

## Summary

**Natural Gas:** The NYMEX prompt-month contract decreased \$1.22/MMBtu last week to \$4.59/MMBtu on Friday. The 12-month NYMEX strip price was down \$0.22/MMBtu to \$5.18/MMBtu. Last week, the Henry Hub cash price decreased \$0.20/MMBtu to \$4.56/MMBtu.

According to the EIA's latest monthly natural gas report, US total gas consumption of natural gas increased 3.6 percent to 80 Bcfd in December from the previous year's December total of 77.2 Bcfd. December 2009 industrial demand also increased by 7.4 percent to 19.1 Bcfd from the previous December's total of 17.8 Bcfd. The EIA also reported an increase of total US marketed natural gas production of 1.5 percent (0.9 Bcfd) to 60.3 Bcfd from the previous December's level of 59.4 Bcfd.

**Storage:** The EIA storage inventory for the week ending February 26th dropped by 116 Bcf to 2.025 Tcf. The draw was below expectations of 130 Bcf drop. The storage level is 21 Bcf above the five-year average and 71 Bcf less than the same period in 2009.

**Weather:** The Southeast, Mid-Atlantic and Gulf Coast regions should have colder-to-much-colder than normal temperatures while the Upper Midwest, Northeast and West of the Rockies regions should have warmer-than-normal temperatures in the six- to 10-day period. During the eight- to 14-day time period most of the country East of the Rockies is forecasted to have colder than normal temperatures while the Pacific Northwest and Upper Midwest will have warmer-than-normal temperatures. The rest of the country will have normal temperatures.

**Imports:** Send out volumes last week from LNG terminals totaled about 1.59 Bcfd, which was 0.5

Bcfd more than a year ago. Canadian imports were 7.3 Bcfd, which was 0.7 Bcfd less than a year ago.

**E&P:** The total U.S. oil and gas rig count increased by 23 last week to 1,396 rigs. The gas rig count increased by 21 and stands at 926. The Canadian rig count decreased by 33 to 543.

**Electricity:** Electricity generation for the week ending February 27th was 3.9 percent less than the prior week and 4.2 percent more than a year ago. Year-to-date electricity usage is 4.2 percent higher than last year.

The National Oceanic and Atmospheric Administration (NOAA) has forecasted lower hydroelectric generation for the Pacific Northwest region this spring due to drought which could lead to higher natural gas fired generation demand.

**Petroleum:** The NYMEX WTI prompt-month contract settled at \$81.50/Bbl on Friday, up \$1.84/Bbl for the week. Brent crude settled at 79.89/Bbl on Friday, up \$2.30/Bbl for the week. U.S. retail gasoline prices were up \$0.043 last week at \$2.747 per gallon.

### Highlights

- ➔ NOAA has forecasted low hydro generation in the Pacific Northwest which could lead to higher natural gas generation
- ➔ Chile may increase diesel imports due to the earthquake
- ➔ US February employment rate remains steady at 9.7 percent

For the week ending February 26th, crude oil inventories increased by 4.0 MMBbls, distillate inventories decreased by 0.84 MMBbls, and gasoline inventories increased by 0.77 MMBbls. The increase in crude oil inventories was larger than expected. U.S. refinery utilization increased 0.67 percent to 81.9 percent.

Compared to last year, the EIA estimates that the four-week rolling average U.S. gasoline demand was up 0.1 percent from last year. Distillate fuel demand was down 4.8 percent and jet fuel demand was down 3.8 percent. Total products supplied to the U.S. market were up by 3 percent compared to last year.

Oil shipments from OPEC are expected to fall by 500 MBpd in the four weeks to March 20th, according to tanker tracker Oil Movements. Crude oil exports from OPEC are forecast to fall to 22.87 MMBpd in the four weeks to March 20th, down from 23.42 MMBpd in the prior four week period to February 20th. Crude oil exports normally fall during the spring as refiners start their annual maintenance period.

