



Written by [Veronika Kyrylenko](#) on July 10, 2026

U.S. Oil Reserve Falls to 43-year Low as Trump Drawdown Nears Its Limit

The United States has drained nearly 96 million barrels from the Strategic Petroleum Reserve (SPR) since mid-March.

The Trump administration began releasing oil after its war on Iran predictably choked shipments through the Strait of Hormuz and drove up global crude prices.

The United States produces large amounts of oil and gets most of its imports from outside the Persian Gulf. But oil trades in a global market. When millions of barrels disappear, prices rise everywhere, including in America for crude, gasoline, diesel, and jet fuel. In the second week of the war, President Donald Trump [authorized the release](#) of 172 million barrels to add to supply and limit the price shock at home. The move was coordinated with the International Energy Agency (IEA).



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Private energy companies have emerged as the immediate winners. They received much of the oil through exchange contracts. The companies can use or sell the crude now, then return more barrels beginning next year. That structure may produce more oil for the government later, but it quickly brought the stockpile to the lowest level since 1983 while the disruption that prompted the release continues.

Washington must soon decide whether to release more oil or preserve what remains of the country's emergency cushion.

At the same time, the IEA is [urging governments](#) to prepare restrictions aimed at reducing oil demand, fueling fears that a prolonged oil crisis could bring energy lockdowns to America.

The IEA coordinates energy policy among major economies within the framework of the Organization for Economic Cooperation and Development (OECD). The OECD [links](#) its energy and "sustainability" work to broader international goals, including the United Nations' Agenda 2030.

A Record Emergency Release

Trump approved the release on March 11. The U.S. Department of Energy (DOE) acted with 31 other members of the IEA, and together the countries pledged 400 million barrels of oil and refined products.

The American share equaled about 40 percent of the oil then available in the SPR. The DOE said the 172 million barrels would take about 120 days to deliver under its planned discharge schedule, reflecting [limits](#) on how quickly oil can be withdrawn and distributed from the reserve.

[Federal data](#) show the reserve held 415.4 million barrels on March 20. By July 3, it had fallen to about



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319.5 million barrels, a decline of nearly 96 million.

In other words, the government has already used almost one quarter of the stockpile meant to protect the country during major supply emergencies, while no clear end to the disruption that triggered the release is in sight.

A [Semafor report](#) described the situation as “an uncomfortable energy deadline” for the White House. That deadline is fast approaching.

Private Companies Get the Oil Now

The administration did not structure most of the release as an ordinary sale. It used [“emergency exchange”](#) contracts. Put simply, under the terms, companies receive physical crude from the reserve and return a larger amount later. Semafor reported that the DOE had already contracted 133 million barrels through this structure. Repayments are scheduled to begin early next year.

Who got the oil? According to [Reuters](#):

Companies awarded the initial SPR loans include BP Products North America, Gunvor USA, Marathon Petroleum and Shell Trading....

Other companies that have been awarded contracts ... are Energy Transfer Crude Marketing, Mercuria Energy America, Trafigura Trading and Vitol.

These companies, noted Semafor, “are clearly happy to sell these barrels at high prices now, replace them at low prices later, and pocket the difference.”

The war has indeed been a bonanza for Big Oil. After Iran closed the Strait of Hormuz, Brent crude jumped from about [\\$73 a barrel](#) before the war to a peak of [\\$126 in April](#), an increase of roughly 73 percent.

Notably, Trump’s [extraordinary financial disclosure](#) shows repeated purchases of Marathon Petroleum stock. He also bought shares in other oil and energy companies, including Exxon Mobil, Chevron, Halliburton, and several others, underscoring the overlap between his private portfolio and an industry directly affected by policies of the DOE and the Department of Defense.

Energy Secretary Chris Wright argued that the arrangement benefits the public. The DOE stated the companies will eventually return about 200 million barrels. Wright [told](#) Fox Business that he was “not concerned” about draining the reserve.

The rationale is that the initial 45.2-million-barrel exchange alone requires companies to return 55 million barrels. That would add almost 10 million barrels to the government’s inventory.

But the trade still carries a strategic cost. The government has surrendered control of physical oil during an active crisis. In its place, it holds contracts for future delivery that depend on the companies remaining solvent and able to source, transport, and return the required volumes and grades of crude on schedule.

Another Release Could Backfire

The White House must soon decide whether to authorize more withdrawals. That choice could undermine the policy’s original purpose.

Emergency releases usually calm markets by adding barrels to replace supply lost from the global



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market. But as the reserve shrinks, that strategy can lose its power.

Ben Cahill, a senior fellow at the Atlantic Council Global Energy Center, warned Semafor that further releases could become “a self-defeating move.” The market could focus less on the new barrels and more on the perception that officials are “running out of options and have less slack.”

And that perception could push prices upward.

Semafor also warned that another release could push the reserve dangerously close to 150 million barrels, which it described as a “legally-mandated operational minimum.” But the legal basis for that characterization is unclear. Congress removed the original 150-million-barrel requirement in 2000, although analysts still [cite](#) roughly that level as the reserve’s practical operating floor. Below it, cavern stability and withdrawal capacity could become serious concerns. At the same time, [the law](#) bars certain limited drawdowns once the reserve reaches 252.4 million barrels. Yet, that restriction does not govern a full emergency release ordered after the president finds a severe energy supply interruption.

The administration has not said whether it plans another drawdown.

Restricting Demand

The IEA has already moved beyond reserve releases. Its report “Sheltering From Oil Shocks” urges governments to prepare rapid reductions in consumption. *The New American* covered it [here](#).

The measures include working from home when possible, and reducing highway speed limits by at least 10 kilometers per hour. The agency also recommends more public transportation, less air travel, and alternating private car access in major cities according to license plate numbers.

The IEA calls these measures demand restraint. Its founding agreement requires member countries to maintain policies capable of temporarily reducing normal oil consumption during an emergency. The agency also acknowledges that such restrictions cannot replace the oil lost through Hormuz.

The program appears to be a blueprint for energy lockdowns. The recommendations would affect work, travel, and personal movement. Several countries have already adopted rationing, shorter workweeks, vehicle rotation systems, and limits on business hours.

Surely the IEA cannot impose those policies on the United States, as American officials would have to adopt them. But the agency has supplied the framework, and the United States remains a founding member. Therefore, if a crisis deepens, the distance between contingency planning and domestic policy could narrow quickly.

For now, the administration has purchased temporary price relief by spending strategic capacity while creating a lucrative trading opportunity for some of the world’s largest oil companies. The next stage may test whether Washington can restore supply, or whether it begins asking Americans to drive, travel, and consume less.



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