THIS ARTICLE:

Cheniere Energy Inc.	LNG
Dominion Resources Inc.	D

Industry Document: Sierra Club Fights Liquefied Natural Gas Exports

E-mail this story.

Economist: Blocking LNG exports would hurt US market

by Sean Sullivan

Any move to keep natural gas locked up within the U.S. market would be "protectionist," an economist told a National Association of Regulatory Utility Commissioners subcommittee on gas, and such a policy would have unhealthy consequences for the national economy.

"It is a matter of whether you believe in free trade or not," Ken Costello said, "because anything that restricts the exports I would consider it a protectionist policy where you're trying to restrict trade for some purpose." Costello, a principal at the National Regulatory Research Institute, discussed U.S. LNG exports on Feb. 5 at the NARUC winter committee meetings.

"The literature has shown for the most part that these policies are detrimental to the good of the country, and they basically serve special interests," Costello said. "The cost is greater than the benefits."

"I'm going to argue here, in the case of LNG, there's really no good reason why, in my opinion, we should restrict the trade," he said.

Costello listed arguments for and against exports. On the one side, free trade and exports improve the U.S. economy, improve the U.S. balance of payments with other countries, boost jobs, increase the value of domestic gas resources, and encourage production. On the other, exports cause domestic gas prices to rise and become volatile, take gas supply away from domestic energy programs, accelerate the depletion of U.S. resources and continue dependence on fossil fuels.

Costello recognized that U.S. gas prices will probably rise with LNG exports, as a study from the U.S. Energy Information Administration concluded. "As an economist, I would say that's the way it should be," he said.

Following Costello's presentation, EIA official Angelina LaRose, leader of the gas markets team in the Office of Energy Analysis, reported the findings of the agency's early release of the Annual Energy Outlook for 2012 and the agency's study of the effect of gas exports on U.S. energy markets. In a question and answer session afterward, LaRose found herself defending EIA's numbers. In response to questions about EIA's reduction of its shale gas estimate, LaRose said the EIA revised its estimate because the U.S. Geological Survey changed its own estimate of undiscovered, recoverable reserves in the Marcellus in 2011. In response to other questions about EIA's projection of 2.2 Bcf/d of LNG exports by 2020 — when DOE has approved export authorizations for more and when EIA's own study on exports used 6 Bcf/d and 12 Bcf/d scenarios — she explained the 2.2 Bcf/d figure is a reference case, but she admitted at this point there are many unknown variables.

"If you take into account everything," Costello said, "it seems like the U.S., at least at the current time, is in a good position to export its low-cost, abundant gas supplies to other countries with high gas demand growth and market prices."

E-mail this story.

EIA: Drilling cut to slow nat gas production, support price recovery in 2012-2013

by Jodi Shafto

As low natural gas prices reduce drilling plans, gas production is expected to see steady growth at a slower rate than in 2011 and price recovery is expected, the Energy Information Administration analysts said in the latest "Short-term Energy Outlook."

"Total marketed production grew by an estimated 4.8 Bcf/d or 7.8% in 2011, the largest year-over-year volumetric increase in history," EIA analysts said in the Feb. 7 report.

The analysts attributed the strong growth in large part to the increases in shale gas production, noting that while the natural gas rig count has fallen to 745 as of Feb. 3, from a 2011 high of 936 in mid-October, declines in production have not followed.

"That fact, combined with high initial production rates from new wells, associated natural gas production from oil drilling and a backlog of uncompleted or unconnected wells contribute to forecasts of further production increases in 2012 and 2013," the analysts said.

With growing domestic supply, pipeline gross imports are expected to fall by 0.5 Bcf/d or 5.5% in 2012, following a 0.6 Bcf/d or 6.4% decline in gross imports in 2011, while liquefied natural gas imports are expected to decline by 0.3 Bcf/d or 28% in 2012.

The EIA predicts an average of about 0.7 Bcf/d of LNG will arrive at terminals in the United States in both 2012 and 2013, either to take advantage of temporarily high local prices due to cold snaps and disruptions or to fulfill long-term contract obligations.

Growth in production will be met by an increase in consumption of 1.6 Bcf/d or 2.4% from 2011 to 68.5 Bcf/d in 2012.

"Consumption increases in all sectors, with the largest volume increase of 1.2 Bcf/d coming from the electric power sector," the EIA report said.

Natural gas consumption growth continues into 2013, with projected total consumption averaging 69.7 Bcf/d, as increases in the consumption of natural gas for power generation are likely to continue as domestic production continues to grow and natural gas remains a relatively inexpensive option for generators.

EIA expects Henry Hub natural gas spot prices to recover from the $2.67/MMBtu January average, which was down 50 cents from the December 2011 average and the lowest average monthly price since 2002.

Henry Hub spot gas is expected to average $3.35/MMBtu in 2012 and $4.07/MMBtu in 2013. Both the 2012 and 2013 estimates are below previous forecasts by 18 cents and 7 cents respectively.

Natural gas inventories, helped by the unusually warm winter and lower-than-normal inventory draws, are expected to end the winter heating season on March 31 with inventories at more than 2,000 Bcf. Inventory levels at the end of October 2012 and 2013 are expected to set record highs as well, the EIA said.

Industry Document: Short-Term Energy Outlook

E-mail this story.

House committee moves Keystone XL bill forward

by Sean Sullivan

The House Energy and Commerce Committee approved a bill that would remove the president's authority over TransCanada Corp.'s Keystone XL oil pipeline permit and give it to FERC in a 33 to 20 vote.

Rep. Lee Terry, R-Neb., who sponsored H.R. 3548, called the North American Energy Access Act, welcomed the approval in a Feb. 7 Facebook statement. "It is not unprecedented to lay an oil pipeline across America. Many pipelines already crisscross our great country," he said. "Opposition to Keystone demonstrates a lack of knowledge about how energy is moved throughout the U.S., or a desire to gain political points."

The bill, moving parallel to one in the Senate, would instruct FERC to approve the oil pipeline within 30 days of receiving the permit application if it complies with the State Department's final Environmental Impact Statement. In testimony before the Energy and Commerce Committee on Jan. 25, FERC Office of Energy Projects Director Jeff Wright said the bill lacks adequate rules and procedures, such as those providing for public comment.

COMPANY REFERENCED IN THIS ARTICLE:

TransCanada Corp.	TRP

E-mail this story.

Poll: Majority of Canadians support hydraulic fracturing moratorium

by Sarah Smith

A majority of Canadians across the country support a moratorium on hydraulic fracturing until federal environmental reviews are complete, according to a poll released Feb. 6.

The poll, commissioned by the Council of Canadians and conducted by Environics Research Group, found that 62% of Canadians "strongly or somewhat support" a moratorium, with percentages ranging from 55% in Quebec to 67% in British Columbia.

Residents of Quebec, which issued a 30-month suspension of fracking in March 2011, expressed the least support for a moratorium in the poll. Conversely, British Columbia had 5,000 wells drilled and fracked by the end of 2011 but showed the highest percentage of residents who support a cessation of fracking.

The poll was conducted by telephone Jan. 5-15, with 2,000 Canadian residents surveyed. The margin of error for the national sample was given as plus or minus 2.19 percentage points.

The Council of Canadians lauded the results of the poll, saying that it represented the desire of Canadians to see more comprehensive legislation dedicated to fracking safety, citing reports of methane pollution and earthquakes.

