Venezuela and the Global Oil Market:

History, Infrastructure, Geopolitics, and the Prospects for U.S. Reinvestment

Harvard Institute of Politics (IOP) Policy Program

Spring 2026

Executive Summary

Venezuela holds the world's largest proven petroleum reserves, estimated at approximately 303 billion barrels, the vast majority concentrated in the Orinoco Belt. Yet the country produces fewer than one million barrels per day (bpd)—a fraction of its late-1990s peak of approximately 3.4–3.5 million bpd. This collapse—rooted in nationalization, government mismanagement, the mass dismissal of skilled workers, and the imposition of U.S. sanctions—has rendered the oil sector a shadow of its former self. The Venezuelan Oil Crisis is referred to as the most severe economic collapse in modern Latin American history, causing a cascade of socioeconomic shocks including hyperinflation, widespread food and medicine shortages, and the displacement of an estimated eight million Venezuelans.

The political landscape shifted dramatically on January 3, 2026, when U.S. military forces captured Venezuelan President Nicolás Maduro in Caracas during an operation called Operation Absolute Resolve, charging him with drug trafficking, narco-terrorism, and conspiracy to import cocaine into the United States. In the aftermath, the Trump administration moved swiftly to restructure Venezuela's oil sector, issuing a series of Treasury general licenses to authorize U.S. companies to market, transport, and invest in Venezuelan crude, while simultaneously pressuring major American oil firms to commit up to $100 billion in reinvestment. Despite this encouragement, oil majors remain largely reluctant to commit long-term investments due to Venezuela's political instability, outstanding debt, and oil infrastructure that will require substantial restructuring.

This monograph synthesizes research produced over ten weeks examining the costs, implications, and strategic pathways for reintegrating Venezuelan crude into global markets. Section I traces

Venezuela's oil history from colonial-era use through nationalization and the Chávez era. Section II examines the physical properties of Venezuelan heavy crude and the specialized infrastructure it requires. Section III analyzes the state of Venezuela's oil sector following Maduro's removal, including the evolving sanctions landscape. Section IV assesses the economic and geopolitical implications of Venezuela's re-entry into global markets, including impacts on trade flows, OPEC dynamics, and the U.S. refinery system. Section V evaluates the barriers to and prospects for sustained foreign investment. Section VI presents three concrete policy recommendations modeled on proven prior U.S. policy mechanisms, along with cross-cutting guidance on phased political conditionality.

The central finding of this monograph is that Venezuela's reserves present significant long-term strategic value to the United States, but the barriers to rapid reintegration are formidable. Political instability, infrastructure decay, unresolved legal disputes, global oil price headwinds, and the inherent technical demands of ultra-heavy crude collectively render immediate large-scale investment inadvisable without targeted government support. Carefully designed incentives and phased reinvestment, conditional on verifiable political stability and rule-of-law reforms, offer the most viable pathway to unlocking Venezuela's reserves for the benefit of both nations.

Table of Contents

Section I: A History of Venezuelan Oil

I. Colonial Origins and Early Extraction

From the time Spanish explorers entered the region now known as Venezuela, oil had been used and proliferated by the native people of the lands.[1] Foreign intervention into Venezuelan oil did not begin until around the 1910s, when there was growing need for oil supplemented by increased extraction in the region.[2] The discovery of oil at Lake Maracaibo in 1922 transformed the country: before the end of the 1920s, oil had become the biggest export of Venezuela, displacing Mexico as the primary Latin American oil exporter.[3] Most of the initial Venezuelan oil infrastructure was established by the Shell Corporation starting in 1913, with other companies, including Standard Oil, following suit after World War I.[4]

This early period established a concessions-based model in which production, commercialization, and infrastructure were controlled by foreign companies, enabling rapid development while reserving the majority of profits for transnational corporations rather than the nation from which the oil was extracted.[5] The majority of this oil was refined overseas in the United States; Venezuela

[1]EBSCO Research Starters. "Oil Is Discovered in Venezuela." n.d. https://www.ebsco.com/research-starters/history/oil-discovered-venezuela.
[2]EBSCO Research Starters. "Oil Is Discovered in Venezuela." n.d. https://www.ebsco.com/research-starters/history/oil-discovered-venezuela.
[3]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[4]EBSCO Research Starters. "Oil Is Discovered in Venezuela." n.d. https://www.ebsco.com/research-starters/history/oil-discovered-venezuela.
[5]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

thus received revenue in the form of royalties and taxes paid by the extracting companies, but directly controlled neither production nor commercialization.[6]

II. From Royalties to Nationalization: 1943–1976

By the 1930s, Venezuela had become one of the world's largest oil exporters.[7] In 1943, the country passed a landmark Hydrocarbons Law that increased royalties and guaranteed the state greater control over its resources, setting the stage for a new relationship between the Venezuelan government and foreign oil companies that balanced foreign investment with national benefit.[8] By 1960, Venezuelan politician Juan Pablo Pérez Alfonzo co-founded the Organization of the Petroleum Exporting Countries (OPEC), alongside Iran, Iraq, Kuwait, and Saudi Arabia, with the intent of defending oil-producing nations from price manipulation by Western powers and reclaiming control over an oil industry dominated by English and American "Seven Sister" oil companies. His vision helped transform Venezuela into a central player in world energy and fueled the 1960s–1970s economic boom, when high oil prices financed rapid growth and modernization.[9]

In 1976, President Carlos Andrés Pérez nationalized Venezuela's oil industry outright, creating the state-owned Petróleos de Venezuela, S.A. (PDVSA), which took over operations from major

[6]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[7]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[8]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[9]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

foreign oil companies such as Exxon, Gulf, Mobil, and Shell, ending their concession agreements and transferring control of their assets and activities into state-owned subsidiaries under government ownership.[10] Oil revenues became the backbone of the Venezuelan state. The discovery of immense heavy crude reserves in the Orinoco Belt in the 1980s confirmed Venezuela's position as the world's largest reserve holder, but also exposed a long-term structural challenge: this oil required specialized processing that Venezuela lacked the domestic capacity to perform.[11]

When global oil prices collapsed in the 1980s, Venezuela's overdependence on petroleum revenues exposed deep economic fragility. The late 1980s saw significant underinvestment and operational inefficiencies that brought oil production down to approximately 2.5–2.8 million bpd, prompting the Pérez administration to partially reopen oil markets to foreign investment through a policy known as *apertura petrolera*. This policy would be repealed years later under Chávez's rule.[12]

III. The Chávez Era: Resource Nationalism and Structural Decline

Hugo Chávez rose to power in 1998, inheriting an oil industry that produced approximately 3.5 million bpd and accounted for between 80 and 90 percent of Venezuela's total export revenues

[10]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[11]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[12]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

and roughly 25 percent of its GDP.[13] Oil had become central to the Venezuelan economy in the twentieth century. By raising crude prices in an effort to provide subsidized goods and services to Venezuelan citizens, the country's poverty rate was drastically reduced by 15 percent. However, the external facade of economic prosperity shrouded internal corruption and dysfunctional institutional management, with Chávez firing the board of PDVSA and replacing experts with political allies.[14] Chávez also further increased Venezuela's dependence on oil exports, magnifying the effect of the global collapse in oil prices in 2014 and leading Venezuela into rapid economic decline.

In 2007, global demand shot up and oil prices surged. Under Chávez, Venezuela deepened its energy nationalism, as reflected in the 2009 amended Constitution that stipulates that all primary activities in the oil sector—including exploration, extraction, gathering, transportation, and storage of oil—must be conducted directly through 100 percent state-owned enterprises or through joint venture companies where the state's participation as a shareholder must exceed 50 percent.[15] Capitalizing on the Orinoco Belt required partnerships with foreign corporations—often American—with operational expertise and technical capabilities to execute production. Chávez mandated that transnational corporations either accept minority stakes in ventures controlled by PDVSA, or cease production altogether. Companies such as Chevron, Eni, TotalEnergies, Statoil (now Equinor), BP, and Repsol accepted the terms, while major American firms, including

[13]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[14]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[15]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

ExxonMobil and ConocoPhillips, refused and withdrew, with their assets subsequently expropriated.[16]

Without the experience, technological development, and investment of foreign companies that had managed Venezuela's oil operations for decades, the nation's infrastructure quickly deteriorated due to insufficient maintenance, declining treatment plans, and reduced production.[17] This forced international companies operating in Venezuela to restructure contracts with PDVSA, allowing the government to expropriate oil industry assets without compensation. Conflicts between international oil companies, including American companies, and the Venezuelan government escalated to the international arbitration court, where Venezuela lost most of the cases and was ordered to pay billions of dollars in compensation—the sums that President Trump refers to when he mentions "theft" from U.S. oil companies.[18]

Chávez's expropriations produced a cascade of international arbitration cases. ExxonMobil argued the Venezuelan government had seized approximately $10 billion in property; in 2014, the International Centre for Settlement of Investment Disputes (ICSID) ruled that Venezuela pay ExxonMobil $1.6 billion—an award the company is still seeking. The ICSID separately awarded ConocoPhillips approximately $8.5 billion, likewise unpaid; more recently, ConocoPhillips received an award approaching $9 billion USD. Analysts estimate that international courts have ordered Venezuela to pay roughly $60 billion for various claims, with at least 60 cases filed over

[16]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[17]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[18]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

similar disputes during and after Chávez's fourteen-year rule, accumulating to an estimated $20–$30 billion in international debt obligations—approaching 15 percent of the nation's roughly $200 billion in total debt. The following few decades saw the departure of many international companies from the oil sector, and a series of targeted sanctions the United States imposed on Venezuelan individuals and entities engaged in criminal, antidemocratic, or corrupt actions.[19]

IV. Venezuela as an OPEC Founding Member

Venezuela holds immense influence over the global oil market as one of the five founding members of OPEC and for holding almost 20 percent of the world's proven oil reserves. OPEC was established in 1960 by Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela in order to reclaim control over an oil industry dominated by English and American "Seven Sister" oil companies. Since then, the group has grown to include thirteen member states: Algeria, Angola, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Republic of Congo, Saudi Arabia, United Arab Emirates, and Venezuela. OPEC countries' oil companies are primarily state-owned, including Saudi Arabia's Saudi Aramco and Venezuela's PDVSA. According to its website, OPEC's objective is to "co-ordinate and unify petroleum policies among Member Countries, in order to secure fair and stable prices for petroleum producers." Currently, more than 80 percent of the world's proven oil reserves lie in OPEC nations, and they produce approximately 40 percent of global crude oil.

In 2016, in order to stabilize falling oil prices caused by the oversupply of American shale oil, OPEC sought to expand its control by forming OPEC+. Through the Declaration of Cooperation,

[19]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

OPEC formed an alliance with ten countries—Russia, Azerbaijan, Kazakhstan, Bahrain, Brunei, Malaysia, Mexico, Oman, South Sudan, and Sudan—establishing a broader coalition of oil-producing nations with mutual interests. The establishment of OPEC+ placed 59 percent of oil production in 2022 under the OPEC and OPEC+ tent. Notably, Russia was the third-largest producer of oil in 2022, producing about 10 million barrels a day despite sanctions imposed as a result of its attack on Ukraine, and has since dictated many of the terms of the agreement.

Non-OPEC countries do not attempt to control oil prices, enabling them to produce oil without production limits. Their oil sectors are primarily led by international or investor-owned oil companies (IOCs), which are motivated by shareholder interests rather than national ones, and therefore pay more attention to the market and react aggressively when changes occur. Still, member nations' non-compliance with production targets, unanticipated challenges, and oil-market predictions based on supply and demand undermine OPEC's control over the market.

