



Issue 3, 2019

● [More, Deeper Wells Planned for Existing Marcellus Site in Washington Township](#)

"CNX has applied to the state Department of Environmental Protection for a permit to drill four new wells to tap natural gas from Utica shale at an existing Marcellus shale well pad in Washington Township."

Why this is important: CNX appears to plan to drill the Utica shale formation from the same well pad in southwestern Pennsylvania from which it developed five Marcellus wells in 2014. The Utica shale formation resides deeper than the Marcellus, and the concept of drilling multiple shale formations from the same pad is referred to as a "stacked pay" or "stacked play" strategy. Stacked play has many benefits, including operational efficiencies and reduced environmental footprints. While stacked play drilling strategies are rare at this time, its use in southwestern Pennsylvania could be promising for future development in the area. --- [Matthew P. Heiskell](#)

● [China Ramps Up Funding for Offshore Coal Plants](#)

"Chinese institutions lent \$36 billion for coal power stations outside the country in 2018, according to a new report seen by the Financial Times, acting at odds with the government's domestic push towards cleaner energy."

Why this is important: While continuing to publicly push for cleaner energy and less coal use in China, the world's largest country continues to help build coal-fired electrical generation plants worldwide. A recent study found that in 2018, China provided \$36 billion in financing to build coal-fired generation plants outside China. That amounted to helping build 26 percent of new coal-fired electrical generation plants in the world. Worldwide, using coal to generate electricity continues to grow despite reductions in U.S. plants. --- [Mark E. Heath](#)

● [U.S. Crude Exports Get a Boost from the Army Corps Of Engineers](#)

"The Port of Corpus Christi received outstanding news, as the U.S. Army Corps of Engineers awarded an initial contract for the deepening and widening of its ship channel to Illinois-based Great Lakes Dredge & Dock Company LLC."

Why this is important: The Port of Corpus Christi will be expanded so even the largest of oil tankers can be filled to capacity at the facility, thereby increasing the ability to process and export crude oil coming from shale basins such as Permian, Eagle Ford in South Texas and Bakken in North Dakota. This should increase the market for the export of domestic production. --- [Bryan S. Neft](#)

● [India Set to Surpass China to Become Second-Largest Oil Demand Centre in 2019](#)

"India will surpass China to become the second-largest oil demand growth centre globally in 2019 on the back of buoyant auto fuel and LPG consumption, research and consultancy group Wood Mackenzie said."

Why this is important: India's consumption of oil will soon be surpassed by clean burning natural gas. Cheap Appalachian shale gas is a natural solution for India's energy needs in an environmentally friendly way. We need more Eastern U.S. export LNG terminals to help our markets with Asia and Europe. --- [William M. Herlihy](#)

● [Russia's Mechel Completes \\$1 Billion Loan Restructuring](#)

"Mechel, at one point on the brink of bankruptcy, has been in restructuring talks with its lenders for several years."

Why this is important: Russian coal miner/steelmaker Mechel has been working on reducing its debt for several years and has looked at bankruptcy in the past. It now has restructured a \$1 billion export loan that reduces its un-restructured debt from 22 percent to 8 percent. Along with providing the company stability, Mechel will remain a major player in the world metallurgical coal market and continue to compete with U.S. producers. --- [Mark E. Heath](#)

● [Electric Cars are ALWAYS Greener than Petrol and Diesel Vehicles...Even When They Use Electricity Generated by Coal-Fired Power Stations, Report Claims](#)

"Analysis by research organization BloombergNEF found that CO2 emissions produced by electric vehicles charged with non-renewable power are still 40 percent lower than the outputs of cars with internal combustion engines."

Why this is important: Combustion engine vehicles ("CEVs") are the largest source of greenhouse pollution in the United States. Research by BloombergNEF found the CO2 emissions produced by electric vehicles charged with non-renewable power are 40 percent lower than the emissions of CEVs. Even the Union of Concerned Scientists have acknowledged, "Even when the electricity comes from the dirtiest coal-dominated grid, electric vehicles still produce less global warming pollution than their conventional counterparts." Climate change activists, coal and natural gas producers, and electric utilities should make increasing the use of CEV's their top priority. By doing so, they will cause a substantial cut in greenhouse pollution and secure this country's energy independence, while also helping to protect job producing industries. --- [Nicholas S. Preservati](#)

● [China's Thermal Coal Market Heads to a Standstill as Lunar New Year Nears](#)

"The Lunar New Year or Spring Festival holidays will start on February 4 and end on February 10, but coal production will start to decline as Chinese workers prepare to return to their hometowns a week or so before the start of festivities."

Why this is important: With the Chinese Lunar New Year holiday approaching, China's use and production of coal will slow in February. The Chinese New Year is a six-day celebration and workers typically take the week before to travel for celebrations resulting in the world's largest human migration. According to SPG Global, these events and warm weather in China will balance the China coal market. Last year, China mined 3.55 billion metric tons of coal, up 5.2 percent from 2017. Production in 2019 also will increase. The bottom line effect is a projection of stable prices and import levels for the world's largest coal consumer. --- [Mark E. Heath](#)

● [U.S. Liquefied Natural Gas Hits Record Highs Again](#)

"Over the final week of 2018, U.S. feedgas for LNG exports surpassed 5 billion cubic feet per day for the first time ever. This is an increase of over 60% for the same time in 2017. LNG is now 4% of total U.S. gas needs and remains our largest incremental market going forward."

Why this is important: LNG exports from the U.S. are a short-term way to maintain domestic natural gas prices at a level necessary to sustain our domestic industry. Let's take advantage of this lucrative market for cheap Appalachian shale gas and promote export terminals on the Eastern coast of the U.S. --- [William M. Herlihy](#)

● [Petrochemicals Giant SABIC isn't Worried about China's Growth Slowdown](#)

"The Middle East's largest public company is expanding its investments in China despite an expected slowdown in the country's economic growth, its CEO said."

Why this is important: Global companies including the Middle East's largest petrochemical company, Saudi Arabian Petrochemicals, continue to look to China as a source of long-term growth and diversification. Construction of a petrochemical plant in China is indicative of the opportunity companies continue to see in the world's second largest economy. As a practical matter, it demonstrates the economic power that China is able to assert across the globe despite short-term slowdowns in growth. --- [Bryan S. Neft](#)

● [German Industry Demands Compensation if Coal Exit Pushes Up Power Price](#)

"A state-driven closure of coal-fired power plants over the next 12 years would lead to higher power prices, which consumers have to be compensated for, say industry associations."

Why this is important: German efforts to abandon coal for electrical power generation continues to create anxiety for the country's significant manufacturing plants. The 12-year plan to phase out coal use could cause increased power costs of between 14 to 54 billion euros. German industry groups, part of the government's coal exit commission, want compensation for any increased energy costs. The manufacturers also are concerned China's and the U.S.'s plans to use gas for power generation could increase the price of gas Germany wants to generate power with in the future. --- [Mark E. Heath](#)

● [EIA Energy Statistics](#)

Here is a round-up of the latest statistics concerning the energy industry.

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[Natural Gas Weekly Update](#)

[Natural Gas Futures Prices](#)

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[Weekly Coal Production](#)

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