



Natural Gas Production Report

January to March 2026

This document uses data from the Pennsylvania Department of Environmental Protection (DEP), the U.S. Energy Information Administration (EIA) and Natural Gas Intelligence to provide a quarterly update on natural gas production and prices. The table below shows recent trends in quarterly unconventional production volume, well counts and average spot prices for Pennsylvania.

Natural Gas Summary: 2026 Q1

	2025				2026
	Q1	Q2	Q3	Q4	Q1
Production Volume	1,943	1,957	1,931	1,936	1,928
Growth Rate	3.1%	9.2%	4.9%	3.4%	-0.8%
New Wells Spud	94	105	116	129	101
Annual Change	-6	42	53	46	7
Average PA Price	\$3.69	\$2.38	\$2.18	\$3.08	\$5.22
Growth Rate	117.5%	60.8%	51.4%	53.2%	41.5%

Note: Growth rates and annual change are year-over-year. Production is in billion cubic feet, horizontal wells only. Average PA price (in \$/MMBtu) is a weighted average spot price at two major PA hubs.

Source: Production volume and well counts are reported by DEP. Price data are from Natural Gas Intelligence.

Notable trends for 2026 Q1 include:

- **Production volume** totaled 1,928 billion cubic feet, a decrease of 0.8% from the prior year. This is the first annual decline in quarterly production since 2024 Q4.
- There were 101 **new horizontal wells spud**, an increase of seven new wells (7.4%) from the prior year. Preliminary data for April and May show a decline of 12.0% in new wells spud compared to the same period in 2025.
- The **average Pennsylvania spot hub price** was \$5.22, an increase of \$1.53 (41.5%) from the prior year. The first quarter price was heavily impacted by January (\$9.99), as prices surged in response to Winter Storm Fern in January. Due to the regional impact of the storm, the average Pennsylvania spot price exceeded the Henry Hub (national benchmark) by more than \$2.00 for the month of January. For February and March, the average Pennsylvania spot price was \$2.83, a decrease of \$0.79 (-21.9%) from the same two months of the prior year. Preliminary data show that natural gas spot prices continued that steep decline into 2026 Q2 (see next page). Spot prices will not reflect contemporaneous prices paid by businesses and consumers. EIA data show that the average price of natural gas sold to Pennsylvania residential and commercial consumers in 2026 Q1 increased by 12% from the prior year.

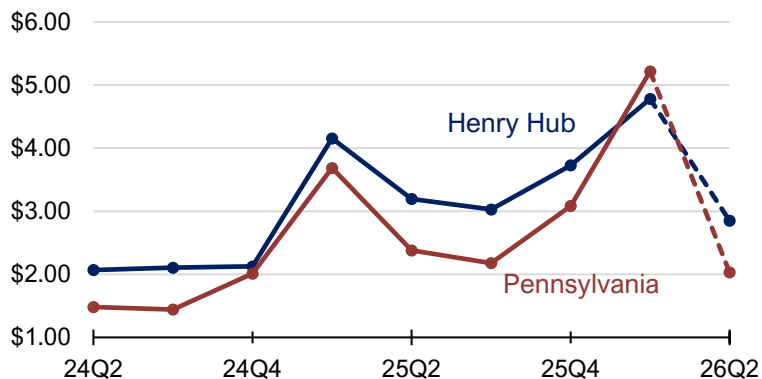
The table below compares year-over-year (YOY) growth in quarterly production volume in Pennsylvania to seven large production states and the U.S. The states are listed in descending order based on total production volume in 2026 Q1. The eight states shown account for 87% of nationwide natural gas production. For Pennsylvania, these data differ from the prior page because they include natural gas production from all sources and well types (e.g., conventional). For 2026 Q1, nationwide production increased by 4.3%, largely driven by strong gains in the southwestern U.S. region. Although these data show a moderate production gain, Pennsylvania growth lagged most top-producing states.

State Comparison: YOY Production Growth

State	2025				2026
	Q1	Q2	Q3	Q4	Q1
Texas	6.1%	4.5%	5.5%	5.0%	4.7%
Pennsylvania	1.4	7.4	2.8	2.2	0.5
New Mexico	14.0	15.9	15.7	13.4	11.3
Alaska	-11.1	8.6	9.8	17.5	11.2
Louisiana	-1.3	2.9	-2.1	0.1	0.9
West Virginia	1.9	8.3	6.4	4.7	3.2
Oklahoma	-0.2	3.5	7.1	8.1	6.1
Ohio	-8.1	-5.8	1.6	2.1	4.2
U.S.	1.1	5.0	5.0	5.2	4.3

Source: U.S. Energy Information Administration.

Natural Gas Spot Price Trends



Note: Dollars per MMBtu.

Source: Natural Gas Intelligence. 2026 Q2 estimated by the IFO.

The adjacent figure displays recent trends in natural gas spot prices for the Henry Hub and the average Pennsylvania hub price. For 2026 Q1, the Pennsylvania average was \$5.22, and the Henry Hub was \$4.78. Both prices increased dramatically from the prior quarter due to Winter Storm Fern. Preliminary data for 2026 Q2 show that both prices declined significantly, and the Pennsylvania average price fell below the Henry Hub by roughly \$0.80, consistent with the historical differential.

Staff Contact

Questions regarding this report can be directed to jbushman@ifostate.pa.us.