V. The Maduro Era: Collapse, Sanctions, and Crisis

When Nicolás Maduro assumed power in 2013, Venezuela was already in crisis; his government attempted to recover from the economic crisis by simply printing more money. This microeconomic tactic only exacerbated the issue, causing extreme hyperinflation until the Venezuelan bolívar was worth virtually nothing. Despite public contestation, Maduro continued to be re-elected for office through elections deemed illegitimate and fraudulent. This provoked tension between Venezuela, whose authoritarian regime challenged democratic ideals, and the United States, who responded by imposing sanctions on oil that targeted the Maduro government.

Between mid-2014 and early 2016, global oil prices dropped by approximately 70 percent when technological developments allowed for a rapid increase in production that greatly surpassed slow-

growing demand. The international Brent benchmark plunged to under $30 per barrel by January 2016. Oil rents—the difference between production value at the international level and the cost of oil production—similarly crashed, causing the government to slash spending in myriad sectors, including crucial capital. As these oil rents form over half of Caracas' fiscal income, their subsequent crash wreaked further havoc on the Venezuelan economy. Venezuela's per capita GDP and national GDP contracted by 40 and 51 percent respectively during this period, leading to defaulting on international bonds and debt obligations worth an estimated $150–$170 billion.

By 2019, the U.S. State Department had documented extensive corruption centered around PDVSA, including money laundering, fraudulent currency exchanges, and cryptocurrency oil sales to evade sanctions. The first Trump administration issued further executive orders that prohibited Venezuelan access to American financial markets, and in March 2025, revoked licenses enabling oil business in Venezuela. A month later, the U.S. declared a 25 percent tariff on exports to the U.S. from any country that imported Venezuelan oil.[20] With a massive debt burden, further declines in oil export, and an accumulation of sanctions, Venezuela's inflation rate skyrocketed to 269.9 percent in 2025 and is set to reach 682 percent in 2026.[21]

Amid the humanitarian crisis that the Venezuelan government would refuse to acknowledge and adequately address, there have been an estimated eight million Venezuelans who fled the country, mostly seeking refuge in neighboring Latin American states. It wasn't until April 2019 that Maduro allowed the entry of a shipment of emergency supplies from the Red Cross after years of denying

[20]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[21]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

the existence of the humanitarian emergency. This mass displacement has significantly influenced international security dynamics, placing immense strain on public services and contributing to social tensions and political debates over migration policy.

U.S.–Venezuelan ties also largely deteriorated in the 2000s as Chávez strengthened ties with countries that oppose the regional global leadership of the U.S., such as Russia, China, and Iran. Since President Trump's re-election in 2024, tensions between Venezuela and the United States came to the forefront of U.S. politics. President Trump established policies of mass deportation of those he proclaimed to be criminals, and designated the Venezuelan gang Tren de Aragua as a foreign terrorist organization. Tensions escalated in March 2025 when the U.S. detained upwards of 200 Venezuelan migrants in the Terrorism Confinement Center, which Venezuela criticized and demanded their return. The U.S. further increased pressure on Venezuela when it deployed military ships in an effort to combat alleged drug trafficking, which the Venezuelan government said the actions were illegal.

Crude oil production, which had already fallen to below 0.5 million bpd by 2020, recovered modestly to approximately 1.0 million bpd by August 2025. The deterioration of Venezuela's oil infrastructure, combined with the departure of skilled workers, loss of foreign investment, and international isolation, had reduced the country's oil sector to less than a third of its former levels. Venezuela's total energy production contracted by an annual average rate of 8.2 percent from 2011 to 2021.

Section II: Physical Properties of Venezuelan Crude and the Infrastructure Challenge

I. The Chemistry of Heavy, Sour Crude

Crude oil is marked by two principal characteristics: its American Petroleum Institute (API) gravity, which compares the density of petroleum to that of water, and its sulfur content. These properties are important to the refinement process: lighter oils (high API gravity) can undergo simple distillation to produce high-quality products. Heavier oils (low API gravity), on the other hand, result in low-quality products with simple distillation and require a more extensive distillation process to create high-quality products, making them more costly to refine. Higher sulfur content negatively impacts the quality and the ease of distillation of oil.

Crude oils that contain less than 0.5 percent sulfur are considered sweet, while those with more—from 0.5 to 1.99 percent—are sour. Sour crude oils require additional steps to be sold, involving "cracking," where hydrocarbons are broken down and the oil is purified. Light crude oils have an API gravity starting at 31.1°, while medium crude oils range from 22.3° to 31.1°, heavy crude oils from 10° to 22.3°, and extra-heavy crude oils below 10°. When the API gravity falls below 10°, crude oil sinks. Heavy crude oils contain more complex hydrocarbons and greater quantities of heavy metals than lighter crude oils. As a result, thermal recovery is often employed when extracting heavy crude oils, which uses thermal energy to reduce the viscosity of the oil, facilitating extraction and transportation. This process is more costly than the drilling common for lighter crude oils, whose lower initial viscosity poses fewer challenges.

Venezuelan oil is among the heaviest and sourest in the world, described by President Donald Trump as "the dirtiest in the world" and characterized as "heavy and sour." Venezuela currently holds the largest proved petroleum reserves in the world, that is, the highest quantity of crude oil which, backed by geological and engineering evidence, can be recovered given the state of the economy. The country contains an estimated 300 billion barrels of proved crude oil, though it may contain from 380 to 652 billion barrels of recoverable oil, with the majority located in the Orinoco Belt. Venezuela's main benchmark crude, Merey 16, has an API gravity of 15.9° and is considered sour, with sulfur content typically between 2.5 and 3.4 percent; across Venezuela's grades, the average sulfur content runs 4–5 percent. Other Venezuelan oil grades include Mesa 30 at 29.1°, Castilla at 18.8°, Hamaca at 17°, and Boscan at 10.1°, all of which are also sour.

The ultra-heavy properties of Venezuelan crude impose a cascade of technical demands. Venezuelan crude oil is difficult to produce because it has unfavorable characteristics such as high viscosity, high density, high acidity, and high sulfur content. Because it is so thick, workers must use heat and complex extraction methods to remove it from the ground. Heavy crude also contains complex hydrocarbons and greater quantities of heavy metals, including nickel and vanadium, which poison catalysts and require extensive desulfurization to meet modern fuel and emissions standards. Its thick, tar-like consistency makes Venezuelan crude significantly more difficult and costly to refine into usable petroleum products such as gasoline, diesel, kerosene, and jet fuel.

II. The Role of Diluents

To transport Venezuelan crude through pipelines, it must be blended with a diluent—a lighter hydrocarbon such as naphtha, condensate, or light crude—in order to flow through pipelines and

be loaded onto tankers.[22] The product of heavy crude mixed with diluent is called diluted bitumen, or dilbit. Dilbit is created to make this unwieldy oil suitable for transport in pipelines; once mixed, dilbit has greater density, viscosity, adhesion, and resin and asphaltene content. In the Orinoco Belt, production projects typically blend roughly one barrel of diluent for every three to four barrels of extra-heavy oil produced. The amount of diluent necessary varies depending on the oil's density and viscosity, but normally varies between 20 and 40 percent of the blended product. The denser and more viscous the initial oil, the more diluent is necessary to create a lighter mixture. Aside from adding diluent, additive injection and heating can also reduce the unwieldiness of the heavy oil.

As all four of Venezuela's crude oil upgraders are currently inoperable, dilbit must play a crucial role in the export of Venezuela's oil. Venezuela does not have the prerequisite conditions to produce diluent itself due to its lack of the necessary light hydrocarbons, and must thus import these hydrocarbons by tanker ships.[23] According to Incorrys estimates, Venezuela needs to import at least over 0.06 million barrels of diluent per day to maintain current levels of heavy oil production in the Orinoco Belt, which is currently above 0.5 million bpd.[24] Venezuela currently uses the light oil it collects from its Monagas State as a diluent for its heavier oil, though this domestic product is unable to meet Venezuela's diluent needs fully.[25] Imported diluents add approximately $15 per barrel in additional costs before refining. Should Venezuela wish to continue and eventually increase its heavy-oil production in the Orinoco Belt, the country will

[22]Timothy Gardner. "Exclusive: US Authorizes US Diluent Supply to Venezuela Oil Sector." Reuters, February 3, 2026. https://www.reuters.com/business/energy/us-treasury-issues-license-authorizing-us-diluent-supply-venezuela-official-says-2026-02-03/.
[23]Incorrys. Venezuela Diluent Requirements Report. 2025.
[24]Incorrys. Venezuela Diluent Requirements Report. 2025.
[25]Incorrys. Venezuela Diluent Requirements Report. 2025.

need a significant amount of diluent—estimated to be well over 100,000 bpd—to remain able to export its product.[26]

The United States is one of the chief exporters of diluents to Venezuela; however, given the sanctions placed on Venezuela, only Chevron was previously allowed to export these crucial hydrocarbons to Venezuela, with Venezuela relying on other countries like Iran, China, Russia, and Spain to fill the gap.[27] In the past couple of years, Russia and the United States surpassed Iran as the primary suppliers of diluent to Venezuela.[28] In February 2026, the United States Treasury Department authorized the sale of United States-produced diluents to Venezuela—only the second of Washington's approvals concerning Venezuelan sanctions, with the first being a broad license permitting United States companies to "load, transport, store, sell and refine Venezuelan oil."[29]

III. Upgraders, Refineries, and the Processing Challenge

Beyond the question of diluents, Venezuelan crude requires refineries with specialized equipment to process it into usable fuels. Because heavy crude has a low hydrogen-to-carbon ratio and high levels of asphaltenes, the yield of straight-run gasoline is relatively low. A large portion becomes atmospheric residue that must undergo additional upgrading processes such as hydrocracking or delayed coking, which require extremely high temperatures (500–1000°C), increasing maintenance costs substantially.[30] Heavy crude also contains sulfur and metals such as nickel and

[26]Incorrys. Venezuela Diluent Requirements Report. 2025.
[27]Incorrys. Venezuela Diluent Requirements Report. 2025.
[28]Incorrys. Venezuela Diluent Requirements Report. 2025.
[29]Timothy Gardner. "Exclusive: US Authorizes US Diluent Supply to Venezuela Oil Sector." Reuters, February 3, 2026. https://www.reuters.com/business/energy/us-treasury-issues-license-authorizing-us-diluent-supply-venezuela-official-says-2026-02-03/.
[30]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

vanadium, which poison catalysts and require extensive desulfurization to meet modern fuel and emissions standards.[31] Because it requires specialized "coker" refineries to process, Venezuelan crude currently sells at a $12–$20 discount compared to Brent crude benchmarks.[32]

Refineries are tailored to the processing requirements of specific forms of oil. Light crude is processed by simpler refineries, which only need to separate it into basic fractions and perform modest cleanup. Refineries for processing heavy crude such as Venezuelan crude instead use cokers, hydrocrackers, and large hydrotreaters—equipment with the ability to refine the crude and transform it into usable fuel. Although these units are costly, they enable refineries to purchase cheaper heavy crude and sell the refined product at the same price as fuel made from more expensive light crude, thereby profiting greatly.[33]

The United States Gulf Coast houses some of the largest and most complex refineries for heavy crude in the world. These facilities were built in the 1970s and 1980s to process the types of heavy crude previously imported from Venezuela, Mexico, and Canada. According to the American Fuel & Petrochemical Manufacturers trade group, approximately 70 percent of U.S. refining capacity is optimized for heavy crude, though the vast majority of current U.S. domestic production consists of lighter shale oil; this is partly a reflection of the decades-long trading with Venezuela, Mexico, and Canada, suppliers of heavy crude.[34] The U.S. Gulf Coast accounts for nearly half of all U.S.

