U.S. natural gas futures rise 2% as forecasts turn warmer

Investing.com - Natural gas futures regained strength on Friday, as forecasts for warm weather across key consumption regions of the U.S. in the week ahead boosted demand expectations for the fuel.

On the New York Mercantile Exchange, natural gas for delivery in October tacked on 5.1 cents, or 1.91%, to end at $2.715 per million British thermal units.

For the week, the October natural gas contract inched up 4.4 cents, or 0.67%, as market players weighed shifting weather forecasts to assess the outlook for U.S. demand and supply levels.

Updated weather forecasting models released Friday showed that most parts of the southern and western U.S. will be engulfed by hot temperatures in the coming days.

However, cooler weather was expected across most parts of the Great Lakes, Northeast and Midwest-regions as the week progresses. Demand for natural gas tends to fluctuate in the summer based on hot weather and air conditioning use. Natural gas accounts for about a quarter of U.S. electricity generation.

On Thursday, futures lost 3.9 cents, or 1.44%, to close at $2.664 after data showed that U.S. natural gas supplies rose more than expected last week.

According to the U.S. Energy Information Administration, natural gas storage rose by 69 billion cubic feet last week, above expectations for an increase of 59 billion and following a build of 53 billion cubic feet in the preceding week.

Crude Oil Rigs Rose Last Week, Natural Gas Rigs Unchanged

According to Baker Hughes (BHI), in the week ended August 21, the US rig count increased by two crude oil rigs while the natural gas rig count remained unchanged. One miscellaneous rig also went offline last week. Crude oil rig counts have kept increasing in the past few weeks while the natural gas rig count has been volatile.

In the 12 months ended August 21, the total US crude oil and natural gas rig count fell by 1,011, or 53%. The number of active oil rigs fell by 890, or 57%. The number of natural gas rigs fell by 119, or ~36%, over this period.
Oil Prices All the Rage, but what about Natural Gas?

Last week, the Energy Information Administration projected natural gas production across all major shale regions will decline for the first time since the inception of its Drilling Productivity Report in October 2013. The decline, however, comes on the tail-end of Northeast production reaching an all-time high of 20.4 Bcf/d in the latest Natural Gas Weekly Update. The expected decline took more than six months to finally come to fruition after E&Ps companies pulled back on development projects and slashed their drilling budgets. The latest Baker Hughes rig count places 202 United States gas rigs in operation – down 40% from one year ago.


Analysis forecasts ‘U-shaped’ recovery for energy industry

Morningstar, the independent investment research and investment management firm, sees a challenging road ahead for the nation’s oil and gas industry.

But recovery “is just around the corner,” said Mark Hanson, the company’s energy sector strategist. “Given what we know and the picture of where supplies will come from, the United States will be a meaningful supplier” of fossil fuels, he said. The current oversupply that has collapsed commodity prices “will correct itself,” he said.

Expectations are a recovery will begin in earnest in 2017 with cash flow, profitability and returns on capital approaching pre-price crash levels by the end of the decade. The Chicago-based company describes it as a “U-shaped” recovery. Drilling activity should start to rebound next year, with the rig count climbing to about 1,400 rigs by the end of the decade. Morningstar also said, given efficiency and productivity gains and continued excess capacity, service costs should trough next year at about 25 percent below 2014 levels and begin a gradual recovery.

http://www.mrt.com/business/oil/top_stories/article_bc52d90a-4da6-11e5-80a3-f2aad03ea2d.html

By Mella McEwen (mmcewen@mrt.com) (MRT.com) 8/30/15

Pa. School District Gets Collins' New NEXBUS CNG Buses

Collins Bus Corp., a subsidiary of motor vehicle manufacturer Allied Specialty Vehicles (ASV), has delivered the first four production units of its new NEXBUS compressed natural gas (CNG) Type A school bus to the Lower Merion School District in Montgomery County, Pa. With more than half of its 117-vehicle fleet fueled by CNG, the Lower Merion School District boasts one of the largest fleets of alternative fuel school buses on the East Coast, according to ASV.

http://www.ngtnews.com/e107_plugins/content/content.php?content.11066#.VeXvfpdwGT8

(NGT News) 8/28/15
Anheuser-Busch expands CNG-powered truck fleet

Diesel prices may be down 31 percent from a year ago this month, but that big drop isn’t big enough to deter long-term investment in natural gas fueled vehicles. Anheuser-Busch this week said it is converting its 97-truck St. Louis, Missouri, delivery fleet to compressed natural gas. “Transitioning our entire St. Louis tractor fleet to CNG-powered engines brings environmental benefits directly to our company and our community,” said James Sembrot, senior director of transportation for the brewer of Budweiser, Michelob, Busch and several other beers.

