



An Overview of the Office of Petroleum Reserves

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Office of Petroleum Reserves

Office of Petroleum Reserves - Portfolio

- **Strategic Petroleum Reserve (SPR)**
- **Northeast Home Heating Oil Reserve (NEHHOR)**
- **Naval Petroleum Reserve - 1 (NPR-1)**



Strategic Petroleum Reserve Program

Established by U.S. Law:

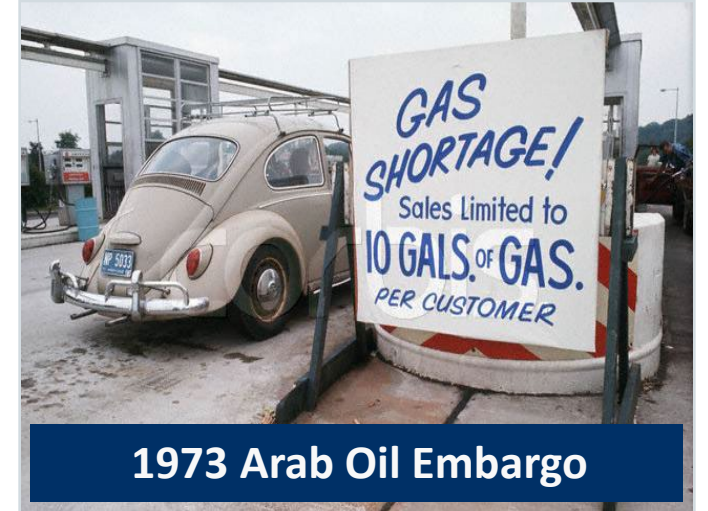
- Energy Policy & Conservation Act (EPCA) (December 1975; Amended 2022)

Mission:

- To ensure U.S. Energy Security
- To reduce the impacts of potential disruptions in U.S. petroleum supplies
- To carry out U.S. obligations under International Energy Program (Treaty)

Key facts and Figures:

- Authorized Storage Capacity: 713.5 Million Barrels
- Stocks: Crude Oil (sweet / sour)
- Storage Locations: Gulf Coast (TX & LA)



International Energy Program

- ***Energy Policy & Conservation Act (EPCA)*** requires SPR to carry out U.S. Obligations under the International Energy Program.
- International Energy Program requires Member Countries to:
 - To Hold Emergency Stocks Equivalent to at least 90 Days of Net Oil Imports
 - To Release Stocks and Share Available Oil in the Event of a Major Supply Disruption (percentage based on IEA member countries demand profile—US share currently at 40.8 percent)
- The ***Agreement on an International Energy Program*** (Charter of the IEA) carries the commitment and status of a U.S. Treaty.

