

Calculating SEC Prices and Differentials

A Tutorial



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What is the SEC Benchmark Price?



Regulation S-X, Section 210.4-10 (a)(22)(v) states:

“ Existing economic conditions include prices and costs at which economic producibility from a reservoir is determined. **The price shall be the average price during the 12-month period** prior to the ending date of the period covered by the report, determined as an **unweighted arithmetic average of the first-day-of-the-month price** for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions. ”

BENCHMARK PRICE	The price for oil or gas traded in a particular marketplace, used as a reference price for buyers and sellers of oil or gas with similar quality, in similar marketplaces.
SPOT PRICE	The price for a one-time open market transaction for immediate delivery of a specific quantity of product at a specific location where the commodity is purchased "on the spot" at current market rates.
POSTED PRICE	An annouced price, or an average of a relevant group of announced prices, at which a buyer is willing to purchase or a seller is willing to sell oil or gas for a period of time in a particular marketplace.
FUTURES PRICE	The price a buyer is willing to pay to take delivery of oil or gas, from a seller, on a date set at some point in the future.
REALIZED PRICE	The price actually received for oil or gas sold from a given lease or field.

M&L Reported Benchmark Prices



2019 Calendar Year										
First-Day-of-the-Month (FDOTM) Crude Oil Benchmark Prices										
Index	WTI Front Month (CLc1)		WTI Spot (WTC)		LA Light Sweet Spot (LLS)		Europe Brent Front Month (LCOc1)		Europe Brent Spot	
Source	Thomson Reuters		Thomson Reuters		Thomson Reuters		Thomson Reuters		EIA	
Product	Oil		Oil		Oil		Oil		Oil	
Units	(\$/bbl)		(\$/bbl)		(\$/bbl)		(\$/bbl)		(\$/bbl)	
Month	FDOTM	Prior 12-mo	FDOTM	Prior 12-mo	FDOTM	Prior 12-mo	FDOTM	Prior 12-mo	FDOTM	Prior 12-mo
January	45.41	64.31	45.15	64.38	49.95	69.39	52.20	70.98	50.57	70.20
February	55.26	63.43	55.29	63.50	61.72	68.80	62.75	70.40	61.86	69.64
March	55.80	63.00	55.76	63.06	63.51	68.82	65.07	70.50	63.71	69.59
April	61.59	62.72	61.59	62.79	67.84	68.84	69.01	70.40	69.08	69.60
May	63.60	62.42	63.55	62.48	71.15	68.55	72.18	70.32	63.55	68.66
June	53.50	61.39	53.49	61.45	61.24	67.76	64.49	69.29	66.78	68.01
July	59.09	60.14	58.91	60.18	63.38	66.59	65.06	68.10	65.10	66.98
August	53.95	58.99	53.64	58.92	58.04	65.44	60.50	67.11	62.90	66.20
September	55.10	57.77	55.07	57.69	58.10	63.97	60.43	65.69	61.04	64.87
October	53.62	55.96	53.60	55.88	57.50	61.81	58.89	63.52	60.06	62.80
November	56.20	55.34	56.04	55.24	59.49	60.79	61.69	62.58	56.04	61.53
December	55.17	55.69	58.12	55.85	62.12	61.17	62.43	62.89	64.50	62.10
Annual Average	55.69		55.85		61.17		62.89		62.10	

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Product	Oil		Oil		Oil		Oil		Oil	
Units	(\$/bbl)		(\$/bbl)		(\$/bbl)		(\$/bbl)		(\$/bbl)	
Month	FDOTM	Prior 12-mo	FDOTM	Prior 12-mo	FDOTM	Prior 12-mo	FDOTM	Prior 12-mo	FDOTM	Prior 12-mo
January	60.42	51.90	60.46	51.90	65.51	55.17	66.87	55.77	66.73	55.40
February	65.80	52.89	65.92	52.90	68.72	56.27	69.65	56.84	68.60	56.47
March	60.99	53.49	60.98	53.49	63.28	56.91	63.83	57.46	64.23	57.18
April	64.94	54.68	64.87	54.69	67.57	58.17	70.27	58.92	69.02	58.58
May	67.25	56.22	67.28	56.23	71.13	59.88	73.13	60.72	74.85	60.62
June	65.81	57.67	65.81	57.68	74.31	61.86	76.79	62.90	74.54	62.63
July	74.15	60.01	74.13	60.03	77.33	64.30	79.44	65.52	77.44	65.16
August	67.66	61.55	68.80	61.66	71.87	66.00	72.39	67.24	72.28	66.95
September	69.80	63.43	69.84	63.54	75.77	68.03	77.42	69.30	76.94	68.93
October	75.30	65.40	75.37	65.51	83.37	70.27	84.98	71.58	84.94	71.26
November	63.69	66.18	63.67	66.29	71.80	71.22	72.89	72.62	71.25	72.12
December	50.93	65.56	50.78	65.66	57.53	70.68	58.71	72.20	57.71	71.54
Annual Average	65.56		65.66		70.68		72.20		71.54	

