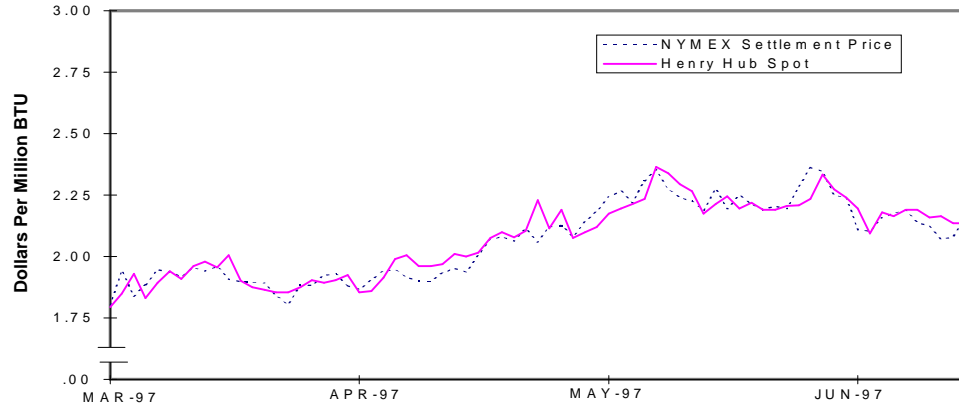


NYMEX Future Prices vs Henry Hub Spot Prices

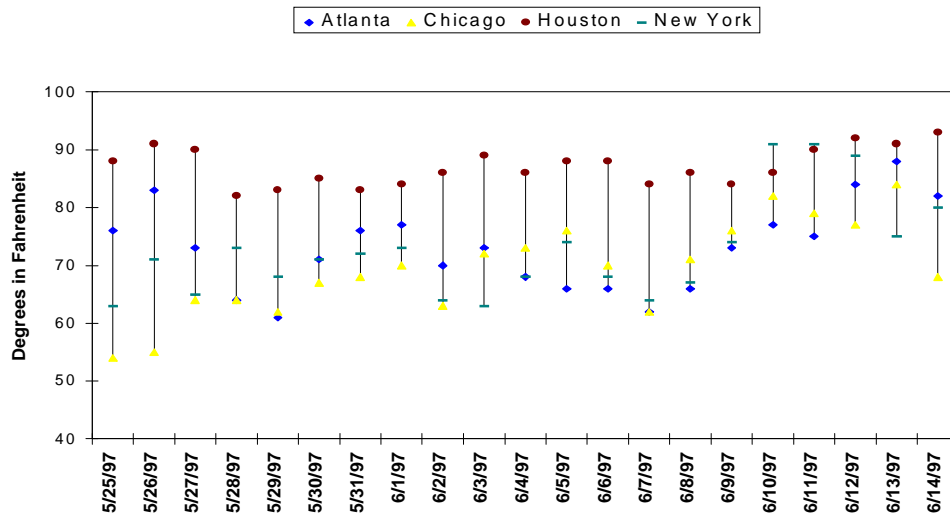
HENRY HUB PRICE		
	CASH	FUTURES
	Jun	Jul
	Del	Del
	(\$ per MMBtu)	
06/09	2.18-2.20	2.140
06/10	2.14-2.18	2.122
06/11	2.15-2.18	2.071
06/12	2.12-2.15	2.080
06/13	2.12-2.15	2.159



Note: The Henry Hub spot price is from the GAS DAILY and is the midpoint of their high and low price for a day.

High Temperature for Four Selected Cities

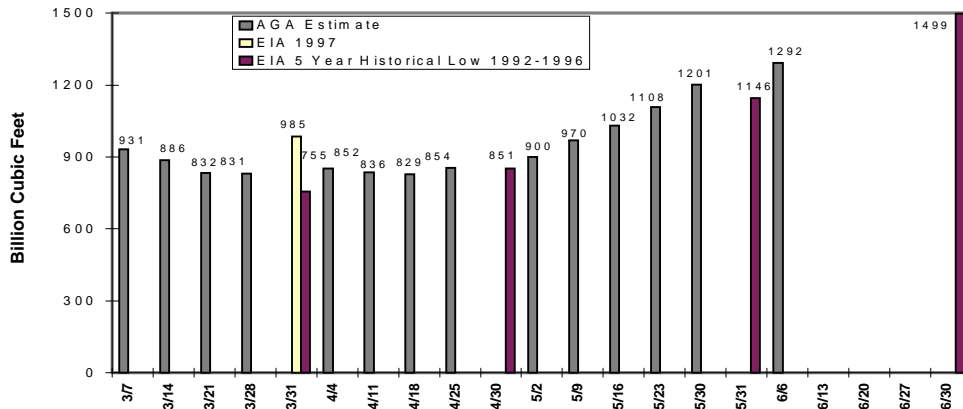
Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
06/08	66	73	-7
06/09	67	73	-6
06/10	72	74	-2
06/11	74	74	0
06/12	77	74	3
06/13	76	74	2
06/14	73	75	-2



