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## WEEKLY ENERGY OUTLOOK - NATURAL GAS

Week Ending: September 29, 2013 VOL: 1716

Nov - Apr Natural Gas Spread



Nov Natural Gas Futures Contract



Apr Natural Gas Futures Contract



Month	Year	NYMEX Natural Gas
Nov 13	2013	3.589
Dec 13	2013	3.769
Jan 14	2014	3.872
Feb 14	2014	3.878
Mar 14	2014	3.852
Apr 14	2014	3.808
May 14	2014	3.830
Jun 14	2014	3.859
Jul 14	2014	3.892
Aug 14	2014	3.907
Sep 14	2014	3.903
Oct 14	2014	3.921
1 Year Strip		3.840
WK Ago		3.764
Change		0.076

Heating Month	Year	Season NG
Nov	13	3.589
Dec	13	3.769
Jan	14	3.872
Feb	14	3.878
Mar	14	3.852
Strip		3.792
Cooling Month	Year	Season NG
Apr	14	3.808
May	14	3.859
Jun	14	3.859
Jul	14	3.892
Aug	14	3.907
Sep	14	3.903
October	14	3.921
Strip		3.878

Traders - Hold short Nov(rolled from prior months at 4.35).-risk 25 cents on trade.  
 End Users -stand aside  
 Producers - Hold Short Oct at 3.75-3.95.Hold short Nov-March at 4.5-4.6.

Natural gas settled lower on the week. The gas market opened the week on a weak note and sold off into expiration of the October contract. We were able to hold key technical support levels (\$3.35-\$3.40). As we approach the heat season we should see good support in the low \$3 range. On a trading basis we will start to be less aggressive on the short side and start to probe the long side of the market if the spot contract trades into the \$3.30-\$3.40 range. We also will book profits on our short speculative positions Monday morning. We will hold our short producer hedges.

MIKE DEVOOGHT - PRESIDENT  
 NANCEE GREGORY - CLIENT SERVICES  
 (970) 264-4399

GREG ZUERCHER - VP MARKETING  
 MATT DEVOOGHT - ACCOUNT EXECUTIVE  
[www.devocapital.com](http://www.devocapital.com)

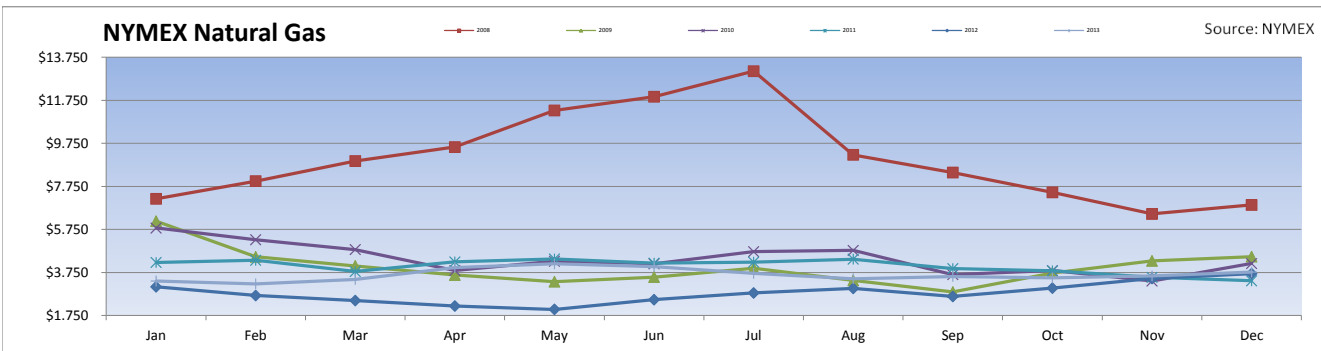
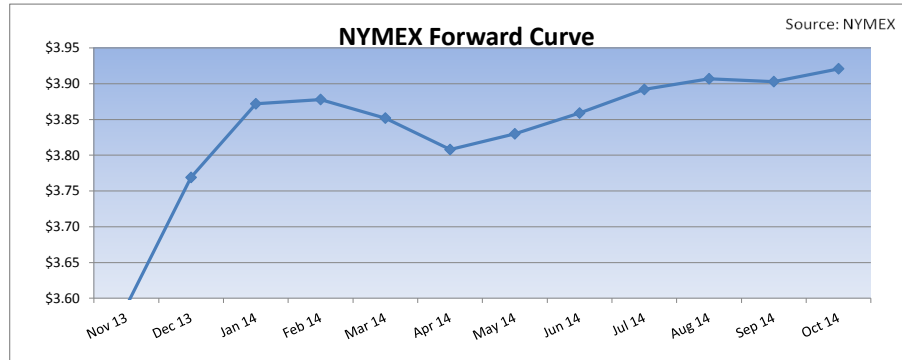
BRYAN LOOPER - ACCOUNT EXECUTIVE  
 RUEL COOPER - ACCOUNT EXECUTIVE  
 (800) 722-0915

