



Welcome to the Enkon Insights Newsletter

Every month, we feature three full-length articles, share critical stories in oil and gas commodities, and break down key trends.

Have opinions? Want to talk shop? Need more insights? Drop us a line:

info@enkonenergy.com

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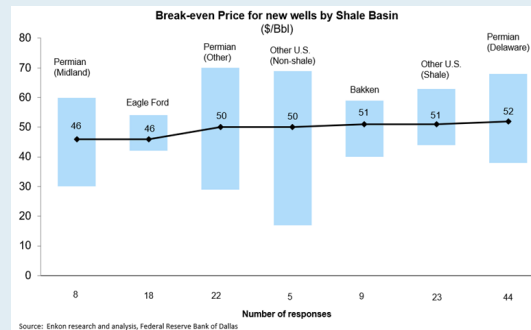
Is U.S. production coming back at \$40/barrel?

WTI prices showed remarkably stability in July, as prices closed between \$39.64 and \$41.88/barrel. This data is consistent with what [we've written before](#): crude prices face a hard ceiling, a soft(er) floor, and a narrowing range. There's a hard cap on prices until a vaccine unlocks demand, downside risks could send demand lower, and supply/demand balances are stabilizing, albeit not at the level many in the industry would prefer.

Let's assume this dynamic continues to play out and prices trade within a range of \$35-45, at least until a vaccine is deployed. Will U.S. oil production come back online at those levels? We think that few oil producers will risk drilling new wells at such low prices, although some shut-ins may come back online and offshore assets are relatively well-positioned. Additionally, Wall Street does not want to see producers boosting output that is not supported by free cash flow, and access to capital will likely limit output. U.S. crude production will remain highly constrained at \$40/barrel.

Offshore holds steady at \$40/barrel, but Permian?

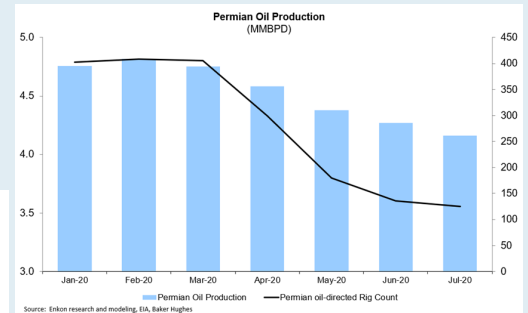
The Dallas Federal Reserve Bank collects information on reported break-even prices by shale basin. We've summarized results below, but before we jump in let's note some qualifications. First, the simple average (black line) isn't weighted by production, and the Dallas Federal Reserve Bank doesn't provide the volume-weighted break-even price. Second, this data was collected in mid-March, and a LOT has changed since then. Anecdotally, we've heard that some costs have fallen due to greater labor availability, but also that many investors are requiring higher rates of return for U.S. oil companies.



Source: Enkon research and analysis, Federal Reserve Bank of Dallas

Break-even prices vary by basin. To the surprise of no one, the Permian enjoys superior break-even costs. What may be more surprising to some is that some "other U.S. (Non-shale)" assets are profitable below \$20/barrel. We think some of these assets are found in the offshore, in the Gulf of Mexico (GoM). While greenfield offshore projects require billions of dollars and years to complete, brownfield projects enjoy superior economics since most of their costs are already sunk. Since breakevens for offshore brownfield projects can fall below \$30/barrel, we think this segment of the industry is well-positioned even if prices remain at \$40/barrel for a year or longer. There will be little impetus to cancel planned offshore brownfield projects. Some offshore brownfield projects could conceivably take FID at current price levels.

The Permian's story is more complicated than the offshore. Some new Permian wells are theoretically competitive even in this price environment. In practice, however, we see little evidence that Permian producers will seek to drill new wells due to capital constraints and managing investor expectations. Indeed, Permian rig counts and production have fallen sharply since COVID began. Even supermajors like Chevron and Exxon may only have [14 producing rigs between them by January](#), off 80% from a year ago. Occidental is down to a single rig in the Permian, although last week's data shows a rebound in Permian oil drilling.



It's more likely that the supermajors and majors will reopen previously shut-in wells than start a new drilling program. Permian production could tick up if prices firm, but we see little evidence of a return to pre-COVID production levels anytime soon.

Is U.S. production coming back at \$40/barrel?



“Oxy and other struggling producers may not find buyers because \$40/barrel may be the “anti-goldilocks” level of prices. At \$40/barrel, prices may be too low for supermajors to generate the free cash flow needed to acquire smaller competitors, who can, in turn continue to limp on. At the same time, \$40/barrel prices may be too high for private equity funds to see value in acquisitions.”

Will \$40/barrel slow Permian consolidation?

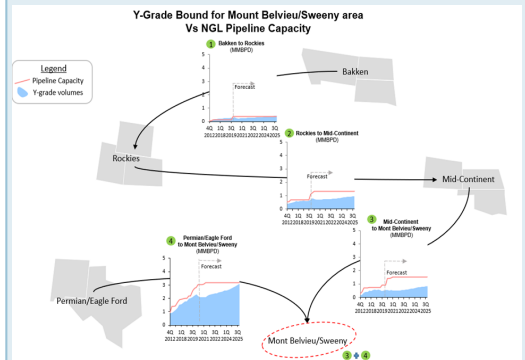
We’ve talked for over a year about how the Permian faces and in fact *needs* consolidation to become more efficient in a Darwinian competition with overseas oil producers. If U.S. producers are able to leverage economies of scale and contiguous acreage, they could shave several dollars off those all-important break-evens and become even more competitive. So why aren’t we seeing more signs of consolidation?

