API Reports December Petroleum Demand Up Sharply Crude Production Highest Since 1972

The American Petroleum Institute (API) Monthly Statistical Report showed that total U.S. petroleum deliveries (a measure of demand) rose in December , 2014 by 5.1 percent from the same month in 2013 to average nearly 20.0 million barrels per day. For the fourth quarter, total domestic petroleum deliveries gained 2.9 percent compared to the same period in 2013.

"Even with a noticeable rise in demand, crude stocks ended higher last month than in any other December in the last 84 years," said API Chief Economist **John Felmy**. "Historically high production continues to be the driving factor."

API said crude oil stocks rose 7.4 percent from 2013 to end 2014 at 383.5 million barrels – the highest inventory level for the month since 1930. Stocks of motor gasoline also ended higher last month, up by 0.4 percent from December 2013 levels to 228.9 million barrels. Stocks of distillate fuel and "other oils" increased from the prior year while jet fuel stocks fell slightly.

Domestic crude oil production in December , 2014 rose to its highest December output since 1972, said API. At just over 9.1 million barrels per day, this was a 15.9 percent increase from the previous year. This was also the highest output for any month since February 1986. Natural gas liquids (NGL) production, a co-product of natural gas production, reached a new all-time record high at nearly 3.2 million barrels per day, up 19.4 percent from December 2013.

U.S. total imports last month reached their highest level in 2014, averaging nearly 9.7 million barrels per day, said API. This was a 1.3 percent increase over the prior year but remained the third lowest December import levels since 1997. Meanwhile crude oil imports were down by 1.6 percent from December 2013. Imports of refined products gained 14.3 percent over the same period to 2.0 million barrels per day but remained the second lowest imports level for the month since 1999.

Refinery gross inputs were up by 1.9 percent from December 2013 to their highest level for the month at 16.7 million barrels per day while exports of refined petroleum products fell by 8.1 percent. The refinery capacity utilization rate averaged 93.7 percent last month, up 2.3 percentage points from November and 1.8 percentage points higher than the same period last year. API's latest refinery operable capacity was 17.805 million barrels per day.

Gasoline demand last month rose by 5.4 percent from the prior year to average over 9.1 million barrels per day – the highest December level since 2007 – with a fourth quarter increase of 3.4 percent year-over-year. Deliveries of residual fuel jumped 71.8 percent from the prior year to their highest December level in three years. Demand also increased for distillate (3.2 percent), jet fuel (9.3 percent) and "other oils" (3.8 percent).

Gasoline production set a new record for the month of December, up 1.8 percent from the previous year to average nearly 9.7 million barrels per day. At an all-time high of over 5.2 million barrels per day, distillate production grew 2.2 percent over the same period.

According to the latest reports from Baker-Hughes, Inc., the number of oil and gas rigs in the U.S. in December, 2014 was 1,882, down by 43 from November's count of 1,925. This was the lowest count since July 2014.

API is a national trade association that represents all segments of America's technology-driven oil and natural gas industry. Its more than 625 members – including large integrated companies, exploration and production, refining, marketing, pipeline, and marine businesses, and service and supply firms – provide most of the nation's energy and are backed by a growing grassroots movement of more than 25 million Americans. The industry also supports 9.8 million U.S. jobs and 8 percent of the U.S. economy, delivers $84 million a day in revenue to our government, and, since 2000, has invested over $2 trillion in U.S. capital projects to advance all forms of energy, including alternatives.