

February 4, 2022

Keeping Power on Proves Best Winterization Tool

As crews in the field worked through expected challenges, keeping the power on enabled technicians to troubleshoot issues on this vast system and keep sufficient volumes of natural gas flowing.

NATURAL GAS PRODUCTION, TRANSPORTATION AND STORAGE

Texas natural gas production, processing, transmission and storage sectors continue durable performance due to industry efforts. According to S&P Global Platts, the 30-day average for Texas Onshore production continues to be strong during February 2022 with daily production averaging 1.5 Bcf/d more or almost 7% more than 2021.

TOP DAILY CHANGES TO SUPPLY/DEMAND (Bcf/d)

	2/3	2/4	Chg	30-Day Avg	30-Day Avg LY	Chg
Dry Production by Region						
Texas Onshore	21.7	21.3	(0.4)	24.1	22.6	1.5
Southeast Onshore	10.1	10.3	0.1	10.4	10.3	0.2
Regional Demand						
Northeast - ResComm	14.1	18.8	4.7	18.6	16.8	1.8
Rockies - ResComm	5.8	3.9	(1.8)	3.2	2.9	0.4
Pipeline Corridor Flows						
SE to NE	(5.5)	(4.6)	1.0	(4.7)	(6.1)	1.3
MCM to NE	(3.0)	(2.5)	0.5	(2.3)	(2.0)	(0.2)

Source: Gas Daily Market Fundamentals, Feb 4, 2022, S&P Global Platts

S&P Global Platts is estimating Texas Onshore production will decline by less than 2% from February 3rd to February 4th and remains within normal operational expectancy.

Typically, Texas consumption (residential, commercial, industrial, power generation, etc.) is approximately only 42% of the total Texas production.

With proper planning and production along with natural gas storage, ample opportunity to purchase product exists in the market. Any issues are likely a reflection of direct infrastructure or localized challenges.

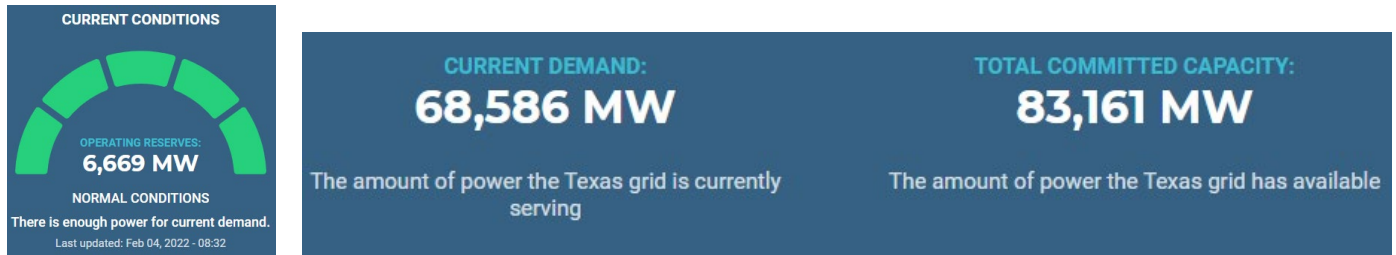
TEXAS FIELD CONDITIONS

Nominations were mildly lower today but have been matching interconnect flows. Pipelines are reporting good pressure and plenty of storage even with some production declines. Production has decreased slightly as expected but with the improvement of daytime temperatures that is expected to improve. Roads and access to sites continue to be an issue.

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TEXAS POWER STATUS

ERCOT reports operations normal as of 2/4/22 8:30am. Anticipated peak demand was expected to occur at 8:00am.



Source: ERCOT 2/4/22 8:30am.

CAPACITY AND DEMAND FORECAST		
DATE	FRIDAY 02/04/22	SATURDAY 02/04/22
Hour Ending	9 PM	8 AM
Expected Peak Demand	62,500 MW	64,000 MW
Available Generation Capacity Forecast	76,000 MW	81,216 MW
Wind Forecast	4,500 MW	7,200 MW
Solar Forecast	0 MW	216 MW
Thermal Forecast	71,500 MW	73,800MW

Source: Office of the Governor Press Briefing 2/4/22

Power Outages: Power restoration continues as 10,000 linemen work on localized power outages caused by icing, with 2,000 more traveling from outside Texas to assist.

The PUC encourages Texans who experience a localized outage to contact their utility provider.

WINTERIZATION IN THE FIELD

Onsite, seasonal weatherization techniques include methanol injection, temperature activated pumps, steamer units, equipment shelters, and insulated critical lines and valves.

