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Venezuela takes over two oil fields

By: Aljazeera on: 04.04.2006 [07:26] (318 reads)

(2691 bytes) [c]

Venezuela takes over two oil fields

Tuesday 04 April 2006, 0:11 Makka Time, 21:11 GMT

Chavez wants to draw more revenue from foreign oil majors

Hugo Chavez, Venezuela's president, has tightened his grip on the country's energy resources, following through on threats to punish international companies that resist government control of the nation's oil fields.

On Monday, Rafael Ramirez, the oil minister, said Venezuela seized two oil fields from France's Total SA and Italy's Eni SpA after the companies failed to comply with a government demand that operations be turned over to state oil company Petroleos de Venezuela SA, or PDVSA. He said: "Those two companies resisted adjusting to our laws. Those fields return to total, absolute control by Petroleos de Venezuela."

Until PDVSA took control of the oil fields on Saturday, Total and Eni had operated them under contract. Some other companies, including Exxon Mobil Corp, decided to sell their stakes among the 32 Venezuelan oil properties rather than go along with the new terms.

Ramirez, asked if companies that resist will be forced out of Venezuela, replied: "We don't have a veto against any company here."

"Companies that don't adjust to our laws, we don't want them to continue in the country."

More revenue

Venezuela's weekend seizures were the first as part of Chavez's effort to draw more revenue from companies pumping crude in the South American country.

Private oil companies had run 32 oil fields in Venezuela independently under contract with the government. But Venezuela demanded last year those contracts be changed into so-called "mixed company" joint ventures that give PDVSA a minimum 60% stake.

Ramirez: We don't want players who don't adjust to our laws

Venezuela has been emboldened to take a harder line due to rising oil prices, political instability in the Middle East and Nigeria, and new buyers in Asia.

Light sweet crude for May delivery was up 42 cents to \$67.05 a barrel on Monday afternoon on the New York Mercantile Exchange.

Ramirez said 20 companies, including Spanish-Argentine Repsol YPF, Royal Dutch Shell PLC and China National Petroleum, representing 25 oil fields have signed on to the new legal framework to create joint ventures.

Another five oil fields were voluntarily returned to PDVSA after companies with stakes decided to turn them over rather than operate them as joint ventures.

Ramirez declined to say if those companies, which include Repsol and Japan's Teikoku Oil Co, would be compensated financially.

AP

<http://english.aljazeera.net/NR/exeres/692176D3-2F6D-4333-8CEF-E697B94A32C8.htm>

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France and Italy will not be happy
by Mike-Malaysia on 04.04.2006 [08:13]

I wonder what (if anything) they will do as a result?

Seizures?.....
by EnglishWorkingclassDissident. on 04.04.2006 [08:19]

RECLAIMING ONES PROPERTY.

Connptions?
by hellsbells on 04.04.2006 [09:41]

yankees will have a few, several even.

Connptions.....
by EnglishWorkingclassDissident. on 04.04.2006 [11:15]

Great word, I love learning new words.....meaning in working class parlance, blowing a fucking gasket.

@MM
by BravoTango on 04.04.2006 [11:48]

Chirac had said France prepared to use nuclear weapons to protect France's interest. Might be this is what he meant.

This is similar to what Mossadegh did.
by Iranian-Shi'ite on 04.04.2006 [12:31]

Chavez' actions are similar to what Mossadegh did in Iran circa 1950.

Be careful Chavez.

BravoTango
by Mike-Malaysia on 04.04.2006 [13:04]

yes. i remember Chirac saying that. It was quite peculiar, almost as if he had recieved a specific threat through private channels, cos to the outside world, it came out of the blue.

But I seem to recall chirac mentioned it in context to a country using WMD against France.

extract:

On Thursday, Chirac for the first time raised the threat of a nuclear strike on any state that launches "terrorist" attacks against France. iraqwar.mirror-world.ru/article/77502

but still, Chiracs ambiguity means its hard to tell in this case.

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