

Highlights

**DUNES SAGEBRUSH LIZARD
NOT LISTED AS ENDANGERED**



On 6/13/2012, the U.S. Fish and Wildlife Service (FWS) announced that it will not list the dunes sagebrush lizard as an endangered species. FWS biologists determined that the lizard is no longer in danger of extinction,

nor likely to become endangered in the foreseeable future, following an analysis of scientific data and given the success of two states (Texas and New Mexico), oil and gas operators, landowners and others in reaching agreement with FWS on voluntary conservation measures designed to protect the lizard's habitat.

A species is listed as endangered when it is threatened with extinction through all or a significant portion of its range.

The voluntary conservation agreements apply to about 650,000 acres in Texas and New Mexico - about 88% of the lizard's habitat. The agreements allow oil and gas development to continue in west Texas and eastern New Mexico, while reducing any potential impact on the lizards of such development. The agreements minimize the impact of other potential threats to the lizard, too, such as off-road vehicle traffic and wind and solar energy development. In Texas, the conservation agreement will be administered by the Texas Comptroller of Public Accounts. Enrollment in the plan commits participants to a suite of conservation measures over a period of 30 years.

Source: www.doi.gov
Photo: Courtesy of FWS

Data

- July Natural Gas Futures Contract (as of Jun 15), NYMEX at Henry Hub closed at \$2.467 per million British thermal units (MMBtu)
- July Light, Sweet Crude Oil Futures Contract (as of Jun 15), NYMEX at Cushing closed at \$84.03 per U.S. oil barrel (Bbl.) or approximately \$13.38 per MMBtu

Last week: Texas, U.S. CDD higher than normal

For the week beginning 6/10/12 and ending 6/16/12, cooling degree days (CDD) were higher than normal for Texas and the U.S. For the cooling season (1/1/12 to 12/31/12), cumulative cooling degree days were 37% above normal for Texas and 32% above normal for the U.S. Source: www.cpc.ncep.noaa.gov

COOLING DEGREE DAYS (CDD)				
City or Region	Total CDD for week ending 6/16/2012	*Week CDD +/- from normal	Year-to-date total CDD	* YTD % +/- from normal
Amarillo	80	16	467	95%
Austin	136	22	1005	25%
DFW	130	21	962	63%
El Paso	143	27	883	49%
Houston	130	18	1258	54%
SAT	152	36	1167	37%
Texas**	122	18	986	37%
U.S.**	52	5	341	32%

* A minus (-) value is cooler than normal; a plus (+) value is warmer than normal. NOAA uses 65° Fahrenheit as the 'normal' basis from which CDD are calculated. ** State and U.S. degree days are population-weighted by NOAA.

Last week: U.S. natural gas storage at 2,944 Bcf

For the week ending 6/8/12, U.S. working gas in storage rose from 2,877 to 2,944 Bcf, compared to 2,236 Bcf in storage a year ago and compared to an average of 2,278 Bcf in storage during the 5-year period from 2007 to 2011. Working gas in storage in the producing region (which includes Texas) rose from 1,091 to 1,102 Bcf. Source: www.eia.doe.gov

U.S. WORKING GAS IN STORAGE				
Region	Week ending 6/8/12	Prior week	One-week change	Current Δ from 5-YR Average (%)
East	1,406	1,363	43	+ 31.2%
West	436	423	13	+ 26.0%
Producing	1,102	1,091	11	+ 28.1%
Lower 48 Total	2,944	2,877	67	+ 29.2%

Lower 48 states, underground storage, units in billion cubic feet (Bcf)

Last week: U.S. gas rig count down 13

The total rig count for the U.S. was down 13 when compared to the prior week and up 111 when compared to 12 months ago. The total rig count includes both oil and natural gas rotary rigs.

