

THE VOICE OF THE NATIONAL ASSOCIATION OF ROYALTY OWNERS

ROAR

THE ROYALTY OWNERS ACTION REPORT



BABY IT'S COLD OUTSIDE



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President

One degree. As of this writing, it's one degree outside. Stepping out to pick up the morning newspaper, the crunching snow underfoot confirms, it's cold outside. Early this morning, the wind chill factor in Central Park in Manhattan was minus 4. In Bing-

hamton, minus 24. Saranac Lake in the Adirondacks, minus 33, coldest in the entire state. A few days ago, our area was hit with a "bomb cyclone" winter storm which is still sucking eyelash-freezing, Arctic cold into the Northeast.

What was the result? Record-breaking natural gas prices for New England and parts of New York. Due to "popular resistance" and New York Governor Andrew Cuomo's determined attempts to block any and all new natural gas pipelines in the state, there exists an enormous **shortage of access to the safe and clean burning fuel. Cuomo's opposition to new pipelines hurts not only the extremely high-demand downstate area but our New England neighbors to the east as well. Due to geography, it's virtually impossible for New England to gain new access to more gas without new pipelines running through New York State.**

As a result, according to a Forbes article by David Blockman, the blockage has "turned the region into the world's priciest market". Gas for next-day delivery on the Algonquin line recently averaged \$35.35/MMBtu.

Those prices were cheap compared to what happened on January 4th. In Boston, the Algonquin City Gate spot price briefly hit \$105/MMBtu. In New York City, some Transco Zone 6 spot trades hit an astounding \$175/MMBtu, the highest recorded North American gas price ever.

It's not all just about price. Pipeline capacity con-

straints represent a potentially dangerous situation for tens of millions of people in this severe cold. Winter has only begun. We have two and a half months yet to go until spring.

All of this craziness is completely unnecessary. Sitting beneath our property right here in the Southern Tier region of the state lies an extraordinary quantity of natural gas in the Marcellus and Utica shales and other formations. All it takes is a new Governor, one with some common sense, to allow fracking to begin right here and new pipelines built. By air, we're only 150 miles from Manhattan and 250 miles from Boston, the biggest natural gas markets in the country.

Late breaking news.....speaking of Boston, Bloomberg News has just announced help is on the way in the form of a tanker bringing liquefied natural gas to Boston from the United Kingdom. Most interesting is the ship loaded the fuel from storage tanks at the UK's Isle of Grain, near London. The loading occurred shortly after the

very same terminal received the

first cargo from the \$27 billion Yamal LNG plant on the Arctic Circle in Russia. So, Boston will soon be burning Russian natural gas instead of New York's natural gas. Way to go Governor!

The National Weather Service is warning tonight will be even colder. Later this evening, my wife and I shall step outside our cozy home heated with natural gas and brave the biting cold once again to slip into our 101-degree outdoor hot tub with a couple of glasses of homemade chocolate raspberry port. Ahhh, yes..... Life is good.

Correction from the December Issue NY Photo: Jim Leonard was standing in the middle of a Pennsylvania well site under development, NOT a NY state well site as stated.



Photo Credit: SEOandCompany