Working Gas In Storage 1997

Working Gas Volume as of 06/06/97		
	BCF	% Full
EAST	636	36
WEST	240	50
Prod Area	416	45
U. S.	1292	41

Source: AGA



The NYMEX futures price for July delivery at the Henry Hub opened Monday, June 16 at \$2.150 per MMBtu, almost 1 cent less than Friday's settlement price. The weather continued to be generally cooler than normal during the first half of last week in many parts of the country. Temperatures did begin to rise after midweek, with several cities in the Southwest (Dallas, Houston, New Orleans, etc.) having daytime highs in the low to mid 90s for the period Wednesday through Saturday. To date, there appears to have been no serious increase in natural gas demand to meet electric utility air-conditioning load. Prices on the spot market at the Henry Hub had moved down about 7 cents per MMBtu at midweek but recouped some of the decrease to end the week at about \$2.15—down 4 cents from prices the previous Friday. Owing to a temporary outage at a major gas-processing plant in Wyoming, prices in the Rocky Mountain region moved up about 20 cents per MMBtu last week. The futures market displayed some volatility at the Henry Hub as settlement prices for the July contract trended down during midweek then moved up to end the week at \$2.159 per MMBtu—about 3 cents lower than a week earlier. The spot price of West Texas crude oil was stable during the week with prices remaining near \$18.70 per barrel most days. Net injections to storage for the first week in June were estimated to exceed 90 Bcf for the second consecutive week.

Storage: Storage refill activity in both the United States and Canada continued strong through the week ending June 6. The total inventory in U.S. storage facilities increased by 91 Bcf to 1,292 Bcf, according to American Gas Association (AGA) estimates. For this first full week of June 1997, and the second week in a row, AGA's estimated refill rate matched or exceeded 13 Bcf per day. EIA storage data for the month of June 1996 showed an average refill rate of 12.5 Bcf per day. Working gas inventories are 20 percent higher in the Consuming East region and 59 percent higher in the Producing region than they were at this time last year, per AGA. Only the Consuming West region lags behind estimated storage levels from last year, with 240 Bcf of working gas compared with 278 Bcf at this time last year. In Canada, the Canadian Gas Association (CGA) reported net injections of 15.2 Bcf, the second week in a row that injections have exceeded 15 Bcf. Over the past 4 weeks, Canadian injections have averaged almost 13.5 Bcf per week, with the refill rate exceeding 2 Bcf per day for the past 2 weeks.

Spot Prices: At the Henry Hub and most other major market locations, the price of gas on the spot market remained generally stable last week. This is a far cry from last year at this time when spot prices at the Henry Hub moved up almost \$0.30 per MMBtu to about \$2.60 between the 5th and 14th of June 1996. Prices at most other markets were also higher last year at this time compared with current prices. For example: last year at this time the price at Katy in East Texas was \$2.50 per MMBtu compared with \$2.10 last Friday, June 13; at Waha in West Texas, \$2.15 vs. \$1.96; and at Chicago, \$2.65 vs. \$2.18. Last year's price levels were being driven by a critical need to refill storage facilities and warmer-than-normal temperatures in May and early June of last year.

Futures Prices: The price of the July contract at the Henry Hub displayed some volatility last week as prices moved first down and then up about 7 cents between Wednesday and Friday. Prices appeared to be reacting to an estimated storage refill rate of more than 13 Bcf per day for the second consecutive week. In addition, the market was reacting to the first indication that normal seasonal weather may have finally arrived in the Southwest and with it the anticipated increase in natural gas consumption by electric utilities in order to meet a growth in the air-conditioning load.

Summary: Prices remained generally stable last week. Normal seasonal temperatures appear to have arrived in some parts of the country, which could increase consumption of natural gas to meet expected air-conditioning demand. Net injections to storage remained at an elevated level during the first week of June.