"Regulations on water and drilling permits vary from province to province," the Council of Canadians said in a Feb. 6 statement. "The lack of strict, consistent regulation on fracking adds to the pressing need for a moratorium until federal reviews are complete."

The federal reviews of the impacts of hydraulic fracturing are expected to take an additional two years, and other provinces such as New Brunswick and Nova Scotia have also begun environmental reviews of the practice.

The Canadian Association of Petroleum Producers, or CAPP, also released guiding principles in September 2011 for its members that use fracking, directing them to protect groundwater resources through sound wellbore construction, water recycling, measuring and disclosing water usage, and supporting the disclosure of fracking fluid additives, among other things.

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Many Canadian provinces have been responsibly using fracking for decades, according to David Pryce, CAPP vice president, and natural gas plays an important role in the Canadian economy.

"Hydraulic fracturing is not a new process. It has been safely used in western Canada for about 60 years," Pryce said. "In Alberta, 167,000 wells have been fractured over the past 60 years, without a single documented case of an impact on groundwater, according the Energy Resources Conservation Board."

While Pryce said the industry could do a better job of explaining natural gas development to Canadians, he said the provinces with histories of oil and gas development have established robust and effective regulations.

Industry Document: Don't Frack with our Water, Say Majority of Canadians in New Poll

Industry Document: Fracking Poll Results

E-mail this story.

Magellan, Copano pull in customers for Double Eagle pipeline

by Sean Sullivan

Magellan Midstream Partners LP said it is conducting final preparations for a joint pipeline project with Copano Energy LLC that would remove condensate from the Eagle Ford Shale and deliver it to Corpus Christi, Texas.

In a Feb. 7 earnings call, Magellan CEO Michael Mears and other executives discussed the pipeline as part of an overview the company's 2011 financial performance, which included a record quarterly operating profit of $139.8 million for the fourth quarter of that year.

The Magellan executives said the company is working with Copano to finalize customer commitments and to use existing lines, which could reduce the cost of the project. They said they could not provide additional detail before securing commitments, but they are aware competing projects are being discussed in the industry and they wanted to provide an update on their pipeline.

Copano and Magellan announced the 50/50 joint venture Double Eagle Pipeline LLC on Dec. 20, 2011. Double Eagle will build and own about 140 miles of new pipeline that would connect to an existing 50-mile segment owned by Copano and deliver the condensate to a Magellan terminal in Corpus Christi. In the announcement, the companies said the approximately $150 million cost of the project would be split equally between the partners. They said they hope to provide limited services by the end of 2012 and full service by the first quarter of 2013.

COMPANIES REFERENCED IN THIS ARTICLE:

Copano Energy LLC	**CPNO**
Magellan Midstream Partners LP	**MMP**

E-mail this story.

Magellan generates record results in 2011, plans for growth

by Sean Sullivan

Magellan Midstream Partners LP reported record quarterly operating profit of $139.8 million for the fourth quarter of 2011, an increase of $24.7 million, or 21%, compared to the $115.1 million profit for the fourth quarter of 2010.

"Magellan finished 2011 with strong financial results, producing record quarterly results driven by solid performance from our base business despite a weak environment for refined petroleum products demand growth," CEO Michael Mears said in a Feb. 7 statement. "The favorable impact of higher petroleum prices on our commodity-related activities and the contributions of recently-completed growth projects significantly contributed to our growth."

"We expect the favorable momentum of 2011 to continue with another record year projected for 2012 as additional expansion projects come online," he said. "Magellan's stable business model, investment-grade balance sheet and attractive slate of growth projects provide a bright future for our company, allowing us to target 9% distribution growth for our investors in 2012."

Net income grew 25% to a quarterly record of $110.3 million for the fourth quarter of 2011, compared to $88 million for the fourth quarter of 2010, and diluted net income per limited partner unit increased to 97 cents in the fourth quarter of 2011, versus 78 cents in the corresponding 2010 period. Diluted net income per unit, excluding mark-to-market commodity-related pricing adjustments, was $1.02 for the fourth quarter of 2011, exceeding the 93-cent guidance provided by management in early November 2011.

Distributable cash flow increased to a quarterly record of $131.3 million for the fourth quarter of 2011, compared to $128.1 million during the fourth quarter of 2010.

The company spent $200 million during 2011 on growth capital projects. Including projects such as the reversal of a portion of the partnership's Houston-to-El Paso pipeline to crude oil service, the Double Eagle Pipeline project with Copano Energy LLC and more than 5 million barrels of storage under construction, the partnership plans to spend about $430 million in 2012 and an additional $90 million in 2013 to complete these projects.

Magellan said it continues to evaluate more than $500 million of potential growth projects in early stages of development, which have been excluded from its spending estimates.

COMPANY REFERENCED IN THIS ARTICLE:

Magellan Midstream Partners LP	**MMP**

PR: Magellan Midstream Generates Record Quarterly and Annual Financial Results

E-mail this story.

Regulatory panel extends comment period for Northern Gateway

by Sarah Smith

The regulatory panel considering Enbridge Inc.'s proposed import-export pipeline project said recently that it will extend the deadline for submitting comments to accommodate its community hearings schedule.

Letters of comment on the Northern Gateway Project will now be accepted until Aug. 31 instead of the previous deadline of March 13, the joint review panel said in its amendments to the hearing order.

The Northern Gateway Pipelines LP project was proposed in May 2010 by Enbridge and Northern Gateway Pipelines Inc. Plans call for two pipelines, each estimated to span about 1,170 kilometers. One pipeline would carry Alberta oil from the oil sands to Kitimat for export, while the other would carry imported gas condensate from Kitimat to oil sands producers.

Enbridge President and CEO Patrick Daniels has said the project, expected to cost C$5.5 billion, would take advantage of Asia-Pacific markets and bring more than C$270 billion to the Canadian GDP over 30 years.

COMPANY REFERENCED IN THIS ARTICLE:

Enbridge Inc. **ENB**

Industry Document: Enbridge Northern Gateway Project: Amending Hearing Order OH-4-2011

E-mail this story.

TransCanada board appoints independent director

by Wijdan Khaliq

TransCanada Corp. on Feb. 6 said its board of directors appointed Rick Waugh as independent director, effective Feb. 1.

Waugh has been president and CEO and a director of Bank of Nova Scotia since March 25, 2003, according to a news release.

COMPANY REFERENCED IN THIS ARTICLE:

TransCanada Corp. **TRP**

PR: TransCanada Announces the Appointment of New Independent Director

E-mail this story.

Concho Resources increases 2011 production

by Abhishek Jha

Concho Resources Inc. produced 23.6 million barrels of oil equivalent of oil and natural gas during 2011, a 51% increase over its production in 2010.

In a statement released Feb. 6, the company said its proved reserves stood at 386.5 MMBOE at the end of 2011, a 19% increase over year-end 2010.

"Concho's total proved oil and natural gas reserves at December 31, 2011 … consisted of 238.3 [million barrels] of oil and 889.3 Bcf of natural gas utilizing an average 2011 WTI posted oil price of $92.71 per barrel and an average 2011 Henry Hub spot market natural gas price of $4.12 per MMBtu," the company said. "At December 31, 2011, 61% of the company's proved reserves were proved developed compared to 57% at year-end 2010."

