# Natural Gas Production Report

## 2026 Q2: April to June

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. Data through 2026 Q2 are final, while data for 2026 Q3 are estimates based on data from July and August, and will be revised in the next quarterly report. The table below shows recent trends in quarterly unconventional production volume, well counts and average spot prices for Pennsylvania.

### Natural Gas Summary

| | 2025 | | 2026 | | |
|---|---|---|---|---|---|
| | Q3 | Q4 | Q1 | Q2 | Q3 |
| Production Volume | 1,931 | 1,936 | 1,928 | 1,925 | -- |
| Growth Rate | 4.9% | 3.4% | -0.8% | -1.6% | -- |
| New Wells Spud | 116 | 129 | 101 | 89 | 102 |
| Annual Change | 53 | 46 | 7 | -16 | -14 |
| Average PA Price | $2.18 | $3.08 | $5.22 | $2.11 | $2.02 |
| Growth Rate | 51.4% | 53.2% | 41.5% | -11.3% | -7.2% |

Note: Growth rates 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. 2026 Q3 data are estimated by the IFO.

Notable trends include:

- **Production volume** totaled 1,925 billion cubic feet for 2026 Q2, a decrease of 1.6% from the prior year and the lowest volume for a quarter since 2024 Q4. Monthly production data are not yet available for 2026 Q3.
- There were 89 **new horizontal wells spud** in 2026 Q2, a decrease of 16 new wells (-15.2%) from the prior year and the first annual decline for a quarter since 2025 Q1. Based on preliminary data for July and August, the IFO estimates there will be 102 new wells spud in 2026 Q3, an 11.8% decline from the same period in 2025.
- The **average Pennsylvania spot hub price** was $2.11 for 2026 Q2, a decrease of $0.27 (-11.3%) from the prior year. This was a notable reduction from the first quarter, which was heavily impacted by January ($9.99), as prices surged in response to Winter Storm Fern. Since then, the average Pennsylvania price has declined significantly. The IFO estimates that the average spot price will decline further in 2026 Q3 to $2.02, a 7.2% decrease from the prior year. Spot prices will not reflect contemporaneous prices paid by residential consumers. EIA data show that the average price of natural gas sold to Pennsylvania residential customers increased by 7.3% in 2026 Q2 from the prior year.

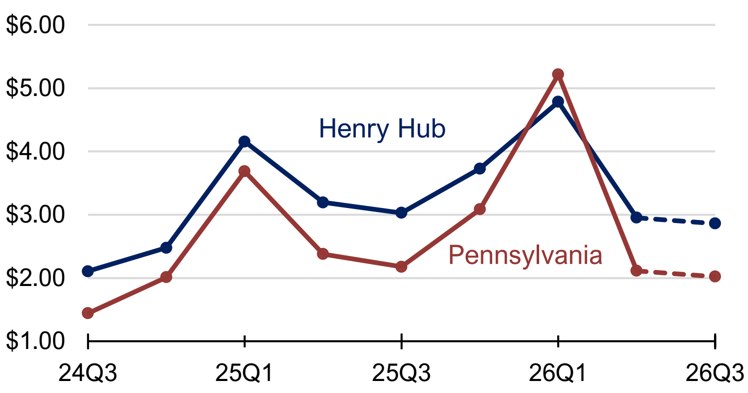
The table below compares year-over-year (YOY) growth in quarterly production volume for most top producing states grouped into two regions: Marcellus/Utica (28% of U.S. production) and Southwest/ Gulf Coast (52%). The Marcellus/Utica region refers to the Marcellus and Utica shale formations that largely span Ohio, Pennsylvania and West Virginia. For Pennsylvania, these data differ from the prior page because they include natural gas production from all sources and well types (e.g., conventional). The data show that for the last four quarters, production growth has been significantly stronger in the Southwest/Gulf Coast region.

**State Comparison: Production YOY Growth**

| | 2025 | | 2026 | |
|---|---|---|---|---|
| **State** | **Q3** | **Q4** | **Q1** | **Q2** |
| Marcellus/Utica | | | | |
| Pennsylvania | 2.8% | 2.2% | 0.4% | -0.4% |
| West Virginia | 6.4 | 4.7 | 2.9 | 2.3 |
| Ohio | 1.6 | 2.1 | 4.4 | 7.0 |
| Southwest/Gulf | | | | |
| Texas | 5.5 | 5.0 | 4.7 | 5.8 |
| New Mexico | 15.7 | 13.4 | 11.0 | 10.0 |
| Louisiana | 9.8 | 17.5 | 11.5 | 10.7 |
| Oklahoma | 7.1 | 8.1 | 6.3 | 2.4 |
| U.S. | 5.0 | 5.2 | 4.3 | 3.8 |

Source: U.S. Energy Information Administration.

**Natural Gas Spot Price Trends**




Note: Dollars per MMBtu.
Source: Natural Gas Intelligence. 2026 Q3 estimated by the IFO.

The adjacent graph displays recent trends in natural gas spot prices for the Henry Hub (national benchmark) and the average Pennsylvania hub price. For 2026 Q2, the Pennsylvania average was $2.11, and the Henry Hub was $2.95. Both prices declined significantly from the first quarter, and the Pennsylvania average fell below the Henry Hub by $0.84, consistent with recent price differentials. Preliminary data suggest that average prices for 2026 Q3 will be $2.86 for the Henry Hub and $2.02 for Pennsylvania. If accurate, both prices would represent a moderate decline from the prior year.

## Staff Contact

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