M&L Reported Benchmark Prices



WTI Front Month (CLc1)

This price is the NYMEX front month futures contract for WTI. It is the most commonly reported benchmark price in SEC reports.

WTI Spot (WTC)

This price is a spot price for WTI for delivery at Cushing, OK, as reported by Thomson Reuters and also by EIA (sourced from Thomson Reuters).

LA Light Sweet Spot (LLS)

This price is a spot price for Louisiana Light Sweet crude, as reported by Thomson Reuters.

Europe Brent Front Month (LCOc1)

This price is the ICE front month futures contract for Brent crude. It is the equivalent of the NYMEX WTI Front Month price.

Europe Brent Spot

This price is a spot price for Brent crude, as reported by Thomson Reuters and also by EIA. This is the most commonly reported Brent benchmark price.

Henry Hub

This price is a spot price for Henry Hub for delivery in Erath, Louisiana, as reported by Platts. It is the most commonly reported benchmark price in SEC reports.

Dominion, South Point

This price is a spot price for Dominion, South Point for delivery into two lines which merge just northeast of Pittsburgh, as reported by Platts.

NGPL, Midcontinent

This price is a spot price for NGPL, Midcontinent for delivery into Natural Gas Pipeline Co. of America starting in Wise County, Texas and continuing to Nebraska, as reported by Platts.

Houston Ship Channel

This price is a spot price for Houston Ship Channel for delivery into pipelines that serve the same region, extending from Galveston to Beaumont, as reported by Platts.

CIG, Rockies

This price is a spot price for CIG, Rockies for deliveries into CIG's mainlines in Wyoming, Colorado and parts of Utah, as reported by Platts.

Selecting the Appropriate Oil Benchmark Prices



Benchmark oil prices should be the close price on the first day of each month.



If the first day of the month is not a trading day, then the prior trading day's close price should be utilized.



November 1, 2015 was not a trading day. Therefore, the close price on October 30, 2015 should be utilized.



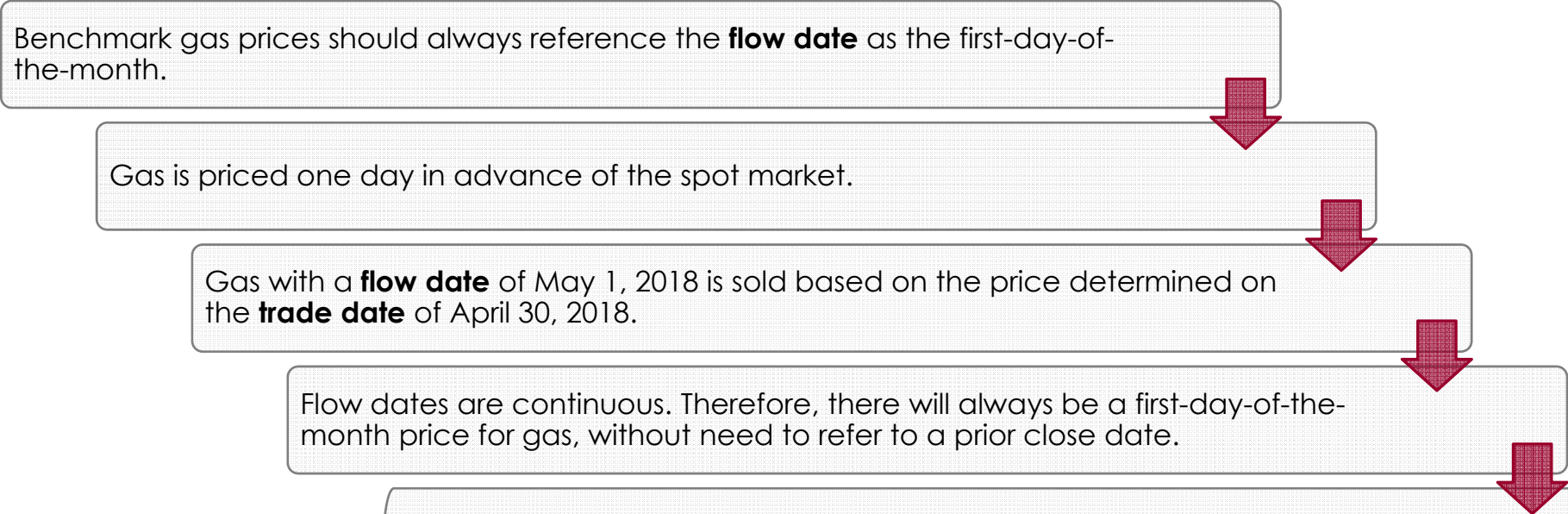
NYMEX Light Sweet Crude Oil (WTI) Composite Energy Future Continuation 1 | Quote History | Thomson Reuters Eikon