Even completed acquisitions seem to signal trigger-shy companies. Chevron’s acquisition of Noble could signal that it lacks the appetite for other, larger targets. Oxy, the \$40 billion debt-burdened elephant in the room, is an obvious acquisition target for any supermajor, but perhaps especially for Chevron. During their price war over Anadarko last year, many analysts noted that Anadarko’s assets complemented Chevron better than Oxy. If that remains true, why doesn’t Chevron concentrate its resources on gobbling up Anadarko’s old assets?

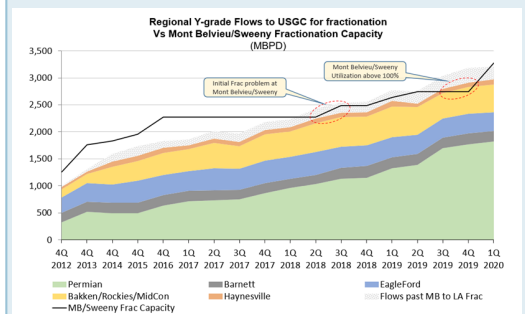
Oxy and other struggling producers may not find buyers because \$40/barrel may be the “anti-goldilocks” level of prices. At \$40/barrel, prices may be too low for supermajors to generate the free cash flow needed to acquire smaller competitors, who can, in turn continue to limp on. At the same time, \$40/barrel prices may be too high for private equity funds to see value in acquisitions.

Offshore producers appear well-positioned for the current environment, but the Permian is facing some challenges. Oil prices at \$40/barrel may be too low to generate free cash flow, but just high enough to deter private equity players from entering the market. In the short-term, crude production could be locked in a narrow range, while an unconsolidated sector could become less competitive in the medium-term.

In lock step, NGL pipeline capacity expanded to accommodate greater NGL volumes for transportation to the gulf coast for fractionation complex at Mont Belvieu and Sweeny. NGL pipeline capacity is projected to be adequate to transport future growth in NGL production through 2024.



Will fractionation facilities at Mont Belvieu/Sweeny able to handle all these NGLs? We believe so. In fact, we see significant downside risk to fractionation rates. The current fractionation capacity at Mont Belvieu and Sweeny is at 3.2 Million bpd (excluding 0.55 Million bpd of fractionation capacity in Louisiana). During 2018, Y-grade flows to USGC for fractionation exceeded the Mont Belvieu/Sweeny fractionation capacity, proving price signals to support significant fractionation expansion in the Gulf Coast region. The graph below shows a historical snapshot of Y-grade NGLs bound for Mont Belvieu/Sweeny vs the Mont Belvieu/Sweeny fractionation capacity, illustrating past fractionation constraints.



To meet the projected increase in fractionation demand, Enterprise, Targa, Energy Transfer, ONEOK and Phillips66 planned to add ~1 Million Bpd of new fractionation capacity by 2Q 2021. A large portion of that capacity is already online or imminent but a few expansions have been put on hold or deferred. Combining the effect of reduction in NGL production and the increase in gulf coast fractionation capacity, are we about to see a crash in fractionation rates? Only time will tell us how this will unfold, but we may be entering a period of fractionation overcapacity, pressuring near-term fractionation spot rates. At the time of writing, we heard that Mont Belvieu fractionation all-in rates were rumored at 3-3.5 cpg.

Crude Oil News:

[7-Eleven Owner buys Marathon Gas Stations for \\$21 Billion](#)

[Marathon permanently closes two U.S. oil refineries](#)

[ExxonMobil to ease shut-ins to 200,000 boe/d](#)

[ExxonMobil, Enterprise still adding to Permian crude pipeline glut](#)

[Buckeye starts crude exports at Corpus Christi terminal](#)

[Corpus Christi still targeting Canadian, Bakken crude for exports](#)

[US crude flows to China poised to surge](#)

Special Feature: USGC Fractionation Rates Crash Ahead

COVID 19 has reduced production from shale basins across the U.S., limiting wet gas production and the extraction of associated NGLs. In this article, we will discuss the impact of lower NGL production on U.S. gulf coast fractionation balances and spot fractionation rates. Since 2012, robust oil-directed drilling has resulted in a ~18 Bcf/d increase in wet gas production in the U.S., with Permian leading the pack. NGL Y-grade production from the Permian, Eagle Ford, Mid-continent, Bakken, Rockies, Haynesville, and the Barnett flow to U.S. gulf coast fractionator complex, which in aggregate fractionated approximately 4.1 Million bpd of NGLs in 1Q 2020.

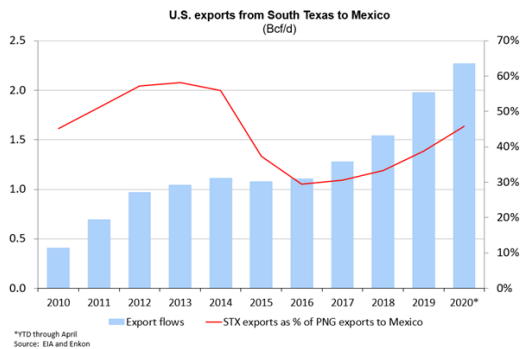
By 1Q 2020, five major regions – (Permian, Eagle Ford, Mid-con, Niobrara, and Bakken) in aggregate processed ~43 Bcf/d of wet gas, resulting in 3.7 Million Bpd of NGL production. As wet gas production grew, an aggregate of ~33 Bcf/d of processing capacity was installed in the five regions since 2012 to facilitate NGL extraction, with Permian adding the majority of new plants. For now, there is an ample near-term processing capacity.

South Texas Natural Gas Fundamentals and Corpus Christi LNG

U.S. pipeline natural gas exports are tightening local supply, but Cheniere’s portfolio management limits downside risks. Natural gas exports to Mexico in 2020 have offered a lifeline to a U.S. natural gas industry struggling with COVID-19 and falling LNG exports. Eagle Ford and Permian producers have benefitted from this trend, given their proximity to Mexico. What’s going to happen to South Texas (STX) price benchmarks when we return to more normal times (knock on wood) and LNG exports ramp up again? Clearly, STX prices will be supported by greater pipeline natural gas and LNG exports – but the effects on Cheniere’s Corpus Christi LNG terminal could be limited, as the facility has relatively little exposure to STX benchmarks despite located in South Texas.

