

Venezuela Oil Sector: Context for Recent Developments

January 9, 2026

On January 3, 2026, the U.S. military executed a mission culminating in the arrest of President Nicolás Maduro (2013-2026). On January 6, [President Trump announced](#) that the United States would sell 30-50 million barrels of seized Venezuelan oil; on January 7, the [Department of Energy announced](#) that Energy Secretary Wright was working with “the Interim Venezuelan Authorities” to execute the sale and to modernize Venezuela’s energy sector. [Secretary of State Rubio reportedly noted](#) that an Administration focus is limiting the involvement of U.S. foreign adversaries. Venezuela’s vice president and oil minister, Delcy Rodríguez, has assumed the role of acting president.

Venezuela’s oil sector declined over decades. When Maduro’s predecessor, Hugo Chávez, took office in 1999, Venezuela’s crude oil production was [approximately 3 million barrels per day \(mbd\)](#). When he died in 2013, production was 2.7 mbd. During Maduro’s presidency, crude production declined further, dropping below 0.5 mbd in 2020 before rising again; by August 2025, it was just above 1.0 mbd.

For more information on the military action and subsequent events, the Venezuelan oil industry, and U.S. sanctions, see the following CRS products:

- CRS Insight IN12618, *U.S. Capture of Venezuela’s Nicolás Maduro: Considerations for Congress*
- CRS Report R44841, *Venezuela: Background and U.S. Relations*
- CRS Report R46213, *Oil Market Effects from U.S. Economic Sanctions: Iran, Russia, Venezuela*

Crude Oil Reserves and Production

Venezuela is estimated to have some of the world’s largest proved crude oil reserves ([defined by the Energy Information Administration \[EIA\]](#) as oil that can be recovered “under existing economic and operating conditions”). Venezuela has as much as [300 billion barrels of proved reserves](#). Using data from the Venezuela state oil company, Petróleos de Venezuela S.A. (PDVSA), the [U.S. Geological Survey estimated](#) in 2009 a range of 380 to 652 billion barrels of technically recoverable (neglecting economic conditions) resources, mostly in the Orinoco Belt (**Figure 1**).

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Figure 1. USGS Orinoco Belt Assessment Unit

Source: U.S. Geological Survey, *An Estimate of Recoverable Heavy Oil Resources of the Orinoco Belt, Venezuela*, Fact Sheet 2009-3028, October 2009.

Due to a range of factors, including corruption, mismanagement, and [U.S. sanctions](#), Venezuelan crude production declined to [less than 1 mbd in March 2019](#). Production has increased from a low in September 2020, passing above 1 mbd in May 2025 and continuing to rise through August 2025 (the most recent month for which data are available). See **Figure 2**.

Figure 2. Venezuelan Crude Oil Production

Monthly production in million barrels per day (mbd), January 1999-August 2025



Source: U.S. Energy Information Administration, *International Energy Data Browser*, <https://www.eia.gov/international/data/world/petroleum-and-other-liquids/monthly-petroleum-and-other-liquids-production>.

Whether this upward trend will continue is unclear. The Trump Administration and other stakeholders are interested in U.S. companies revitalizing oil production in Venezuela. However, many analysts have [questioned how quickly production could be expanded](#), given uncertainty about the political and economic climate and the condition of Venezuelan infrastructure. Initially, the focus for the sector may be on selling oil that has already been produced and is in storage.