[31]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[32]Camila Domonoske. "The World Has Too Much Oil Right Now. Will Companies Want Venezuela's?" NPR, January 7, 2026. https://www.npr.org/2026/01/07/nx-s1-5668491/venezuela-oil-global-markets.
[33]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[34]American Fuel & Petrochemical Manufacturers. U.S. Refining Industry Report. Washington, DC: AFPM, 2024.

refining capacity and is specifically well-suited to process Venezuelan Merey-16 and similar grades. Converting refineries from processing heavier to lighter crudes would require substantial investments ranging from $100 million to $1 billion per site.[35]

Prior to Chávez-era restrictions, Venezuela's internal mismanagement of its oil industry, and U.S.-mediated sanctions, the arrangement to process cheap heavy crude into fuel was precisely what U.S. Gulf Coast refineries did with Venezuelan crude. These refineries were built with equipment specifically tailored to processing heavy crude. Although collaboration with Venezuela has ceased for several years, these refineries remain; the U.S. is thus a major importer of crude despite being one of the world's biggest oil exporters.[36] Presently, the U.S. imports the majority of its crude from Canada to meet its domestic refinery needs. Re-securing Venezuela's crude will increase the U.S.'s crude supply, providing an additional source with close geographic proximity. The match between U.S. Gulf Coast refinery capacity and Venezuelan crude's processing demands can thus greatly benefit the U.S. oil industry.[37]

IV. Canada as a Heavy Crude Competitor

The primary alternative supplier of heavy crude to U.S. Gulf Coast refineries is Canada. The majority of Canadian crude comes from the Western Canadian Sedimentary Basin and is heavy. The Canadian heavy oil benchmark is the Western Canada Select (WCS), an oil blend with an API

[35]U.S. Energy Information Administration. Short-Term Energy Outlook. January 2026. https://www.eia.gov/outlooks/steo/.
[36]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[37]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

density from 20.5° to 21.5° and a sulfur content of 3.0–3.5 percent. Canada sends its heavy crude to the U.S. in order to be refined. Canadian oil shares similar sulfur content and API gravity as Venezuelan crude oil, yet sanctions on Venezuela allowed Canada to replace Venezuela as the U.S.'s dominant supplier of heavy crude oil. Throughout the first half of 2022, 61 percent of American crude oil imports came from Canada; as of 2024, Canada accounted for approximately 62 percent of total U.S. crude imports.

The U.S., on the other hand, imports heavy oils and produces lighter and sweeter ones. In 2024, the average API gravity of crude oils produced in the U.S. was 33.19° and its sulfur content 1.31 percent. The U.S. benchmark crude oil—one of the main three global benchmarks alongside Brent and Dubai/Oman—is the West Texas Intermediate, which has a high API gravity and a sulfur content between 0.24 and 3.4 percent. Canada's WCS is currently offered to Gulf Coast refiners at a discount of roughly $12.50 to the Brent benchmark, while Venezuelan Merey-16 trades at a discount of approximately $6 to Brent. This pricing differential, combined with Canada's longer track record as a reliable supplier, currently gives Canadian crude an economic edge over Venezuelan crude for Gulf Coast refiners.

V. Environmental Implications of Heavy Crude

The effects of Venezuela's handicapped oil industry go beyond solely the impacts on global supply chains and demand that shifts prices. Due to the "heavy and sour" nature of Venezuelan crude oil, the particularly arduous refinement process makes it more vulnerable to oil spills, increases deforestation rates, and emits more planet-warming greenhouse gases than most other types of oil. The difficult refinement process of Venezuelan oil also necessitates the process of flaring, which is the intentional release of methane and carbon dioxide from oil and gas operations. Despite the

decline of Venezuela's oil industry since the 1990s, its gas flaring has increased sharply, making it one of the world's largest contributors to climate-warming methane emissions. Venezuela is the fifth largest flaring country in the world, and in 2025 released more than 40 percent of its gas through flaring.

Methane is a highly potent greenhouse gas that retains roughly 80 times more heat than carbon dioxide in the short term and has contributed to about one-third of the increase in global temperatures since the Industrial Revolution. Gas flaring has been a part of the process of oil refinement in Venezuela for decades, but the corruption, mismanagement, and insufficient infrastructure that riddle the process have caused inefficient production, where more gas is burned off than is collected and used. The mismanagement of the gas industry has also led to people illegally mining and refining gas improperly, leading to rampant deforestation and oil spills that have contaminated drinking water in some parts of the country. These environmental costs represent a significant liability for any large-scale reinvestment program and will require explicit attention in any sustainable investment framework.

Section III: Political Developments and the Oil Sector Following Maduro's Removal

I. The Capture of Maduro and Its Immediate Aftermath

President Trump accused Venezuela of trafficking vast amounts of cocaine into the United States. During his first term in office, President Trump's administration confronted Maduro for leading the drug trafficking network Cartel de los Soles. As of August 2025, President Trump secretly authorized the Pentagon to use military force against Latin American drug cartels and increased incentives to a reward of fifty million U.S. dollars for providing information leading to the arrest of Maduro. On September 2, 2025, the U.S. struck what President Trump claimed to be a Tren de Aragua boat that was actively trafficking cocaine, killing eleven people. The legality of the decision became highly disputed as the mission was conducted without Coast Guard involvement and was completely executed by the U.S. Navy, whereas current law only authorizes using law enforcement officers against individuals posing imminent threats.

U.S. pressure culminated on January 3, 2026, when the U.S. launched large-scale military strikes on Venezuela's capital, Caracas, capturing Venezuelan President Nicolás Maduro and his wife, Cilia Flores, through a mission called Operation Absolute Resolve. The operation, involving coordinated airstrikes and a special forces extraction inside Venezuelan territory, not only removed Maduro from power but also marked an unprecedented direct U.S. military intervention against a sitting head of state. Maduro was extradited to New York to face long-standing federal indictments of drug trafficking, narco-terrorism, and conspiracy to import cocaine into the United States.

In the aftermath of these developments, controversy erupted as reactions were polarized. Several Latin American governments condemned the military strikes as a violation of Venezuelan sovereignty, while others expressed cautious support for removing the authoritarian leader. Within the U.S., President Trump and his supporters commended the mission as decisive action against criminal networks and a fulfillment of "American First" security policy, while critics argued it constituted an abuse of executive authority and raised serious constitutional concerns. Within Venezuela, Acting President Delcy Rodríguez, formerly Maduro's Vice President, assumed power and moved to restore oil production and attract foreign investment.

II. U.S. Policy Shifts and Sanctions Architecture

Following the seizure, U.S. officials announced that they sought to maintain control over Venezuela's oil production and distribution. U.S. Secretary of State Marco Rubio claimed negotiations to "take all the oil." Acting President Rodríguez is expected to submit a monthly budget for approval to Washington and will only retain office if she allows U.S. access to Venezuelan oil among other material conditions. U.S. President Donald Trump met with oil executives from companies including ExxonMobil and ConocoPhillips to develop a plan for U.S. reinvestment into Venezuelan oil, in an effort to move these companies into Venezuela and rebuild the country's oil sector.

The Trump administration moved quickly to ease the operational sanctions inhibiting oil trade. On January 6, 2026, President Trump announced a U.S.–Venezuela energy deal allowing the United States to market and sell Venezuelan oil valued at around $3 billion, with profits deposited into U.S.-controlled Treasury accounts.[38] Venezuela also agreed to ship up to $200 billion in crude

[38]U.S. Department of Energy. Venezuela Energy Investment Statement. January 2026.

oil—50 million barrels—to the United States. A week after the U.S. military operation, executives from major U.S. oil companies met at the White House to discuss potential investments into Venezuela's oil sector. While President Trump urged the companies to commit at least $100 billion worth of capital to rebuild the infrastructure, the executives remained hesitant at the political instability and lack of legal transparency in the country.[39]

The Treasury's Office of Foreign Assets Control (OFAC) then issued a series of general licenses expanding U.S. commercial engagement with Venezuela. Venezuela General License (GL) 46, issued January 29, 2026, authorized U.S.-incorporated firms to market Venezuelan oil internationally and within the United States.[40] GL 48, issued February 10, 2026, authorized U.S.-incorporated firms to provide goods, equipment, and services to Venezuela's oil and gas industries.[41] Venezuela GL 50, issued February 13, 2026, expanded the operational authority of certain firms in Venezuela; GL 49 was issued on the same day, authorizing oil and gas firms to negotiate and enter investment-enabling contracts with Venezuela for upstream oil and gas projects.[42] According to the U.S. Department of Energy, "the United States has selectively eased sanctions solely to enable the transport and sale of Venezuelan crude and oil products through U.S.-authorized channels," displaying an active effort to increase U.S. involvement in the

[39]Camila Domonoske. "The World Has Too Much Oil Right Now. Will Companies Want Venezuela's?" NPR, January 7, 2026. https://www.npr.org/2026/01/07/nx-s1-5668491/venezuela-oil-global-markets.
[40]U.S. Treasury, Office of Foreign Assets Control. Venezuela General License No. 46. January 29, 2026.
[41]U.S. Treasury, Office of Foreign Assets Control. Venezuela General License No. 48. February 10, 2026.
[42]U.S. Treasury, Office of Foreign Assets Control. Venezuela General License No. 49 and No. 50. February 13, 2026.

Venezuelan oil trade, but existing corruption, money laundering, and instability still shape the investment field into shaky, uncertain terrain.[43]

Despite these measures, the United States has maintained steep sanctions on Venezuela's upstream oil sector, requiring a license from OFAC for U.S. companies to engage in exploration and drilling. Interim President Rodríguez herself faces sanctions targeting corruption. Moreover, the U.S. refuses to recognize the government of interim President Rodríguez, complicating transaction details including the allocation of revenue from oil sales. The proceeds from new sales are deposited into U.S. Treasury-controlled accounts, part of which will be returned to Venezuela to keep the state functioning. The unsustainability of this arrangement stems from the finite amount of storage volumes of oil, and from the question of the political viability of the Rodríguez government if it continues to cede its primary revenue source to American interests without a long-term negotiated framework.

On January 29, 2026, the Washington Post revealed that the first Venezuelan oil sales were conducted through traders with documented histories of corruption, a finding that weakened the public's confidence in the U.S.'s plan to oversee Venezuelan oil sales.[44]

III. Venezuelan Legislative Reforms

Since President Maduro's ousting, the Venezuelan oil sector has seen several significant policy changes. The Venezuelan government passed a bill which reversed a 2006 policy requiring that joint ventures have more than 50 percent ownership held by the state. This bill removed significant control over the oil industry from the Venezuelan government while increasing opportunities for

[43]U.S. Department of Energy. Venezuela Energy Investment Statement. January 2026.
[44]Washington Post. "First Venezuelan Oil Sales Conducted Through Traders with Histories of Corruption." January 29, 2026.

foreign companies to invest. The mandate imposed by late President Chávez that required PDVSA to serve as the principal stakeholder in all exploration and production projects has been overturned.

