



## High Prices Boost Oklahoma's Natural Gas Production and Heating Bills

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**OKLAHOMA CITY**- The Oklahoma City Branch of the Federal Reserve of Kansas City released its latest issue of the quarterly publication the *Oklahoma Economist*, titled “High Natural Gas Prices: A Boost to Oklahoma Heating Bills and Drilling Activity.”

U.S. natural gas prices surged in the first half of 2022. In recent months, prices have been volatile but still high relative to pre-pandemic levels, according to Chad Wilkerson, senior vice president and branch executive at the Oklahoma City Branch of the Federal Reserve Bank of Kansas City.

“Oklahoma is a major consumer of natural gas, ranking fourth among states in 2021 in consumption per capita,” he said. “As in many states, natural gas remains a primary residential and commercial heating fuel, and Oklahoma also generates a higher share of its electricity from natural gas than the nation.”

Wilkerson said Oklahoma also ranked highly in natural gas production across states in recent decades. In 2021, the state ranked fifth in total production.

“The rise in natural gas prices in 2022 pushed prices well above profitable levels for most producers in the Tenth District,” he said. “As might be expected, with higher fuel prices drilling for and production of natural gas also increased during 2022, although the increase was less than in the nation and prices have cooled recently.”

The complete issue is available at [www.kansascityfed.org/oklahomacity/oklahoma-economist](http://www.kansascityfed.org/oklahomacity/oklahoma-economist).

The Federal Reserve Bank of Kansas City serves the Tenth Federal Reserve District, encompassing the western third of Missouri; all of Kansas, Colorado, Nebraska, Oklahoma and Wyoming; and the northern half of New Mexico. As part of the

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