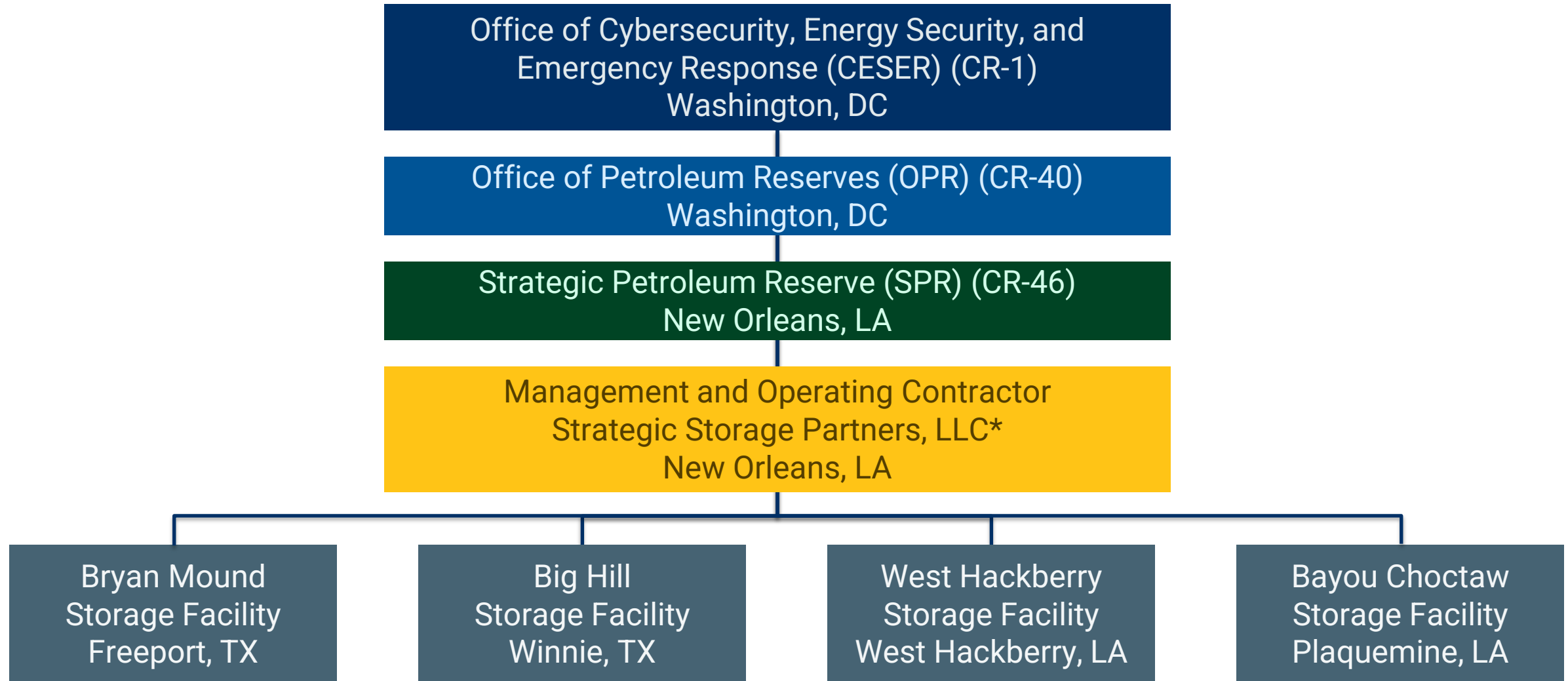


Strategic Petroleum Reserve's Strategic Value

- Nation's Insurance Policy against potential supply interruptions (international incidents, hurricanes, accidents, and terrorism)
- Provides a Deterrent against hostile threats to cutoff oil supplies
- Protects the National Economy
- Avails worldwide Emergency Assistance through IEA membership
- Serves as a Military War Reserve (SPR holds 6 million barrels of DOD Oil)



OPR Organization Chart



*Fluor Federal Petroleum Operations, LLC until June 20, 2025





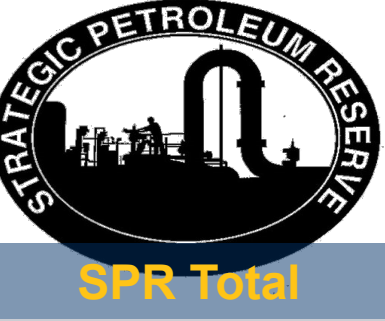


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The SPR is highly interconnected with Gulf Coast refineries and pipelines moving oil to, from, and around the region



Strategic Petroleum Reserve Site Information (as of 3/18/2025)

SPR Site	 Bryan Mound, TX	 Big Hill, TX	 West Hackberry, LA	 Bayou Choctaw, LA	 SPR Total
Operational Caverns	6 Sweet 13 Sour	7 Sweet 7 Sour	10 Sweet 11 Sour	2 Sweet 4 Sour	25 Sweet 35 Sour
Authorized Storage Capacity	247.1 MMB	170.0 MMB	220.4 MMB	76.0 MMB	713.5 MMB
Current Inventory	154.9 MMB	89.2 MMB	87.2 MMB	41.6 MMB	396.6 MMB [±]
Drawdown Rate	1.3 MMB/d	1.1 MMB/d	1.3 MMB/d	0.5 MMB/d	4.22 MMB/d
Fill Rate	225 MB/d	225 MB/d	225 MMB/d*	110 MB/d	785 MB/d ⁺

*West Hackberry fill rate limited by brine disposal rate to 110 MB/d; + Total includes capacity currently off-line due to Life Extension 2 maintenance at Big Hill; ± Includes pipeline fill and breakout tanks