On March 5, 2026, interim President Rodríguez carried out a sweeping reform of rules governing the Venezuelan oil industry, reversing policies that favored national state control that escalated starting with the Chávez regime.[45] These reforms require that royalty and tax payments flow through U.S.-controlled accounts and explicitly prohibit transactions with companies owned by or linked to Russia, Iran, or China. As of April 14, 2026, Chevron had signed a number of agreements with the Venezuelan government to develop joint projects in the oil industry; in one joint project, Chevron increased its stake to 49 percent, expanding its overall involvement in projects in the country.

IV. Early Export Data and Trade Flows

Venezuela saw export levels of around 800,000 barrels per day in January 2026, the highest they had been since before the U.S. naval blockade in December, when exports were around 500,000 barrels per day. As of January 21, 2026, however, Venezuela had only exported 7.8 million barrels due to the U.S. blockade put in place by President Trump in December, leaving PDVSA with tens of millions of barrels stuck on land and in tanks.

After new U.S. legislation such as expanded Treasury licenses through OFAC and the January 2026 U.S.–Venezuela energy agreement allowing U.S. companies to market Venezuelan oil, an increase in reserved oil barrels along Venezuela's coast were able to enter the market. Global commodity traders Vitol and Trafigura saw shipments of approximately 27 million barrels

[45]New York Times. "Venezuela Gains Mining Access Under U.S.-Backed Deal." March 5, 2026. https://www.nytimes.com/2026/03/05/world/americas/venezuela-mining-access-burgum.html.

exported through February from Venezuela to the Gulf Coast, signifying a possible increasing trend of Venezuelan exports to the United States. Additionally, Chevron shipped a 500,000-barrel cargo of diluted crude oil (DCO) to the U.S. Gulf Coast, marking the resumption of exports of that grade after a 15-month pause.

Despite this early momentum, the number of exports in February fell to about 737,000 barrels per day—a 6.5 percent decrease from the previous month. This is largely due to Venezuela's limited ability to trade with China, which was a major buyer. The Trump administration passed legislation preventing Chinese-linked entities from receiving U.S. Treasury licenses to purchase Venezuelan oil from PDVSA. Exports to Asia dropped dramatically, falling to about 48,000 barrels per day compared with 145,000 barrels per day in January and more than 600,000 barrels per day the previous year.[46]

The Trump administration announced on January 6, 2026, the purchase of an estimated $2.8 billion in Venezuelan crude; this oil is expected to be diverted from China-bound routes. Valero and Phillips 66 have already begun purchasing from Venezuela, marking one of the first deals by U.S. Gulf Coast refiners. Furthermore, the U.S. received prices that were 30 percent higher for Venezuelan crude in its first sale following the capture of former President Maduro. According to U.S. Energy Secretary Chris Wright, partnerships like this $500 million USD sale are expected to rise. According to U.S. officials, the Trump administration has already generated more than $1 billion in oil sales within the first two months of Maduro's removal.[47]

[46]Reuters. "What's the Status of International Oil Companies in Venezuela after Maduro's Capture?" Energy. January 6, 2026. https://www.reuters.com/business/energy/whats-status-international-oil-companies-venezuela-after-maduros-capture-2026-01-05/.
[47]New York Times. "Venezuela Gains Mining Access Under U.S.-Backed Deal." March 5, 2026. https://www.nytimes.com/2026/03/05/world/americas/venezuela-mining-access-burgum.html.

V. Political Instability and Internal Security

Surveys conducted by Gold Glove Consulting show high optimism levels among Venezuelans following the U.S. capture of Maduro. According to the poll, 83 percent of Venezuelans expressed optimism about the country's future, 55 percent supported Maduro's arrest, and 68 percent thought elections should be held within a year.[48] However, this apparent stability may not directly translate into a politically stable country that can attract large investors to improve necessary infrastructure. Venezuela has seen protests calling for the release of imprisoned political prisoners, and many former political opponents are being released with different visions for Venezuela's future. Student protests and civil demonstrations have occurred demanding greater political freedom and transparency.

Venezuela's western region remains dominated by illegal Colombian armed groups like the National Liberation Army (ELN), which has vowed to resist the Trump Administration and U.S. imperialism following Maduro's capture. This creates considerable risks for a power struggle in the post-Maduro government, which would divert U.S. attention from its priority of oil reinvestment. Security concerns have also expanded into remote regions, where illegal mining operations controlled by criminal networks have generated an estimated $2.2 billion annually from informal gold mining over the past five years.

Additionally, the U.S. has expressed great interest in the country's abundance of rare earth minerals, which are vital for powering the production of technology and research in critical industries from defense to aerospace to artificial intelligence. U.S. Interior Secretary Doug Burgum traveled to Caracas with representatives from American mining companies, and Acting President

[48]Gold Glove Consulting. Public Opinion Survey in Venezuela. January 2026.

Rodríguez promised legislation permitting foreign companies to extract minerals including gold, diamonds, and rare earth elements.[49] In recent decades, China has secured near-control over many critical mineral and rare earth element supply chains. This concern intensified after Beijing imposed export restrictions on seven rare earth elements on April 4, 2025, in retaliation for Trump's tariff hikes on Chinese goods. Although China eventually agreed to suspend the restrictions on supply for a year in exchange for Trump reducing tariffs, these restrictions temporarily disrupted global supply chains and intensified competition for alternative sources of minerals. Accessing Venezuela's mineral deposits will diversify the U.S.'s mineral supply chain, improve the independence of critical sectors, and protect U.S. national security interests.[50]

[49]New York Times. "Venezuela Gains Mining Access Under U.S.-Backed Deal." March 5, 2026. https://www.nytimes.com/2026/03/05/world/americas/venezuela-mining-access-burgum.html.
[50]New York Times. "Venezuela Gains Mining Access Under U.S.-Backed Deal." March 5, 2026. https://www.nytimes.com/2026/03/05/world/americas/venezuela-mining-access-burgum.html.

Section IV: Global Oil Market Implications of Venezuela's Re-Entry

I. The Global Oil Market Context

The global oil market in early 2026 is shaped by a confluence of factors that complicate Venezuela's re-entry. Benchmark crude prices surged by approximately $10 per barrel over January 2026, driven by escalating geopolitical tensions between the U.S. and Iran, unexpected snowstorms and extreme temperatures disrupting oil supply and production in the U.S. and Kazakhstan, and attacks on infrastructure in the Strait of Hormuz of the Persian Gulf—a critical chokepoint handling approximately 20 percent of global oil.[51] Global oil supply plunged sharply by 1.2 million barrels per day in January, with an estimated drop of 320,000 bpd from the U.S. alone. In Kazakhstan, power outages at the major Tengiz oilfield and severe weather at the primary export terminal in Novorossiysk, Russia, reduced oil production by more than 400,000 bpd in January.[52]

From a long-term perspective, the U.S. Energy Information Administration (EIA) forecasts that Brent spot prices will drop over the next two years, from an average of $69 per barrel in 2025 to $58 per barrel in 2026 and $53 per barrel in 2027.[53] The EIA expects a rebound in the coming months and predicts longer-term growth of 2.4 million bpd in oil supply in 2026, split evenly between non-OPEC and OPEC country-producers. There is also an expected shift in the

[51]U.S. Energy Information Administration. Short-Term Energy Outlook. January 2026. https://www.eia.gov/outlooks/steo/.
[52]U.S. Energy Information Administration. Short-Term Energy Outlook. January 2026. https://www.eia.gov/outlooks/steo/.
[53]U.S. Energy Information Administration. Short-Term Energy Outlook. January 2026. https://www.eia.gov/outlooks/steo/.

composition of global producers: the EIA forecasts non-OPEC+ producers to drive 75 percent of global oil production capacity growth to 2030, led by the U.S. (adding 2.1 million bpd) and a combined 2.7 million bpd from Argentina, Canada, Brazil, and Guyana.[54]

Global oil demand growth for 2026 is forecasted to be 850,000 kbd, up from 770,000 kbd in 2025, with China contributing about an additional 200,000 kbd in both 2025 and 2026—a figure below its historical average.[55] The global oil market is currently in a state of oversupply, with experts estimating a global surplus of approximately two million barrels per day—more than double the amount that Venezuela is currently producing.[56] The oil market has undergone a transformation over the last 25 years due to the arrival of fast-growing emerging nations like China and India as big consumers, with immensely different oil consumption and demand patterns.

The top three global crude producers—the United States, Saudi Arabia, and Russia—together accounted for approximately 40 percent of global oil production in 2023, collectively producing 32.8 million bpd, up from around 26 million bpd in 2013. While the United States remained the third-largest producer from 2013 to 2017, it rose to become the largest producer from 2018 until today. The United States may be the world's largest oil producer; however, there is large domestic demand for oil—hence the largest exporter of oil is not the United States but Saudi Arabia, increasing the Kingdom's influence over the global energy market. The top three consumers of oil in 2022 were the United States (20 percent of the world's total), followed by China (15 percent) and India (5 percent). The global oil market is dominated by a mix of large national oil companies

[54]U.S. Energy Information Administration. Short-Term Energy Outlook. January 2026. https://www.eia.gov/outlooks/steo/.
[55]U.S. Energy Information Administration. Short-Term Energy Outlook. January 2026. https://www.eia.gov/outlooks/steo/.
[56]Camila Domonoske. "The World Has Too Much Oil Right Now. Will Companies Want Venezuela's?" NPR, January 7, 2026. https://www.npr.org/2026/01/07/nx-s1-5668491/venezuela-oil-global-markets.

predominantly owned and controlled by a single national government, such as Saudi Arabia's Saudi Aramco and China's PetroChina, and international oil companies that are privately owned and operate globally, such as ExxonMobil and Chevron.

II. OPEC and the Geopolitics of Supply

Venezuela is one of the five founding members of OPEC and holds approximately 17–20 percent of the world's proven oil reserves. OPEC currently comprises thirteen member states—Algeria, Angola, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Republic of Congo, Saudi Arabia, United Arab Emirates, and Venezuela—and its member nations produce approximately 40 percent of global crude oil, accounting for 65 percent of crude oil production in 2024. More than 80 percent of the world's proven oil reserves lie in OPEC nations. OPEC's control over the supply of oil has granted its members the ability in the short term to set oil prices for the rest of the world, with Saudi Arabia serving as a dominant member as its daily production amounts to about a third of OPEC's.

Still, member nations' non-compliance with production targets, unanticipated challenges, and oil-market predictions based on supply and demand undermine OPEC's control over the market. In March 2020, during the start of the COVID-19 pandemic, the oil market faced a significant decrease in demand, plummeting oil prices. During this time, Russia and Saudi Arabia were unable to agree on oil production limits, and Saudi Arabia increased oil production, preventing OPEC+ from stabilizing at a higher price. Venezuela's oil sector status within OPEC has been listed by major oil executives among their primary concerns regarding reinvestment.

III. The U.S. Refinery Mismatch and the Strategic Value of Venezuelan Crude

The U.S. faces a fundamental mismatch between the crude it extracts and needs to refine, and the crude its refineries are designed to process. While most of the U.S. shale output is light and low in sulfur, 70 percent of American refineries—most of which were built in the 1970s and 1980s when lighter crude oil was less abundant—were made to refine heavy crude oil.[57] Converting refineries from processing heavier to lighter crudes would require substantial investments ranging from $100 million to $1 billion per site, making such conversion economically impractical. This has led the U.S. to import significant volumes of heavy crude oil from Canada, and now more recently from Venezuela, to continue to sustain the economic activities of these refineries.

