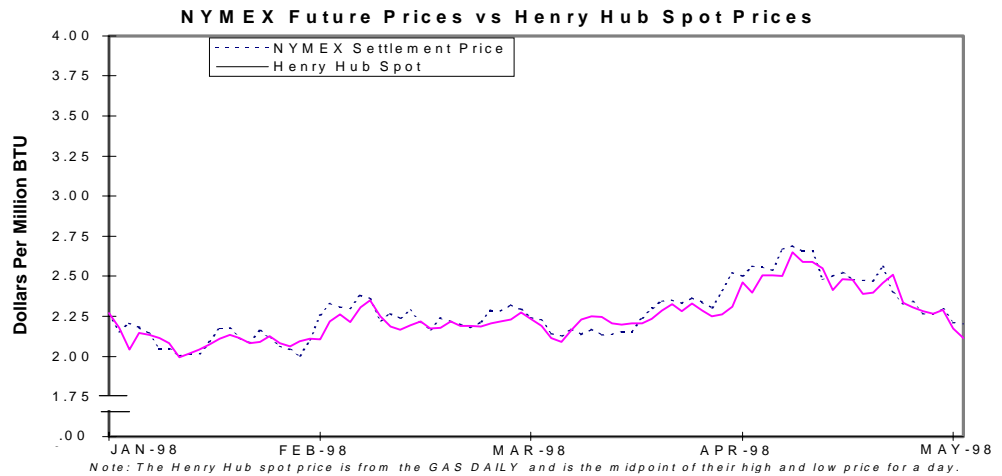
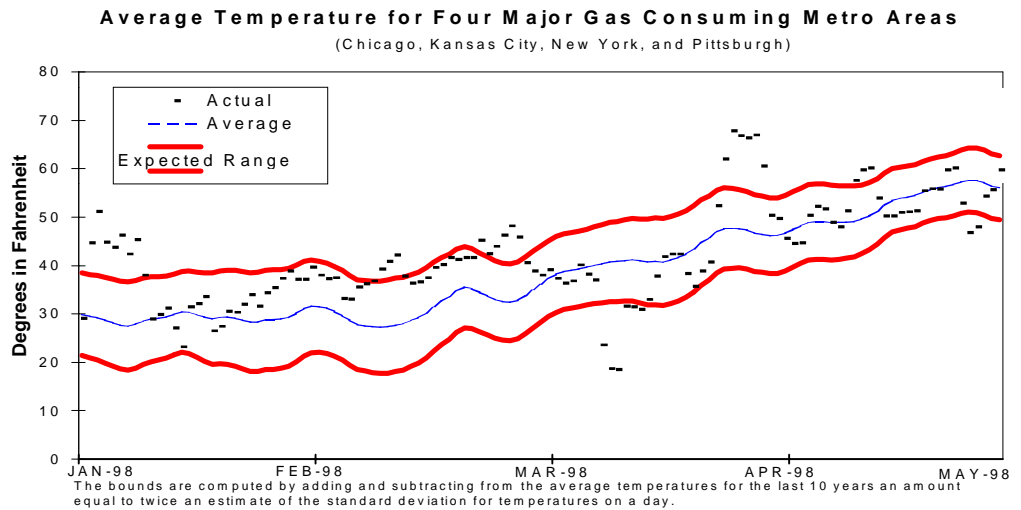


HENRY HUB PRICE		
	SPOT	FUTURES
	Apr/May	May/June
	Del	Del
	(\$ per MMBtu)	
4/27	2.26-2.30	2.266
4/28	2.25-2.28	2.262
4/29	2.26-2.32	2.298
4/30	2.13-2.22	2.211
5/01	2.06-2.17	2.202