Concho said its production of 23.6 MMBOE in 2011 included 14.7 million barrels of oil and 53.7 Bcf of natural gas. That total was up from 15.6 MMBOE in 2010, when 10.3 MMbbl of oil and 31.4 Bcf of gas were produced.

The company said it spent more than $1.83 billion on total costs incurred for oil and natural gas properties in 2011, down from about $2.39 billion in 2010. More than $163 million of that amount was spent on the acquisition of properties with proved reserves, with approximately $361.3 million spent on properties with unproved reserves. Exploration and development costs were approximately $562.7 million and $744.5 million, respectively.

Concho said it was involved in the drilling of 810 gross wells (708 operated), of which 681 had been completed as producers, all of which were successful and 124 of which were in progress at Dec. 31, 2011. In addition, during 2011, the company completed 153 wells that were drilled prior to 2011.

"At December 31, 2011, proved reserves attributable to the company's New Mexico Shelf assets totaled approximately 210.3 MMBOE, compared to the December 31, 2010 total of approximately 192.9 MMboe," Concho said. "At December 31, 2011, on its New Mexico Shelf assets, the company had identified 2,715 drilling locations, with proved undeveloped reserves attributable to 740 of such locations. Of these 2,715 drilling locations, 1,955 target the Yeso formation. For the year ended December 31, 2011, the company drilled 443 wells (385 operated) on its New Mexico Shelf assets, with a 100% success rate on the 393 wells that were completed during 2011."

COMPANY REFERENCED IN THIS ARTICLE:

Concho Resources Inc. CXO

PR: Concho Resources Inc. Announces 2011 Estimated Full Year Production, Year End Proved Reserves and Costs Incurred

E-mail this story.

Anadarko CEO signals continued push for liquids production

by Mark Passwaters

Anadarko Petroleum Corp. will continue to increase its emphasis on liquids-heavy production, company chairman and CEO Jim Hackett said during its fourth-quarter 2011 conference call Feb. 7.

Anadarko achieved a 10% increase in year-over-year liquids production and the company set record sales volumes of 248 million barrels of oil equivalent, or 680,000 BOE/d, in 2011. Hackett said the company has benefited from the production of natural gas liquids, which were selling at 59% of West Texas Intermediate crude prices and has access to refineries at Mont Belvieu, Texas, and Gulf Coast markets.

"Our liquids strategy is working," he said. "We plan to continue this capital allocation approach, which will continue liquids growth in the coming years."

Hackett said shale plays contributed about 10% of Anadarko's sales volumes in 2011, up from 1% two years earlier. One unconventional play where production has picked up significantly is the Eagle Ford Shale, where the company saw production increase by 50,000 BOE/d to 77,000 BOE/d of production in 2011. The liquids yield of that production, he said, was better than 65%.

Hackett expressed excitement at the prospects of the Wattenberg Field in northeast Colorado, where the company has seen a 24% increase in sales volumes. The liquids-heavy Wattenberg could be a big boost for Anadarko, he said. "It's not easy to find a billion-barrel field, and to have one in your backyard is really unique," he said of the Wattenberg field. "It has all the ingredients of an exceptional resource play."

When it comes to drilling for gas, Hackett was far less bullish. "We don't plan to add any rigs for dry gas," he said. "We might be going the other way, in fact."

In a discussion of offshore exploration, Hackett said the company is returning to activity levels in the Gulf of Mexico that it has not reached in nearly two years. "We plan to return to pre-moratorium exploration levels this year, with involvement in six wells," he said. "For the next two to three years for the industry as a whole, we'll be back to pre-moratorium levels. … The signs are very positive, and we're taking advantage."

Hackett said a $4 billion settlement with BP plc related to the Deepwater Horizon incident helped provide stability and return focus to the company's portfolio.

COMPANIES REFERENCED IN THIS ARTICLE:

Anadarko Petroleum Corp.

BP plc

E-mail this story.

Oilsands Quest secures C$3.75M in financing

by Abhishek Jha

Oilsands Quest Inc. entered into a C$3.75 million debtor-in-possession facility with the lender Century Services Inc. The financing will help fund operating costs and other expenses while the company goes ahead with its previously announced solicitation process while under creditor protection.

The facility is being provided pursuant to the terms and conditions of a commitment letter dated Feb. 1, Oilsands Quest said in a Feb. 3 statement. "The facility will be repayable on the earlier of one year following closing or the termination of the order from the Alberta Court of Queen's Bench providing creditor protection under the Companies' Creditors Arrangement Act, or CCAA," the company said.

The financing is subject to the completion of definitive agreements and court approval, which Oilsands Quest expects to obtain by Feb. 16, after which advances under the facility will be available to the company.

Separately, Oilsands Quest has entered into a purchase and sale agreement with an unrelated third-party entity to sell its noncore Eagles Nest asset for C$4.4 million. The purchaser has agreed to pay deposits of C$300,000 by Feb. 21 with closing anticipated on or before March 23. The asset sale is also conditional on court approval and normal closing conditions and adjustments. "There can therefore be no assurance that the sale will be concluded," the company said.

The Eagles Nest prospect covers 22,773 acres, or 9,216 hectares, located in the Athabasca oil sands region northwest of Fort McMurray, Alberta. TD Securities Inc. acted as financial adviser to Oilsands Quest on the sale of Eagles Nest, and it has been retained by the company to assist it in the ongoing solicitation process.

COMPANY REFERENCED IN THIS ARTICLE:

Oilsands Quest Inc.

PR: Oilsands Quest Secures CDN$3.75 million Financing; Agrees to Sell Non-Core Eagles Nest Asset for CDN$4.4 million

E-mail this story.

Alliance to build a link to Bakken Shale gas production

by Sean Sullivan

Alliance Pipeline LP has applied with FERC to build an interstate natural gas pipeline lateral that would connect new gas production near Tioga, N.D., to its mainline near Sherwood, N.D.

FERC announced in a Feb. 7 notice that Alliance had filed an application to build and operate 79.3 miles of 12-inch pipeline. Other project facilities include a 6,000-horsepower compressor station and a meter station. Alliance estimated that the total cost of the project, known as the Tioga Lateral, would be more than $141.4 million.

As part of the Jan. 25 application, Alliance requested that the commission approve a nonconforming firm transportation agreement between Alliance and Hess Corp. and certain tariff modifications related to gas quality and transportation service.

Alliance held an open season for the Tioga Lateral from the end of September 2011 to the end of October 2011. (CP12-50)

COMPANY REFERENCED IN THIS ARTICLE:

Alliance Pipeline L.P.

Regulatory Filing: Alliance Pipeline L.P.

Regulatory Filing: Alliance Pipeline L.P.

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Report: Oppenheimer's energy private equity team leaves to form new firm

by Rohan Somwanshi

Oppenheimer & Co. Inc.'s private equity team dedicated to the energy sector has left the company to form a new firm called ROC Resources LLC, CNNMoney's *Fortune* magazine reported Feb. 7.

Princeton, N.J.-based ROC Resources will continue to act as subadviser to four active Oppenheimer private equity funds: Oppenheimer Private Equity Fund I, Oppenheimer Private Equity Co-Investment Fund, Oppenheimer Global Resource Private Equity Fund I and Oppenheimer Drilling Partners, according to the report.

The energy team departure from Oppenheimer was completed at the end of 2011 and included group leaders Sarfraz Lalani and Brian Williamson, the report added.