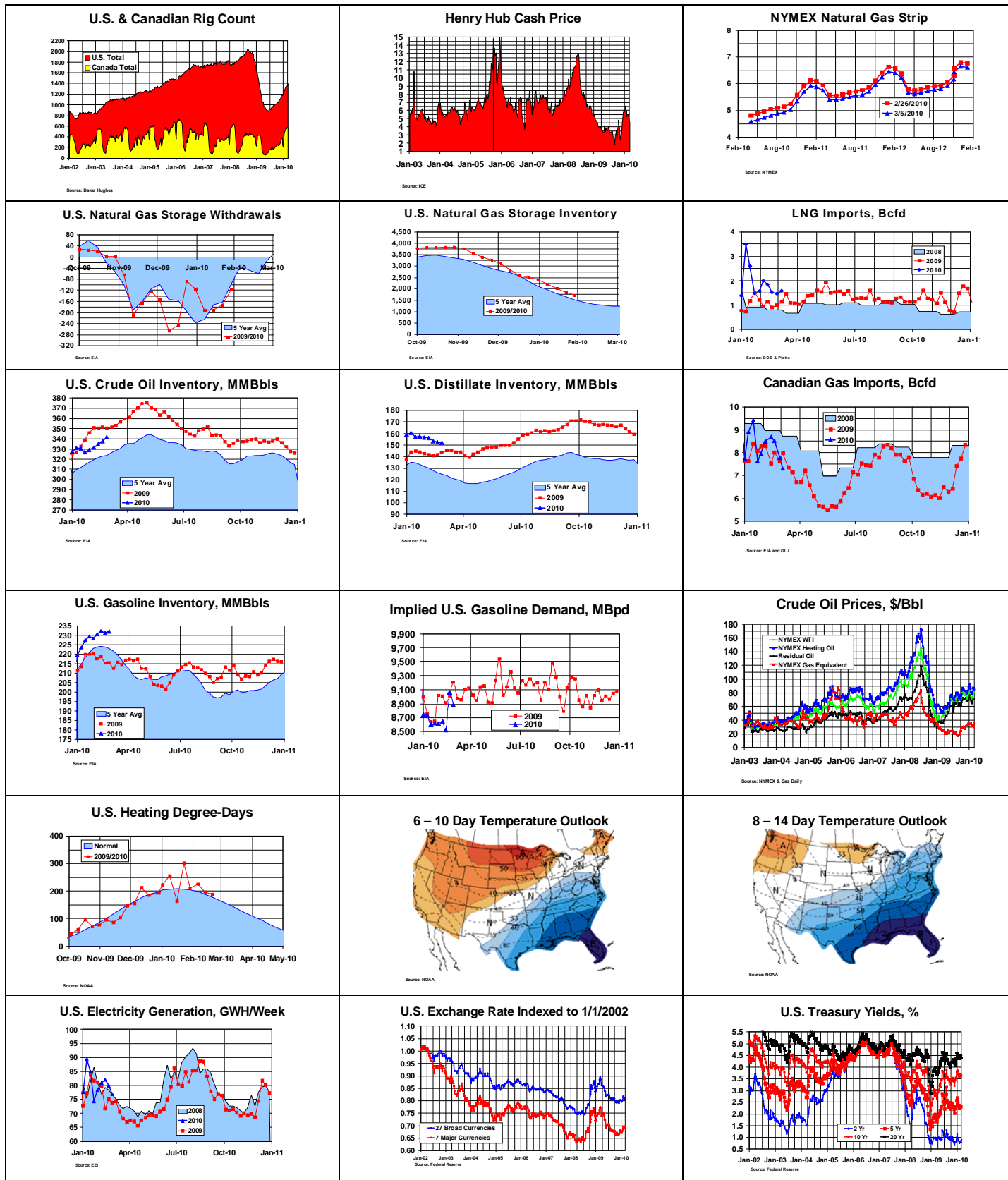
Chile may increase its demand for diesel imports following the earthquake. Chilean state-run oil company Empresa Nacional del Petroleo, or Enap's, largest refinery (capacity 116 MBpd) could be off-line for at least a month due to structural damage from the earthquake.