Venezuelan crude is high in sulfur and dense, making it well-suited to be processed by U.S. refineries. Venezuelan crude oil shares similar qualities to Russian heavy oil, which many U.S. refiners previously depended on before sanctions and geopolitical disruptions altered supply chains. Because Venezuela is geographically closer to the U.S. than Russia, transportation costs of oil are significantly lower, making Venezuelan heavy crude economically attractive despite its environmental and refining challenges. U.S. refineries support about three million jobs with a multiplier of more than 45 additional jobs per direct job in the refinery, meaning that increased access to heavier crude from Venezuela could stimulate broader economic activity in the U.S. in and outside refining industries.

Historically, the U.S. was Venezuela's largest oil consumer, importing nearly two million barrels of Venezuelan oil per day in the late 1990s, though this number had since dropped to just 135,000 barrels per day in 2025.[58] This pattern indicates that the United States has the ability to import more than one million additional barrels per day than it currently does, which could reduce its

[57]American Fuel & Petrochemical Manufacturers. U.S. Refining Industry Report. Washington, DC: AFPM, 2024.
[58]U.S. Energy Information Administration. Crude Oil Production Data. Q1 2025.

reliance on more expensive crude from Canada or other countries. This reinvestment into Venezuelan oil imports would also lessen the amount of oil Venezuela would be able to export to China, a country that relies on Venezuela for merely a fraction of its total oil imports; by doing so, China would have to spend more for oil from other countries, thus increasing the cost of energy in a time when both the United States and China are engaged in economic competition.

The U.S. oil industry has struggled due to the decline in global oil prices, worsened by the economic pitfalls of President Trump's trade war.[59] At a Goldman Sachs conference, the CEO of Phillips 66 stated that the company has two Gulf Coast refineries ready to process Venezuelan crude when production reaches sufficient levels.[60] Renewed collaboration with American and other foreign firms will likely enable Venezuela to maximize the value of its oil: although Venezuelan infrastructure lacks the ability to process and ship its oil, sending it to existing refineries and corporations with capable infrastructure designed to process heavy crude will enable it to successfully monetize its resources.[61]

IV. Shale Decline and Long-Term Demand for Venezuelan Crude

As production in U.S. shale oil regions diminishes, exporting Venezuelan crude to Gulf Coast refineries will become increasingly favorable. U.S. shale production growth is projected to plateau by 2030, and shale well output declines rapidly: the average well produces approximately 80 percent of its total output within its first two years of operation, and production from a typical new

[59]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[60]Goldman Sachs. Commodities Research: Venezuela Oil Outlook. January 2026.
[61]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

well in the Permian's Midland Basin plunges by almost 90 percent after operating for three years.[62] The majority of the U.S.'s status as the world's largest oil producer is due to the output of this light crude; investment in Venezuelan crude may therefore become more favorable to firms as pressure to transition to other oil sources increases.[63] Additionally, as global oil demand is currently flat or weakening due to the rise of U.S. fracking and electric vehicles, reducing incentives for large-scale investment, Venezuelan crude's strategic importance to the U.S. refinery system becomes all the more pronounced.[64]

V. The China Factor: Trade Diversion and De-Dollarization

Prior to Maduro's capture, Venezuela's export patterns aligned closely with China, Iran, and Russia—all members of the BRICS bloc, which has sought to increase its leverage over the global energy market and promote de-dollarization. Venezuela had accepted non-dollar payments and had been pricing oil in Chinese yuan since 2017, with much of its banking shifting to Russia. Venezuela was the fourth-largest recipient of Beijing's official credit between 2000 and 2023, receiving $106 billion in loans from Chinese official-sector creditors, specifically arranged to be repaid with proceeds from oil exports. China National Petroleum Corp. and Sinopec hold entitlements to 4.4 billion barrels of Venezuelan oil reserves—the highest for any foreign country.

[62]Camila Domonoske. "The World Has Too Much Oil Right Now. Will Companies Want Venezuela's?" NPR, January 7, 2026. https://www.npr.org/2026/01/07/nx-s1-5668491/venezuela-oil-global-markets.
[63]Camila Domonoske. "The World Has Too Much Oil Right Now. Will Companies Want Venezuela's?" NPR, January 7, 2026. https://www.npr.org/2026/01/07/nx-s1-5668491/venezuela-oil-global-markets.
[64]Camila Domonoske. "The World Has Too Much Oil Right Now. Will Companies Want Venezuela's?" NPR, January 7, 2026. https://www.npr.org/2026/01/07/nx-s1-5668491/venezuela-oil-global-markets.

Despite China's official customs data alleging imports of only 30,000 bpd from Venezuela in 2024, Kpler analysts place this figure at significantly higher levels, facilitated through shadow fleets, ship-to-ship transfers, and the rebranding of Venezuelan crude as originating from intermediary countries such as Malaysia or Brazil. The primary Chinese buyers of Venezuelan crude are small, independent refineries known as "teapots," which operate on thin margins and relied on Venezuela's heavily discounted sanctioned crude. Although heavy Iranian crude may serve as a partial substitute, this is unlikely to completely replace the teapots' lost source of cheap oil. Venezuela's crude exports are currently estimated at around 800,000–900,000 bpd, with most (up to 80 percent) previously destined to China at highly discounted rates.

Aware of the threat posed by BRICS to the global oil market and to dollar-denominated transactions as a whole, President Donald Trump has explicitly opposed BRICS' currency diversification efforts. In a Republican Governors Association speech given on February 21, 2025, the President directly threatened that states mentioning de-dollarization or replacing the dollar in conducting international trade would face 150 percent tariffs. The Trump Administration has required that Venezuela sell oil exclusively to the U.S., a trade it maintains the U.S. will control "indefinitely." This is likely a deliberate move to inhibit BRICS nations' oil-centered strategy of de-dollarization. One-fifth of global oil trade occurred in non-dollar currencies in 2023, and China and Russia have bypassed the dollar entirely in the majority of their bilateral trade.

Venezuelan recovery with U.S. support will redirect formerly teapot-bound exports to American refineries that processed Venezuelan crude in previous decades and have machinery specifically tailored for its refinery. Already, Venezuelan crude destined for China has begun to be rerouted toward the U.S. The oil industry's recovery under a U.S.-aligned government and with American reinvestment comes with the stipulation that Venezuela enter a sole commercial and paternalistic

partnership with the U.S. While Venezuela may not be able to engage in trade partnerships with other nations, its close ties with the U.S. will undoubtedly impact global trade patterns by increasing U.S. dominance. Amplifying U.S. economic leverage, a return to pre-collapse levels of Venezuelan production would increase U.S. energy security and further shift the global oil trade's balance of power toward the U.S.

VI. Implications for Canada, Global Prices, and Long-Term Market Structure

A sustained increase in Venezuelan oil output would exert downward pressure on Canadian oil prices, since Venezuelan and Canadian heavy crude compete for the same U.S. Gulf Coast refinery slots. A long-term increase in Venezuelan output would pressure Canadian oil prices and strengthen the case for a new Canadian export pipeline to the Pacific coast, said Randy Ollenberger, a managing director at BMO Capital Markets.[65] This is in light of Canada's goals to diversify its oil exports and protect its economy against U.S. tariffs; as of now, Canada exports 90 percent of its oil to the U.S. Chinese independent refiners—the primary current buyers of Venezuelan crude—would likely have to turn to Canadian or Middle Eastern crudes to supplement, at higher cost.[66]

Despite the geopolitical significance of Venezuela's re-entry, the direct short-term impact on global oil prices may be modest. ExxonMobil's major acreage positions in Guyana and the Permian Midland Basin carry estimated break-even prices averaging roughly $35 and $48 per

[65]BMO Capital Markets. Randy Ollenberger commentary on Canadian heavy crude and pipeline diversification. 2026.
[66]BMO Capital Markets. Randy Ollenberger commentary on Canadian heavy crude and pipeline diversification. 2026.

barrel, respectively; Chevron investments in Guyana (the Stabroek Block) and the Permian Basin (the Delaware Basin) have break-even prices ranging from $37–$44 per barrel, and the firm's Gulf of Mexico projects break even at prices as low as $30 per barrel. Alaskan and Canadian oil sands also offer prices comparable to Orinoco break-even prices: Canadian oil sand projects carry a break-even of $42 per barrel; Alaskan greenfield projects have estimated break-even prices of $54, and brownfield projects at $37. Orinoco projects carried a 2020 break-even price at $49.26, while Venezuela's overall break-even is estimated to fall between $42 and $56. Of the pre-established projects currently maintained by major American oil firms, only Alaskan greenfield projects have break-even prices that are out-competed by Venezuelan sources.

While short-term projections do not place Venezuelan production at levels high enough to displace competitors, long-term investment and a return to peak production could make Venezuelan crude a strong competitor for Canadian, Mexican, and even Middle Eastern suppliers. Venezuela holds proven reserves estimated at a gross in-ground value of roughly $18 trillion on the lower end and $45 trillion on the higher end.[67] Very few assets in any country approach this number: as Forbes puts it, the combined market capitalization of Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta Platforms, and Tesla currently totals roughly $18 to $20 trillion, depending on market conditions.[68] Tapping into Venezuela's vast reserves has the potential to alter interest rates, inflation, and equity valuations greatly.[69] Although Venezuelan crude is better suited for diesel production than America's lighter-grade gasoline and is a direct competitor to Russian oil, its greatest impact will result from increasing the U.S.'s dominance in the global energy market.

[67]Forbes. "Venezuela's Oil Reserves: Scale and Global Impact." 2026.
[68]Forbes. "Venezuela's Oil Reserves: Scale and Global Impact." 2026.
[69]Forbes. "Venezuela's Oil Reserves: Scale and Global Impact." 2026.

Section V: Infrastructure Requirements, Investment Barriers, and Corporate Hesitancy

I. The Scale of Infrastructure Decay

Venezuela's oil infrastructure is in a state of severe and documented decay. Although PDVSA owns and operates five refineries with a combined nameplate capacity of approximately 1.46 million bpd, its operation is heavily constrained by years of mismanagement and PDVSA's tendency to dispense positions based on patronage rather than technical expertise. At times, the Paraguana Refining Center operates at only 10 percent of its nameplate capacity; third-party estimates indicate that the nation's total refinery throughput is below 300,000 bpd.[70] The Paraguana Refining Center, Venezuela's largest refining complex, was processing at about 10 percent of its capacity as of October 2023 after two of its crude distillation units were shut down due to a fire; according to a source close to operations, the affected plant was working in "unsafe conditions and leaking diesel before the fire." Experts report that Venezuela's refineries are operating at only about one-fifth of their capacity.

Numerous oil storage tanks at the Bajo Grande and Puerto Miranda terminals are not in operation due to corrosion. Operations at the large interconnected Amuay and Cardón refineries are running below 20 percent of capacity, and an estimated third of Venezuela's storage capacity is inactive. Export infrastructure, including facilities at Amuay Bay and Puerto La Cruz, is largely situated at the Jose terminal and is vulnerable to disruptions and blockades—as demonstrated in January 2026 when U.S. tanker seizures and blockades led to export curtailments.

[70]Kayrros. Satellite Analysis of Venezuelan Oil Infrastructure. 2025.

