

September 2015

Lifting the Crude Oil Export Ban:

Glossary of Terms

Barrel of oil: Equal to 42 gallons of crude oil. According to the Energy Information Administration, the United States produced “an average of about 12 gallons of diesel fuel and 19 gallons of gasoline from one barrel”¹ in 2013. Often used as a rate of production, barrels per day (bpd).

Crude oil: “A mixture of hydrocarbons that exists in liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities. . . . Crude oil is refined to produce a wide array of petroleum products, including heating oils; gasoline, diesel and jet fuels; lubricants; asphalt; ethane, propane, and butane; and many other products used for their energy or chemical content.”² Crude oil is not eligible for export under current regulations.

Drilling rig: “Usually a large-standing structure employing a drill that creates holes or shafts in the ground for purposes of accessing and producing natural gas or oil from subsurface deposits.”³

Heavy vs. light crude: “Many types of crude oil are produced around the world. The market value of an individual crude stream reflects its quality characteristics. Two of the most important quality characteristics are density and sulfur content. Density ranges from light to heavy, while sulfur content is characterized as sweet or sour. . . . Crude oils that are light and sweet are usually priced higher than heavy, sour crude oils. . . . The light sweet grades are desirable because they can be processed with far less sophisticated and energy-intensive processes/refineries.”⁴

North Sea Brent (Brent): Brent is “the most important global benchmark for waterborne light sweet crude.”⁵ The Brent price relates to crude oil produced in the North Sea, and is often cited as the global-market price of crude oil.

Petroleum products: “[O]btained from the processing of crude oil (including lease condensate), natural gas, and other hydrocarbon compounds. Petroleum products include unfinished oils, liquefied petroleum gases, pentanes plus, aviation gasoline, motor gasoline. . . . Refined petroleum products include but are not limited to gasolines, kerosene, distillates. . . .”⁶ Petroleum products are eligible for exports under current legislation.

West Texas Intermediate (WTI – Cushing): “A crude stream produced in Texas and southern Oklahoma which serves as a reference or ‘marker’ for pricing a number of other crude streams and which is traded in the domestic spot market at Cushing, Oklahoma.”⁷ WTI is typically cited as the crude oil price within the United States.



End Notes

¹ U.S. Energy Information Administration. Available at: <http://www.eia.gov/tools/faqs/faq.cfm?id=327&t=9>.

² U.S. Energy Information Administration: Glossary. Available at: http://www.eia.gov/dnav/ng/TblDefs/ng_enr_deep_tbldef2.asp.

³ U.S. Department of Energy: Shale Gas Glossary. Available at: http://energy.gov/sites/prod/files/2013/04/f0/shale_gas_glossary.pdf.

⁴ U.S. Energy Information Administration: "Crude oils have different quality characteristics," July 15, 2012. Available at: <http://www.eia.gov/todayinenergy/detail.cfm?id=7110>.

⁵ U.S. Energy Information Administration: "Brent crude oil trading range in 2013 was narrowest since 2006," March 4, 2014. Available at: <http://www.eia.gov/todayinenergy/detail.cfm?id=15251>.

⁶ U.S. Energy Information Administration: Glossary. Available at: http://www.eia.gov/dnav/pet/tbldefs/pet_cons_psup_tbldef2.asp.

⁷ U.S. Energy Information Administration: Glossary. Available at: <http://www.eia.gov/tools/glossary/index.cfm?id=w>.



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