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Month	NYMEX 2013	NYMEX 2014	NYMEX 2015
	<b>Monthly Cal</b>		
January		3.872	4.243
February		3.878	4.227
March		3.852	4.167
April		3.808	3.971
May		3.830	3.981
June		3.859	4.006
July		3.892	4.033
August		3.907	4.046
September		3.903	4.045
October		3.921	4.069
November	3.589	3.996	4.142
December	3.769	4.156	4.305
<b>Average</b>	<b>3.679</b>	<b>3.906</b>	<b>4.103</b>



Below are combinations of floors, strips, collars and caps for NYMEX contracts and the WTI Calendar Average contracts. We construct these structures using the DEVO Capital Strip Master Program. This program is accessible to clients of DEVO Capital via our web page.

### NYMEX Natural Gas Collars, Floors, Caps, Strips

Prices as of 9/28/2013

Commodity	Month	Year	Futures Price	Put Strike	Put Premium	Call Strike	Call Premium	Call Prem. (-) Put Prem.
NG European	Nov	2013	3.589	3.40	0.05	4.50	0.002	-0.046
NG European	Dec	2013	3.769	3.40	0.05	4.50	0.019	-0.030
NG European	Jan	2014	3.872	3.40	0.06	4.50	0.055	-0.004
NG European	Feb	2014	3.878	3.40	0.08	4.50	0.081	0.000
NG European	Mar	2014	3.852	3.40	0.11	4.50	0.098	-0.012
NG European	Apr	2014	3.808	3.40	0.12	4.50	0.088	-0.032
NG European	May	2014	3.830	3.40	0.13	4.50	0.103	-0.026
NG European	Jun	2014	3.859	3.40	0.14	4.50	0.124	-0.012
NG European	Jly	2014	3.892	3.40	0.14	4.50	0.144	0.006
NG European	Aug	2014	3.907	3.40	0.14	4.50	0.158	0.016
NG European	Sep	2014	3.903	3.40	0.16	4.50	0.174	0.015
NG European	Oct	2014	3.921	3.40	0.17	4.50	0.194	0.027
<b>Average</b>			<b>3.840</b>	<b>3.40</b>	<b>0.111</b>	<b>4.50</b>	<b>0.103</b>	<b>-0.008</b>
			<b>12 Month Strip 3.84</b>	<b>3.4 Floor = 0.111</b>		<b>4.5 Ceiling = 0.103</b>		<b>Floor - Ceilings -0.008</b>



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### NYMEX Natural Gas Collars, Floors, Caps, Strips and Basis

