

# America's Oil Supply Chain

Have you ever wondered how oil gets from the earth to your local gas station? And how it is converted from a raw material to gasoline, heating oil, plastic and other products? To get that energy and products to consumers like you and me, we need a complex energy infrastructure that includes production, storage, refineries, pipelines, roads, rails, trucks and ships that carry our oil.

## PRODUCTION

Domestic drilling, extraction, and recovery of oil from underground and at sea are the first step in the oil supply chain. Because of advances in hydraulic fracturing and other production technologies, America now leads the world in oil and gas production.

In 2013, U.S. oil production reached its highest level in 24 years, rising more than the combined increases in the rest of the world.

## TRANSPORTATION

Pipelines, railways, highways and other components of America's energy infrastructure safely and economically move oil from the wellhead to storage, refineries, terminals and finally to the consumer with minimal environmental risk. Without energy transportation infrastructure, our wealth of natural domestic energy resources would be stuck where they are produced.

America has the largest network of energy pipelines in the world. Our nation's 2.6 million miles of existing pipelines safely deliver energy to its destination more than 99.99% of the time.

## FINAL POINT OF SALE

Trucking, shipping, and delivery lines move the finished petroleum products to final points of sale across the nation, which include filling stations and airports.

Independent retailers, not oil companies, own about 97% of America's 180,000 retail service stations.

## TERMINAL

Refined products are transported to terminals, where workers can mix in additives needed to make it ready for people and businesses to use. Usually located close to transportation hubs, terminals are the final staging point for refined products before they are sold to consumers.

There are 1,537 petroleum product terminals in the U.S.

## REFINE

Refineries transform crude oil into everything from gasoline and home heating oil to jet fuel, as well as the basic raw materials needed to make plastics, chemicals, and a host of other consumer products.

Nearly 90% of the gasoline consumed in the U.S. is refined in America, supporting roughly 540,000 good paying jobs and generating \$86 million a day in government taxes, royalties, and fees.

NORTH  
CAROLINA  
ENERGY  
FORUM