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Venezuela's Natural Gas: Opportunity Knocks?

The capture and arrest of Venezuelan President Nicolás Maduro on January 3, 2026, and the formation of an interim government working with U.S. officials have renewed possibilities for developing Venezuela's hydrocarbons. Following Maduro's arrest, President Trump asserted that Maduro's vice president and oil minister, Delcy Rodríguez, who is under U.S. sanctions for corruption, appeared willing to work with the United States as interim president. On February 11, Secretary of Energy Chris Wright visited Venezuela to survey oil and gas infrastructure and meet with Interim President Rodríguez. Although much of the Trump Administration's focus has been on Venezuela's oil resources, the country also has significant natural gas reserves that have been relatively untapped.

Historically, Venezuela's ability to develop its natural gas resources has been limited by a lack of expertise, equipment, and financial capital within Petróleos de Venezuela (PdVSA), the state oil and gas company. U.S. sanctions on the authoritarian Maduro government and PdVSA in particular since 2019 also may have contributed to the country's relative underdevelopment of its natural gas sector in recent years.

On January 29, 2026, Venezuela enacted and published the Law Amending the Organic Hydrocarbons Law. The revised law included changes to the regulatory framework for exploration, extraction, transportation, refining, and marketing of hydrocarbons, among other things. According to the *National Law Review*, the law opens up new forms of private participation in oil and gas development, lowers and caps taxes and royalties, and provides access to international dispute arbitration. The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) has since issued about a half dozen General Licenses (GLs) related to the oil and natural gas sector in Venezuela. A common provision in the GLs is that they provide that U.S. law has jurisdiction over Venezuelan oil and gas activities.

Venezuela's Natural Gas Potential

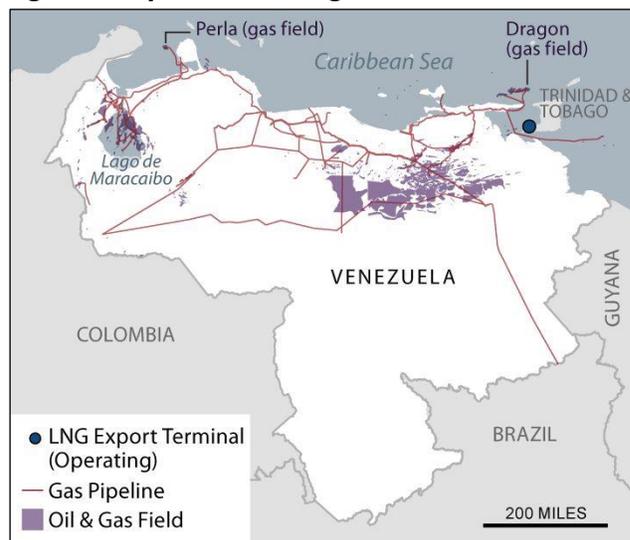
Venezuela has vast natural gas reserves, estimated at 5,500 billion cubic meters (BCM), the seventh largest in the world. Two major European oil and natural gas companies, ENI of Italy and Repsol of Spain, have been working in Venezuela since the 1990s and eventually began producing natural gas primarily for domestic use. The Perla gas field joint venture between ENI, Repsol, and PdVSA, located in northwestern Venezuela (see **Figure 1**), is producing approximately 3.1 BCM a year of natural gas. This is not a lot of gas compared to the major U.S. production areas, but it is enough to export. (For comparison, the Marcellus field in Pennsylvania produced 23 BCM for the month of November.) Venezuelan gas production could be increased

if the necessary conditions, such as government reforms and U.S. licenses, continue to be put in place.

Getting a license from the U.S. Treasury Department is a necessary step toward exporting natural gas from Venezuela for all companies. However, developing the natural gas resources and increasing production may require legislative and regulatory reform in Venezuela, as well as significant time, investment, and infrastructure, including pipelines.

If new pipeline capacity were built in the region, there could be an opportunity to export Venezuelan natural gas via Trinidad and Tobago. Trinidad and Tobago has been a liquefied natural gas (LNG) exporting country since 1999 and has a partially idled LNG export terminal on the island of Trinidad, which could become fully operational if additional natural gas were supplied. Exporting natural gas via Trinidad's existing LNG terminal would allow Venezuela to reach global LNG markets relatively quickly.

Figure 1. Key Venezuela Regional Natural Gas Assets

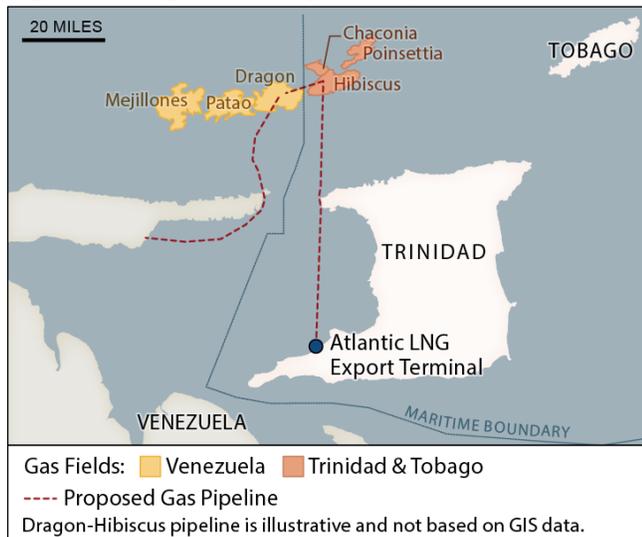


Source: Compiled by CRS using IHS 2019 data and 2017 Department of State data.