Strategic Petroleum Reserve Distribution/Delivery System

Centralized in the Gulf Coast region

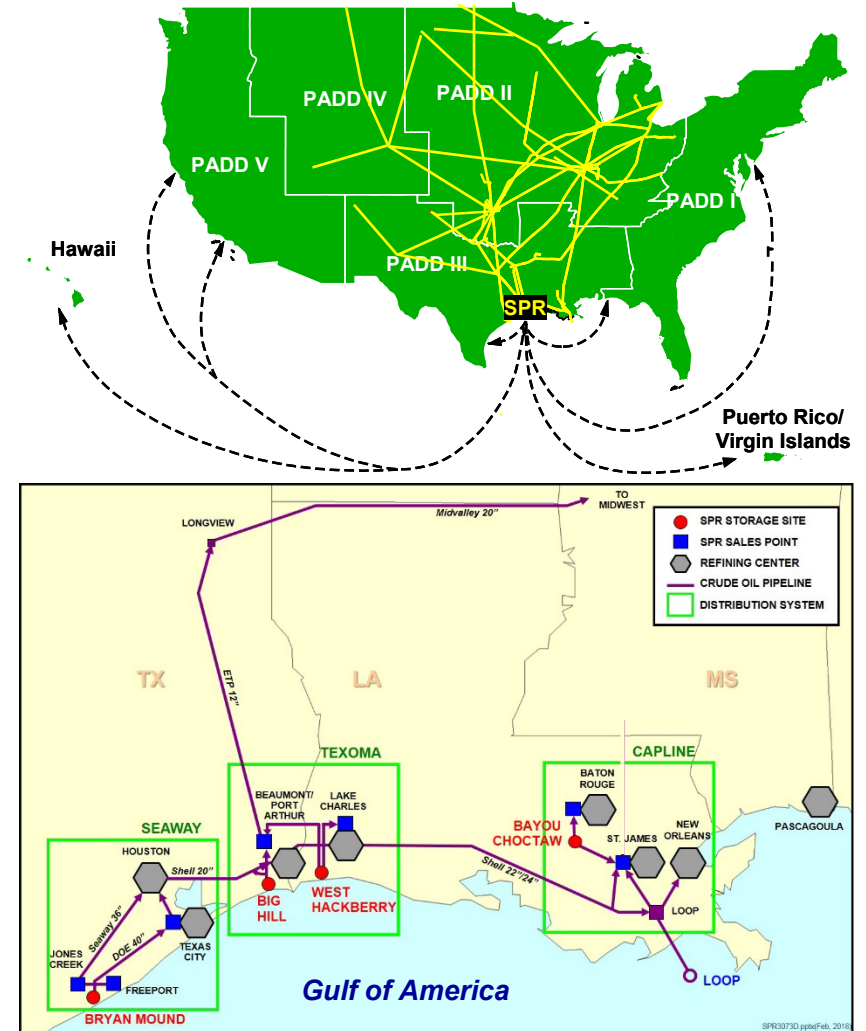
- Major U.S. refinery region
- Point of entry for ~45% of seaborne imports
- Maximum flexibility in response to potential supply interruptions

SPR Crude Oil Inventories (on hand)

- Light Low-Sulfur Crude (36%)
- Light Med-Sulfur Crude (64%)