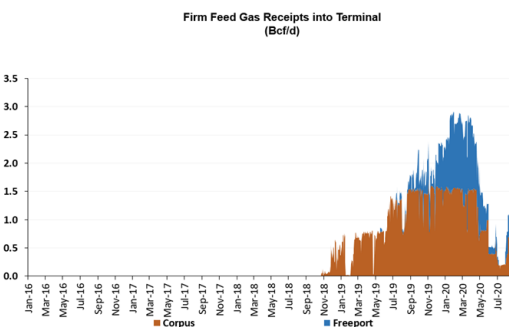
Growing pipeline exports to Mexico

Our analysis of South Texas (which we define as spanning from Brownsville from Eagle Pass) shows that STX cross-border flows rose from just under 0.4 Bcf/d in 2010 to nearly 2 Bcf/d by 2019, the last full year of data from the U.S. Energy Information Administration. We believe STX exports now stand at all-time records.



LNG exports have cratered

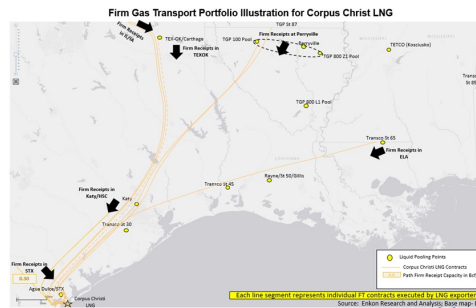
While PNG exports to Mexico are surging as part of a long-standing trend, LNG volumes have taken a hit in recent months. When we say Texas LNG volumes have cratered, we mean it. Corpus Christi and Freeport are the two Texas LNG export terminals (Sabine Pass is close to the LA/TX border but is located in the Bayou State), and their volumes have declined from over 3.0 Bcf/d in early 2020 to just 0.2 Bcf/d in late July. Volumes have since recovered but remain well below year-ago levels.



We expect Corpus Christi feed gas and export volumes to pick up in both the near-term and medium-term, particularly once Corpus Christi’s 3rd Train is completed. By 2022, we project that Corpus Christi’s exports will stand at around 2.1 Bcf/d, up from ~0.9 Bcf/d in 2Q2020.

What happens when LNG exports resume?

Higher feed gas volumes from Corpus will add to more demand for U.S. natural gas but could have only a limited impact on demand for South Texas natural gas. As you can see from the chart below, only ~0.3 Bcf/d of Corpus Christi’s natural feed gas requirements for Trains 1-3 are sourced from STX (for a more comprehensive assessment of Corpus Christi’s firm gas transport portfolio, drop us a line). Corpus Christi sources ~1.7 Bcf/d from north-to-south flows, limiting its exposure to STX benchmarks.



Corpus Christi LNG: waiting for the post-COVID world

While greater PNG exports to Mexico and tighter supply/demand balances in STX could indirectly affect Corpus Christi, we expect that Cheniere’s geographically disparate sourcing (from LA, OK, and points farther north) will insulate it from any tightening of STX benchmarks. Our analysis shows Corpus Christi’s feedgas costs in the pre-pandemic period averaged about \$0.09/MMBtu below the Henry Hub benchmark. When things (hopefully) return to normal Corpus Christi LNG will likely continue to enjoy sub-HH feed gas costs despite a potential tightening in STX gas balances.

European Storage and U.S. LNG: cautious optimism

U.S. LNG’s summer from hell is almost over, as netbacks show an increasingly favorable environment. While U.S. LNG exporters can breathe a sigh of relief, it’s too soon to reach for the champagne: European storage injections are slowing but remain above last year’s highs, and many European countries are experiencing their highest post-lockdown COVID case counts. Rising Henry Hub prices could also weigh on LNG shipments. While we think the worst is over for LNG exporters, risks remain on both sides of the Atlantic.

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NGLs News:

[PTTGC signs deal to develop NGL storage in northeast US](#)

[Southwestern Energy to acquire Montage Resources in all-stock deal](#)

[Epic Midstream begins operations at NGL plant near Corpus Christi](#)

[Lone Star Mont Belvieu NGL facility faces trouble](#)

[Corpus Christi Port Impacted by Explosion](#)

LNG News:

[BP looks to double LNG portfolio by 2030 to 30 MMTPA](#)

[Sabine Train 6 LNG will be ready sooner than expected](#)

[Cameron Train 3 begins commercial start up](#)

[Tellurian drops three gas pipelines from first phase of Driftwood](#)

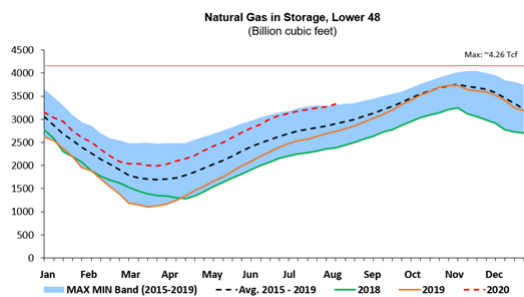
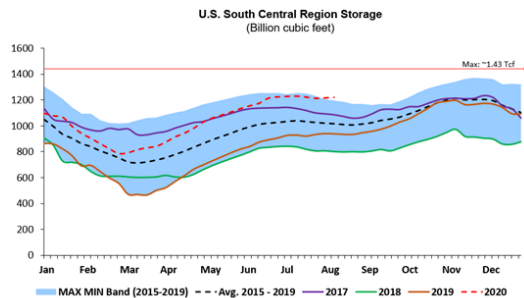
[Delta Offshore sets up a shop in Houston, seeks LNG supply deal](#)

[NextDecade gets FERC approval for Rio Grande LNG design change](#)

Why is Henry Hub rising?