CLc1 NYMEX Light Sweet Crude Oil (WTI) Composite Energy Future Continuation 1

QUOTE HISTORY

Trade Date	Open Price	High Price	Low Price	Close Price	% Net Change (C-C)	Net Change (C-C)	Volume	% Price Change (O-C)	Price Change (O-C)
04-Nov-2015	47.74	48.28	46.17	46.32	-3.299	-1.58	459,307	-2.974	-1.42
03-Nov-2015	46.11	48.36	45.96	47.9	3.814	1.76	434,574	3.882	1.79
02-Nov-2015	46.43	46.73	45.56	46.14	-0.966	-0.45	305,518	-0.625	-0.29
30-Oct-2015	45.74	47.03	45.48	46.59	1.151	0.53	363,307	1.858	0.85
29-Oct-2015	46.06	46.79	45.16	46.06	0.261	0.12	436,513	0.000	0.00
28-Oct-2015	43.44	46.22	43.06	45.94	6.343	2.74	521,518	5.755	2.50

Selecting the Appropriate Gas Benchmark Prices



S&P Global
Platts

GAS DAILY

Tuesday, May 1, 2018

NEWS HEADLINES

Court won't hear Constitution pipeline case

■ Williams to continue seeking relief at FERC

■ Environmentalist cheers win for state authority

(continued on page 2)

Maintenance to keep Permian gas prices weaker

■ Northbound Permian flows up 550 MMcf/d since April 2017

■ Permian production, rig count hover just below record highs

(continued on page 4)

FINAL DAILY PRICE SURVEY - PLATTS LOCATIONS (\$/MMBtu)

NATIONAL AVERAGE PRICE: 2.250

Trade date: 30-Apr

Flow date(s): 01-May

Powered by ICE

	Midpoint	+/-	Absolute	Common	Vol.	Deals
Northeast						
Algonquin, city-gates	IGBEE21	2.480	-0.150	2.450-2.500	2.470-2.495	75 20
Algonquin, receipts	IGBDK21	2.015	-0.185	2.000-2.050	2.005-2.030	32 8
Dracut, Mass.	IGBDW21	—	—	—	—	—
Iroquois, receipts	IGBCR21	2.540	-0.130	2.480-2.580	2.515-2.565	95 32
Iroquois, zone 2	IGBEJ21	2.550	-0.215	2.500-2.580	2.530-2.570	61 27
Niagara	IGBCS21	2.345	-0.140	2.310-2.380	2.330-2.365	67 16
Tennessee, z6 (300 leg) del.	IGBJC21	—	—	—	—	—
Tennessee, zone 6 del.	IGBEI21	2.485	-0.150	2.470-2.550	2.470-2.505	25 8
Tx. Eastern, M-3	IGBEK21	2.265	-0.070	2.130-2.350	2.210-2.320	161 40