“A conversion of this scale is indicative of the commitment we’ve made to deploying more sustainable technologies and processes at each stage of the brewing process, from ‘Seed to Sip,’” Sembrot said in a statement. The company expects to cut greenhouse gases 23 percent with the CNG tractors, the equivalent of taking 526 passenger vehicles off the road.

The Class 8 tractors are Freightliner models. U.S. Gain will provide the CNG fuel from a station near the brewery in Budweiser’s home town.


William B. Cassidy, Senior Editor (HIS) (JOC.com) 8/27/15

CNG Remains in the Plans for Many Waste Haulers

As diesel fuel prices continue to remain low, waste haulers plan on staying committed to natural gas-powered vehicles for their fleets. In July, Phoenix-based Republic Services announced the addition of 17 compressed natural gas (CNG) solid waste collection trucks to its fleet in the Denver area. This brings Republic’s total number of natural gas-powered vehicles in Colorado to 82.


Megan Greenwalt (Waste 360) 8/31/15

CNG refueling site opens in Bentleyville

At the site of the former RC Cola factory in Bentleyville, trucks refuel with compressed natural gas. The refueling site — named Energy From US or EFUS — is only the second CNG refueling station in Washington County, and the eighth across southwestern Pennsylvania. The station is located off Interstate 70, midway between Washington and New Stanton, and along state Route 917, near Big Jim’s Plaza and the Holiday Inn Express and Best Western hotels.

Opened this spring, the site started by servicing vehicles from the Rice Energy fleet and since then has added accounts with water tanker trucks from well sites and UPS rigs to its customer base, said Dan Lincoski, manager of the station.


By Chris Buckley (The Valley Independent -Monessen, Pa.) (Marcellus.com) 8/26/15

Clean Energy Fuels Plans to Construct Multiple CNG Stations

Clean Energy Fuels Corp. (CLNE) recently declared plans of constructing compressed natural gas (CNG) stations for providing fuel to transit vehicles in Arlington County, VA; Nassau Inter-County Express in Long Island, NY; and North Kansas City School District, which is likely to soon develop into the largest school district in the U.S. Following the news, the company’s shares rallied almost 3% on NYSE.


(Zacks) 8/26/15
MetroWest bus operator planning new CNG station
FRAMINGHAM [MA] – Framingham is on track to host one of the state’s newest compressed natural gas fueling stations.

The MetroWest Regional Transit Authority is set to issue a request for bids in September to build and operate a CNG station at its new maintenance and operations center on Blandin Avenue.

The facility would serve a new fleet of CNG-powered buses the agency hopes to acquire over the next five years, as well as trash trucks and other equipment owned by cities and towns around the region.

http://www.metrowestdailynews.com/article/20150825/NEWS/150827602
By Jim Haddadin/Daily News Staff (Metro West Daily News) 8/25/15

Quantum Reports Several New CNG System Orders

California-based Quantum Fuel Systems Technologies Worldwide Inc. says it has received several new compressed natural gas (CNG) fuel storage system orders, including follow-on orders from existing customers in addition to new customer wins.

The systems to be delivered include Quantum's complete Q-CabLITE and Q-RailLITE product lines made for heavy-duty truck usage, including on-road, refuse, and oil and gas vehicle terrain applications.

http://www.ngtnews.com/e107_plugins/content/content.php?content.11058#.VeYDj5dwGT8
(NGT News) 8/26/15

American Natural Gas Building Ky. CNG Station

American Natural Gas LLC (ANG) will construct a public compressed natural gas station (CNG) in Georgetown, Ky., with Bestway Express serving as the station's anchor tenant.

This will be the first public CNG station in Georgetown, a regional hub for the automotive, agriculture and transportation industries. ANG will build, own and operate the station, and the project is slated for completion in November.

ANG is also working closely with Columbia Gas, a utility company and natural gas supplier, to secure high-pressure and adequate capacity at the location. ANG says this, coupled with the station’s compressors and equipment, will give heavy-duty tractors the high-flow fueling they need.

(Trucking Info) 8/25/15

Honda's new fuel station helps drive CNG market

It's getting easier to fuel up vehicles that run on compressed natural gas.

Stations opened this week in Marysville and Marengo, bringing the central Ohio region's total to 14 locations.

On Wednesday, Aug. 19, Honda and Trillium CNG held a grand opening for their local station at 24000 Honda Parkway, part of the Honda manufacturing campus. The station is open to the public.

Also this week, IGS Energy and Renergy opened a public fueling station at state Route 61 and Interstate 71 in Marengo in Morrow County. "The infrastructure is getting really strong," said Sam Spoofforth, executive director of Clean Fuels Ohio, an advocacy group that supports a shift away from gasoline as a motor fuel. "These two (new) stations are in locations that are very strategic and complement locations we already have."

