

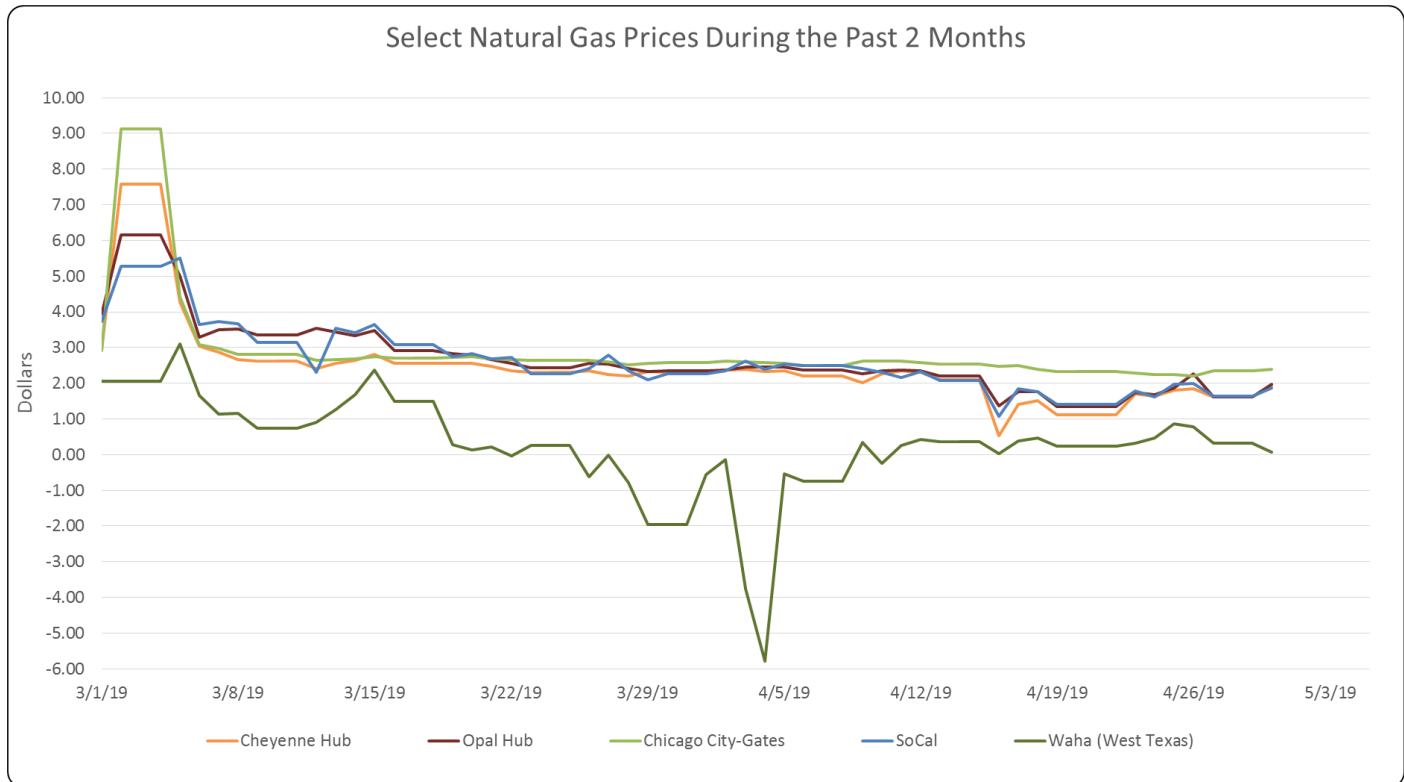
Wyoming Pipeline and Infrastructure Outlook

Pricing

For the month of May 2019, the NYMEX natural gas contract settled at \$2.57 per MMBtu.

On April 29th prices reported by *Platts Gas Daily* were as follows:

