THE U.S. SENATE COMMITTEE ON
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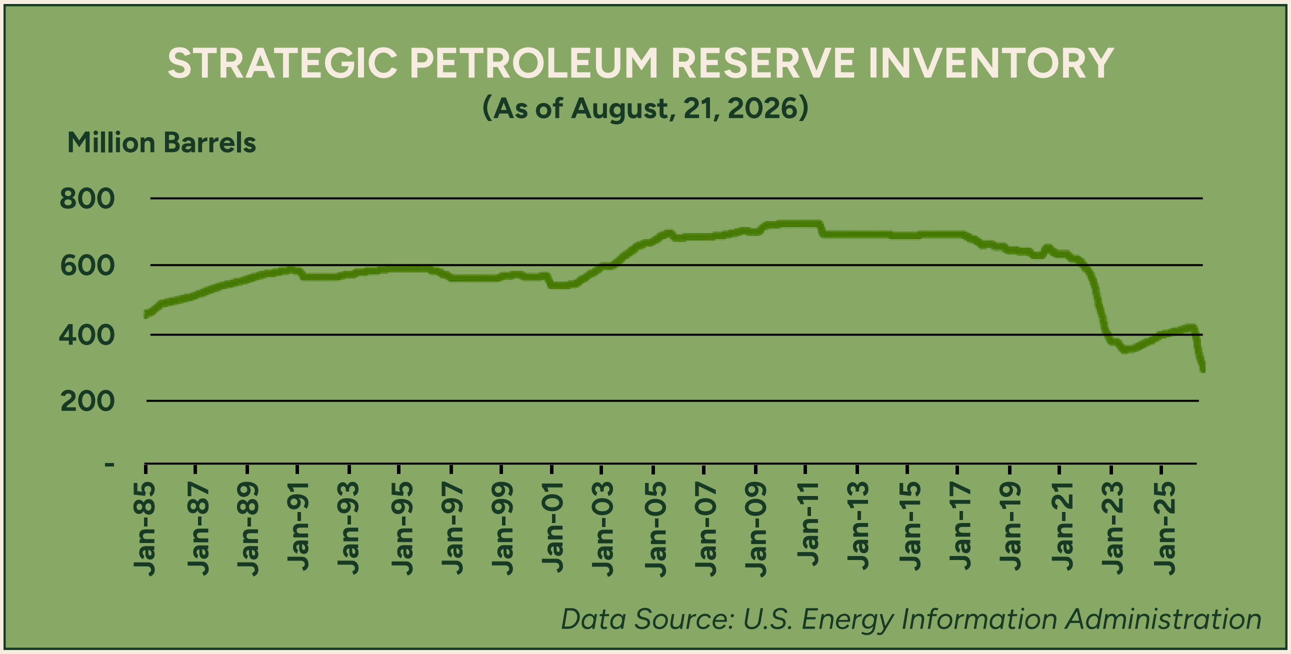
LOW RESERVES AND NO DEAL IN IRAN COULD SPELL EVEN HIGHER PRICES

Strategic fuel reserves can help cushion price spikes during global oil market disruptions, but recent drawdowns have left global and U.S. strategic reserves at historically low levels and caused oil company executives from three of the world's largest oil companies to warn that gasoline prices could rise to $6 per gallon if the Iran War continues.[1]

In April, the U.S. agreed to release 172 million barrels of crude oil from the U.S. Strategic Petroleum Reserve (SPR)[2] when President Trump's war with Iran caused gasoline prices to skyrocket from $3/gallon to over $5/gallon.

The SPR is now at its lowest level since its inception and, according to some experts, is near its generally accepted minimum level, between 250 and 300 million barrels.[3]

The SPR is the largest reported government-owned oil stockpile in the world[4], spread across 60 salt caverns, located thousands of feet underground at sites in Texas and Louisiana.[5] It was designed to hold up to 713.5 million barrels of crude oil, but it hasn't been full for a while. Recent major releases are associated with the Russia-Ukraine War (2022) and Iran War (2026). The reserve was also tapped in 2005 when Hurricane Katrina severely impacted U.S. oil and gas production in the Gulf of Mexico.[6]



The SPR caverns were initially built with a 25-year structural design life[7] and engineered to handle five drawdown and refill cycles.[8] The facilities have greatly exceeded the original design parameters, enduring dozens of emergency releases and cycles in the past decade such that experts are now warning their long-term viability may be challenged.[9]

In June, the General Accounting Office (GAO) released a report[10] warning that the SPR is at risk of failing its mission to safeguard the United States from severe petroleum supply disruptions due to a significant maintenance backlog, reduced operational capacity, and aging infrastructure. The report called for a unified plan to address these critical vulnerabilities.[11]

Low SPR levels mean the U.S. may not have the capacity to release more reserves if global oil markets are disrupted and prices spike again.

Emergency reserves are vital to preventing a total economic crisis.

[1] POLITICO Pro | Article | Oil bosses warn of $6 gas

[2] https://www.energy.gov/articles/united-states-release-172-million-barrels-oil-strategic-petroleum-reserve

[3] https://oilprice.com/Latest-Energy-News/World-News/SPR-Sinks-Toward-Operational-Minimum-as-US-Crude-Inventories-Build.html and https://www.morningstar.com/news/marketwatch/20260715301/the-us-oil-reserve-is-at-a-40-year-low-but-the-government-says-theres-still-plenty-of-breathing-room

[4] https://www.energy.gov/hgeo/opr/strategic-petroleum-reserve

[5] https://www.energy.gov/hgeo/opr/spr-storage-sites

[6] https://www.energy.gov/hgeo/opr/history-spr-releases and https://www.gao.gov/blog/strategic-petroleum-reserve-does-u.s.-have-long-term-plan-amid-massive-drawdowns-maintenance-backlogs

[7] https://www.energy.gov/sites/default/files/202312/SPR%202022%20Annual%20Report%20to%20Congress.pdf

[8] https://www.cnbc.com/2026/08/15/strategic-petroleum-reserve-spr-oil-iran-war-caverns.html

[9] https://www.cnbc.com/2026/08/15/strategic-petroleum-reserve-spr-oil-iran-war-caverns.html

[10] https://www.gao.gov/products/gao-26-106918

[11] https://www.gao.gov/products/gao-26-106918