The Dragon natural gas field in Venezuela (see **Figure 2**) is currently not in production and would require additional development to start production. According to Shell, the Dutch/UK company, it would take about three years to start the gas flowing from Dragon to Trinidad's export terminal. The Dragon field is located about nine miles from Trinidad's Hibiscus natural gas platform. Industry analysts estimate that the Dragon field could be producing approximately 1.5 BCM per year two years after it becomes operational. Additionally, there are likely other gas fields in the area of Dragon, in both Venezuela and Trinidad and Tobago, that could provide future production.

In January 2023, Trinidad and Tobago and Atlantic LNG, the project company (which includes Shell as an owner and operator), reportedly received a two-year license from the U.S. Treasury Department to engage with Venezuela on developing the Dragon field. Although the license Trinidad and Tobago reportedly did not authorize cash payments for the resources, it did authorize the provision of humanitarian supplies to Venezuela as payment. This license was canceled in May 2025, but a new one was reportedly issued in October to enable negotiations on how to develop the field. According to media reports, in mid-February, Shell was granted approval by OFAC to resume oil and gas operations. The company expects a new license in the third quarter of 2026.

Figure 2. Dragon Field Export Project Rendition



Source: Compiled by CRS from the 2019 IHS database and the 2023 Sovereign Limits database. Boundaries and country areas use U.S. State Department information.

Venezuela's neighbor, Colombia, has addressed a shortage of domestic natural gas production with LNG imports. According to the press, the country's energy company, Ecopetrol, has expressed interest in repairing a pipeline from Venezuela to Colombia should such a project be granted a license or should U.S. sanctions on Venezuela be lifted. Such a project could be significantly less expensive than Colombia's current strategy of importing LNG.

Venezuela also flares (burns natural gas that cannot be captured) a large amount of natural gas. About 80% of Venezuela's natural gas production is associated with its oil production as an oil drilling by-product, produced whether or not there is a market or infrastructure for it. If this natural gas could be captured, it could be exported as well. Utilizing Venezuela's natural gas more fully may help reduce its emissions of methane, a potent greenhouse gas.

More Gas Resources Than Production

Although Venezuela is an important player in global oil markets, it has not been for natural gas. Venezuela has generally been self-sufficient in natural gas for decades, producing all the natural gas it consumes, but never exporting it. Between 2007 and 2015, Venezuela imported small volumes of natural gas from Colombia to meet its

needs in parts of the country it could not supply itself. Those imports ceased in 2016. Notwithstanding its lack of exports, Venezuela is a member of the Gas Exporting Countries Forum, a nascent cartel referred to as "Gas OPEC," a reference to the oil cartel.

Venezuela has enough natural gas, at its current production rate, to last over 200 years. If Venezuela were to produce at the same rate, proportionally, as the United States, its annual production would be about 367 BCM, compared to about 24 BCM currently. At the higher rate, it would have available a large amount of natural gas for export, if domestic consumption did not rise to the same level as production. It could also be a new revenue source for Venezuela.

U.S. Policy and Natural Gas Context

Since 2022, the Biden and second Trump Administrations have issued different types of licenses to control which companies are permitted to operate in Venezuela and under what circumstances. In November 2022, the Treasury Department issued a license to allow U.S. oil and gas company Chevron to conduct business with PdVSA as an incentive for Maduro to permit presidential elections in 2024. Chevron resumed shipments from Venezuela to the United States and recouped some of the billions in debt PdVSA owes the company. Licenses were subsequently granted for Repsol, ENI, and other companies to operate.

In March 2025, OFAC amended Chevron's GL to require the company to wind down operations in Venezuela. Licenses that had allowed other companies to operate in Venezuela mostly expired. In July 2025, U.S. Treasury reportedly issued a license allowing Chevron's joint ventures to resume operations but prohibiting them from making cash payments to the Venezuelan government.

On January 6, 2026, three days after Maduro's capture, President Trump stated that Venezuelan officials would turn over "sanctioned oil." According to a U.S.-Venezuela energy deal announced in tandem, the United States would market and sell Venezuelan oil, deposit proceeds into "U.S.-controlled" accounts, and disburse such funds for the benefit of the American and Venezuelan people. While many Members of Congress are focused on U.S. involvement in Venezuela's oil sector, Congress may consider requesting more information about any additional plans to grant sanctions relief to Venezuela in the natural gas sphere and then either encourage or discourage such actions. Secretary Wright, in his remarks in Caracas in February 2026, emphasized that the United States and Venezuela can drive a dramatic increase in natural gas production this year.

See CRS In Focus IF10715, *Venezuela: Overview of U.S. Sanctions Policy*; and CRS Insight IN12637, *Venezuela Oil Sector: Context for Recent Developments*.

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