Tanker owners have been warned of impending terrorist attacks in the Malacca and Singapore Straits. The Malacca Strait is the second-business shipping lane for oil shipments between the Persian Gulf and Asian Pacific markets with 15 MMBpd moving through the straits.

**Economy:** The US unemployment rate stayed steady at 9.7 percent in February. The Labor Department reported that 36,000 jobs were cut in February below analysts' expectations of 50,000 cuts.

US factory orders posted the biggest increase in January due to a 118.6 percent increase in commercial aircraft orders.

## ENERGY STATISTICS AT A GLANCE



**Editor:** Michele Markey

**News:** Michele Markey

**Topic Report:** n/a

**Statistics:** Michele Markey

### Weekly Energy Perspective

**Website:** [http://www.apachecorp.com/Explore/Weekly\\_Energy\\_Perspective/index.aspx](http://www.apachecorp.com/Explore/Weekly_Energy_Perspective/index.aspx)

### Archived Weekly Energy Perspectives:

[http://www.apachecorp.com/explore/Weekly\\_Energy\\_Perspective/PDF\\_Archives.aspx](http://www.apachecorp.com/explore/Weekly_Energy_Perspective/PDF_Archives.aspx)

### Archived Topic Reports:

[http://www.apachecorp.com/explore/Browse\\_Archives/index.aspx?BindingPrefix=ListOfArticles.&ListOfArticles.DoPostBack=True&ListOfArticles.FormEvent=Update&ResetListOfArticles=False&ListOfArticles.SelectedSourceID=79&ListOfArticles.SelectedRegionID=&ListOfArticles.SelectedAuthorID=0&ListOfArticles.SelectedSubjectID=&ListOfArticles.Selecte dDate=AllDates&ListOfArticles.PageSize=5&SubmitAll.x=87&SubmitAll.y=10](http://www.apachecorp.com/explore/Browse_Archives/index.aspx?BindingPrefix=ListOfArticles.&ListOfArticles.DoPostBack=True&ListOfArticles.FormEvent=Update&ResetListOfArticles=False&ListOfArticles.SelectedSourceID=79&ListOfArticles.SelectedRegionID=&ListOfArticles.SelectedAuthorID=0&ListOfArticles.SelectedSubjectID=&ListOfArticles.Selecte dDate=AllDates&ListOfArticles.PageSize=5&SubmitAll.x=87&SubmitAll.y=10)

### How to Use the Weekly Energy Perspective:

[http://www.apachecorp.com/Explore/Weekly\\_Energy\\_Perspective/How\\_to\\_Use\\_This\\_Report/index.aspx](http://www.apachecorp.com/Explore/Weekly_Energy_Perspective/How_to_Use_This_Report/index.aspx)

### General Disclosures

This information is for the recipient's use only. Other than disclosures relating to Apache Corporation, this research is based on current public information that we consider reliable. Apache Corporation makes no representation, warranty or guarantee as to, and shall not be responsible for, the accuracy or completeness of this information and has no obligation to update any information provided to you. The views provided herein are based upon a number of estimates and assumptions that are subject to significant business, economic, regulatory and competitive uncertainties. Apache Corporation is not liable to any recipient or third party for the use of or reliance on the information contained herein.

Apache Corporation conducts global exploration, production and marketing activities. Our employees may provide oral or written market commentary that reflects opinions that are contrary to the opinions expressed in this report. Our asset managers may make investment decisions that are inconsistent or contrary to the information presented in this report. Apache Corporation's affiliates, officers, directors, and employees will from time to time buy or sell Apache stock, energy commodities or derivatives.

This report is not an offer to sell or the solicitation of an offer to buy any security. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual investors. Apache Corporation is not acting as an agent or advisor and encourages the use of independent consultants, as necessary, prior to entering into any transactions.

Our research is disseminated primarily electronically, and, in some cases, in printed form.

Disclosure information is also available at <http://www.apachecorp.com> or from Apache Corporation, 2000 Post Oak Blvd., Suite 100, Houston, TX 77056.

### Copyright 2010 Apache Corporation

**No part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed without the prior written consent of Apache Corporation.**