

# The Petroleum Protector: U.S. Control of Venezuela's Reserves

January 5, 2026

## Operation Absolute Resolve

The opening days of 2026 have delivered a fundamental realignment of the global energy order. On January 3, 2026, Venezuelan dictator Nicolas Maduro and his wife were captured by U.S. forces. They were then flown to New York to face federal narco-terrorism charges, allowing the Trump administration to frame the invasion as a “law enforcement action” rather than as an act of war, which requires approval from Congress. Questionable legality aside, the sheer scale of the operation was undeniable. By the time the dust settled on a 150-aircraft bombardment and a high-stakes Delta Force raid on Fort Tiuna, the Venezuelan regime had been decapitated in hours.

In the wake of Maduro's capture, the Trump administration has signaled a geopolitical pivot without modern precedent, openly seeking to take control of Venezuela's 303 billion barrels, the **world's largest proven oil reserves**. While Venezuela holds the world's largest proven reserves, these assets are **geologically present but operationally stranded**. They do not represent a "ready-to-flow" supply that can immediately impact global markets. Decades of systemic underinvestment, technical degradation of the Orinoco Belt's heavy-crude upgraders, and the flight of skilled labor mean that any meaningful recovery is a long-term project.

By declaring a temporary mandate to oversee Venezuela's transition, the federal government is attempting to bring the nation's 303 billion barrels under a Western-aligned framework, initiating a strategic foreclosure on Eastern influence in the hemisphere. While the oil remains a sovereign Venezuelan resource, this model aims to ensure that these assets are no longer used to fund Russia's and China's interests, but are instead integrated into a **U.S.-led energy security strategy**.

## The New Monroe Doctrine: Energy as a Weapon of Exclusion

The Monroe Doctrine, first articulated in 1823, established the western hemisphere as an exclusive U.S. sphere of influence, warning European powers that any intervention in the Americas would be viewed as a hostile act against the United States. In 2026, the Trump administration revived this policy with the primary objective of strategically excluding Russia and China from South America's most critical resource nodes. The U.S. is not just removing a dictator from power and changing the country's national regime; it is **physically evicting the East from its most significant foothold in the West.**

For over a decade, China and Russia utilized Venezuela as a geopolitical Trojan Horse. Beijing used \$60 billion in 'loans-for-oil' swaps to secure long-term energy flows and infrastructure control, while Moscow used the country as a base for intelligence gathering and a hub for its fleet of tankers to bypass global sanctions. By taking technical control of Venezuela's oil reserves, the U.S. ensures that no Venezuelan crude can be laundered through Russian or Iranian networks to feed China's economy.

While the operation faces significant legal scrutiny on the world stage, it has been met with heavy support from many Venezuelans who endured years of systemic injustice and humanitarian crisis under the Maduro regime. However, the path forward for Venezuela remains uncertain. Although the U.S. has signaled a receivership over the nation's 303 billion barrels of oil, the transition of power is far from settled. Vice President Delcy Rodriguez has been sworn in as acting president by the Venezuelan Supreme Court, where she has denounced the U.S. intervention as "barbaric." Whether this results in a genuine regime change or a prolonged diplomatic standoff, the implications are massive: the U.S. has effectively declared the Western Hemisphere closed to Russian and Chinese influence, a move that will reshape the global economy for the foreseeable future.

# Bruin Reserve Bank Macro Team

**Terrence Yu** Research Lead [terrenceyu@g.ucla.edu](mailto:terrenceyu@g.ucla.edu)

**Sofia Sheremet** Editorial Team

**Nicole Pasternak** Editorial Team

**Dhru Goud** Senior Analyst [dsgoud@g.ucla.edu](mailto:dsgoud@g.ucla.edu)

**Ronojoy Borpujari** Analyst [ronojoyb19@gmail.com](mailto:ronojoyb19@gmail.com)

**Diego Perdomo** Analyst [diegoperdomo@g.ucla.edu](mailto:diegoperdomo@g.ucla.edu)

**Nirvaan Singla** Analyst [nirvaan4871@g.ucla.edu](mailto:nirvaan4871@g.ucla.edu)

**Madelyn Goforth** Analyst [madelynegoforth@g.ucla.edu](mailto:madelynegoforth@g.ucla.edu)

**Atul Prasanth** Analyst

**Sahil Shah** Analyst

**Eric Lee** Analyst

**Nathan Gong** Analyst