We're frankly surprised that Henry Hub prices are rising, since the fundamentals do not seem to align with the price enthusiasm in recent weeks. To wit: August temperatures are expected to be cooler than previously expected; U.S. natural gas storage levels are rising; U.S. COVID cases have declined in recent weeks but are expected to rise amid school re-openings, flu season, and more time spent indoors; and COVID cases are rising in key export markets, especially Europe. On the other hand, there has been more optimism on vaccine development and deployment – but most experts believe that most Americans will receive a vaccine only by 2Q2021 at the earliest. It's possible that the market is also betting on lower future production from oil (and therefore associated gas) or on a colder-than-average winter. There's some evidence that HH prices are rising on technical (i.e. traders covering short positions) rather than fundamentals. Nevertheless, rising Henry Hub prices raise feed gas input costs for U.S. LNG exporters and, all things being equal, limits export cargoes.

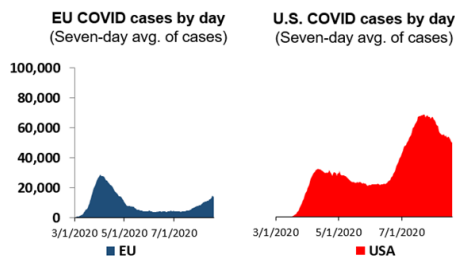
Rising Henry Hub prices don't seem to align with fundamentals because of storage dynamics. In recent weeks, storage levels across the U.S. South Central region (where Henry Hub and LNG projects are located) started ticking up again, raising the possibility of a storage max-out later in the year. National-level storage data rose above 5-year averages last week on greater storage injections in the South Central and Midwest regions.



As we mentioned above, it's possible that market participants are wagering that 1) domestic oil production will remain constrained and 2) associated gas supply from oil production will also stagnate or even decline. We see some evidence for this view: WTI prices have risen slightly from \$40/bbl in early August to about \$42/bbl as of this writing, and rig counts are under pressure despite an uptick in Permian rigs last week. The most recent EIA data shows a decline in domestic crude production, we've heard anecdotal reports of producers reluctant to restart shut-in wells, and many producers have reduced their output projections in recent SEC filings. If high prices are sustained, then producers in the Haynesville or Appalachia might turn on production. We'll circle back to this topic in a future article.

European LNG demand: Will it hold?

There are some faint warnings that European demand could soften, but no bright red warning lights as of yet. Seven-day averages of European COVID cases are up 23% week-over-week (conversely, U.S. cases are down 7%). Several European countries have suggested that additional containment measures may be needed to slow the spread of the virus.



The European storage situation is improving for now, as the pace of injections has slowed considerably over the summer. European storage levels are only barely above their 2019 highs, and we have read of European coal-to-gas switching gathering pace. Much will depend on Europe's winter. If the continent experiences another unseasonably warm winter, heating demand will suffer. U.S. LNG could repeat its "summer from hell" again next year if European natural gas inventories remain elevated on weaker winter demand.

On a happier note, futures markets are predicting a sunnier outlook for European netbacks. Our analysis shows that U.S. LNG exports will be "in the money" for October shipments to Europe, suggesting that fewer cargoes will be cancelled. Cargoes to Asia are in a more favorable position, suggesting that we have likely already seen the worst of the cancellations this summer.

Cautious optimism

Despite rising Henry Hub prices, a possible resurgence of COVID cases in Europe, and elevated natural gas storage levels on the continent, we believe we may be over the worst of the cancellations. Every day brings us closer to a vaccine and (hopefully) a return to more "normal" market conditions. Although risks remain and additional COVID outbreaks are likely, the worst may be over.

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Natural Gas News:

[New electricity rules in Mexico and their consequences](#)

[Tokyo Gas to boost shale output](#)

[Shell has exited Appalachia shale gas](#)

[Permian supply concerns push SoCal winter gas prices toward record highs](#)

[CGT asks FERC to quickly authorize Xpress to meet in-service target](#)

[Oklahoma to vote on natural gas prorationing](#)

[Dozens of coal-fired plants are being repurposed for natural gas](#)

Coal:

[U.S. utilities continue plans to accelerate coal retirements](#)

[BHP backs away from coal projects](#)

[U.S. 2020 coal production to fall 29% to 57-year low](#)

[Japan phasing out inefficient coal plants by 2030](#)

[EU coal imports continue to fall](#)



If you haven't heard yet, there are not 1 but 2 (!) hurricanes barreling towards the U.S. Gulf Coast this week, threatening oil and gas supply and demand in the short-term, and possibly for longer. Hurricane Laura could hit Houston; Hurricane Marco seems like it will largely avoid Houston but strike New Orleans. There is also a risk that the two hurricanes will combine into a larger storm, or drench the same area twice. The hurricanes don't appear, as of this writing, to pose as dire a threat as Harvey proved—but remember that Harvey's danger wasn't fully understood until a few days before the storm made land-fall. We're not meteorologists, but we are watching these storms very carefully—and you should too.

The severity or even trajectory of Hurricanes Laura and Marco isn't fully known as of yet, but several consequences seem likely.

First, the oil/gas complex's supply chain will be impacted for several days at a minimum. Many ships and even offshore rigs are moving out of the storm's path. Even in the best case scenario, offshore production will be delayed by several days; crude exports and imports will also slow. The Houston Ship Channel reopened within days of Hurricane Harvey leaving the area but was forced to idle for several days. In a more severe scenario, ship channels could go offline for weeks.

