Illinois plays a critical role in our nation’s energy security. The state leads the Midwest in refining capacity and is home to the Patoka Terminal, one of the busiest crude oil storage hubs in the region. Pipelines that connect into the Patoka Terminal supply crude oil to multiple refineries in Illinois and across the Midwest, as well as refineries along the Gulf Coast.

Patoka Terminal

The Patoka Terminal is a crossroads for pipelines in southern Illinois where crude oil is stored and then delivered to refineries. The Patoka Terminal hosts nearly 80 storage tanks, with a total storage capacity of more than 19 million barrels.

Marion County, home to the Patoka Terminal, has a long history as an important intersection for our nation’s oil industry. Some of the first oil wells in Illinois were drilled nearby in the 1860s, and advances in technology led to a sharp increase in Illinois production in the late 1930s. By 1938, the Salem Oil Field was established in Marion County and became the epicenter of the Illinois oil boom. The Salem Oil Field produced 93 million barrels in its second year in operation.

The surge in Illinois production came at a critical time. Illinois helped produce a significant amount of the oil used by the Allied Forces during World War II, helping them emerge victorious. In fact, FDR is said to have once stated “Thank God for Salem, Illinois” in reference to the oil boom in that part of the state during that time.

Over the years, pipelines and storage tanks were built in Marion County, and the Patoka Terminal emerged as an important Midwest hub. Today, activity at the Patoka Terminal brings new jobs and provides tax revenue for the local school districts. It connects twelve pipeline systems to refineries across the Midwest and Gulf Coast, and hosts eight separate companies that own storage and/or pipelines at the Terminal.
Illinois Energy

According to the U.S. Energy Information Administration, Illinois ranks sixth among the top 10 petroleum-consuming states in the nation. Oil production in Illinois has remained steady over the past 20-plus years, with more than 14,000 producing oil wells averaging more than 9 million barrels per year. The state’s four refineries process crude oil into gasoline, diesel fuel, jet fuel, and other petroleum products that American use every day.

The oil and gas industry in Illinois generates an economic impact of more than $3 billion each year, according to the Illinois Petroleum Resources Board. That includes $770 million in annual personal and business income for residents, and royalty income for more than 30,000 people. Annual ad valorem (property) taxes paid by the industry also help support schools and municipalities across the state.

Illinois Energy Jobs

Illinois’ energy infrastructure also helps stimulate the state’s economy and support thousands of family-sustaining jobs. According to a 2019 report* on U.S. energy and employment, nearly 114,000 Illinois residents work in traditional energy jobs.

Of those energy jobs in the oil and gas industry, 22,589 jobs are in fuel technology, 5,138 are in petroleum power generation, and 10,056 are in pipeline transportation. There are also thousands of others in construction, manufacturing, storage and professional services related to oil and natural gas. That does not include the hundreds of thousands of other jobs in Illinois that are indirectly supported by the oil and natural gas industry, including 104,031 jobs in motor vehicles.

*The “The 2019 U.S. Energy and Employment Report” was produced by the National Association of State Energy Officials (NASEO) and Energy Futures Initiative (EFI), with data from BW Research. It can be found at usenergyjobs.org.