Source: Baker Hughes

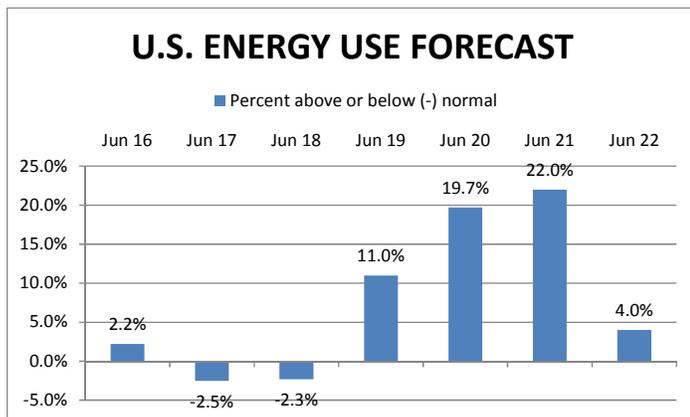
BAKER HUGHES RIG COUNT			
	As of 6/15/12	+/- prior week	+/- year ago
U.S.	1971	-13	+111
Canada	248	+18	-29
Int'l	1225	+47	+74

Numbers are excerpted and not meant to be totaled

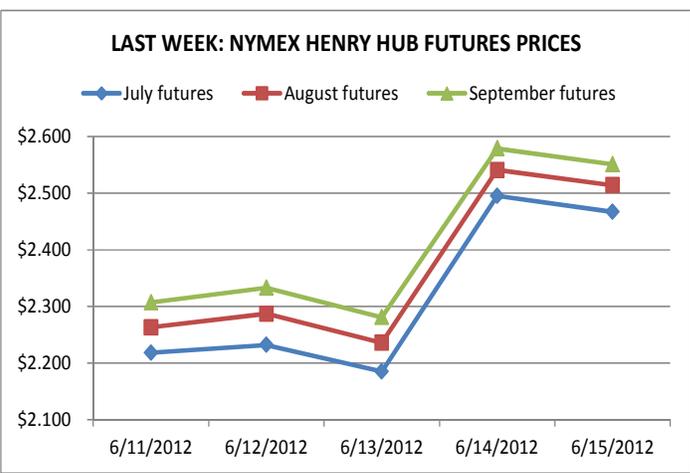
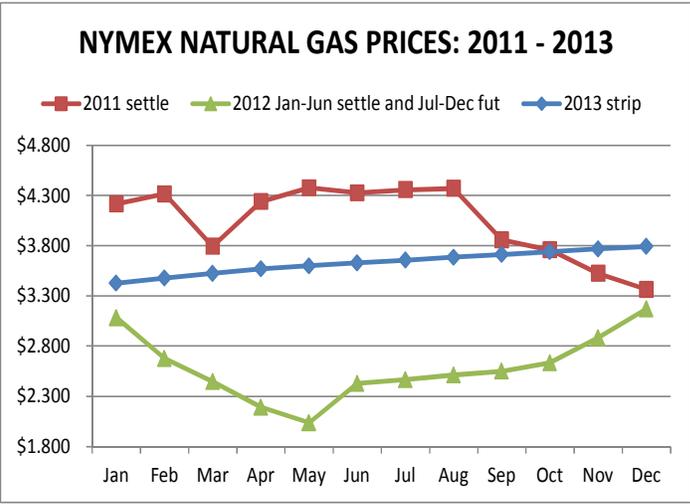
This week: U.S. energy mostly higher than normal

U.S. energy use is forecasted to be higher than normal for most of the week, according to the Dominion Energy Index, as shown below. Dominion forecasts total U.S. residential energy usage, a component of which is natural gas.

Source: Dominion Energy Index



Strip prices. Natural gas strip prices for 2013, shown below in blue, are the average of daily settlement prices for the next twelve months of natural gas futures contracts.



NATURAL GAS PRICE SUMMARY AS OF 6/15/2012

	This Week	+/- Last Week	+/- Last Year	12-Month Strip Avg.
US July futures				
NYMEX	\$2.467	\$0.168	-\$1.890	\$3.015

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