Second, regional crude and products demand will likely fall, but crude and products *supply* could fall even further, supporting prices. In Harvey, gasoline retail prices rose from \$2.40 in the week prior to Harvey to nearly \$2.70 after it finally dissipated. If the storms prove to be destructive—and let's remember that we don't know the full extent of the storms as of this writing— Gulf Coast refineries could be forced to shut down for several days or even weeks, decreasing Gulf Coast crude runs and supporting prices of crude products such as gasoline and diesel.

Finally, another destructive hurricane within just three years would have profound, long-term effects for the industry. It's too soon to say what those effects would be and, hopefully, the hurricanes are less destructive than feared. Stay safe out there.

Oil Market Movers:

Hurricanes Marco and Laura have already shut down substantial offshore oil and gas production; some U.S. Gulf Coast export and import cargoes could screech to a temporary halt; and products markets could face bottlenecks, which would support prices. Note, however, that *short-term outcomes are highly dependent on the severity of the storms, which remains unknown as of this writing.*

Keep an eye on the port of Corpus Christi. A propane pipeline explosion killed four individuals working on a dredging barge last Friday. It's not clear as of this writing how crude/NGL exports will be impacted—but remember that Houston and Corpus handle a majority of U.S. crude exports. Houston could face near-term difficulties due to the hurricanes, and Corpus may struggle to address the pipeline issue. There is a lot of uncertainty, but we will know a lot more a week from today.

LNG Market Movers:

LNG shipments and feed gas flows could fall due to hurricanes impacting ships and the safety of onshore plant personnel. This is especially unfortunate since Summer 2020 U.S. LNG feed gas volumes have tended to ramp up towards the end of the month.

U.S. LNG producers are also facing some trouble in their export markets. COVID cases are rising in Europe and Japan, two key consumers of LNG. While European leaders say they will not issue any more shutdowns, further outbreaks would nevertheless constrain economic activity and dampen natural gas demand—and demand for LNG imports. With flu season approaching, we are monitoring COVID cases very carefully.

NGL Market Movers:

Ethylene plant restarts are coming, which will support ethane and NGL demand. Motiva has restarted its ethylene plant; Formosa's mixed-feed cracker is also expected to restart sometime in the fourth quarter.

Propane inventories are starting to rise above 5-year averages, although winter netbacks are improving.

Natural Gas Market Movers:

Henry Hub prices are rising in ways that seem disconnected from fundamentals, as we note above in our analysis. Admittedly, the hurricanes could conceivably degrade U.S. natural gas production in ways that tighten supply and support prices; and natural gas demand could fall as consumers and businesses struggle to deal with the hurricane. Still, we think the hurricanes could ultimately pressure Henry Hub prices: LNG exporters are a key source of natural gas demand, and most U.S. natural gas production is far inland and will be relatively undisturbed by the hurricanes.

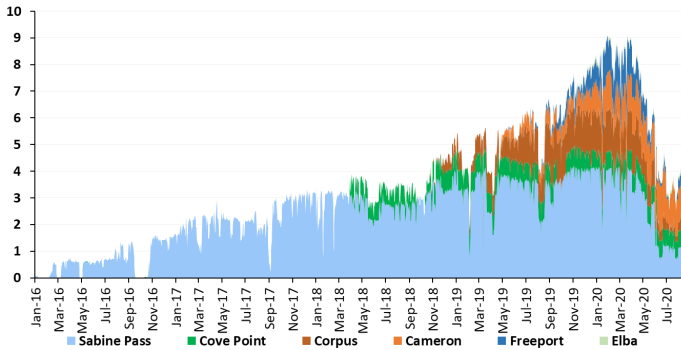
"Short-term outcomes are highly dependent on the severity of the storms, which remains unknown as of this writing... We will know a lot more a week from today."

- ### Hurricane Resources:
- [Weather.com](https://www.weather.com)
 - [National Oceanic and Atmospheric Administration](https://www.noaa.gov/national-oceanic-and-atmospheric-administration)
 - [Hurricane Preparedness—Ready.Gov](https://www.ready.gov/hurricane-preparedness)
 - [How to move forward after Hurricane Harvey](https://www.enkonenergy.com/how-to-move-forward-after-hurricane-harvey)
 - [Harvey in Perspective](https://www.enkonenergy.com/harvey-in-perspective)
 - [The Supply Chain Manager's guide to the Hurricane Harvey aftermath](https://www.enkonenergy.com/the-supply-chain-managers-guide-to-the-hurricane-harvey-aftermath)

Images from Wikimedia Commons: [Maciek Kwiatkowski](#), [Martian-2007](#), [Downtowngal](#), [Qyd](#), [Joshua Dubeck](#)

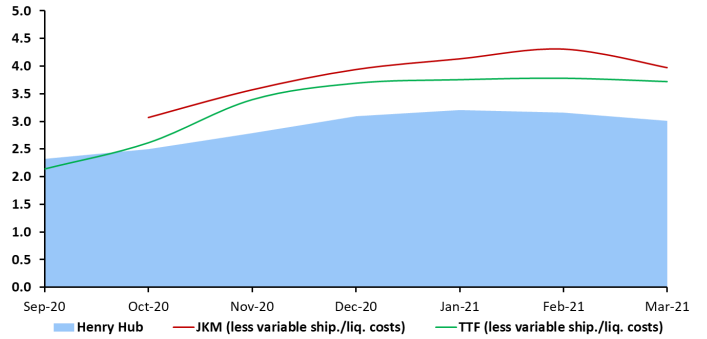
Key Market Dashboards

Firm Feed Gas Receipts into U.S. LNG Terminals
(Billion Cubic Feet per Day)