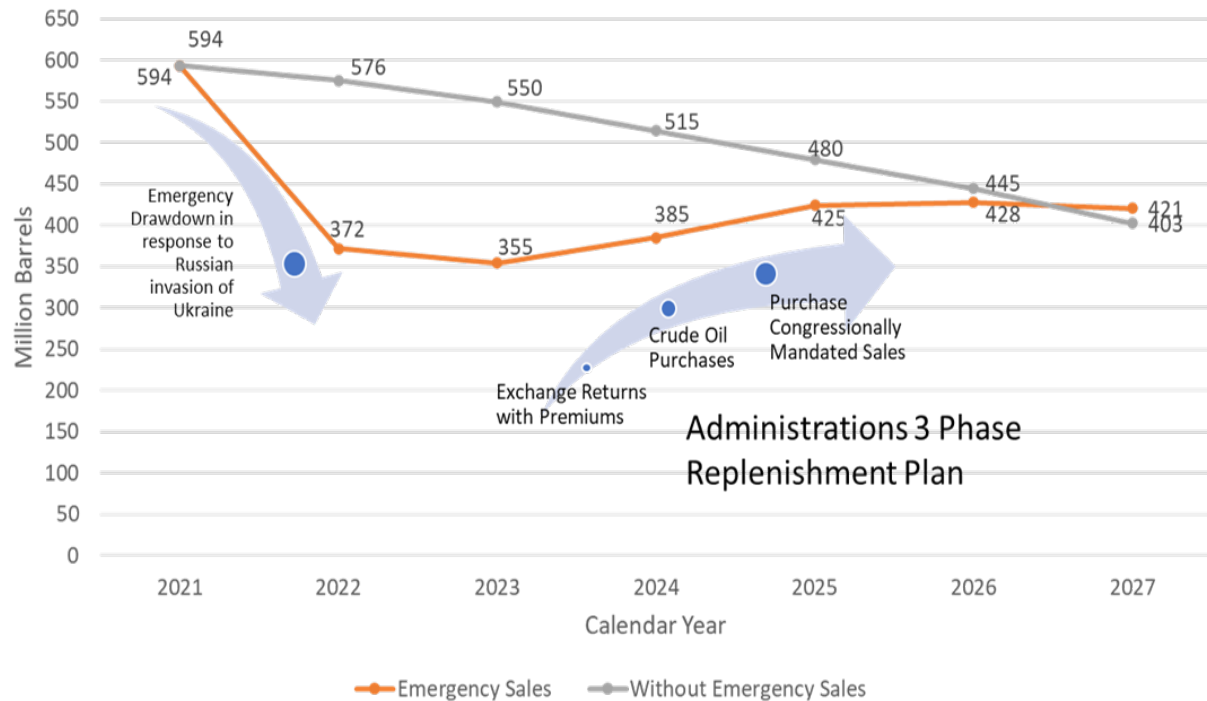
Physical Distribution Capabilities

- Pipeline connected to 25 refineries in the GC refining region
- Pipeline connected to 5 Midwest refineries via the Mid Valley pipeline
- Marine distribution via 4 marine terminals (Marine capability of 2.55 MMB/d)



SPR Repurchase Plan

Strategic Petroleum Reserves Inventory Level Actual Emergency Sale scenario vs. previously-mandated Congressional Sales



- **180 million barrels sold in response to the Russian invasion of Ukraine**
 - Average price received was about \$95 per barrel
- **Congress authorized the buyback of 140 million barrels in planned congressional sales for FY 24 – FY27**
 - \$10.4 billion dollars toward planned congressional sales
 - Congress rescinded an additional \$2.05 billion for debt reduction
 - Remaining \$4.5 billion was used to repurchase crude oil
- **Advantages of the buyback**
 - In addition to reduced wear and tear on the caverns, buying back the sales saved the taxpayer ~\$80 million in crude-oil movement cost.
 - Fill rate is about 1/6 of the drawdown rate. It would take several years to repurchase the 140 million barrels.
 - Leaves SPR at higher inventory level by 2027.



Crude Oil Repurchase Status

- **Crude oil purchases:**

- 59 million barrels
- \$4.477 billion dollars
- Average \$75.82/barrel



Inventory at the end of 2031 will be approximately 19 million barrels higher that it would have been without the 2022 IEA sales in response to the Russian/Ukraine conflict.

Future purchases are contingent on Administration policy and Congressional funding



Purchase process

- The Strategic Petroleum Reserve maintains a transparent, competitive process for the acquisition of crude oil on behalf of the American taxpayer
- Solicitation documents, once posted, appear on the SPR website:
<https://www.spr.doe.gov/doeec/ActiveDocs.htm?type=purchase>
- General conditions of the purchasing process include:
 - SPR site and mode of delivery
 - Time period
 - Parcel size
 - Crude oil specifications (min and max tolerances for variety of qualities)
 - May include price ceiling and domestic-production requirement
- All offerors must be pre-registered in the System for Award Management ([SAM](#))





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