COMPANY REFERENCED IN THIS ARTICLE:

Oppenheimer & Co. Inc.

E-mail this story.

Subsidiaries drive earnings for New Jersey Resources

by Abhishek Jha

New Jersey Resources Corp. reported fiscal first-quarter 2012 net financial earnings of $45.3 million, or $1.09 per share, compared with $29.1 million, or 71 cents per share, during the same period last year.

The increase is due primarily to projects placed into service at NJR Clean Energy Ventures, the company's renewable energy subsidiary, continued growth at New Jersey Natural Gas Co. and improved results at NJR Energy Services Co., New Jersey Resources said.

"We are off to a strong start in fiscal 2012," Chairman and CEO Laurence Downes said in a Feb. 7 earnings statement. "Our renewable energy strategy is taking hold and the results can be seen in strong earnings at NJR Clean Energy Ventures. Increased gross margin at our regulated business, New Jersey Natural Gas, also contributed to this quarter's performance. We remain committed to delivering consistent returns to our shareowners."

"And, with a new collective bargaining agreement set in place this quarter, I believe we have a solid foundation for future growth, as we continue to meet our customers' expectations for safety, reliability and service," Downes added.

New Jersey Resources announced fiscal 2012 net financial earnings guidance in a range of $2.60 to $2.80 per basic share, subject to risks and uncertainties. As in the past, the company expects New Jersey Natural Gas to be the major contributor to fiscal 2012 net financial earnings.

Net income at New Jersey Natural Gas, the company's regulated utility subsidiary, was $26 million in the first quarter of fiscal 2012, an increase of 6.6% from $24.4 million in the corresponding period a year earlier. Steady customer growth, accelerated infrastructure investments and gross margin from incentive programs were the primary drivers, the company said.

According to the statement, New Jersey Natural Gas added 2,001 new customers in the first quarter of fiscal 2012, compared with 1,640 in the first quarter of fiscal 2011. New customer conversions totaled 1,314, up from 833 a year earlier. Additionally, 104 existing non-heating customers converted to natural gas heat, compared with 92 in the first quarter of fiscal 2011. The utility estimates the new customers and conversions to contribute about $1.1 million annually to utility gross margin.

"With heating oil prices in the Northeast that are more than double the projected cost of natural gas on a relative basis, the conversion market at New Jersey Natural Gas is poised for continued growth," Downes said. "In the first quarter of fiscal 2012, oil heat customers accounted for 64% of conversions."

"Additionally," Downes continued, "electric prices in New Jersey remain among the highest in the country. The favorable price advantage of clean natural gas, coupled with energy-efficiency incentives, will help sustain continued steady customer growth and go a long way toward supporting the state's goals to reduce both greenhouse gas emissions and energy costs for its residents."

New Jersey Natural Gas expects to add 12,000 to 14,000 new customers during fiscal 2012 and 2013, which would represent a growth rate of 1.3%.

COMPANY REFERENCED IN THIS ARTICLE:

New Jersey Resources Corp. **NJR**

PR: New Jersey Resources Announces Strong Fiscal 2012 First-Quarter Earnings; Issues Fiscal 2012 Earnings Guidance

E-mail this story.

Comstock Resources pulling rigs out of Haynesville, aims at liquids-rich plays

by Mark Passwaters

Comstock Resources Inc. is pulling its rigs out of the Haynesville Shale and shifting its production focus to more liquids-rich plays, the company's executives said during their fourth-quarter 2011 conference call.

During the Feb. 6 call, Mark Williams, Comstock's vice president of operations, said the move would happen rapidly.

"Since we have initiated our Haynesville shale program in 2008, we have now drilled a total of 180 wells and 105.6 net wells. … Given the current natural gas price, we plan to move all our rigs out of this region by early March and focus for the remainder of this year on our Eagle Ford shale program in South Texas and our Wolfbone program in West Texas," he said.

Of the $573 million it spent on drilling activities in 2011, Comstock spent $368 million in the east Texas-north Louisiana region, where the Haynesville is located. Of the 87 wells the company drilled in 2011, 62 were in the play.

Comstock said its Eagle Ford crude oil production had jumped during 2011, increasing to 16% of its overall oil production at the end of the year from 4% at the beginning. The company said it spent $203 million on its Eagle Ford program in 2011, and company President Jay Allison said the play will be a major focus as the company shifts gears.

"We ended 2011 by closing an acquisition that established a new core area in the oil-rich Permian basin. As we have shifted most of our resources this year to growing our oil production, this acquisition gives us a low-risk vertical drilling program to complement our successful Eagle Ford shale program in South Texas," he said. "We also think we're very well positioned to be a significant player in the emerging horizontal Wolfcamp shale in the Permian Basin."

COMPANY REFERENCED IN THIS ARTICLE:

Comstock Resources Inc.

E-mail this story.

Inter Pipeline announces February cash distribution

by Abhishek Jha

Inter Pipeline Fund declared a cash distribution of 8.75 Canadian cents per unit for the month of February.

According to a Feb. 7 announcement, the cash distribution will be paid on or about March 15 to unit holders of record Feb. 23.

The Calgary, Alberta-based partnership said it believes it is well-positioned to maintain its current level of cash distributions to unit holders through 2012 and beyond based on its "continuing strong financial performance, attractive fundamentals in each of its business segments and higher cash flow resulting from organic growth projects currently under development."

COMPANY REFERENCED IN THIS ARTICLE:

Inter Pipeline Fund **IPL.UN**

PR: Inter Pipeline Fund Announces February 2012 Cash Distribution

E-mail this story.

Underwriters exercise overallotment option in Boardwalk offering

by Abhishek Jha

Houston-based Boardwalk Pipeline Partners LP said the underwriters of its recent public offering of 8 million common units have exercised their overallotment option to buy an additional 1.2 million common units. The offering closed Jan. 25.

The partnership expects the purchase of additional common units to close Feb. 9, according to a Feb. 6 news release. The total net proceeds from the offering of 9.2 million common units, after deducting offering expenses, will be approximately $250.2 million in the aggregate, including the general partner's proportionate capital contribution of about $5.2 million.

Boardwalk Pipeline Partners plans to use the net proceeds, together with amounts to be contributed by its general partner to maintain its 2% general partner interest, to repay borrowings outstanding under its revolving credit facility, but the partnership may use some or all of the proceeds for other general partnership purposes, which may include acquiring additional equity interests in Boardwalk HP Storage Co. LLC, a joint venture between the partnership and Boardwalk Pipelines Holding Corp., an affiliate of the partnership's general partner.

Barclays Capital, Bank of America Merrill Lynch, Citigroup, J.P. Morgan, UBS Investment Bank and Wells Fargo Securities acted as joint book-running managers for the common unit offering.

COMPANIES REFERENCED IN THIS ARTICLE:

Boardwalk Pipeline Partners LP **BWP**

Boardwalk Pipelines Holding Corp.

PR: Boardwalk Announces Exercise of Option by Underwriters to Purchase Additional Common Units

E-mail this story.

Rex Energy closes offering of common units

by Abhishek Jha

Rex Energy Corp. closed its underwritten public offering of 8,050,000 shares of common stock, including the full exercise of the underwriters' overallotment option of 1,050,000 shares. All shares were sold at a price of $9.25 per share.