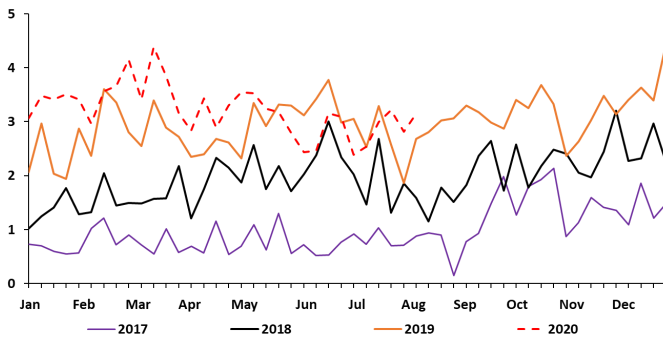
U.S. LNG feed gas flows will likely continue to grow as netbacks to Europe and Asia improve

LNG Netbacks to U.S. (on Cash Basis)
(\$/MMBtu)



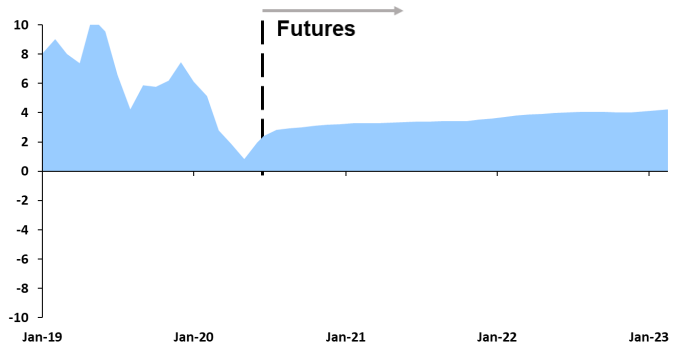
Fewer cargo cancellations expected in future months; winter months will be key

U.S. Crude Oil Exports
(Million Barrels per Day)



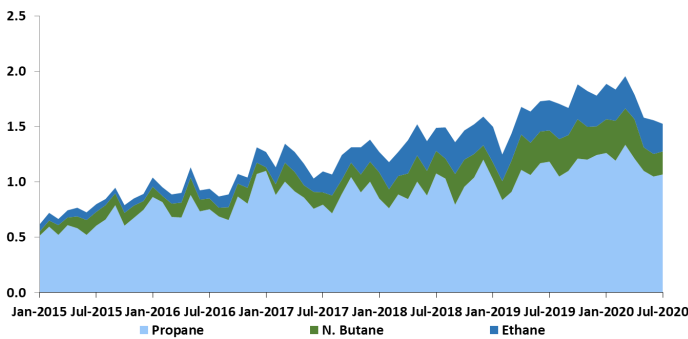
COVID cases are rising in Europe and Asia, potentially limiting exports. Hurricanes Laura and Marco could also constrain exports for weeks.

Brent—WTI Spread
(\$/Barrel)



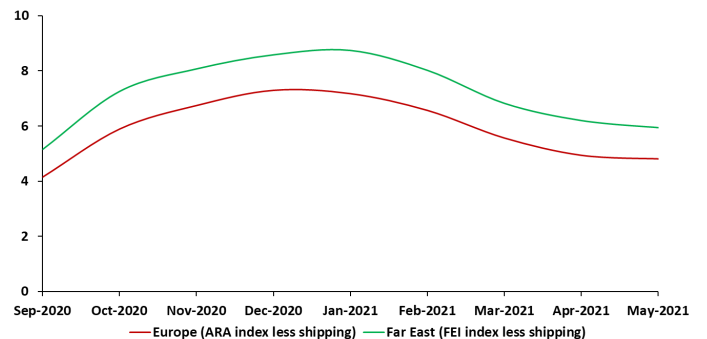
Brent-WTI spread is projected to rise gently, but overseas COVID dynamics could threaten this trend

U.S. NGL Product Exports
(Million Barrels per Day)



U.S. LPG export remain above 1.0 MMBPD, the level required to balance domestic market

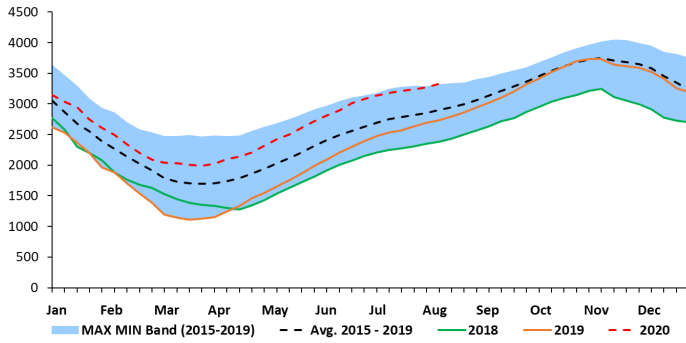
International Propane Netbacks (to Mt. Belvieu)
(Cents Per Gallon)



Netbacks expected to rise in winter months

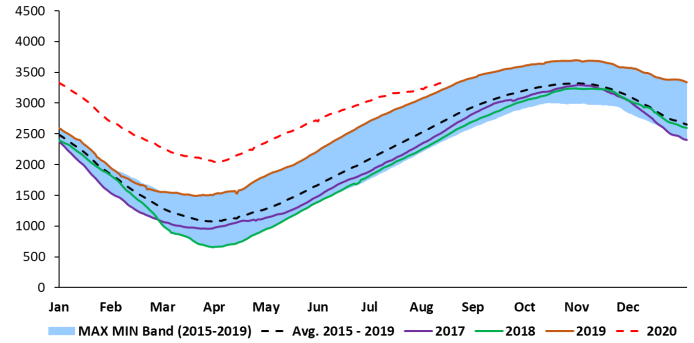
Key Market Dashboards

Natural Gas in Storage, Lower 48
(Billion Cubic Feet)