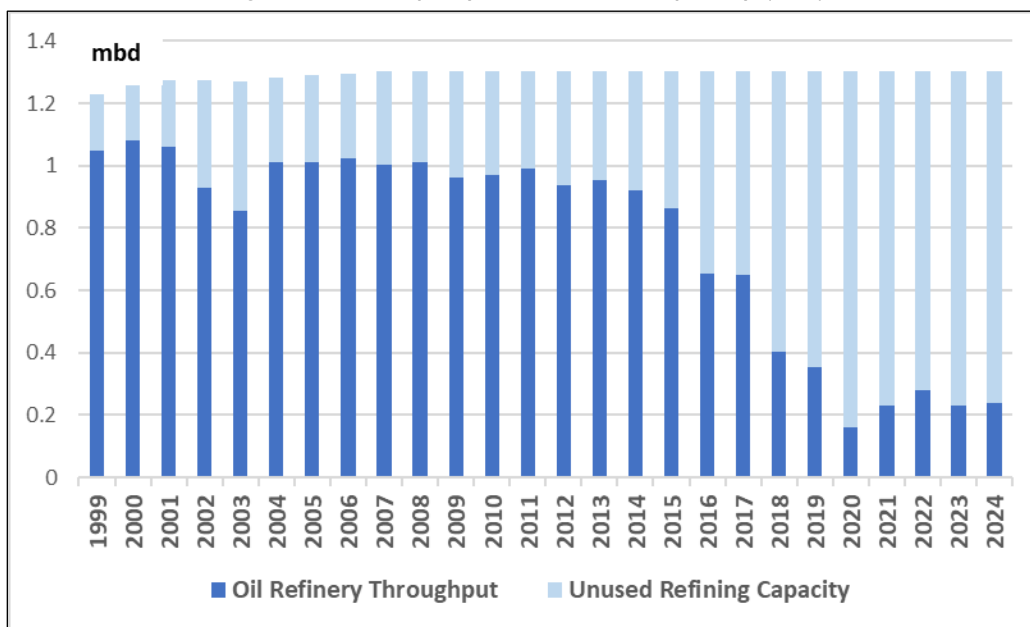
Chevron is the only major U.S. oil company operating in Venezuela; ExxonMobil and ConocoPhillips withdrew from the country after refusing to accept new contract terms with the Chávez government in 2007. Venezuela had demanded that the companies give PDVSA a controlling stake in their projects. Subsequently, Venezuela seized the companies' assets, and the companies have [sought compensation](#). How new arrangements would address prior claims, as well as ownership structures and compensation going forward, are some of the questions that may need to be addressed.

Petroleum Refining

As with oil production, refining in Venezuela [decreased significantly in the late 2010s](#), rebounding somewhat after 2020 (**Figure 3**). Much of this decline, which has been attributed to [mismanagement and poor maintenance](#), has limited PDVSA's ability to supply fuel for domestic demand, leading at times to [gasoline shortages](#).

Figure 3. Venezuelan Crude Oil Refining Throughput and Unused Capacity

Annual refining and unused capacity in million barrels per day (mbd), 1999-2024



Source: Energy Institute, *2025 Statistical Review of World Energy*, pp. 31-32, <https://www.energyinst.org/statistical-review>.

Notes: Unused capacity is the difference between refinery throughput and nameplate refining capacity. It is unclear whether Venezuelan refineries would be able to operate at or near nameplate capacity without significant investments and maintenance.

Venezuelan crude oil is generally heavier, requiring more complex and expensive refining. However, U.S. refiners, particularly those operating along the Gulf Coast, have extensive experience in refining heavier crude oils—many made investments in the 1980s to [refine heavy crude from Venezuela and Mexico](#). As Venezuelan exports declined, U.S. refineries shifted to heavy crude from Canada. Gulf Coast refiners' technical experience, technology, and access to key supplies (including diluents and other chemicals) may be useful in redeveloping Venezuelan refining.

Considerations for Expanding the Oil Sector

U.S. companies may be interested in playing a larger role in the Venezuelan oil sector, if questions about the country's governance, finance, safety, and security are resolved. Assuming that is the case, other considerations may need to be addressed, including, but not limited to:

- In early 2026, [spot prices for international benchmark \(Brent\) crude oil](#) were at or near a four-year low. Current and expected future crude oil prices will directly affect investment decisions.
- Recent world crude production has outpaced demand. [EIA estimates](#) that supply exceeded demand by roughly 1 mbd in 2025, a gap projected to grow to 2 mbd in 2026. Oversupply tends to depress prices.
- Contract terms for future projects, and treatment of existing projects and prior claims, will likely influence companies' decisions. Duration and security of contracts will likely also be factors.

- U.S. policy questions include whether current sanctions on oil companies and others investing in the country (e.g., banks, insurers) are eased or eliminated; whether U.S. investments are incentivized (e.g., through tax incentives or loans); whether the United States supports demand for Venezuelan crude or refined products (e.g., through market demand, purchase guarantees, or other incentives); and the structure of a U.S.-Venezuela deal and the treatment of proceeds.
- Congressional action could take many forms, including oversight of actions taken by the Administration on its own authority, authorizations of new or expanded programs to address selected concerns, and appropriations to support or limit U.S. actions in Venezuela.

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