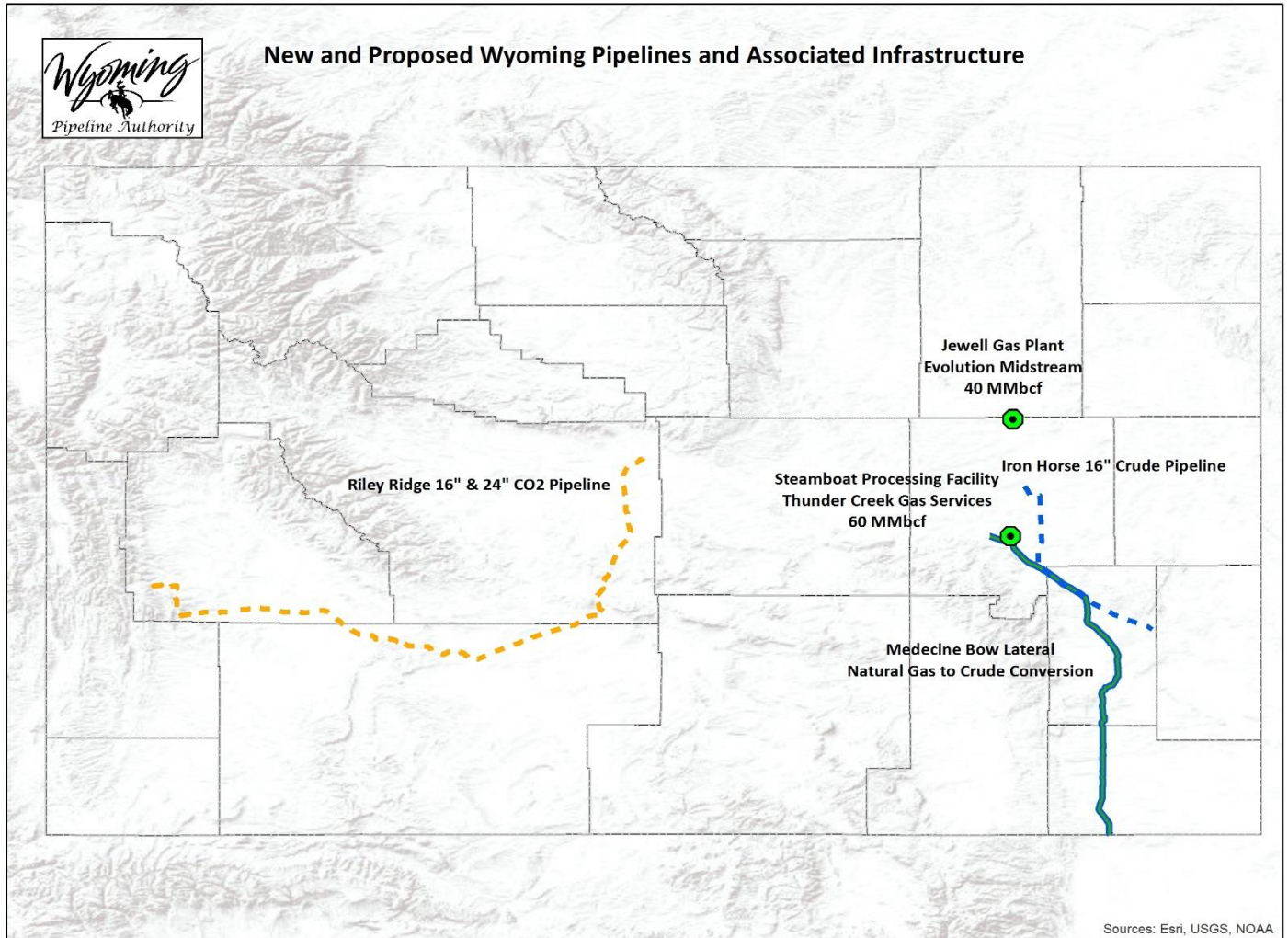
Pricing Point	Price (\$/MMBtu)	Basis to NYMEX
• Cheyenne Hub (SE Wyoming)	\$1.62	-\$0.95
• Opal Hub (SW Wyoming)	\$1.62	-\$0.95
• Chicago	\$2.35	-\$0.22
• SoCal (Southern California)	\$1.79	-\$0.78
• Waha (West Texas)	\$0.32	-\$2.25



This time of year is typically considered a “shoulder” period meaning there is little heating or cooling related demand for natural gas. While Wyoming prices lag the market, the onslaught of production in the Permian Basin continues to depress pricing there to below \$1.00!

NYMEX crude oil prices for the June contract settled at \$63.60 on April 29, 2019. Brent pricing for the same period settled at \$72.15. Southwest Wyoming Sweet crude was trading at \$59.55.

New Pipeline and Market Related Projects



- Kinder Morgan and Tallgrass Energy announced in January of 2019 a natural gas to crude oil conversion project that would take Wyoming Interstate Company's 24-inch Medicine Bow lateral and Cheyenne Plains' entire 36-inch pipeline out of gas service and convert them to crude service. This project will serve to move growing Powder River and DJ Basin crude oil into more liquid and better priced markets in Cushing, Oklahoma. Tallgrass Energy has proposed the Seahorse pipeline from Cushing to Louisiana where crude is priced closer to Brent (European) pricing than to WTI (West Texas Intermediate) pricing.
- The BLM has approved Denbury's construction for the Riley Ridge 16-inch and 24-inch pipeline designed to transport carbon dioxide from the Riley Ridge treating Plant near Big Piney to the Greencore Pipeline at the Natrona Hub near Casper, Wyoming.
- Silver Creek Midstream, LLC and Tallgrass Energy Partners, LP are constructing the Iron Horse 16-inch pipeline to transport crude oil from the growing Powder River Basin to Guernsey, Wyoming with expected initial capacity of 100,000 barrels per day.
- Evolution Midstream's Jewell Gas Plant in Converse County first began operational mode in February of 2019 with a projected output of 40 million cubic feet per day.
- Thunder Creek's Steamboat Processing Facility will be located in Converse County, Wyoming and is projected to supply 60 million cubic feet per day.

The Jordan Cove LNG (liquefied natural gas) project proposed in Oregon continues to press FERC for a certificate. The project is important to Wyoming due to its ability to take gas off the Ruby pipeline which originates at the Opal hub. FERC issued a draft environmental impact study (DEIS) April 2, 2019. The Wyoming Pipeline Authority, in conjunction with the Governor's office, has filed letters in support of Jordan Cove which could provide upward of 1 Bcfd of incremental market for the State's gas supply.

Looking Forward

Over the course of the next year, we at the WPA look forward to enhancing the value we add to the State as we explore the possibilities that might be created via the newly created Wyoming Energy Authority. We believe we can add value not only through our existing legacy, but also expanding and enhancing the scope of where the State truly needs to concentrate in order to unlock potential value. In addition to WPA and WIA existing missions, we believe we need to explore other areas that may be overlooked with respect to enhancing value to the State and its citizens.

Respectfully,

Bryan Hassler
Executive Director
Wyoming Pipeline Authority
bryan@wyopipeline.com
303-748-6473