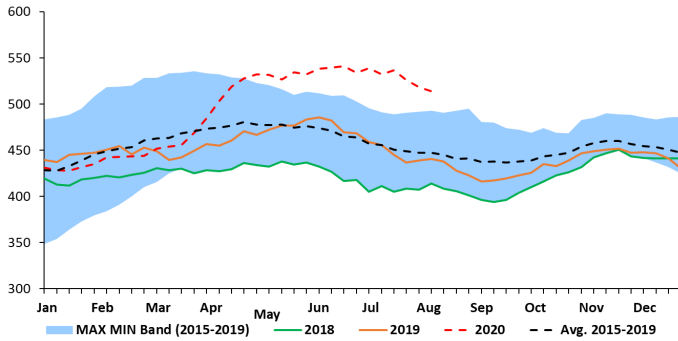
U.S. natural gas storage levels could flirt with physical constraints in some markets later this year; LNG flows required to stabilize levels

European Storage
(Billion Cubic Feet)



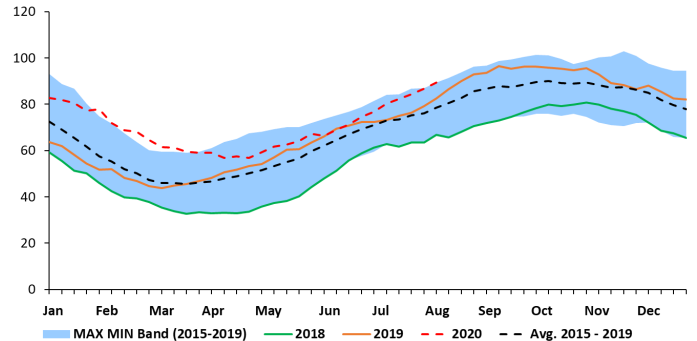
European storage injection rates continue to slow, but European demand/COVID remains a real concern

U.S. Crude Oil Commercial Storage Inventory
(Million Barrels)



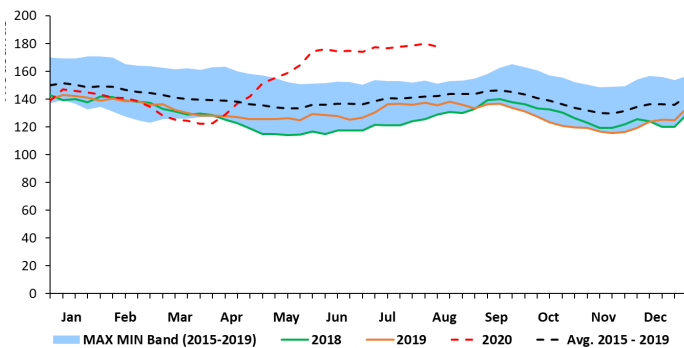
Lower production is reducing inventory levels, but Permian rig counts may be rising again. And will hurricanes lead to products drawdowns?

U.S. Propane/Propylene Storage Inventory
(Million Barrels)



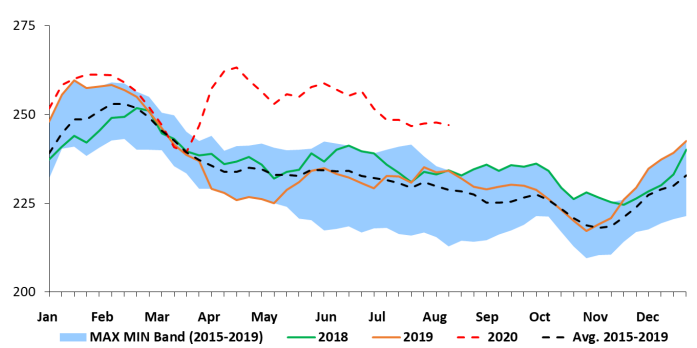
Rising storage levels could support U.S. LPG export economics and volumes

U.S. Diesel Storage Inventory
(Million Barrels)