Comprising about 2,100 miles in total, Venezuela currently has 25 operational oil pipelines; many are estimated to be over 50 years old, prompting PDVSA's estimate that roughly $8 billion USD in pipeline upgrades will be required to return production to its late-1990s levels. Satellite analysis by the intelligence company Kayrros has revealed the extensive deterioration of Venezuelan equipment, further underscoring the dilapidated state of the nation's infrastructure after decades of mismanagement.[71] Corrosion, oil leaks, and pump failures have significantly reduced the efficiency of oil transportation and increased environmental risks. The Orinoco Belt requires reliable access to diluents and artificial lift systems; however, decades of underinvestment have left many wells degraded, reducing extraction efficiency and raising production costs.

II. The Human Capital Crisis

Beyond physical infrastructure, Venezuela faces a severe human capital crisis in its oil sector. During a general strike from 2002 to 2003, former President Hugo Chávez fired 19,000 employees of the PDVSA, which accounted for about 40 percent of its workforce at the time. This move eliminated important technically skilled workers. Following the firings, the government employed workers prioritizing loyalty over expertise, diminishing production to about 2.3 million barrels per day. During Maduro's presidency, many experts knowledgeable in Venezuelan oil production were fired or left the country. Analysts estimate that rebuilding the human capital lost during this period could take 10–15 years.

Venezuela's oil sector is particularly expertise-intensive because of the technical demands of extra-heavy crude, which requires more technical expertise to produce than countries dominated by sweeter or lighter crude oil. Thermal recovery techniques, complex blending operations,

[71]Kayrros. Satellite Analysis of Venezuelan Oil Infrastructure. 2025.

specialized refinery equipment, and the management of aging infrastructure all require a highly skilled workforce. The ongoing diaspora of Venezuelan professionals—part of the estimated eight million Venezuelans who have fled the country—has further depleted the available talent pool. From the late 1990s to the end of 2025, Venezuela's crude oil production had been gradually falling from almost 3 million barrels per day to just 135,000 barrels per day.

III. The Capital Requirements for Recovery

The financial scale of Venezuela's oil sector recovery is staggering. Rystad Energy estimates that returning Venezuela's crude production to approximately 3 million bpd—its 1990s peak—would require 16 years of sustained work and a total investment of $183–$185 billion.[72] Within this total, at least $30–$35 billion in international capital would be needed within the next two to three years to make such a recovery scenario plausible. To maintain the current production level of approximately 1.1 million bpd, the firm estimates $53 billion in upstream and infrastructural investment; producing over 1.4 million bpd would require an additional $8–$9 billion.[73] Over the next fourteen years, total capital expenditures could reach $183 billion. For comparison, this amount is roughly equivalent to ExxonMobil's global annual capital spending.[74]

Morgan Stanley has warned that increasing production above 2 million bpd would be especially challenging: adding just 0.5 million bpd beyond that threshold would require an additional $15–$20 billion in investment over ten years.[75] Wood Mackenzie similarly estimates that raising

[72]Rystad Energy. Venezuela Oil Sector Analysis. Cited in multiple industry reports, 2025–2026.
[73]Rystad Energy. Venezuela Oil Sector Analysis. Cited in multiple industry reports, 2025–2026.
[74]Camila Domonoske. "The World Has Too Much Oil Right Now. Will Companies Want Venezuela's?" NPR, January 7, 2026. https://www.npr.org/2026/01/07/nx-s1-5668491/venezuela-oil-global-markets.
[75]Morgan Stanley. Venezuela Investment Research Note. January 2026.

Venezuela's oil production by 500,000 bpd through Orinoco Belt joint ventures between PDVSA and international firms would require a decade and $15–$20 billion.[76] According to JPMorgan Chase, Venezuela's oil production may reach 1.2 million barrels per day in the next few months, assuming a stable political environment as well as "unrestricted operations and new licensing deals."[77] Goldman Sachs' co-head of commodities research estimates that by 2030, oil production may increase by 50 percent and may even double with substantial investment.[78]

These projections are complicated by the economics of Venezuelan heavy crude. The full breakeven price for Venezuelan heavy crude—accounting for production, extraction and drilling expenses, operational costs, royalties, transportation expenses, land-related costs, corporate overhead, and capital expenditures—may reach up to $70–$80 per barrel. This price is costly compared to Canada's Oil Sands, which estimates put at $40–$57 per barrel. Currently, the global oil market is oversupplied by approximately two million barrels of oil per day, depressing oil prices at around $60 per barrel, while the break-even price for Venezuelan crude is estimated to be closer to $80 per barrel according to Claudio Galimberti, the chief economist for Rystad Energy.[79] The short-term profit outlook is thus shaky, and companies will likely not invest in Venezuelan oil infrastructure without subsidies from the government that would fill the profit gap between global oil prices and Venezuela's prices.[80]

[76]Wood Mackenzie. Venezuela Oil Sector Outlook. 2025–2026.
[77]JPMorgan Chase. Venezuela Oil Sector Research Note. January 2026.
[78]Goldman Sachs. Commodities Research: Venezuela Oil Outlook. January 2026.
[79]Camila Domonoske. "The World Has Too Much Oil Right Now. Will Companies Want Venezuela's?" NPR, January 7, 2026. https://www.npr.org/2026/01/07/nx-s1-5668491/venezuela-oil-global-markets.
[80]Camila Domonoske. "The World Has Too Much Oil Right Now. Will Companies Want Venezuela's?" NPR, January 7, 2026. https://www.npr.org/2026/01/07/nx-s1-5668491/venezuela-oil-global-markets.

IV. Barriers to Corporate Reinvestment

Major international oil companies have remained deeply cautious about reinvesting in Venezuela, despite the formal removal of Maduro and the relaxation of certain sanctions. The barriers are multidimensional and mutually reinforcing.

A. Historical Asset Seizures and Unresolved Legal Disputes

The most viscerally felt deterrent for major U.S. oil firms is the memory and ongoing reality of unpaid arbitration awards stemming from the Chávez-era expropriations. After years of collaboration between American firms and Venezuelan industry, then-President Hugo Chávez attempted to have companies such as Chevron, Exxon, ConocoPhillips, Halliburton, Schlumberger, Weatherford International, and Baker Hughes relinquish majority stakes in their projects to PDVSA.[81] With the assets of companies that resisted being seized—and remaining in Venezuelan hands despite the rulings of various international tribunals—these firms are less than keen to re-engage with Venezuela's oil industry.[82] Chávez nationalized major oil projects operated by foreign firms, resulting in stakes in large ventures—for example, ConocoPhillips' stakes in Petrozuata, Hamaca, and Corocoro—being seized without compensation. Beyond financial losses, this dramatically altered how firms perceived the risk of business ventures in Venezuela.[83]

[81]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[82]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[83]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

President Trump has described Venezuelan oil as "stolen" and used the unpaid arbitration awards to rhetorically justify Maduro's capture. The U.S. Treasury had previously authorized ConocoPhillips to pursue enforcement actions and to register an arbitration award exceeding $10 billion against Venezuela for its expropriations. International tribunals have similarly ruled that the expropriation is illegal under international law, but Venezuela has continued to maintain sovereign authority over its resources and refused to pay. In the preceding months, President Trump utilized this disjunction between Venezuela's unwillingness to compensate foreign firms and official legal rulings to justify blockades against oil tankers entering and exiting Venezuela.

However, Executive Order 14373—"Safeguarding Venezuelan Oil Revenue for the Good of the American and Venezuelan People," signed by President Trump on January 9, 2026—blocked the seizure of Venezuelan oil revenue held in U.S. Treasury accounts, claiming that the funds were the sovereign property of Venezuela held in U.S. custody and were not assets subject to private claims.[84] This directly impacted the asset reclamation sought by firms: because the Venezuelan government has refused to compensate them for losses resulting from Chávez's 2007 expropriations, oil firms had adopted a strategy of seizing Venezuelan assets held abroad to satisfy these debts. ConocoPhillips achieved a $2 billion settlement against PDVSA in 2018 after attempting to seize most of the enterprise's Caribbean assets; by declaring the U.S. Treasury-held funds as the sovereign property of Venezuela, the Trump administration's executive order consequently provided Venezuela with a legal shield against repaying arbitration claims. Energy Secretary Chris Wright stated that addressing outstanding arbitration claims was "a longer-term issue"—not a priority for the Trump administration's immediate reinvestment push.

[84]Executive Order 14373. "Safeguarding Venezuelan Oil Revenue for the Good of the American and Venezuelan People." January 9, 2026.

B. Political and Legal Uncertainty

Beyond their financial losses, oil companies require predictable, long-term frameworks to justify major capital investments. Venezuela's political environment remains volatile. Analysts emphasize that firms need assurances that contracts will be honored and not subject to sudden revision or expropriation. The Venezuelan government previously nationalized foreign oil assets, creating lingering fears that new investments could face similar treatment. Even with recent reforms, companies remain unconvinced that institutional safeguards are durable across political transitions. Industry leaders have also criticized current reforms as insufficient: executives argue that Venezuela's fiscal and legal systems still lack the clarity and reliability necessary for large-scale investment, emphasizing the need for deeper structural changes.

The Bipartisan Policy Center has emphasized that "past experience in Venezuela and the high potential for continued uncertainty will likely cause companies to be very cautious and deliberate making new investments in the country."[85] Historical precedent from comparable post-conflict transitions in Iraq (after the 2003 U.S. invasion) and Libya (after Muammar el-Qaddafi's fall in 2011) reinforces this concern. In both instances, international oil companies initially anticipated major investment opportunities in untapped reserves, only to be frustrated by prolonged political instability and security concerns. According to analysis from the Brookings Institution, oil sectors in politically unstable states often become targets of competing political factions seeking to gain leverage, leading to extended standoffs and postponed development.[86] Venezuela may face similar

[85]Bipartisan Policy Center. "Venezuela's Oil Sector: Investment Risks and Opportunities." Washington, DC: Bipartisan Policy Center, 2026.
[86]Brookings Institution. "Oil Sectors in Politically Unstable States." Analysis cited in the context of Venezuela, 2026.

challenges as different political actors compete for control over the country's valuable oil resources.[87]

C. Sanctions Uncertainty and Compliance Risk

Although the United States has eased certain restrictions, the impact of sanctions remains uncertain. Companies must navigate evolving rules that can shift with political developments in Washington, creating significant compliance risk. This creates operational ambiguity and raises concerns about companies backing out, especially given the inconsistency of sanctions. Additionally, enforcement actions—including tanker seizures and sanctions on shipping networks—highlight the ongoing geopolitical risk of operating in Venezuela's oil sector. These risks extend beyond the oil majors themselves to insurers, financiers, and logistics providers, complicating the entire supply chain.

D. Market Conditions and Capital Discipline

Post-Maduro reinvestment also faces headwinds from global oil market conditions. With oil prices at a 5-year low, industry officials have stated that they are not high enough for companies to justify the risks of investing in Venezuela's infrastructure.[88] As of March 19, 2026, oil is trading at roughly $60 per barrel. Past experiences with the consequences of reckless spending during price downturns have led oil companies to prioritize capital discipline and the efficient use of cash flow over new, high-risk exploration. Following the oil price crash of the last decade, where substantial financial losses were compounded by overproduction and high exploration budgets, Western firms

[87]Brookings Institution. "Oil Sectors in Politically Unstable States." Analysis cited in the context of Venezuela, 2026.
[88]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.

are cautious about investing in new exploration projects or new oil sources. ExxonMobil CEO Darren Woods, following a White House meeting on Venezuelan reinvestment, stated publicly that Venezuela was "uninvestable" under current conditions.[89] Treasury Secretary Scott Bessent has indicated that the U.S. might consequently need to rely more on smaller companies rather than the majors for reinvestment.[90]

V. Potential Corporate Entrants

Despite the formidable barriers, several companies have shown interest or are well-positioned to play a role in Venezuelan oil recovery. Currently, only Chevron stands out among U.S. oil companies in its operation within Venezuela; all other U.S. companies withdrew due to sanctions against the country, which have only recently been lifted.[91]

A. Chevron

Chevron is the only major U.S. oil company currently operating in Venezuela, doing so through joint ventures with PDVSA. Its primary Venezuelan operation, Petropiar, is a 60/40 joint venture between Venezuela's PDVSA and Chevron that once produced 100,000–140,000 bpd of extra-heavy crude oil. Chevron also contributes large minority stakes in other operations, including the Petroindependencia and Petrovictoria projects. According to Chevron Vice Chairman Mark

[89]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[90]Camila Domonoske. "The World Has Too Much Oil Right Now. Will Companies Want Venezuela's?" NPR, January 7, 2026. https://www.npr.org/2026/01/07/nx-s1-5668491/venezuela-oil-global-markets.
[91]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.