By DAN GEARINO Jennifer Noblit contributed to this story (Marysville News) 8/24/15
Marcellus to become a net exporter of natural gas this year

Miles of pipeline run throughout the Dominion Resources Cove Point LNG terminal connecting storage tanks to an off shore pier in Maryland. Liquefied natural gas export facilities are poised to become an outlet for a glut of natural gas from U.S. shale plays in the coming years.

Natural gas production is expected to slow this month for the first time across the country as drillers struggle against low commodity prices and oversupply.

Even so, states in the Marcellus and Utica shale plays spanning Pennsylvania, West Virginia and Ohio are expected to still produce more gas than they can use and export the fuel out of the region. “We are anticipating that the Northeast will be a net exporter for the average of 2015,” said Anne Swedberg, senior energy analyst for Denver-based Bentek Energy. “We are already seeing volumes leave the region this summer.”

The rest of the country is expected to catch up later, becoming a net exporter by 2017.

Dilles Bottom Abuzz Over Ethane Cracker
What they’re talking about is the planned $5.7 billion ethane cracker project proposed at the FirstEnergy Corp. R.E. Burger site.

Shale gas violations down as DEP steps up inspections
Pennsylvania oil and gas producers pinched by the lowest prices in years are not catching any breaks from state regulators. The Department of Environmental Protection’s oil and gas office conducted 1,700 more inspections during the first seven months of the year, an 11 percent increase over the same period in 2014, according to department data.

A boost in office staff last year and a big slowdown in drilling because of low prices have given inspectors time to eyeball more wells and related records. New wells require more inspections during drilling and fracking.

“The big reason is the decline in drilling,” said Scott Perry, the deputy DEP secretary who oversees the oil and gas office and its staff of 227, up from 202 early last year. “They’re getting back to older wells.”

The results of the increased scrutiny are mixed.

Shale gas operations had only 205 violations through July, the department’s online compliance reports show. That’s down from 283 through the same period last year, despite a nearly 16 percent increase in inspections to 8,100.

“It’s proof positive that the industry is focused on being compliant and doing a good job,” said Dave Spigelmyer, president of the North Fayette-based Marcellus Shale Coalition.
TOTE launches second LNG-fueled container ship
TOTE launched the second of two liquefied natural gas-powered container ships that the company’s Sea Star Line subsidiary will operate between the U.S. mainland and Puerto Rico. The Perla del Caribe, launched Saturday at General Dynamics NASSCO in San Diego, will carry up to 3,100 twenty-foot-equivalent units. Its sister ship, the Isla Bella, was launched in April. The Perla del Caribe will enter service in the first quarter of 2016 between Jacksonville, Florida, and San Juan, Puerto Rico. The Isla Bella will enter service later this year.

“These ships and the technology they employ will redefine what is possible in the shipping industry both here in the United States and abroad,” said Sea Star President Tim Nolan, who spoke at the launching ceremony. TOTE said that compared with the 1970s-vintage Ponce Class ships that Sea Star now operates, the new vessels will reduce emissions 98 percent for nitrogen oxide, 97 percent for sulfur oxide, 72 percent for carbon dioxide and 60 percent for particulate matter.

Joseph Bonney, Senior Editor (joseph.bonney@ihs.com) (HIS) (Maritime News) (JOC.com) 8/31/15

IDE’s Horizontal Mechanical Vapor Compression (MVC) Evaporators Chosen For China’s First Produced Water Treatment Facility
IDE Technologies announced recently that Bomo Environmental Engineering, part of the SPBC (BOMO) group, has purchased two IDE horizontal MVC evaporators to establish a new produced water treatment facility in Karamay, Xinjian – the first of its kind in China. The facility will also be the first in China to operate under a Build Operate Own (BOO) model.

IDE’s MVC evaporators will process and treat produced water to continuously supply high quality distillate, yielding a total capacity of 5,000 m3/day. The pre-fabricated evaporators will be shipped to the site after assembly and testing, minimizing on-site work, saving time, and reducing construction and installation costs. The horizontal design’s low footprint and operator-friendly mechanical design of IDE’s evaporators also provide easy access to key components, as well as improved safety for operation and maintenance personnel.

(Water Online) 8/31/15

Omni Water Solutions And Rain For Rent Partner For Oil And Gas Site Water Treatment
Austin, TX (PRWEB) - Omni Water Solutions, a mobile water treatment technology and services provider, is proud today to announce its partnership with Rain for Rent, a nationwide leader in liquid handling. The partnership will provide a one-stop-shop for oil and gas water transfer, treatment and storage. Omni and Rain for Rent will act as one team during pressure pumping operations to help oil and gas operators minimize the use and cost of freshwater resources and reduce the complexities of local wastewater disposal and onsite trucking.

(Water Online) (PR Web) 9/1/15

Fracking driving PWTE market to reduce, recycle and reuse water, report finds
According to a new report from BCC Research, the North American market for produced water treatment equipment (PWTE) is thriving as many factors work to spur growth. The findings show that key market drivers include rising demand for water conservation, increasing environmental awareness and regulation, and growing use of water in oil and gas production due to prospering technologies like hydraulic fracturing.