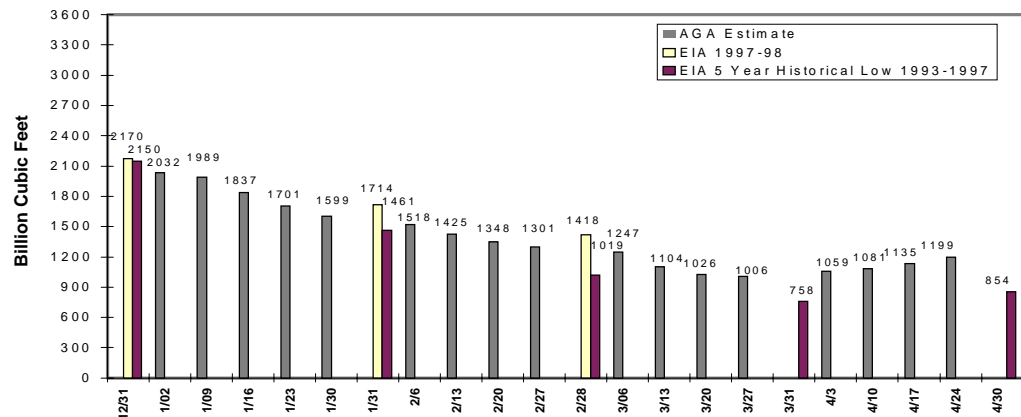
Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
4/25	60	57	3
4/26	53	57	-4
4/27	47	57	-10
4/28	48	58	-10
4/29	54	57	-3
4/30	56	56	0
5/01	60	56	4



Working Gas Volume as of 4/24/98		
	BCF	% Full
EAST	601	34
WEST	169	35
Prod Area	429	47
U. S.	1199	38

Source: AGA

Working Gas In Storage



The NYMEX futures contract price for May delivery at the Henry Hub closed on Tuesday, April 28, at \$2.262 per MMBtu - almost 45 cents lower than the level it was trading for in early April. Moderate springtime temperatures in the four cities monitored by this report (Chicago, Kansas City, New York, and Pittsburgh) and in other parts of the country contributed to a continued decline in prices. The spot market price at Henry Hub moved down most days and ended the week at \$2.11 per MMBtu. The June futures contract trading price also declined and settled at \$2.202 per MMBtu at the close of business on Friday. This softening of natural gas prices began about 3 weeks ago and at present appears to be tied to: moderating summer weather forecasts, increased storage levels, and some indication that the coal delivery problem in the West is improving. Estimated additions to storage continued at a robust pace, averaging more than 9 Bcf a day during the third week of April. The price of West Texas crude oil moved up \$1.45 last week and ended the week trading for \$15.50 per barrel.

Storage: Net additions to storage were estimated by the American Gas Association (AGA) to have been 64 Bcf for the week ending Friday, April 24, with additions occurring in all three AGA storage regions. The West reported its first increase of the spring with 12 Bcf added to working gas levels, while the Consuming East added 33 Bcf and the Producing region added 19 Bcf. Total working gas in storage as of April 24 was estimated to be almost 1,200 Bcf, which is 345 Bcf or 40 percent more than last year at the same time (1,199 Bcf vs. 854). The latest AGA report brings total estimated additions to working gas reported thus far in April to about 195 Bcf. With one week remaining, April additions to storage are already well ahead of April refill activity in recent years. According to EIA data, net additions to storage in April during the previous 3 years averaged 74 Bcf. Last year, only 58 Bcf of working gas was added in April.

Spot Prices: At the Henry Hub and most other major market locations, the price of natural gas moved down between 10 to 20 cents per MMBtu last week. On Tuesday, the day the May futures contract at the Henry Hub closed at \$2.262 per MMBtu, the midpoint for the Henry Hub spot price was virtually the same - \$2.265. The recent moderate temperatures along with other elements have contributed to a sustained decline in price. By Friday, May 1, the spot price had dropped to about \$2.10 per MMBtu, a level last seen in early March. Prices were down at all major market locations and at several locations ended the week below \$2.00 per MMBtu. For example, on Friday, May 1, the price was \$1.98 per MMBtu at Waha in West Texas, \$1.87 at DJ Basin in Colorado, \$1.86 at Opal in Wyoming, and \$1.84 at Malin in California. Prices were also down at markets hubs that serve the East but did stay above \$2.00. Prices at both Katy and Carthage in East Texas were about \$2.07 per MMBtu and the Chicago city gate price was about \$2.24, down almost 30 cents for the week.

Futures Prices: The May futures contract price continued to move down early last week and closed on Tuesday at \$2.262 per MMBtu. The contract for June continued this trend as it moved down each succeeding day to end the week at \$2.202 per MMBtu. Less than 4 weeks ago, daily settlement prices were 35 to 45 cents higher for both the May and June contracts. Many market observers hold the view that the current supply situation is more than adequate and that without a change in fundamentals (such as an early onset of hot weather) prices could continue to moderate for the next few months. The futures contract for June delivery at the Henry Hub opened today, May 4, at \$2.155 per MMBtu - down almost 5 cents from Friday's settlement price.

Summary: Prices on both the spot and futures markets continue to decline and storage levels remain well ahead of last year.