

Futures**NYMEX @ Henry Hub**

	Results From Tuesday				
	Settlement	High	Low	Change	Vol.*
Sep., 2002	3.166	3.300	3.160	-10.1	52,857
October	3.226	3.355	3.220	-10.1	21,070
November	3.498	3.620	3.500	-10.4	5,416
December	3.755	3.870	3.750	-10.6	5,049
Jan., 2003	3.890	4.000	3.900	-10.8	2,803
February	3.858	3.965	3.900	-10.5	1,557
March	3.798	3.895	3.820	-10.4	2,694
April	3.683	3.790	3.725	-10.4	3,598
May	3.688	3.780	3.730	-10.2	353
June	3.698	3.755	3.730	-10.2	1,551
July	3.718	3.810	3.750	-10.2	806
August	3.728	3.830	3.780	-10.2	708
September	3.728	3.830	3.780	-10.2	1,264
October	3.748	3.840	3.840	-10.2	1,103
November	3.913	4.005	3.970	-10.2	319
December	4.068	4.160	4.100	-10.2	1,543
Jan., 2004	4.123	4.215	4.200	-10.2	1,621
February	4.010	—	—	-9.5	30
March	3.830	3.900	3.890	-9.1	130
April	3.630	—	—	-8.6	130
May	3.605	—	—	-8.6	30
June	3.615	—	—	-9.1	530
July	3.625	—	—	-9.1	80
August	3.635	3.705	3.700	-9.1	36
September	3.630	3.660	3.660	-9.1	31
October	3.655	—	—	-9.6	30
November	3.858	3.924	3.924	-9.6	30
December	4.033	4.099	4.099	-9.6	30
Jan., 2005	4.108	—	—	-9.6	10
February	4.028	—	—	-9.6	10
March	3.848	—	—	-9.6	10
April	3.616	—	—	-9.6	10
May	3.564	—	—	-9.6	10
June	3.589	—	—	-9.6	10
July	3.614	—	—	-9.6	10
August	3.629	—	—	-9.6	11
Volume of contracts (official*)					105,480

Front-months open interest Monday:

September, 43,857; October, 46,901; November,

* Volume is reported for the business day prior to the settlement date.

Weighted average of x trades in the last two minutes of trading. Change is from previous settlement price.

Options**NYMEX @ Henry Hub**

Strike	Results from <today>		
	Calls-Settle		Puts-Settle
Price Sep.	Oct.	Nov.	Sep. Oct. Nov.
3 21.1¢	35.5¢	61.1¢	4.5¢ 13.0¢ 11.5¢
3.05 17.7¢	32.6¢	57.6¢	6.1¢ 15.0¢ 13.1¢
3.1 14.7¢	29.8¢	54.2¢	8.1¢ 17.2¢ 14.7¢
3.15 12.0¢	27.1¢	51.1¢	10.4¢ 19.5¢ 16.6¢
3.2 9.7¢	24.7¢	48.1¢	13.1¢ 22.1¢ 18.5¢
3.25 7.7¢	22.4¢	45.2¢	16.1¢ 24.8¢ 20.6¢
3.3 6.1¢	20.3¢	42.5¢	19.5¢ 27.7¢ 22.8¢
3.35 4.8¢	18.4¢	39.8¢	23.2¢ 30.8¢ 25.1¢
3.4 3.7¢	16.6¢	37.4¢	27.1¢ 33.9¢ 27.6¢

Estimated Volume: Calls: n/a Puts: n/a
Total open interest Monday Calls: 803,849 Puts: 717,350
Not all strike and settlement prices listed.
Implied Volatility for at-the-money strike price
Calls: n/a Puts: n/a Source: Bloomberg

Platts oil prices, August 20

Gulf Coast spot	(\$/b)	(\$/MMBtu)
0.7% resid	25.00-25.50	4.02
1% resid	24.00-24.50	3.86
3% resid	22.75-23.15	3.65
Crude spot		
WTI (Sep)	29.80-29.82	4.74
New York spot		
No. 2	30.41-30.49	4.84
0.3% resid HP	27.25-27.50	4.35
0.3% resid LP	28.20-28.45	4.51
0.7% resid	26.35-26.60	4.21
1% resid HP	25.85-26.10	4.13

tor ... the price of gas is the number one determinant of how the stocks behave. Oil price expectations are number two," he said. "The tightness in gas markets is likely to set in sometime in '03." He predicted that this market tightness would last throughout the balance of 2003 and extend into 2004.

However, Smith cautioned against investors jumping into the market too early based on the current strength in gas prices.

"There's been a nice little run-up in the past three weeks," he said. "But there's been a little bit too much excitement too soon. The excitement is because the gas surplus is going down again and I don't think that's going to be sustained into September and October. Things have been overdone. If you're an investor and want to be more invested in E&P, my advice would be to hold off a little bit." JM

Crosstex, Dominion among producers' favorites

Dallas-based gas gathering and transmission company Crosstex Energy tops the list of U.S. gas producers' favorite customers, according to a new satisfaction survey by consultant Mastio & Co.

Of the 33 most often-cited buyers among the nearly 400 producers surveyed earlier this year, Dominion Energy ranked second in terms of producer satisfaction, followed by Reliant Energy, Tenaska Marketing Ventures and Adams Resources Marketing. Enron ranked at the bottom of the list, with El Paso Merchant Energy, West Texas Gas, TXU Energy and Nexen rounding out the bottom five, according to the St. Joseph, Mo.-based consultant (*see table*).

Each producer rated buyers with whom they had done business over the last year on 25 attributes, including creditworthiness, promptness of payment, willingness to solve problems, accessibility, responsiveness, experience and price competitiveness.

Gas marketers made up the majority of the 33 firms most often named as producer customers. However, some local distributors, gatherers and midstream pipeline operators also were included.

"Marketers who scored well in producer satisfaction are allocating sufficient time and resources to keep even the most critical producer happy, their customers," Mastio said. "The natural gas landscape has experienced constant, monumental change due to mergers, joint ventures, consolidations and acquisitions. Marketers who remain responsive and keep producers' needs in the forefront of their actions and strategies during these often difficult times will continue to succeed, realize increased earnings and experience gas volume growth."

This is the fourth time Mastio has conducted such a survey, with previous results published in 1996, 1998 and 2000. MD

Chevron Canada abandons Newburn gas well

What was supposed to be only the second deep-water gas well drilled offshore Nova Scotia has been abandoned by operator Chevron Canada Resources, the company said Tuesday. The producer would not disclose details about the site but insisted it still has plans to develop four more blocks in the area and that its Halifax office will remain open.

"We're deciding the next steps," Chevron Canada spokesman Scott Davis said. "The industry's got several more years of work. Everyone is anxious to hear about a big discovery, but it's very early."

The Newburn H-23 exploratory well was spudded on May 22 and the rig was released Tuesday. Newburn is operated by 37%-owner Chevron Canada. The other owners are Petro-Canada (43%) and Conoco Canada (20%).

Several announcements of gas discoveries by major Canadian producers, such as

Producer Picks	
TOP 5	
1.	Crosstex Energy
2.	Dominion Energy
3.	Reliant Energy
4.	Tenaska Marketing Ventures
5.	Adams Resources Marketing
BOTTOM 5	
29.	Nexen
30.	TXU Energy
31.	West Texas Gas
32.	El Paso Merchant Energy
33.	Enron
Source: Mastio & Co. Producer Purchaser satisfaction survey, 2002	