

Pascal and Alva in Latin America Energy Advisor: To What Extent Has Mexico's Oil Sector Made a Recovery?

February 26, 2026 Larry Pascal, Carlos Alva

PRACTICES International, Mexico, Mexico Energy Reform, Oil and Gas

Haynes Boone Partner [Larry Pascal](#) and Associate [Carlos Alva](#) were quoted in a featured Q&A in the February issue of *Latin America Energy Advisor* discussing the nature of major investments in Mexico's up-stream oil and gas sector.

Read an excerpt below.

Q: Mexican state-run oil firm Pemex's level of outstanding financial debt is its lowest in 11 years at \$84.5 billion amid ongoing government assistance packages and improving refinery output, Pemex CEO Víctor Rodríguez announced on Feb. 4. Pemex's financial improvement comes as it attempts to reverse declining upstream production, with the firm launching multiple mixed-capital exploration projects in recent months alongside private firms including billionaire Carlos Slim's Grupo Carso. What key trends are currently shaping the nature of major investments in Mexico's up-stream oil and gas sector? To what extent can Mexico feasibly boost its national crude oil production level this year? How has Mexico's investment landscape for private oil firms changed under the administration of President Claudia Sheinbaum?

A: The Mexican upstream sector is benefiting from new private investment under Pemex's new mixed-development model resulting from the recent energy reform. This development is in line with Pemex's 2025-2030 Strategic Plan, which seeks to boost the oil and gas sector by investing 1.6 billion pesos in new projects. Pemex took an important step forward with the first award of contracts under this model in December 2025 and January 2026 to private companies. The viability of achieving the oil production target of 1.8 million barrels per day in 2026 will depend largely on the reactivation of the upstream sector through the development and exploitation of new oil fields in shallow waters and onshore through mixed ventures between Pemex and private companies. Such ventures would provide badly needed capital to Pemex. President Sheinbaum is seeking to generate greater private investment in the upstream sector through the new mixed contracts. Going forward, to remain competitive and contribute to annual production, this contract model will need to establish clear terms and conditions and economic incentives that are attractive to private investors. In addition, the Mexican government will need to provide a regulatory framework that generates legal certainty and confidence for international companies considering investing in the upstream sector in Mexico."

Read the full Q&A from *Latin America Energy Advisor* [here](#).