Nelson, the company expects to be able to increase its oil production in Venezuela by half, to around 360,000 bpd, within 18–24 months.[92] Chevron's president of global refining Andrew Walz highlighted that oil imports from Venezuela, specifically an oil tanker carrying 400,000 barrels of Venezuelan crude, are lowering U.S. gas prices by offering "access to a new supply point that we didn't have previously."[93]

B. ExxonMobil

As the largest oil major by market capitalization, ExxonMobil has the unique strength of being both financially and technologically capable of renewing efforts in Venezuela. Already, ExxonMobil has begun talks of re-entry with President Trump, particularly concerning sanctions relief, fiscal stability, and asset protection.[94] ExxonMobil has experience with elevating oil infrastructure from humble beginnings, as seen with the company's efforts in Guyana, where it increased oil production from near zero to levels that exceed Venezuela's current output.[95] Should clear guarantees concerning investment security and repayment be granted, ExxonMobil could become a major player in Venezuela's oil infrastructure reconstruction. However, CEO Darren

[92]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[93]"Power and Petroleum: A Journey Through Venezuela's 125-year Oil History." AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.
[94]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[95]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.

Woods has stated that the current Venezuelan market is "uninvestable," and the company would require clear guarantees of investment security and asset protection before committing.[96]

C. ConocoPhillips

ConocoPhillips is also a strong contender, mostly due to its unfinished business in Venezuela. Alongside ExxonMobil, the company lost billions of dollars worth of assets, which it subsequently used to sue Venezuela, though the vast majority of this sum has not been paid.[97] As the third-largest oil and gas company in the USA by market cap, ConocoPhillips also has the capital necessary to fund a prolonged investment in Venezuela. By using Venezuela's previously untapped oil reserves, the company could recover more of the money it lost after leaving Venezuela, rather than banking on a legal agreement that has not been honored.[98] Of course, this lack of remuneration could also be a reason for pause. The company has publicly stated that it is monitoring the Venezuela situation, but its preliminary 2026 capital guidance suggests that its investments are elsewhere, including Alaska, Southeast Asia, and other lower-risk countries.[99]

D. SLB (formerly Schlumberger)

[96]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[97]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[98]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[99]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.

SLB, formerly Schlumberger, is another crucial company to observe, being one of the last major oilfield service providers to withdraw operations in Venezuela. This withdrawal came after PDVSA failed to pay several outstanding bills.[100] SLB is in a unique position, having solid technical familiarity with Venezuela's operations. Any revitalization of Venezuela's oil would have to be in tandem with a major oilfield service provider, due to Venezuela's current rigs, wells, technology, and pipeline projects being largely nonfunctional or out of date. SLB's global portfolio shows that the company would be adept at repairing much of Venezuela's current roadblocks to restoring capacity.[101] Should President Trump's promises of billions of dollars funneled to Venezuela come to fruition, SLB will likely lead the charge to rebuild Venezuela's oil infrastructure from the ground up.[102]

E. Continental Resources

The oil company Continental Resources has also publicly indicated interest in investment if regulatory and government conditions remain stable.[103] Continental Resources' indication of

[100]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[101]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[102]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[103]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.

interest represents the type of smaller-company engagement that Treasury Secretary Bessent has suggested may need to fill the gap left by the oil majors' reluctance.[104]

F. International Companies

Aside from American oil companies, several prominent international oil companies are also looking to Venezuela as a potential source of new income. Italy's Eni holds a 50/50 joint venture with Spain's Repsol in the Perla Offshore Field; Venezuela owes Eni over $3 billion. Eni spokespersons have stated the company is "closely monitoring the evolution of the situation; at present, there are no impacts on operations, which are proceeding regularly."[105]

China has undertaken a serious investment in Venezuelan oil through China Concord Resources Corp. (CCRC), which has begun developing two Venezuelan oilfields. CCRC has signed a 20-year pact with Venezuela, planning to invest more than $1 billion to produce over 60,000 bpd by the end of 2026. This contract "allows investors to act as operators in return for an agreed share of production."[106] Notably, CCRC has no previous oil drilling experience, though the company has already sent 60 Chinese staff skilled in oilfield development to Venezuela, with the hope of

[104]Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.
[105]Reuters. "What's the Status of International Oil Companies in Venezuela after Maduro's Capture?" Energy. January 6, 2026. https://www.reuters.com/business/energy/whats-status-international-oil-companies-venezuela-after-maduros-capture-2026-01-05/.
[106]Chen Aizhu and Marianna Parraga. "Exclusive: Private Chinese Firm Producing Oil in Venezuela under Rare 20-Year Pact, Source Says." Reuters, August 24, 2025. https://www.reuters.com/business/energy/private-chinese-firm-producing-oil-venezuela-under-rare-20-year-pact-source-says-2025-08-22/.

developing 100 wells in the short term and ultimately 500 by the end of 2026. Currently, these two oilfields only produce 12,000 bpd.[107]

VI. The Production Timeline

Given the depth of Venezuela's infrastructure decay and the scope of required investment, expectations for rapid production growth are unrealistic. The consensus among analysts is that a rapid and inexpensive recovery is incredibly unlikely.[108] Experts report that Venezuela could see immediate increases in production of up to 1.3–1.4 million barrels per day within two years, roughly a 50 percent increase from current levels, if sanctions are lifted. However, Venezuela would require major investment and many years to reach its optimal production rate, with analysts suggesting that production could reach 2.5 million barrels per day over the course of a decade under stable political conditions.

Venezuela's oil production has declined dramatically over time, peaking around 3.4–3.5 million barrels per day in 1998—making Venezuela one of the world's top oil-producing countries—before declining to around 800,000–1 million barrels per day in the mid-2020s. The majority of the upgraders that process the Orinoco Belt's oil went offline between 2019 and 2021, and those that remain in service require ongoing expenditure to continue operation. These figures provide the limits within which we must analyze the potential for oil recovery: the peak in oil production in the late 1990s represents the upper limit, while the recent trough frames the scale of the challenge. Rebuilding Venezuela's oil sector is not a marginal expansion but a multi-million-

[107]Chen Aizhu and Marianna Parraga. "Exclusive: Private Chinese Firm Producing Oil in Venezuela under Rare 20-Year Pact, Source Says." Reuters, August 24, 2025. https://www.reuters.com/business/energy/private-chinese-firm-producing-oil-venezuela-under-rare-20-year-pact-source-says-2025-08-22/.
[108]Rystad Energy. Venezuela Oil Sector Analysis. Cited in multiple industry reports, 2025–2026.

barrel-per-day gap that must be closed through sustained investment, infrastructure rehabilitation, and institutional reform.

Although estimates indicate a possibility for production to increase by as much as 30–40 percent in the next 12–18 months under the right political and contractual circumstances, the Venezuelan oil industry is best described as one with huge potential but in a severely degraded condition. Venezuela's oil production is forecast to rise to 1.5 million bpd by 2035, with a potential scenario of 3.0 million bpd if political and investment conditions improve significantly.[109] Reaching Venezuela's peak production level of 3–3.5 million bpd would require the full $183 billion investment over 15–16 years.[110]

[109]U.S. Energy Information Administration. Short-Term Energy Outlook. January 2026. https://www.eia.gov/outlooks/steo/.
[110]Rystad Energy. Venezuela Oil Sector Analysis. Cited in multiple industry reports, 2025–2026.

Section VI: Policy Recommendations

It has clearly been established that the successful re-entry of Venezuelan crude into international markets will require substantial investment and expertise from American firms. The most significant barriers to reinvestment are operational constraints imposed on firms by sanctions and the firms' own willingness to deploy capital in Venezuela. Addressing operational constraints, the U.S. government has already begun facilitating reinvestment and sale by issuing several general licenses. With both the United States and Venezuela's U.S.-backed government supporting reinvestment, the greatest remaining obstacle is the unwillingness of firms to reinvest; the following policy recommendations thus aim to address this barrier by shifting financial risk from private firms to public institutions—a strategy with demonstrable precedents in U.S. energy policy history.

Recommendation 1: Refiner-Side Purchase Incentive

There is an urgent need to redirect Venezuelan heavy crude into U.S. Gulf Coast refineries that were purposely built to process heavy crude. To that end, Congress should establish a per-barrel purchase incentive for Gulf Coast refiners that process Venezuelan heavy crude through U.S.-authorized export channels. Specifically, this incentive should close the competitiveness gap with the Canadian Western Select, which is currently offered to the Gulf Coast at a roughly $12.50 discount to Brent crude, while the Venezuelan Merey-16 is offered at a discount of $6. Coupled with the fact that Canada has been a long-time reliable supplier of crude, accounting for approximately 62 percent of total U.S. crude oil imports as of 2024, this significant discount increases the competitiveness of Canadian crude supply over Venezuelan crude. A targeted

incentive of up to $8–$10 per barrel would make Venezuelan crude the economically preferred feedstock for Gulf Coast refineries.

This incentive should phase out automatically as Venezuelan production scales and the discount widens naturally, ensuring that it functions as a bridge mechanism rather than a permanent subsidy. The phasing out is realistic: currently, the refinery capacity to process more Venezuelan crude exists, with PADD refiners capable of absorbing an additional 300,000 to 400,000 barrels per day without new capital investment.

A notable precedent for this type of mechanism is the Section 29 Unconventional Fuels Production Tax Credit, a provision of the 1980 Windfall Profits Tax Act, enacted in response to energy shortages and concerns about U.S. dependence on foreign oil. Aiming to encourage oil and gas production from inexpensive, unconventional sources, Congress granted a $0.50 tax credit per thousand cubic feet of gas produced from unconventional sources such as shale, tight formations, and coal beds. This government risk subsidy increased the production of unconventional gas by more than threefold from 1980 to 2002 and directly enabled the shale revolution, which transformed the United States into the world's top oil and gas producer. Executives at fracking pioneer Mitchell Energy expressly acknowledge the federal non-conventional gas tax credit as enabling the firm's early experimentation.

Recommendation 2: Producer-Side Manufacturing Tax Credit

Restoring Venezuela's production capacity from its current 800,000 barrels per day to 3.5 million barrels per day requires significant capital, technological, and financial investment. The Trump administration must provide private investors with the financial certainty required to commit the $100 billion that it requests to rebuild Venezuela's oil infrastructure. Currently, Venezuelan heavy

crude from the Orinoco Belt is estimated to carry an average break-even cost exceeding $80 per barrel, driven up by the expense of imported diluents required, decaying infrastructure, chronic shortages of skilled labor, and the use of specialized equipment. Investors require a reduction in the effective cost of production itself.

