**WHO'S THE BIG CHEF IN KANSAS CITY? ELEMENTARY: IT'S WATSON**

Quarterback Deshaun Watson gets a bear hug from center Nick Martin (66) after Watson scored on a 3-yard run late in the fourth quarter to lift the Texans over the Chiefs 32-31 in Kansas City. Mr. Watson led the Texans back from a 14-3 first-quarter deficit, throwing for two more scores in a signature road win. Complete coverage, page C6.

**EXEC RUSIAN, CHINESE TAKEOVER OF VAST PROVEN OIL RESERVES IF US COMPANIES LEAVE**

By Sergio Chapa

**Staple Writer**

Frequent power outages, theft of equipment, a political logjam in London and war and billions of dollars in losses would seem to signal to busi- ness that it’s time to get out of Venezuela. But energy companies with headquarters or major opera- tions in Houston — including the oil major Chevron and oil field services firms Schlumberger, Halliburton, Baker Hughes and Weatherford — are instead scram- bling to stay in the country’s South American continent, press- ing the Trump administration to renew waivers from US sanc- tions that expire in less than two weeks and allow them to contin- ue operating there.

Despite difficult and deterior- ating conditions, the companies are trying to maintain business connections and access to the world’s largest proven oil re- serves, which hold a valuable type of heavy crude that is prized by refiners and easily converted into conventional and less expen- sive forms of drilling. With the Russian oil company Rosneft and China National Petroleum Corp. making an aggressive push at the invitation of Venezuelan Pres- ident Nicolas Maduro, energy ex- perts and analysts fear that the Russians and Chinese would dominate the Venezuelan oil mar- ket if the American companies leave.

“From the perspective of the United States,” said Francisco Mondal, a Latin America energy expert with Rice University’s Baker Institute, “Venezuela continues on A3.”

**ENRICHMEN IN STAY IN VENEZUELA**

Energy companies are staying in Venezuela. Execs fear Russian, Chinese takeover of vast proven oil reserves if US companies leave.

By Todd Ackerman

**Staple Writer**

One in five Harris County residents rates their health as poor or fair, double the U.S. average and no better than nearly a decade ago, according to a University of Texas survey. The survey, which provides a snapshot of health disparities across 38 county communities, found the worse health assess- ments in Addicks, Seabrook, Galena Park and south Acres, all economically de- pressed areas. The percentage of respondents rating their health as poor or fair ranged from 28% in South Acres to 45% in Addicks.

“We can’t seem to improve a base of people’s health, even though we’ve strengthened the area’s safety-net health clinics in the last decade,” said Stephen Linder, the survey’s principal investigator and Director of the UT Health School of Public Health. “If we hadn’t double- ened the safety net, it would be even worse.”

Nearly, high blood pressure and diabetes were the most chronic health problems affecting county residents. Thirteen-two percent meet the definition for obesity, 29 percent suffer from hypertension and 12 percent of the diabetic patients are morbidly obese, up from 17 percent in 2010. State health officials said they’re concerned about the climbing rates.

“Of the 46,000 respondents in 2001, we could say ‘sometimes’,” said Ackerman. “Now we’re seeing survey results that are even higher, even worse.”

Survey finds little health improvement in poor communities.
VENEZUELA

From page 54

baker Institute. “It would be leaving the country with one of the largest hydrocar- bon reserves in the world, in the hands of geopolitical rivals without achieving the goal of regime change.”

Clay Neff, president of exploration and produc- tion for Chevron in Africa and Latin America, said his company intends to stay in Venezuela despite a re- cent second-quarter loss of $21 million for its opera- tions from Trichell. “Chevron has operated in Vene- zuela for nearly 40 years and we own assets valued at $12 billion.”

“Chevron is not prepping- up to leave Venezuela,” Neff said. “We continue to stay focused on our base business operations and supporting more than 4,000 workers with our employee families. If Chev- ron is forced to leave Venezu- ela, our U.S. corporate offices will fill the void and our production will continue.”