In a Feb. 6 announcement, Rex Energy said the net proceeds from the offering will be about $70.6 million, after deducting underwriting discounts, commissions and estimated offering expenses. The company plans to use the proceeds for repaying borrowings under its senior credit facility.

KeyBanc Capital Markets is acting as the sole book-running manager of the offering. RBC Capital Markets, SunTrust Robinson Humphrey and Wells Fargo Securities are acting as co-lead managers. Johnson Rice & Company LLC, Capital One Southcoast, Stifel Nicolaus Weisel and Rodman & Renshaw LLC are acting as co-managers for the offering.

COMPANY REFERENCED IN THIS ARTICLE:

Rex Energy Corp. REXX

PR: Rex Energy Corporation Announces Closing of Public Offering of Common Stock

E-mail this story.

Gas industry *continued*

Donald Santa, president of the Interstate Natural Gas Association of America, said that substantially more pipeline will need to be added in the coming years to accommodate expanding markets but that Americans' concerns over safety issues could prove to be a stumbling block.

"If we're going to succeed in expanding infrastructure, it is critical that the public has confidence in its safety," Santa said.

But determining how to cover the costs of increased pipeline safety has proved difficult, Kessler, Santa and other panelists noted.

Paul Metro, chairman of the National Association of Pipeline Safety Representatives, said the utilities and the commissioners have a responsibility to ensure a reasonable cost for the consumers, but also cannot sacrifice shareholders' rate of return. New ideas are needed, Metro said, to reduce the "upward rate spiral" and still provide a reasonable rate of return on investment.

Commissioner Timothy Simon of the California Public Utilities Commission also noted the need to balance the needs of ratepayers and shareholders when determining who is responsible for the costs of infrastructural upgrades and repairs.

"My office is looking at an equitable apportionment as we look at the large costs going forward," Simon said after the panel discussion. "We support strong balance sheets and minimizing the cost to ratepayers, but clearly upgrades are needed."

In California, the issue is the subject of current debate. Pacific Gas and Electric Co. has asked the CPUC for the authority to charge its customers $768.8 million for pipeline upgrades during 2012-2014. However, the state's Division of Ratepayer Advocates recommended in early February that the PG&E Corp. subsidiary not be allowed to raise rates to recover its improvement costs during that time. Instead, DRA recommends that PG&E shareholders be responsible for the expenses.

But as the panel made clear, the discussion of how to distribute pipeline safety costs is relevant across the country.

"The question before us is not whether investments need to be made, but that timeless query: Who pays?" Kessler said. "Our challenge is to find a way to change the equation to find an efficient, effective and fair answer to the question."

COMPANIES REFERENCED IN THIS ARTICLE:

Pacific Gas and Electric Co.

PG&E Corp. PCG

E-mail this story.

WPX Energy *continued*

balance sheet," Hill said. "At the same time, it provides us with the flexibility to grow the oil and NGL component of our portfolio."

The company said capital spending is expected to yield a 50% to 60% increase in domestic oil production and a 10% to 12% increase in NGL production. Domestic natural gas production is expected to remain flat compared with 2011, based on $400 million in capital spending reductions for natural gas areas in 2012 compared with the projected 2012 capital budget from late 2011.

Separately, WPX said its total proved reserves as of Dec. 31, 2011, increased to a company high of nearly 5.3 Tcfe, up about 9% compared to 2010.

About 77% of WPX's 2011 total proved reserves are natural gas and 23% are natural gas liquids and crude oil. At year-end 2010, natural gas accounted for 83% of the company's reserves, using a standard ratio of 6-to-1 to convert oil and NGL to natural gas equivalent.

COMPANIES REFERENCED IN THIS ARTICLE:

Williams Cos. Inc. WMB

WPX Energy Inc. WPX

PR: Oil and NGL Boost Proved Reserves at WPX Energy to 5.26 TCFE

PR: WPX Energy Provides Update on 2012 Capital Spending

E-mail this story.

Market Story

March natural gas ends down as market eyes weather, storage

by Jodi Shafto

March natural gas futures settled another volatile trading session with a 7.8-cent loss at $2.472/MMBtu Tuesday, Feb. 7, off the session low of $2.452/MMBtu that followed the contract's notching of a $2.618/MMBtu high early in the session.

The market was weighed lower as traders eye what is expected to be a bearish inventory report from the U.S. Energy Information Administration due out Thursday, Feb. 9, and covering the week to Feb. 3.

The report is expected to show a pull from natural gas inventories in a range from the mid-80s Bcf to 90 Bcf, which would compare bearishly to the far more impressive 191-Bcf five-year-average withdrawal and the pull of 206 Bcf reported for the same week in 2011.

The modest drawdown will mean another improvement on the already substantial surpluses to historical average levels, standing at 586 Bcf above the five-year average and 601 Bcf above the year-ago level after the EIA reported a 132-Bcf pull from stocks in the week to Jan. 27 that took working gas inventories to 2,966 Bcf.

Additional downside pressure was coming from the prospect of additional modest storage pulls leading up to the end of the withdrawal season as mild weather is seen keeping demand for heating in key consuming regions including the Northeast at bay.

The latest weather maps from the National Weather Service show for the six- to 10-day period, most of the East and central U.S. will see above-average readings. A portion of the Northeast, Southeast and central U.S. will also see average weather, while the West will see below-average temperatures through the period.

For the eight- to 14-day period, the East, except for a small portion of the upper Northeast, will see above-average temperatures that will reach into part of the central U.S. A portion of the central and south-central regions will see average weather, while a portion of the central U.S. and the entire West will see below-average readings through the period.

Despite efforts by producers to cut production amid the oversupply and lack of economic incentive, natural gas inventories are expected to continue to swell, as the lack of winter weather is seen driving only modest pulls from the abundant natural gas supply.

The EIA said in its Feb. 7 "Short-Term Energy Outlook" that cuts will begin to slow the rate of production, though the agency still sees production growth in both 2012 and 2013.

Natural gas inventories, helped by the unusually warm winter and lower-than-normal inventory draws, are expected to end the winter heating season March 31 with inventories over 2,000 Bcf. Inventory levels at the end of October 2012 and 2013 are expected to set records, as well, the EIA said.

Technical support for March natural gas is seen at $2.25, $2.00 and $1.90, while resistance is marked near $2.50, $2.65, $2.75, $2.85, $3.00, $3.25, $3.50, $3.75 and $4.00.

Cash markets

Cash natural gas markets were higher Tuesday, Feb. 7, for gas delivery Feb. 8, supported by rising demand on cooler weather.

At the Northeast markets, deals at Transco Zone 6 NY, after gaining value in the prior session, saw an additional price advance Tuesday of about 34 cents in deals spanning the $3.00s to low $3.30s. Prices at TETCO-M3 also rose, gaining 20 cents to a range from the $2.90s to the mid-$3.10s. Deals were also higher at the Canadian border Iroquois-Waddington market, where action spanned the $3.70s to low $4.10s, up about 13 cents on the day.

In the producing region, markets were also higher as demand was seen rising amid cooler weather. At the benchmark Henry Hub the market was driven about 14 cents up on average with deals ranged in the $2.50s to low $2.60s. Col Gulf Mainline saw deals for Wednesday product delivery ranged through the upper $2.40s to low $2.60s for a 14-cent gain, while at FGT Zone 3, deals moved 13 cents higher in action that spanned the $2.60s.