To that end, Congress should establish a tax credit allowing U.S. firms operating in Venezuela to deduct 30 percent of every dollar of capital expenditure from their federal tax liability. This tax credit references the Section 48C Advanced Manufacturing Credit, a proven, competitive tax credit mechanism that provides up to a 30 percent investment tax credit for qualifying energy projects that mobilize private capital into high-risk industrial environments. By lowering the break-even from over $80 toward the $55–$60 range—more in line with Canadian heavy crude projects—this tax credit makes Venezuelan investment more commercially viable. Eligibility for the tax credit should be evaluated based on independent auditing and certification that all operations flow through U.S.-authorized export channels. This will be an essential government investment to incentivize private projects; current estimates list $30–$35 billion in international capital required within the next two to three years to stabilize Venezuelan production.[111]

Recommendation 3: Political Risk Insurance and Government-Backed Financial Support

The government can further incentivize the reinvestment requisite to Venezuelan re-entry into global oil markets by issuing government-backed loan guarantees and insurance, likely through the Export-Import Bank (EXIM), Development Finance Corp (DFC), and Overseas Private Investment Corporation (OPIC)-style political risk insurance. EXIM assumes credit and country

[111]Rystad Energy. Venezuela Oil Sector Analysis. Cited in multiple industry reports, 2025–2026.

risks that the private sector is unwilling to accept, backstopping U.S. firms operating abroad and providing financing when private-sector lenders do not. Enacting provisions that would allow EXIM to compensate U.S. oil majors for a portion of potential losses would reduce the perceived risk of operating in Venezuela, encouraging reinvestment. The DFC mobilizes private capital by covering losses from political instability, providing loan guarantees, and issuing direct loans for investments in emerging markets. These measures absorb political and financial risk, facilitating the entry of private capital into high-risk or underdeveloped markets that would otherwise be unlikely to attract investment.

DFC or EXIM support can thus provide the justification for U.S. firms to invest in Venezuelan oil. Such political risk insurance would address the reservations of U.S. industry executives, who report being most concerned with ensuring the safety of employees and equipment that would be sent to Venezuela, the payment logistics, the status of Venezuela's OPEC membership, and whether oil prices will rise to a level that would make Venezuelan crude profitable. According to Richard Goldberg, former leader of the White House's National Energy Dominance Council, the Trump administration could use incentives such as the Export-Import Bank and the U.S. International Development Finance Corp. underwriting investments; these bodies promising to cover a portion of losses would reduce financial risk, making oil majors more apt to reinvest.

An example of political risk insurance being used successfully in the past is the 2018 "Partnership to Power the Americas," a joint commitment between OPIC and the U.S. Department of Energy. With the goal of supporting American firms operating in Latin America, the two organizations committed $1 billion USD towards investment in Mexico's energy sector. Similarly, OPIC approved $300 million USD to encourage investment in Argentina's oil and gas industries in 2019; like in Venezuela, firms were reluctant to invest largely due to concerns over political instability

and the country's history of resource nationalism. OPIC is historically committed to supporting energy development, with Latin America specifically being a key area of its focus; the region comprises nearly a quarter of OPIC's $23.2 billion USD portfolio. The organization supports firms operating abroad by providing financing, political risk insurance, and investment support when commercial funding is otherwise unobtainable.

Cross-Cutting Recommendation: Phased Investment with Political Conditionality

All of the above recommendations should be structured with explicit political conditionality—phased, verifiable benchmarks that ensure economic engagement accompanies rather than substitutes for political progress. In the first couple of years, priority should be given to establishing a stable, effective policy and legal foundation capable of attracting international investment. This calls for credible guarantees against exploitation, backed by enacted legislation and international legal oversight mechanisms or third-party enforcement agreements. At the same time, the U.S. and its multilateral institutions should support this legislation.

In years two to four, a focus on rehabilitating infrastructure and restoring operational capacity is essential. During this period, joint ventures with international oil companies should become a focal point, concentrating on brownfield projects—the rehabilitation of retired oilfields, pipelines, and refineries—that can deliver faster returns than costly new developments. In the third phase, the oil sector should shift its focus from recovery to expansion and integration into global markets. Establishing reliable export protocols and revenue repatriation becomes necessary to sustaining investor confidence and facilitating long-term contracts. Environmental, social, and governance considerations should also come to the forefront, with investments in emission reduction technologies making the process more sustainable. Long term, the focus should emphasize the

values of sustainability and resilience through treaties and institutional safeguards that secure reforms and protect against future policy reversals; by this stage, the workforce should be local and highly skilled.

Investment should be conditional on verifiable political reforms: free and fair elections monitored by international observers, strengthened democratic institutions, and measurable anti-corruption efforts. A clearly defined sanctions-for-reform framework should be established, ensuring that economic engagement only occurs alongside political progress.

Conclusion

Venezuela's oil sector represents one of the most consequential and complex reinvestment challenges in the contemporary energy landscape. The country holds the world's largest proven petroleum reserves—an asset base with an estimated gross in-ground value of $18 to $45 trillion—yet produces fewer than one million barrels per day due to decades of mismanagement, political authoritarianism, infrastructure decay, and international isolation. The Venezuelan Oil Crisis demonstrates how extreme dependence on a single export commodity combined with weak institutions and political authoritarianism can trigger economic collapse that escalates into humanitarian and geopolitical crisis.

The forced removal of President Maduro in January 2026 has opened a narrow but significant window of opportunity. The Trump administration has moved aggressively to seize it, issuing a series of general licenses, easing select sanctions, directing Venezuelan oil revenues through U.S.-controlled Treasury accounts, and pressuring major American oil firms to commit billions to reconstruction. Venezuela's interim government has cooperated, reversing Chávez-era nationalization mandates and granting expanded foreign equity ownership for the first time in two decades.

Yet the barriers to Venezuela's re-entry into global oil markets at scale remain formidable. Political instability, unresolved arbitration claims worth tens of billions of dollars, infrastructure that would cost $183 billion and over 15 years to fully restore, a severe human capital deficit, unfavorable oil market conditions with global prices near or below Venezuelan break-even costs, and the inherent technical demands of ultra-heavy crude all combine to make immediate large-scale corporate commitment unlikely without targeted government support.

The geopolitical stakes are high. Venezuela's re-entry, orchestrated by the United States, will redirect crude previously flowing to China and other BRICS nations into American refineries, strengthening U.S. energy dominance and countering BRICS de-dollarization strategies. U.S. Gulf Coast refineries—specifically designed to process heavy crude, currently underutilized due to the domestic shale revolution's lighter output—are uniquely positioned to benefit. The match between U.S. refinery capabilities and Venezuelan crude chemistry is a structural advantage that no other buyer can replicate at comparable scale.

The policy recommendations in this monograph—a refiner-side purchase incentive, a producer-side manufacturing tax credit, and government-backed political risk insurance, all modeled on proven U.S. precedents and paired with phased political conditionality—offer a pathway to unlocking Venezuela's strategic value while managing the substantial risks that investment in the country's oil sector entails. Venezuela's future stability will depend on whether the country can diversify its economy, rebuild institutional management, and restore citizens' confidence in its energy sector through structural reform. At the international level, tensions with the United States and other nations will continue shaping Venezuela's trajectory, while diplomatic strain will raise questions about sovereignty and international law that will persist for years to come.

Bibliography

EBSCO Research Starters. “Oil Is Discovered in Venezuela.” n.d. https://www.ebsco.com/research-starters/history/oil-discovered-venezuela.

“Power and Petroleum: A Journey Through Venezuela’s 125-year Oil History.” AAPG Explorer, February 4, 2026. https://www.aapg.org/news-and-media/details/explorer/articleid/69463/power-petroleum.

Timothy Gardner. “Exclusive: US Authorizes US Diluent Supply to Venezuela Oil Sector.” Reuters, February 3, 2026. https://www.reuters.com/business/energy/us-treasury-issues-license-authorizing-us-diluent-supply-venezuela-official-says-2026-02-03/.

Incorrys. Venezuela Diluent Requirements Report. 2025.

Camila Domonoske. “The World Has Too Much Oil Right Now. Will Companies Want Venezuela’s?” NPR, January 7, 2026. https://www.npr.org/2026/01/07/nx-s1-5668491/venezuela-oil-global-markets.

American Fuel & Petrochemical Manufacturers. U.S. Refining Industry Report. Washington, DC: AFPM, 2024.

U.S. Energy Information Administration. Short-Term Energy Outlook. January 2026. https://www.eia.gov/outlooks/steo/.

U.S. Department of Energy. Venezuela Energy Investment Statement. January 2026.

U.S. Treasury, Office of Foreign Assets Control. Venezuela General License No. 46. January 29, 2026.

U.S. Treasury, Office of Foreign Assets Control. Venezuela General License No. 48. February 10, 2026.

U.S. Treasury, Office of Foreign Assets Control. Venezuela General License No. 49 and No. 50. February 13, 2026.

Washington Post. “First Venezuelan Oil Sales Conducted Through Traders with Histories of Corruption.” January 29, 2026.

New York Times. “Venezuela Gains Mining Access Under U.S.-Backed Deal.” March 5, 2026. https://www.nytimes.com/2026/03/05/world/americas/venezuela-mining-access-burgum.html.

Reuters. “What’s the Status of International Oil Companies in Venezuela after Maduro’s Capture?” Energy. January 6, 2026. https://www.reuters.com/business/energy/whats-status-international-oil-companies-venezuela-after-maduros-capture-2026-01-05/.

Gold Glove Consulting. Public Opinion Survey in Venezuela. January 2026.

U.S. Energy Information Administration. Crude Oil Production Data. Q1 2025.

Goldman Sachs. Commodities Research: Venezuela Oil Outlook. January 2026.

BMO Capital Markets. Randy Ollenberger commentary on Canadian heavy crude and pipeline diversification. 2026.

Forbes. “Venezuela’s Oil Reserves: Scale and Global Impact.” 2026.

Kayrros. Satellite Analysis of Venezuelan Oil Infrastructure. 2025.

Rystad Energy. Venezuela Oil Sector Analysis. Cited in multiple industry reports, 2025–2026.

Morgan Stanley. Venezuela Investment Research Note. January 2026.

Wood Mackenzie. Venezuela Oil Sector Outlook. 2025–2026.

JPMorgan Chase. Venezuela Oil Sector Research Note. January 2026.

Blackridge Research & Consulting. "Top 5 US Oil Companies Set to Re-Enter Venezuela in 2026." Accessed March 10, 2026. https://www.blackridgeresearch.com/blog/latest-list-of-top-oil-and-gas-companies-usa-in-venezuela.

Executive Order 14373. "Safeguarding Venezuelan Oil Revenue for the Good of the American and Venezuelan People." January 9, 2026.

Bipartisan Policy Center. "Venezuela's Oil Sector: Investment Risks and Opportunities." Washington, DC: Bipartisan Policy Center, 2026.

Brookings Institution. "Oil Sectors in Politically Unstable States." Analysis cited in the context of Venezuela, 2026.

Chen Aizhu and Marianna Parraga. "Exclusive: Private Chinese Firm Producing Oil in Venezuela under Rare 20-Year Pact, Source Says." Reuters, August 24, 2025. https://www.reuters.com/business/energy/private-chinese-firm-producing-oil-venezuela-under-rare-20-year-pact-source-says-2025-08-22/.