U.S. sanctions

Venezuela was a top supplier of heavy crude oil to the United States for de- cades until the two countries gave after the socialist President Ma- cho Chavez nationalized oil fields in 1999 under Exxon Mobil and ConocoPhillips in June 2003. Chavez died in March 2013. His hand- picked successor, Maduro, became interim president and led to a 38-day election date last year. Plagued by political and economic crises that have worsened shortages of food, medicine and other basic necessities, millions of Venezuelans have fled the country, one of the wealthiest in Latin Amer- ica. Oil production is fall- ing long before President Trump’s imposed crippling sanctions on the oil industry following the election that Indepen- dent oil workers have said is neither fair nor free.

Chevron’s output has plun- ged from 150,000 barrels a day in 1979, when Chavez took office, to 80,000 barrels a day in June, according to the U.S. Energy Department. Schellberg, Halliburton and Weatherford have recorded a combined $2 billion in write- downs, impairments and other losses in Venezuela over the past two years.

The energy giant is working to reduce its exposure in Venezuela, according to reports. Under the current political climate, the United States cannot remain the largest actor in the Vene- zuelan oil sector.”

holding the line in the middle, Chev- ron, Halliburton and the other companies are navi- gating the narrow path be- tween the U.S. sanctions and the Venezuelan gov- ernment.”

Chevron’s efforts to ma- intain operations in Venezue- la’s fields in 2007 resulted in foreign companies going from majority owners of many firms that operate in partnership with PDVSA. Chevron holds a 25 percent share in the Petrocam project in western Venezue- lana and a 20 percent share in the Joint Venture project in the Orinoco belt, the heart of the nation’s oil produc- tion.

Twenty-five drilling rig- e oper ating in Venezuela, ac- cording to Baker Hughes. An estimated 20 rigs were contracted in 2016, with the oil company’s president, Kazmer, the remaining five share Chevron’s joint ventures with Schellberg, Halliburton, Baker Hughes and Weatherford. All provide services to support those joint venture operations and would be affected if Chevron is forced to leave.

Ellen Ratner, a Latin Amer- ica analyst, adds with the London-based oil and gas research firm Ma- plen, believes the Chevron administration will keep re- nurturing the licences for Chevron and the serv- ice companies on a three- to-six month basis. If and when the political situation changes and sanctions are lifted, companies already operating in Venezue- lana would have an advan- tage over new ones trying to enter.

“it would be politically difficult for the Trump admin- istration to take that kind of action against U.S. com- panies,” said Garin. “There are strong sector players that want to see a continued U.S. presence in Venezuela long term.”

Looking ahead

the mixed situation is realized, it would make an estimated $2 billion of investment in Venezuela’s oil fields back to producing more than 2 million barrels per day. That might prove difficult due to competi- tion with other operators in more stable places such as the Middle East and U.S. shale play.

“Every time a company decides to sell in Ven- ezuela, they have to com- pare it with spending an additional $1 in the form of trade,” Ratner said. “That will make it harder for companies to sell the numbers that it needs.”

Melloni believes Ho- nton, with its historically close ties to Venezuela, will benefit from a recovery in the South American na- tion.

The largest diaspora of Venezuelan oil work- ers is in Houston, Melloni said. “There are about 30,000 Venezuelans in Houston and most of them work in the oil sector or one way or another. If there is a recovery in the sector, that connection will strengthen even more.”

Marcelo Guzmán, an expert on energy industry with the New York think tank Americas Power Project, said any potential political recovery there will rely on the oil sector’s workforce, working together with Euro- pean companies at the forefront.

“The anti-corruption, environmental and labor stan- dards of European companies is far superior to the one of Chinese and Russian companies,” Guzmán said.

Financial sector

the financial sector of the Venezuelan economy to the detriment of the country.”

May 9 — Micho adds the financial sector of the Venezuelan econ- omy to the Railway Industry’s list.

July 29 — U.S. Treasury Department begins Chevron, Halliburton, Baker Hughes and Weatherford to remain in Venezuela for another three months...

Aug. 5 — U.S. Treasury Department issues a new order, ex- cluding all assets of the Venezuelan government from the financial sector.

Oct. 22 — Ross demands for future payments on the gov- ernment’s outstanding debt to the United States.


Nov. 2, 2016 — U.S. Treasury Department issues Executive Order 13756 to freeze the assets of seven-Chevron adminis- trators overseas.

Jan. 20, 2017 — Donald Trump is sworn in as presi- dent of the United States.


April 10, 2017 — Trump issues Executive Order 13770 to freeze the assets of seven-Chavez adminis-