

The cheapest natural gas price on earth



by Editor — 3 months ago Reading Time: 1 min read


The cheapest gas on Earth: Waha hub prices plunge to minus \$7/mmbtu

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Waha hub prices fell to an all-time low of minus \$7/mmbtu at the end of August, with gas oversupply effectively choking the Permian gas hub.


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There are several factors behind this:

- (1) Natural gas production in the Permian surged to an all-time high of 17 bcm in August, driven by strong gas output associated with oil production;
- (2) Pipeline maintenance on El Paso further limited takeaway capacity at a time when most of the pipelines from the Permian are already running close to their nameplate capacity;
- (3) High storage levels: nonsalt storage in the Central South region is already 83% full, leaving limited space for additional injections.


Waha hub prices averaged at minus \$0.25/mmbtu since the start of the year, highlighting the need for additional processing and takeaway capacity.

The start-up of the Matterhorn pipeline system at the beginning of September might bring some relief, although at the pace Permian gas production is growing, it won't solve on its own the issue.

Source: Greg Molnar (LinkedIn)


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