Climbing demand in the Midwest amid changing weather across the region helped drive gains at the regional trading hubs. At Chicago, where action spanned the $2.70s to low $2.80s, deals were up about 12 cents on the day. At NNG Demarc, deals were higher by about 10 cents in action ranged from the $2.60s to low $2.70s. Deals at PEPL were done in a range from the $2.40s to $2.50s, up about 16 cents on the day.

In Texas, weather provided support for demand hikes that helped inflate values at Waha, up 16 cents in deals spanning the upper $2.50s to low $2.60s. Elsewhere, El Paso Permian posted an average gain of 15 cents in deals that spanned the $2.50s to low $2.60s, while El Paso SJ found support for a 13-cent loss with deals ranging in the upper $2.50s to low $2.60s.

In the Rockies markets, weather provided upside support for demand and helped next-day gas deals at CIG and Opal higher. CIG deals were up about 7 cents on the day in action spanning the upper $2.40s to $2.50s, while NW Opal in Wyoming saw a 14-cent gain in deals spread through the $2.60s to low $2.70s.

In the West, next-day gas deals followed the nationwide advance, with SoCal Border deals up 7 cents on average in deals done from the $2.80s to low $3.00s. In the Northwest, gas at PG&E Gate traded from the $3.00s to low $3.10s, up about 11 cents, while Malin action gained 11 cents with deals done in a range spanning the upper $2.60s to $2.80.

Market prices and included industry data are current as of the time of publication and are subject to change. For more detailed market data, including SNL power and natural gas index prices, visit our SNL Commodities pages.

GAS INDEX (Day ahead prices for Delivery on Feb 08, 12)

Trading Hub	Volume Wgtd. Average ($/mmBtu)	Change From Feb 07, 12 ($/mmBtu)	Trade ($/mmBtu) Median	Low	High	Trading Volume (mmBtu)
Gulf Coast						
Agua Dulce	2.560	0.122	-	-	-	-
ANR-Patterson (LA)	2.598	0.156	2.598	2.530	2.610	148,200
Carthage	2.610	0.170	-	-	-	-
Col Gulf Mainline	2.576	0.131	2.593	2.510	2.640	111,900
Col Gulf Onshore	2.580	0.102	2.590	2.490	2.620	95,500
FGT Zone 1	2.620	0.140	-	-	-	-
FGT Zone 2	2.630	0.140	-	-	-	-
FGT Zone 3	2.645	0.131	2.640	2.620	2.680	71,900
Henry Hub	2.604	0.103	2.605	2.578	2.630	295,500
Houston Ship Channel	2.564	0.130	2.575	2.550	2.590	27,400
Katy	2.586	0.137	2.580	2.540	2.600	74,800
Moss Bluff	2.590	0.110	-	-	-	-
NGPL Gulf Line	2.580	0.060	-	-	-	-
NGPL Louisiana	2.550	0.050	-	-	-	-
NGPL South TX	2.564	0.084	2.570	2.543	2.585	36,900
Sonat	2.647	0.120	2.645	2.600	2.660	54,000
Stingray	2.530	0.140	-	-	-	-
Tennessee Zone 0	2.555	0.113	2.555	2.550	2.570	65,300
Tennessee Zone 1	2.623	0.107	2.615	2.520	2.650	271,100
TETCO M1 (24-inch)	2.626	0.119	2.635	2.600	2.840	80,600
TETCO M1 (30-inch)	2.651	0.151	2.650	2.600	2.675	417,194
TETCO M2	2.831	0.209	2.865	2.730	2.900	106,614
Texas Gas (LA)	2.570	0.090	2.563	2.530	2.595	21,500
Texas Gas (Zone 1)	2.593	0.101	2.590	2.540	2.615	121,969
Transco Z 1	2.564	0.146	2.560	2.470	2.580	69,400
Transco Z 3	2.632	0.140	2.630	2.600	2.655	117,128
Transco Z 4	2.653	0.148	2.648	2.625	2.670	332,495
Transco Z 5	2.950	0.220	-	-	-	-
Transco Z2	2.611	0.101	2.610	2.605	2.615	10,900
Trunkline (E. LA)	2.565	0.122	2.565	2.560	2.600	20,600
Trunkline (W. LA)	2.603	0.111	2.600	2.590	2.610	28,100
Trunkline Zone 1A	2.604	0.153	2.600	2.590	2.630	43,000
TX Eastern (E. LA)	2.581	0.111	2.590	2.495	2.590	18,000
TX Eastern (E. TX)	2.547	0.210	2.570	2.510	2.570	10,500
TX Eastern (S. TX)	2.551	0.147	2.545	2.530	2.610	12,963
TX Eastern (W. LA)	2.528	0.051	2.525	2.490	2.578	16,900
Mid-continent						
Alliance	2.780	0.094	2.800	2.730	2.820	81,700
ANR-ML7	2.860	0.130	-	-	-	-
ANR-SW	2.557	0.101	2.560	2.555	2.565	11,800
Centerpoint East	2.552	0.177	2.555	2.540	2.580	83,300
Centerpoint No/So	2.555	0.097	2.555	2.555	2.558	11,200
Centerpoint West	2.550	0.185	2.550	2.550	2.550	4,500
Chicago	2.774	0.134	2.773	2.710	2.815	304,124
Cons Energy Citygate	2.795	0.099	2.795	2.700	2.800	68,600
Delivery So. Star	2.510	0.109	2.505	2.500	2.520	24,500
Emerson	2.860	0.085	2.860	2.810	2.880	269,391
Enogex E Zone Pool	2.730	0.160	-	-	-	-
Enogex W Zone Pool	2.620	0.170	2.620	2.620	2.620	12,220
Michcon Detroit CG	2.819	0.110	2.804	2.783	2.843	154,200
NGPL Amarillo	2.630	0.135	2.635	2.605	2.635	31,800
NGPL Forgan, OK	2.575	0.163	2.578	2.530	2.605	310,787
NGPL Tex/Ok	2.577	0.126	2.580	2.470	2.590	184,400
NNG Demarc	2.702	0.104	2.700	2.630	2.710	158,800
NNG Ventura	2.706	0.096	2.705	2.630	2.720	137,988
Northern Mid-10	2.630	0.100	-	-	-	-
ONG at Tulsa	2.576	0.150	2.568	2.555	2.610	22,900