The study, "The North American Market for Produced Water Treatment Equipment," forecasts a five-year compound annual growth rate (CAGR) of 8.2 percent from 2015–2020, leading to a global market size of $1.6 billion in the end year. Produced water is the highest volume of liquid discharge generated during the production of oil and gas. It includes water that is present naturally in the reservoir (formation water or connate water), water previously injected into the reservoir (floodwater) and condensed water from gas production.

(Water World) 8/31/15
**Government lab researchers develop radioactive waste tracker**

IDAHO FALLS, Idaho — Two government lab researchers are in the process of licensing technology that could improve disposing of and tracking radioactive waste. Idaho National Laboratory physicist Doug Akers and software engineer Lyle Roybal started developing the Integrated Waste Screening System last year when they realized similar INL-produced technology that tracks nuclear waste could be tailored to apply to the oil and gas drilling industry, the Post Register reported.

The project is focused on North Dakota and is funded by $550,000 in North Dakota Oil and Gas Research Council grants. State health officials recently indicated they are in favor of the technology.

A truck equipped with a screener will take oil field waste readings to determine radiation levels and appropriate dump sites. Akers said the device is intended to reduce waste that disappears or is improperly disposed of.


(The Associated Press)  (Marcellus.com)  8/27/15

**Gas deal could signal Southern’s drift from new nuclear projects**

Six months ago, three top executives at Georgia’s largest utility companies met over steak dinners at Bones restaurant in Atlanta to explore possibly joining some planned pipeline projects aimed at tapping the Midwest’s booming production of natural gas.

But the talk quickly stretched to a more ambitious agenda: Southern Company was interested in buying AGL Resources, the Atlanta natural gas utility that is a partner in a $5 billion project to build a 550-mile gas pipeline from North Carolina to West Virginia.

The two companies unveiled a deal for Atlanta-based Southern to acquire its neighbor for $12 billion in cash and debt.

The huge deal also likely marks a turning point, some industry experts say, away from Southern’s earlier ambitions to add to its expensive nuclear and “next generation” coal plants, which have turned out to be much more difficult and costly to build than Southern expected.


Russell Grantham and Leon Stafford  (The Atlanta Journal-Constitution)  (Marcellus.com)  8/29/15

**Fine-tuning The Marcellus**

The Marcellus Shale Energy and Environmental Laboratory (MSEEL) project will monitor the process and progress of unconventional gas production at a Marcellus Shale well near Morgantown, W.Va. The project is a partnership between the U.S. Department of Energy’s National Energy Technology Laboratory (NETL), West Virginia University (WVU), Northeast Natural Energy (NNE) and Ohio State University.

In addition to the continuous monitoring of produced water and air quality, the project provides researchers access to a dedicated science well for subsurface geophysical observation, according to an NETL-issued press release. NNE—a private oil and natural gas company based in Charleston, W.Va., that owns and operates the site—will deploy a range of next-generation well-completion technologies designed to increase operational efficiency and reduce environmental impact.

http://www.epmag.com/fine-tuning-marcellus-816331#p=full

Jennifer Presley, Senior Editor, Production  (E&P Magazine)  9/1/15

**New ‘Super Giant’ Natural Gas Field Could Be Straw That Breaks OPEC’s Back**

A new super-giant natural gas field could prove to be the largest ever discovered on earth and also end up satisfying energy demand in parts of the Middle East and the Mediterranean for decades to come.

Italian energy firm Eni made the find off the northern Egyptian coast. According to the company, there could be as much as 30 trillion cubic feet of gas in the Zohr field – equivalent to 5.5 billion barrels of oil. The field covers around 100 square kilometres and is approximately 1,450 metres below ground.

“Zohr is the largest gas discovery ever made in Egypt and in the Mediterranean Sea and could become one of the world’s largest natural-gas finds,” said Eni CEO Claudio Descalzi. Egypt’s petroleum industry confirmed the find in a statement. However, the true size of the find won’t be known for certain until drilling begins.


Guy Bentley  (Daily Caller)  8/31/15
Groups push EPA to rewrite oil and gas waste disposal rules

Seven environmental organizations say they will sue the U.S. Environmental Protection Agency to force the agency to set new and tighter standards for disposal of oil and gas drilling and fracking waste that they say now threatens public health and the environment.

The groups, in a notice of intent to sue filed last week in U.S. District Court in Washington, D.C., allege that the federal agency has failed for 27 years to update and tighten baseline drilling and waste disposal regulations, as required by the Resource Conservation and Recovery Act, the federal law that governs waste disposal.


By Don Hopey (Pittsburgh Post-Gazette) (Power Source) 8/31/15