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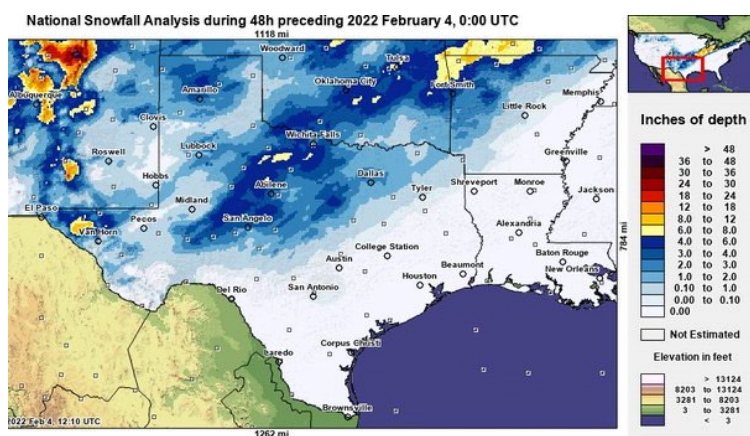
Additional pre-storm and offsite measures include:

- Secure shelter/housing and pre-positioning personnel to be closer to assets for access
- Adjust employee schedules to ensure planning and preparations in place
- Have extra methanol and other supplies on trucks
- Preparing and draining tanks to increase on-site storage and provide a temporary buffer for necessary third-party movement of product
- Pre-inspection of assets prior to weather event
- “Line-packing” to maximize product and pressurization in pipelines
- Communication with third party vendors to prepare for inclement weather contingencies
- Identification of the most critical assets to help maintain power from electric utilities

IMPACT OF WEATHER ON FIELD OPERATIONS

Personnel safety and ensuring safe operations are the first priorities of operators. Many elements can impact continued field operations outside of the operator’s control.

- Transportation - the accumulation of precipitation can impact operators’ ability to access remote well sites to check on operations and make any needed adjustments
- Third party contractor disruptions
- Lightning strikes
- Loss of power
- Telecommunication loss



RRC COMMUNICATIONS

- [Notice to operators](#) to delay any maintenance that may interrupt service, as safety permits, scheduled for this week.
- RRC reports road conditions for industry to TXDOT and can be submitted [here](#).

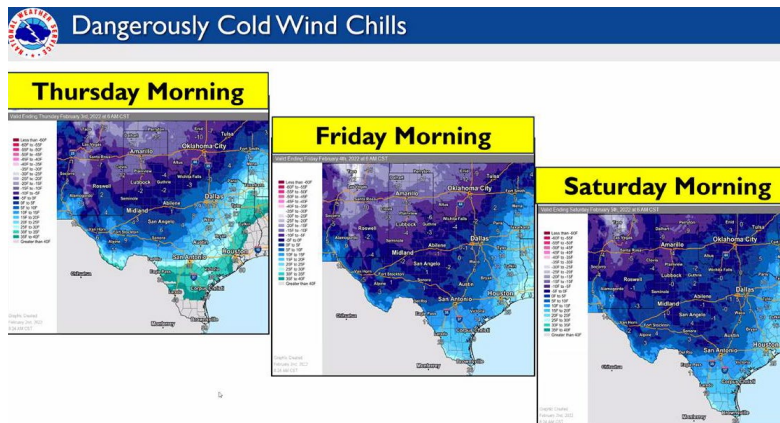
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INDUSTRY ACTIONS

[Read here how the Texas oil and natural gas industry prepares for winter weather events](#)

WEATHER STATUS AND TRAVEL IMPACTS

- Governor Greg Abbott has issued a disaster declaration due to ice for the following counties in Texas: Bosque, Dallas, Delta, Denton, Ellis, Fannon, Grayson, Hopkins, Hunt, Johnson, Kaufman, Lamar, Navarro, Rains, Red River, Rockwall and Williamson.
- Winter storm precipitation ended for most Texans but lingering impacts such as icy roads, localized power outages, and dangerous wind chill will be felt into the weekend.
- Difficult travel continues as temperatures in many areas remain below freezing until Saturday afternoon.
- Winter storm warnings in Central and Eastern Texas remain through 10:00am Friday morning. Winter weather advisory in effect for Southeast Texas till noon.



Source: State of Texas, TDEM

STATEWIDE RESOURCES

- The State Disaster Declaration can be found [here](#)
- TXDOT: Always remember that you can check road closure information in real-time at Drivingtexas.org
- RRC reports road issues to TXDOT and can be submitted [here](#)
- TCEQ reports no down water or sewage plants due to the storm. [Emergency Response - Texas Commission on Environmental Quality - www.tceq.texas.gov](http://www.tceq.texas.gov)
- PUC Outage Reports. [Storm Safety Resource Page \(texas.gov\)](http://www.texas.gov)
- The ERCOT Dashboard can be accessed at <https://www.ercot.com/gridmktinfo/dashboards>

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For more information on how the Texas oil and natural gas industry prepares for winter weather, visit www.txoga.org/winterready.

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