GAS INDEX (Day ahead prices for Delivery on Feb 08, 12) *continued*

Trading Hub	Volume Wgtd. Average ($/mmBtu)	Change From Feb 07, 12 ($/mmBtu)	Trade ($/mmBtu) Median	Low	High	Trading Volume (mmBtu)
Mid-continent *continued*						
PEPL	2.548	0.162	2.550	2.530	2.860	134,520
Rex East	2.775	0.161	2.770	2.740	2.800	148,300
Northeast						
Algon Gates	4.259	0.563	4.240	4.000	4.480	52,947
Algonquin PA-NJ	4.363	0.729	4.275	4.150	4.400	11,747
Dawn, Ont.	3.068	0.091	3.070	3.000	3.150	327,000
Dominion N	2.780	0.177	2.783	2.775	2.790	15,463
Dominion S	2.756	0.155	2.750	2.680	2.780	246,018
Iroquois Waddington	3.989	0.564	3.970	3.870	4.120	58,005
Iroquois Z 2	4.053	0.578	4.050	4.000	4.120	42,100
Lebanon	2.752	0.152	2.750	2.750	2.760	46,000
Leidy	2.854	0.152	2.850	2.775	2.870	115,842
Natl Fuel Gas NY-PA	3.430	0.120	-	-	-	-
Niagara	3.105	0.165	3.105	3.105	3.105	1,075
TCO pool	2.686	0.160	2.688	2.550	2.700	246,554
Tennessee at Dracut	4.120	0.470	-	-	-	-
Tennessee Zone 5	4.100	0.460	4.100	4.100	4.100	2,000
Tennessee Zone 6	4.256	0.605	4.300	4.110	4.350	66,400
Tetco M-3	2.944	0.196	2.940	2.900	2.970	294,669
Transco Z 6 non-NY	2.982	0.199	2.973	2.860	3.050	78,900
Transco Z 6 NY	3.229	0.337	3.210	3.050	3.300	212,524
West						
AECO Storage Hub	2.144	0.039	2.145	2.095	2.275	816,000
Cheyenne Hub	2.553	0.081	2.555	2.550	2.560	15,000
CIG, Rocky Mountains	2.526	0.056	2.530	2.510	2.530	14,400
El Paso - S Mainline	3.053	0.134	3.050	2.960	3.060	155,500
El Paso - Waha Pool	2.597	0.130	2.595	2.590	2.615	27,200
El Paso Bondad	2.558	0.105	2.570	2.520	2.580	22,500
El Paso Permian	2.607	0.143	2.610	2.540	2.615	265,100
El Paso SJ	2.611	0.113	2.618	2.590	2.670	139,400
Empress	1.991	0.043	1.989	1.943	2.013	291,500
Houston Pipeline	2.570	0.140	-	-	-	-
Kern River	2.701	0.116	2.700	2.695	2.705	20,000
Kern River Station	2.910	0.060	-	-	-	-
Kingsgate	2.600	0.070	-	-	-	-
NoCal Border-Malin	2.800	0.144	2.798	2.680	2.910	177,000
NW Dom.-SJ Basin	2.647	0.128	2.650	2.640	2.650	16,000
NW Opal, WY	2.706	0.123	2.705	2.680	2.740	204,400
NW Stanfield, OR	2.684	0.043	2.685	2.650	2.715	28,600
NW Sumas	2.701	0.034	2.700	2.620	2.740	44,000
NW-S of Green River	2.620	0.100	2.600	2.550	2.650	8,600
PG&E Gate	3.091	0.121	3.100	3.010	3.105	322,800
PG&E South	2.910	0.077	2.910	2.880	2.950	50,100
Questar	2.555	0.068	2.555	2.550	2.560	10,000
Rex West	2.700	0.080	2.670	2.580	2.760	15,000
SoCal Border	2.900	0.034	2.890	2.820	3.050	131,900
SoCal Citygate	3.050	0.072	3.058	3.000	3.075	300,100
TransW E of Thoreau	2.645	0.150	2.650	2.605	2.665	45,000
Waha Hub	2.597	0.150	2.595	2.580	2.620	76,900
West Coast Sta. 2	2.099	0.035	2.085	2.075	2.150	51,700

For today's NYMEX Gas Futures Chart, visit http://www.snl.com/interactivex/NYMEXGasFutures.aspx

SNL Gas Spark Spread

Day ahead Prices for Delivery Feb 07, 12

Gas Location	Power Location	Gas Avg. ($/mmBtu)	Power Avg. ($/MWH)	Spark Spreads at Various Heat Rates ($)					Implied Heat Rate
				7,000	8,000	10,000	12,000	14,000	
TCO pool	Cinergy	2.53	30.00	12.32	9.79	4.74	-0.31	-5.36	11,876.48
Henry Hub	Entergy	2.50	23.25	5.74	3.24	-1.76	-6.76	-11.76	9,296.28
NW Sumas	Mid-C	2.67	24.46	5.79	3.12	-2.21	-7.54	-12.88	9,171.35
NNG Demarc	Minnesota	2.60	29.50	11.31	8.72	3.52	-1.68	-6.87	11,354.89
Chicago	N. Illinois (CE)	2.64	29.00	10.52	7.88	2.60	-2.68	-7.96	10,984.85
Algon Gates	Nepool-Mass	3.70	34.50	8.63	4.93	-2.46	-9.85	-17.24	9,334.42
PG&E Gate	NP-15	2.97	28.50	7.71	4.74	-1.20	-7.14	-13.08	9,595.96
Niagara	NY Zone A	2.94	29.25	8.67	5.73	-0.15	-6.03	-11.91	9,948.98
Iroquois Z 2	NY Zone G	3.48	33.50	9.18	5.70	-1.25	-8.20	-15.15	9,640.29
Transco Z 6 NY	NY Zone J	2.89	36.50	16.26	13.36	7.58	1.80	-3.99	12,621.02
Dawn, Ont.	Ontario	2.98	24.50	3.66	0.68	-5.27	-11.22	-17.18	8,229.76
El Paso SJ	Palo Verde	2.50	26.00	8.51	6.02	1.02	-3.98	-8.97	10,408.33
Tetco M-3	PJM West	2.75	32.83	13.59	10.85	5.35	-0.15	-5.64	11,946.87
SoCal Border	SP-15	2.87	30.00	9.94	7.07	1.34	-4.39	-10.12	10,467.55

Dominion Energy Index

Day	Date	Forecast or Actual Index	Above/Below Normal △	Above/Below Normal △%
UNITED STATES				
Monday	Feb 06, 12	26.7	-10.5	-28.2
Tuesday	Feb 07, 12	27.6	-9.2	-25.0
Wednesday	Feb 08, 12	31.0	-5.1	-14.1
Thursday	Feb 09, 12	30.8	-4.9	-13.7
Friday	Feb 10, 12	31.8	-3.2	-9.1
Saturday	Feb 11, 12	37.4	3.1	9.2
Sunday	Feb 12, 12	39.8	6.2	18.6
Monday	Feb 13, 12	37.3	4.3	13.1
GREAT LAKES				
Monday	Feb 06, 12	39.4	-19.7	-33.4
Tuesday	Feb 07, 12	46.5	-12.3	-20.9
Wednesday	Feb 08, 12	46.1	-12.3	-21.1
Thursday	Feb 09, 12	44.5	-13.3	-23.0
Friday	Feb 10, 12	50.6	-6.5	-11.4
Saturday	Feb 11, 12	59.8	3.7	6.6
Sunday	Feb 12, 12	61.7	6.4	11.7
Monday	Feb 13, 12	57.7	3.3	6.0
GREAT PLAINS				
Monday	Feb 06, 12	39.0	-25.7	-39.7
Tuesday	Feb 07, 12	47.0	-16.3	-25.7
Wednesday	Feb 08, 12	51.4	-10.4	-16.9
Thursday	Feb 09, 12	49.7	-10.7	-17.7
Friday	Feb 10, 12	52.2	-5.8	-10.0
Saturday	Feb 11, 12	64.6	7.9	13.8
Sunday	Feb 12, 12	62.3	7.0	12.6
Monday	Feb 13, 12	55.6	1.4	2.6
LOWER MISSISSIPPI				
Monday	Feb 06, 12	16.4	-13.4	-45.0
Tuesday	Feb 07, 12	20.4	-9.4	-31.6
Wednesday	Feb 08, 12	21.9	-6.6	-23.2
Thursday	Feb 09, 12	22.9	-4.5	-16.4
Friday	Feb 10, 12	24.6	-0.9	-3.4
Saturday	Feb 11, 12	29.1	5.0	20.5
Sunday	Feb 12, 12	33.3	10.0	43.2
Monday	Feb 13, 12	29.2	7.5	34.7
MID-ATLANTIC				
Monday	Feb 06, 12	31.5	-15.7	-33.3
Tuesday	Feb 07, 12	30.8	-16.2	-34.5
Wednesday	Feb 08, 12	39.6	-7.2	-15.5
Thursday	Feb 09, 12	37.4	-9.3	-19.8
Friday	Feb 10, 12	35.9	-10.5	-22.6
Saturday	Feb 11, 12	49.7	4.2	9.1
Sunday	Feb 12, 12	56.0	10.9	24.1
Monday	Feb 13, 12	53.1	8.5	19.0