Prices as of 9/28/2013

Commodity	Month	Year	Futures Price	Put Strike	Put Premium	Call Strike	Call Premium	Call Prem. (-) Put Prem.	Basis	Basis Price
NG European	Nov	2013	3.589	3.25	0.019	4.75	0.001	-0.019	San Juan	-0.144
NG European	Dec	2013	3.769	3.25	0.025	4.75	0.009	-0.016	San Juan	-0.123
NG European	Jan	2014	3.872	3.25	0.033	4.75	0.031	-0.002	San Juan	-0.120
NG European	Feb	2014	3.878	3.25	0.050	4.75	0.049	-0.002	San Juan	-0.130
NG European	Mar	2014	3.852	3.25	0.074	4.75	0.063	-0.012	San Juan	-0.138
NG European	Apr	2014	3.808	3.25	0.082	4.75	0.055	-0.028	San Juan	-0.210
NG European	May	2014	3.830	3.25	0.090	4.75	0.066	-0.024	San Juan	-0.185
NG European	Jun	2014	3.859	3.25	0.097	4.75	0.082	-0.015	San Juan	-0.160
NG European	Jly	2014	3.892	3.25	0.099	4.75	0.098	-0.001	San Juan	-0.138
NG European	Aug	2014	3.907	3.25	0.104	4.75	0.110	0.006	San Juan	-0.125
NG European	Sep	2014	3.903	3.25	0.119	4.75	0.124	0.005	San Juan	-0.140
NG European	Oct	2014	3.921	3.25	0.127	4.75	0.141	0.014	San Juan	-0.162
<b>Average</b>			<b>3.840</b>	<b>3.25</b>	<b>0.080</b>	<b>4.75</b>	<b>0.070</b>	<b>-0.010</b>		<b>-0.150</b>
12 Month Strip 3.84			3.589 Floor = 3.25			.75 Ceiling = 0.07			Floor - Ceilings -0.15	

Prices as of 9/28/2013

Basis	Nov 13	Nov-Mar	Cal 13	Cal 14	Cal 15	Winter 14-15	Summer 14	Winter 15-16	Summer 15
NYMEX	3.589	3.792	3.679	3.906	4.080	4.158	3.874	4.299	4.022
CIG	-0.178	-0.170	-0.168	-0.290	-0.321	-0.243	-0.352	N/A	-0.448
Rockies	-0.124	-0.103	-0.103	-0.177	-0.111	-0.130	-0.219	N/A	N/A
NGPL Mid-Con	-0.133	-0.138	-0.127	-0.226	-0.325	-0.258	-0.252	N/A	-0.392
Ventura	0.056	0.028	0.048	-0.078	-0.132	-0.072	-0.119	N/A	-0.222
Panhandle	-0.211	-0.219	-0.205	-0.328	-0.400	-0.336	-0.369	N/A	-0.493
San Juan	-0.144	-0.131	-0.134	-0.151	-0.185	-0.150	-0.160	N/A	-0.221
Northwest Sumas	0.278	0.221	0.363	-0.028	-0.082	0.204	-0.185	N/A	-0.313
SoCal Border	0.038	0.072	0.073	0.074	0.055	0.080	0.072	N/A	0.021
PG&E Citygate	0.345	0.256	0.308	0.252	0.230	0.244	0.253	N/A	0.250
Permian	-0.152	-0.141	-0.145	-0.139	-0.175	-0.154	-0.134	N/A	-0.196

Prices as of 9/28/2013

Fixed Price Indication	Nov 13	Nov-Mar	Cal 13	Cal 14	Cal 15	Winter 14-15	Summer 14	Winter 15-16	Summer 15
CIG	3.411	3.622	3.511	3.616	3.759	3.915	3.522	N/A	3.574
Rockies	3.465	3.689	3.576	3.730	3.969	4.028	3.655	N/A	N/A
NGPL Mid-Con	3.456	3.654	3.553	3.680	3.755	3.900	3.623	N/A	3.630
Ventura	3.645	3.820	3.727	3.829	3.948	4.086	3.755	N/A	3.800
Panhandle	3.378	3.573	3.475	3.578	3.680	3.822	3.505	N/A	3.529
San Juan	3.445	3.661	3.546	3.755	3.895	4.008	3.714	N/A	3.801
Northwest Sumas	3.867	4.013	4.042	3.878	3.998	4.362	3.689	N/A	3.709
SoCal Border	3.627	3.864	3.752	3.980	4.135	4.238	3.946	N/A	4.042
PG&E Citygate	3.934	4.048	3.987	4.159	4.309	4.402	4.127	N/A	4.272
Permian	3.437	3.651	3.534	3.768	3.905	4.004	3.740	N/A	3.826

