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## Newsletter January 4, 2010

With cold weather capturing North America, short term swing natural gas market surpassed the six dollar pricing point in early trading this AM. The February 2010 forward natural gas contract has traded within a range of \$5.894 - \$5.705 and ICE (Intercontinental Exchange) next day Midcontinent pricing ranged from the low \$6.00 price point to \$6.15. With natural gas storage levels still at all time highs the colder than normal weather will provide some very interesting trading in the next few weeks.

As you will notice in the year over year comparison the difference has narrowed significantly from last year to this year.

The following table illustrates the comparison of the NYMEX pricing offering at contract settlement for 2008 and 2009.

<u>Month/Year</u>	<u>NYMEX December 31, 2008</u>	<u>Month/Year</u>	<u>NYMEX December 17, 2009</u>	<u>Difference</u>	<u>Percentage Change</u>
Feb-09	\$5.792	Feb-10	\$5.572	(\$0.22)	-3.80%
Mar-09	\$5.824	Mar-10	\$5.532	(\$0.29)	-5.01%
Apr-09	\$5.882	Apr-10	\$5.505	(\$0.38)	-6.41%
May-09	\$5.993	May-10	\$5.454	(\$0.54)	-8.99%
Jun-09	\$6.100	Jun-10	\$5.615	(\$0.48)	-7.95%
Jul-09	\$6.150	Jul-10	\$5.695	(\$0.46)	-7.40%
Aug-09	\$6.300	Aug-10	\$5.765	(\$0.54)	-8.49%
Sep-09	\$6.353	Sep-10	\$5.795	(\$0.56)	-8.78%
Oct-09	\$6.473	Oct-10	\$5.898	(\$0.58)	-8.88%
Nov-09	\$6.838	Nov-10	\$6.221	(\$0.62)	-9.02%
Dec-09	\$7.228	Dec-10	\$6.548	(\$0.68)	-9.41%
Jan-10	\$7.488	Jan-11	\$6.768	(\$0.72)	-9.62%

One Year (Feb 10 – Jan 11)	\$6.097/\$5.997	Three month (Feb 10 – Apr 10)	\$5.809/\$5.719
1 year strip 2011	\$6.412/\$6.312	Three month (May 10 – Jul10)	\$5.855/\$5.735
1 year strip 2012	\$6.527/\$6.427	Three month (Aug 10 – Oct 10)	\$6.040/\$5.920
1 year strip 2013	\$6.669/\$6.619	Three month (Nov 10 – Jan 11)	\$6.687/\$6.587

	<u>This week</u>	<u>Last Week</u>	<u>Two Week</u>
February 2010	\$5.884/\$5.744		
Winter 2009-2010 (Feb 10-Mar10)	\$5.827/\$5.727		
Summer 2010 (Apr 10-Oct10)	\$5.922/\$5.802	\$6.077/\$5.928	\$5.708/\$5.558
January 2010 NYMEX natural gas contract settlement:	\$5.814		
ONG PGA – January 2010	\$_____		
ONG Fixed Price Program	November 2009 – October 2010	\$6.194	

The February 2010 NYMEX natural gas contract will expire on January 27, 2010.

The Energy Information Administration (EIA) reported that for the week ending December 25, 2009 natural gas withdrawal of 124 Bcf. The build was below analyst's predictions moving the forward price of natural gas to lower pricing values.

## 2010 Whole Sale Natural Gas Pricing Update

	<u>OGT</u>	<u>PEPL</u>	<u>ANR</u>	<u>NGPL</u> <u>Mid-Con</u>	<u>NGPL</u> <u>TxOk</u>	<u>Southern</u> <u>Star</u>	<u>CenterPoint</u> <u>East</u>	<u>Feb-10</u> <u>NYMEX</u>
1-Jan	\$5.645	\$5.715	-	\$5.705	\$5.690	\$5.730	\$5.720	\$5.572
2-Jan	\$5.645	\$5.715	-	\$5.705	\$5.690	\$5.730	\$5.720	\$5.572
3-Jan	\$5.645	\$5.715	-	\$5.705	\$5.690	\$5.730	\$5.720	\$5.572
4-Jan	\$5.645	\$5.715	-	\$5.705	\$5.690	\$5.730	\$5.720	\$5.572
average	\$5.645	\$5.715	\$0.000	\$5.705	\$5.690	\$5.730	\$5.720	\$5.572

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## **OKLAHOMA WEATHER OUTLOOK** **For Clients and Friends of** **OKLAHOMA ENERGY SERVICES**

January 4, 2010

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**NEXT 7 DAYS – 1/04-1/10/10:**

**Overview –**

The cold weather that settled in back in early December is refusing to loosen its grip.