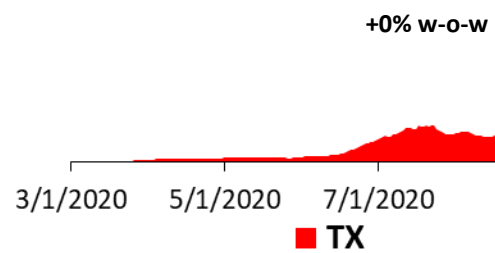
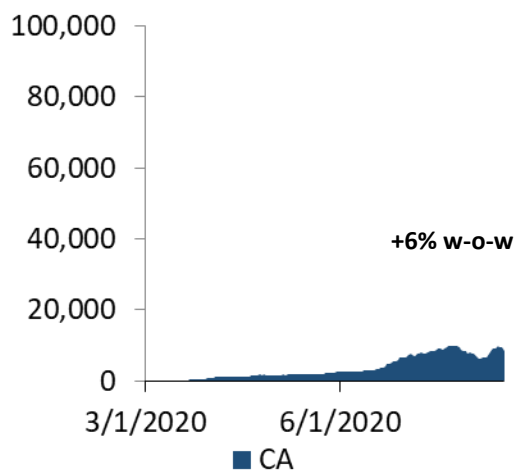
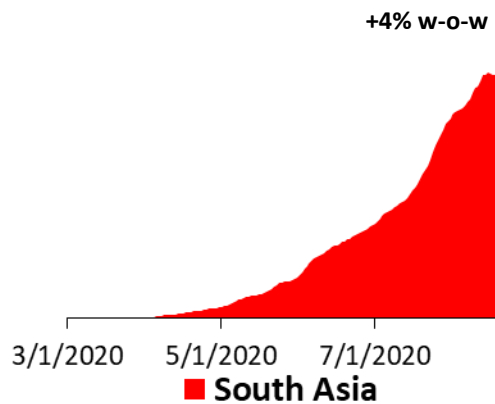
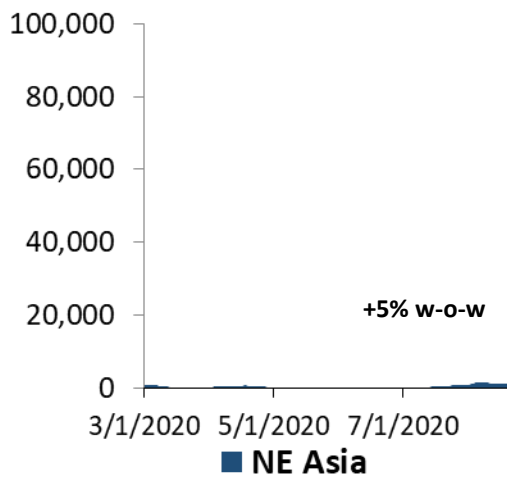
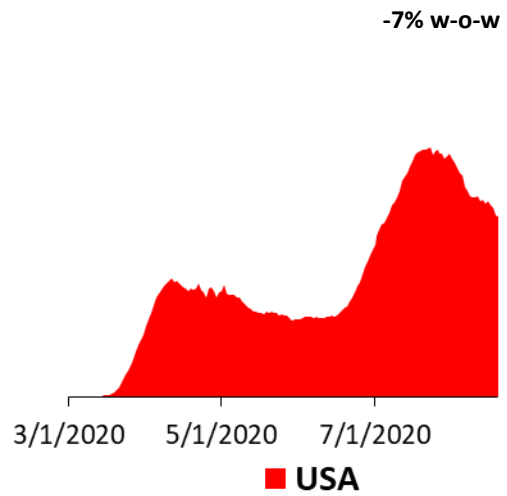
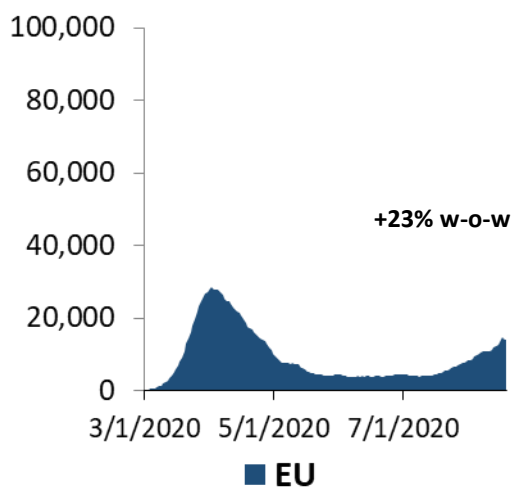
Refineries have effectively managed their distillates inventory

U.S. Gasoline Storage Inventory
(Million Barrels)



Gasoline days of supply (as calculated by the EIA) are at their lowest level since mid-March as demand stabilizes.

Key COVID Dashboards (7-day averages)



Our Subscription Product Offerings

Regional NGL Benchmarking

(Research, intelligence and insights into Supply, Logistics, Pricing, Disposition and Outlook)

Each quarter, Enkon provides clients a unique, bottom-to-top analysis of NGL supply, logistics, pricing, netbacks, product disposition and outlook for eight NGL producing basins in the U.S. The granularity of the analysis makes this product unique. The analysis identifies NGLs (by purity product) produced at each of the ~700 U.S. gas processing plants as the building block of the analysis to quantify asset utilizations across the midstream value chain.

Appalachian	Rockies	Haynesville- Bossier
Permian	Bakken	Barnett
Eagle Ford	STACK/SCOOP/MERGE	LA Gulf Coast

	Deliverables	Format	Update Frequency
1	NGL Benchmarking	Report (MS PowerPoint)	Quarterly
2	Report discussion & review	In-Person Meeting/Conf Call	Quarterly
3	Supporting data sets	Secured online portal	Quarterly
4	Market insights	Memo	Monthly

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U.S. Gulf Coast Liquid Cavern Storage Benchmarking

(Research, intelligence and insights into NGL, Olefins, Refined Product Cavern Storage)

Once a year, Enkon provides clients a one-of-a-kind, comprehensive lay-of-the-land and granular benchmarking for ~250 non-crude liquid-hydrocarbon salt cavern storage wells in Texas and Louisiana. The report provides regional analysis of cavern storage capacity versus brine pond capacity in each of the dome locations. The report also identifies product storage in each of the cavern wells along with historical product injection, withdrawal, inventory and cavern utilization.

Texas Cavern Coverage		Louisiana Cavern Coverage	
Barbers Hill (Mont Belvieu)	Hull	Sulphur	Bayou Choctow
Stratton Ridge	Spindletop	West Hackberry	Napoleonville
Markham	Fannett	Arcadia	Sorrento
Clemens	Sour Lake	Pine Prairie	Venice
Pierce Junction	Boiling	Anse La Butte	Section 28
West/Panhandle Texas	East Texas		

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Regional Fractionation and NGL Export Terminal Benchmarking

Each quarter, Enkon provides clients a provide a historical benchmarking and comprehensive outlook of Y-grade NGLs in the U.S. Gulf Coast with the objective of quantifying incremental need for fractionation capacity in various locations in US Gulf Coast, namely Mont Belvieu, Sweeny and Louisiana, and adequacy of NGL export capacity in the USGC and Northeast.

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North America LNG Export Project Benchmarking

(Research, and insights into U.S. Liquefaction Projects)

Each quarter, Enkon undertakes an exhaustive review of over 24 post and pre-FID North American LNG export terminals; summarizing the North American LNG export terminal landscape, LNG nameplate capacity and feed gas forecasts, key market trends, and a competitive assessment of pre-FID North American terminals. For each project, we report terminal attributes, commercial models, key regulatory milestones, risk assessments, and, for existing terminals, historical feed gas receipts (by pipeline), and estimated weighted average landed cost of feed gas into the terminal.

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