Day	Date	Forecast or Actual Index	Above/Below Normal △	Above/Below Normal △%
NEW ENGLAND				
Monday	Feb 06, 12	38.6	-13.5	-25.9
Tuesday	Feb 07, 12	37.9	-13.9	-26.9
Wednesday	Feb 08, 12	47.1	-4.6	-8.8
Thursday	Feb 09, 12	42.6	-8.8	-17.1
Friday	Feb 10, 12	37.7	-13.4	-26.3
Saturday	Feb 11, 12	51.1	0.4	0.8
Sunday	Feb 12, 12	61.2	11.0	21.8
Monday	Feb 13, 12	58.3	8.3	16.7
PACIFIC				
Monday	Feb 06, 12	15.1	-3.8	-19.9
Tuesday	Feb 07, 12	10.4	-8.2	-44.2
Wednesday	Feb 08, 12	11.2	-7.0	-38.4
Thursday	Feb 09, 12	12.0	-5.9	-33.0
Friday	Feb 10, 12	14.3	-3.3	-18.6
Saturday	Feb 11, 12	13.4	-3.7	-21.7
Sunday	Feb 12, 12	15.5	-1.1	-6.6
Monday	Feb 13, 12	17.8	1.4	8.7
ROCKY MOUNTAINS				
Monday	Feb 06, 12	55.1	1.0	1.8
Tuesday	Feb 07, 12	58.7	8.2	16.2
Wednesday	Feb 08, 12	57.4	8.6	17.5
Thursday	Feb 09, 12	46.2	-1.4	-3.0
Friday	Feb 10, 12	44.8	-1.5	-3.3
Saturday	Feb 11, 12	43.4	-2.0	-4.3
Sunday	Feb 12, 12	46.0	2.0	4.6
Monday	Feb 13, 12	45.5	2.4	5.7
SOUTH ATLANTIC				
Monday	Feb 06, 12	20.8	-6.2	-22.9
Tuesday	Feb 07, 12	20.8	-6.0	-22.2
Wednesday	Feb 08, 12	24.0	-2.6	-9.7
Thursday	Feb 09, 12	23.9	-2.4	-9.1
Friday	Feb 10, 12	24.6	-1.5	-5.8
Saturday	Feb 11, 12	26.0	0.2	0.7
Sunday	Feb 12, 12	29.7	4.3	16.8
Monday	Feb 13, 12	30.6	5.4	21.5
SOUTHWEST				
Monday	Feb 06, 12	14.6	1.9	15.3
Tuesday	Feb 07, 12	10.2	-2.0	-16.6
Wednesday	Feb 08, 12	13.8	2.3	20.5
Thursday	Feb 09, 12	18.8	7.9	72.7
Friday	Feb 10, 12	18.6	8.1	77.8
Saturday	Feb 11, 12	16.5	6.4	63.8
Sunday	Feb 12, 12	14.0	4.4	45.5
Monday	Feb 13, 12	10.2	1.0	10.7

The Dominion Energy Index, maintained by The Dominion Energy Services Corp., measures actual and forecast demand for heating and cooling energy. It is designed to be more precise than the current heating degree days and cooling degree days indexes. The first reading in each regional list is the actual energy demand measured the day the forecast is made. The forecast energy demand for the following week for a given region follows the actual reading in the table. "Normals" for each region for each day have been calculated using 30-year weather averages.

EIA Gas Storage Report

Working Gas in Underground Storage - Four Week Storage Trend

Week Ending	East	% Change Week	% Change 5 Year Avg.	West	% Change Week	% Change 5 Year Avg.	Producing	% Change Week	% Change 5 Year Avg.	Lower 48	% Change Week	% Change 5 Year Avg.
Jan 27, 12	1,471	-6.37	17.40	396	-2.46	22.60	1,099	-1.96	39.29	2,966	-4.26	25.41
Jan 20, 12	1,571	-7.21	14.76	406	-6.24	17.68	1,121	-3.69	33.93	3,098	-5.84	21.44
Jan 13, 12	1,693	-3.48	15.25	433	-2.48	17.98	1,164	-1.27	31.08	3,290	-2.58	20.78
Jan 06, 12	1,754	-4.15	12.44	444	-0.67	14.43	1,179	-1.34	25.69	3,377	-2.74	17.01

For more information, visit http://www.eia.doe.gov

Stock Highlights

Tuesday

Company	Ticker	Close	Volume	Price % Chng
RANKED BY PRICE GAIN				
NuStar GP Holdings	NSH	34.48	268,026	4.3
Niska Gas Storage	NKA	10.24	473,363	3.9
Calumet Specialty	CLMT	22.17	247,277	3.6
RANKED BY PRICE LOSS				
Cheniere Energy	LNG	12.68	6,642,487	-3.5
Exterran Ptnrs LP	EXLP	22.88	106,693	-2.7
Suburban Propane	SPH	40.77	448,867	-2.4

Company	Ticker	Price % Chng	Volume	Volume as % of Avg (1 Year)
VOLUME HIGHLIGHTS				
PAA Natural Gas St	PNG	0.9	668,929	691.9
Suburban Propane	SPH	-2.4	448,867	452.3
NuStar GP Holdings	NSH	4.3	268,026	298.3

Note: Institutions ranked in the above tables must be traded on a major exchange, have a closing price greater than $3, and daily volume greater than 1,000 shares.

Past Week

Company	Ticker	Close	Volume	Price % Chng
RANKED BY PRICE GAIN				
Exterran Hldgs Inc	EXH	11.20	5,939,951	20.7
Crosstex Energy	XTXI	13.42	1,085,122	6.8
Oiltanking	OILT	30.90	310,505	6.3
RANKED BY PRICE LOSS				
Suburban Propane	SPH	40.77	1,594,860	-5.4
Crestwood LP	CMLP	28.07	592,074	-5.0
Atlas Energy LP	ATLS	24.94	2,056,569	-4.5

Company	Ticker	Price % Chng	Volume	Volume as % of Avg (1 Year)
VOLUME HIGHLIGHTS				
Chesapeake Mid	CHKM	-2.9	8,813,343	809.3
BreitBurn Energy	BBEP	-3.8	9,822,661	390.2
Suburban Propane	SPH	-5.4	1,594,860	321.4

Note: Institutions ranked in the above tables must be traded on a major exchange, have a closing price greater than $3, and daily volume greater than 1,000 shares.

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