**Upcoming for Oklahoma –**

**Monday (1/04) through Thursday (1/07):**

Skies will be partly cloudy to cloudy on Monday with continued very cold conditions. PM highs will only be in the 20s. Expect early AM lows well back down into the teens early Tuesday, with PM highs only around 30 on Tuesday afternoon

under partly cloudy skies. Winds will not be all that blustery until mid-late week, but there will be enough wind to keep wind chills feeling a bit colder. Wednesday will see a return of cloudy conditions and a chance for flurries or light snow late in the day. Wednesday's high will only be around 30. Turning colder with bitter-cold wind chill readings Wednesday night as gustier conditions return, as does another fairly good chance for snow. At this point, it's too early to tell if there will be any significant accumulations. Early AM lows on Thursday will fall to around 10 in northeastern Oklahoma and closer to 0 in northwestern Oklahoma, with PM highs not budging much – only in the low to mid teens.

**Friday (1/08) through Sunday (1/10):**

Continued bitterly cold on Friday with any lingering light snow or flurries tapering off. The early AM lows may drop below ZERO in the northwestern half of the state, with low single digits expected elsewhere. PM highs will remain in the low teens Friday afternoon. Sunny to partly cloudy skies are likely over the weekend with only marginally milder conditions. Saturday's PM high will be in the 20s, and Sunday's PM high will try to crack freezing...most likely over the southern half of the state.

**EXTENDED OUTLOOK:**

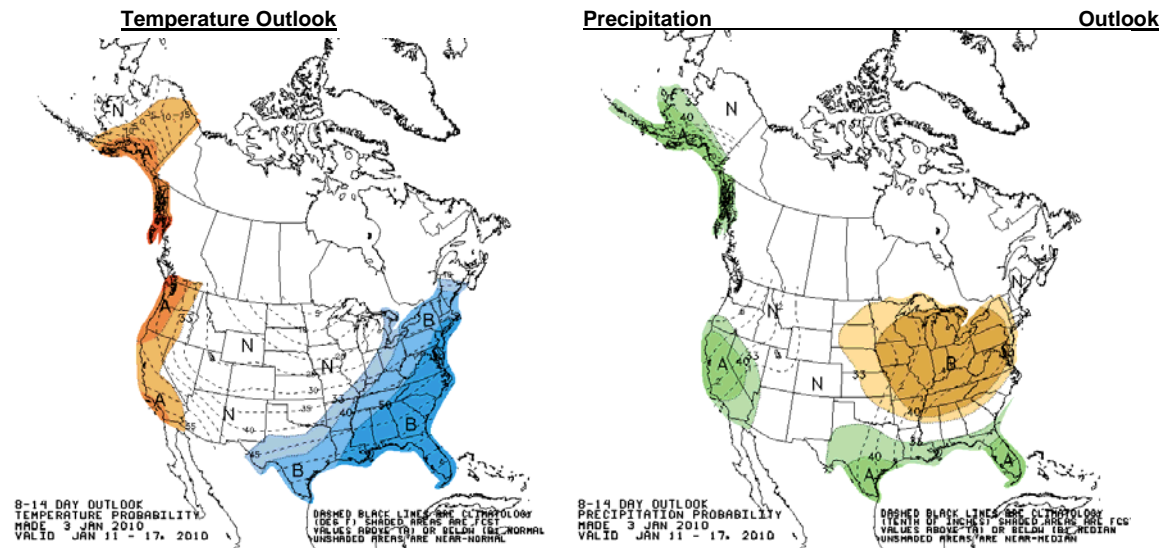
**Latest revised 8-14 Day Extended Outlook – January 11-17, 2010:**

The eastern third of the country will continue with below-normal temperatures through this period, with the only area that may be a bit milder being the west coast region.

Precipitation could be above-normal over most of California and Nevada. Other areas expecting above-normal precipitation will be most of Texas and the Gulf Coast region, and across Florida. A large portion of the country, centered on the Ohio Valley and the Midwest, will be drier than normal, which corresponds with the colder temperatures.

\*Original long-range outlook data developed by NOAA / Climate Prediction Center, and this discussion is developed from an interpretation of that data, as displayed below.

**Outlook Valid: January 11-17, 2010**



The outlook was developed on January 3, 2010. These graphics are courtesy the National Weather Service's Climate Prediction Center and NOAA's National Centers for Environmental Prediction. These forecast graphics are available for public dissemination at the following website:

<http://www.cpc.ncep.noaa.gov/products/forecasts/>

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