LOK SABHA
UNSTARRED QUESTION NO. 1862
TO BE ANSWERED ON 30th JULY, 2026

DOMESTIC OIL AND NATURAL GAS PRODUCTION

1862 THIRU DR. S JAGATHRATCHAKAN:

पेट्रोलियम एवं प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has assessed the implications of crude oil production declining for the eleventh consecutive year and natural gas output falling for the second consecutive year on the country's energy security, import dependence, energy affordability and vulnerability to fluctuations in international energy markets;
(b) if so, the details of the measures undertaken by the Government to boost domestic exploration and production activities, accelerate extraction from discovered reserves, encourage investment in upstream projects, improve technological capabilities and reduce reliance on imported crude oil and natural gas; and
(c) the initiatives proposed to be taken by the Government to strengthen long-term energy self-reliance, diversify energy sources, enhance domestic production capacity and reduce exposure to global supply disruptions, geopolitical uncertainities and price shocks while ensuring reliable and affordable energy availability across the country?

ANSWER

पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय में राज्य मंत्री
(श्री सुरेश गोपी)
MINISTER OF STATE IN THE MINISTRY OF PETROELUM & NATURAL GAS
(SHRI SURESH GOPI)

(a) to (c): The Government continuously monitors domestic production of crude oil and natural gas and assesses the gap between domestic production and consumption/requirement and reviews the supply-demand position.

Domestic oil production over the decade has shown a slight decline in trend primarily owing to natural decline in mature and ageing oil and gas fields. However, during this period, National Oil Companies (NOCs)—namely Oil and Natural Gas Corporation (ONGC) Limited and Oil India Limited (OIL)—have sustained their production levels. ONGC has maintained an average oil production of approximately 19.6 Million Metric Tonnes (MMT), while OIL has registered an increase in production from 2.94 MMT to 3.44 MMT. It is pertinent to note that the NOCs have been able to contain the annual decline rate to 2% since 2014-15, which is superior to the global average decline rate of 6% for mature fields (as per International Energy Agency).

Domestic production of Natural Gas has turned around from 2021-22 onwards, largely due to new production coming in from deepwater blocks in the Krishna-Godavari (KG) Basin. However, natural gas production has declined for two consecutive years, falling to 34.776 Billion Cubic Metres (BCM) in 2025-26 from a production of 36.438 BCM in 2023-24.

The Government has undertaken a series of comprehensive policy, regulatory and fiscal measures to boost domestic crude oil and natural gas production and reduce dependency on imports with the objective of strengthening the country's energy security and reducing foreign exchange expenditure through participation by both public and private sector companies, which, *inter-alia*, include reforms include legislative changes through the Oilfields (Regulation and Development) Amendment Act, removal of No-Go restrictions in the country's offshore areas, transition from Production Sharing Contracts (PSCs) to Revenue Sharing Contracts (RSCs), massive investment in acquisition and processing of seismic data, increase in number of exploratory wells drilled etc. During the last decade over 3.5 lakh Sq Km of exploration acreages have been awarded.A list of such initiatives is placed at Annexure I.

To strengthen energy security and minimise supply risks, India has significantly diversified its crude oil sourcing portfolio from 27 countries to 41 countries. Similarly, LNG and LPG sourcing has expanded to 15 countries. This diversification has reduced dependence on any particular country, region or transit route and enhanced India's ability to manage supply disruptions and market volatility. Government, in consultation with Public Sector Oil and Gas Companies and other stakeholders, continuously assesses global supply conditions and acts appropriately to ensure uninterrupted availability of crude oil, LNG and petroleum products.

Government, through a Special Purpose Vehicle called Indian Strategic Petroleum Reserve Limited (ISPRL), have also established Strategic Petroleum Reserves (SPR) facilities to act as buffer for short-term supply shocks. Under Phase-I, SPRs have been established at 3 locations in Andhra Pradesh and Karnataka with a total capacity of 5.33 MMT of crude oil. As part of Phase II of the SPR program, the Government has approved the establishment of two additional commercial-cum-strategic petroleum reserve facilities, with a combined storage capacity of 6.5 MMT in Odisha and Karnataka.

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Annexure I

ANNEXURE-I IN REPLY TO PARTS (A) to (C) IN RESPECT OF LOK SABHA UNSTARRED QUESTION NO. 1862 FOR REPLY ON 30.07.2026 REGARDING DOMESTIC OIL AND NATURAL GAS PRODUCTION ASKED BY THIRU DR. S JAGATHRATCHAKAN.

List of initiatives taken by the government to promote domestic Exploration and Production of Oil and Natural Gas:

i. **Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract (PSC) regime, 2014** for early monetization of hydrocarbon discoveries.

ii. **Discovered Small Field (DSF) Policy, 2015**, which provides a transparent mechanism to award discovered but undeveloped fields to expedite production.

iii. **Hydrocarbon Exploration and Licensing Policy (HELP), 2016**, providing a uniform licensing framework and revenue sharing regime for exploration and production of hydrocarbons.

iv. **Policy for Extension of PSCs (2016 and 2017)** to facilitate continued production from producing blocks.

v. **Policy for Early Monetization of Coal Bed Methane (CBM), 2017**, enabling marketing and pricing freedom and addressing operational issues in CBM blocks.

vi. **Constitution of Committee of Eminent External Experts** (CEEE) for dispute resolution through Notifications dated 28.02.2019 and 16.12.2019. Implementation of this mechanism has yielded excellent results till date, wherein in 31 cases, recommendations made by CEEE have been accepted and implemented.

vii. **Release of about 1 million sq. km. of previously "No-Go" offshore areas in 2022**, which were earlier restricted for exploration, enabling additional acreage to be offered for exploration under the Open Acreage Licensing Policy (OALP).

viii. **Accelerated exploration and drilling activities by National Oil Companies (Oil and Natural gas Corporation Ltd. and Oil India Ltd.)** including near-field exploration and development drilling in onshore and offshore basins.

ix. **Enactment of the Oilfields (Regulation and Development) Amendment Act, 2025 and notification of the Petroleum and Natural Gas Rules, 2025**, which modernize the upstream regulatory framework by providing a single petroleum lease for the entire lifecycle of hydrocarbon operations, broadening the definition of mineral oils to include conventional and unconventional hydrocarbons, ensuring lease stability with extension up to the economic life of the field, and establishing clear procedures, timelines and standardized formats for approvals. The framework also provides for infrastructure sharing, lease extension, economic stabilization in case of change in law, robust adjudication and dispute resolution mechanisms, and enhanced compliance provisions. It further enables comprehensive energy projects including renewable energy, hydrogen, energy storage and carbon management within petroleum lease areas, along with environmental safeguards such as limiting gas flaring, thereby promoting efficient and sustainable development of hydrocarbon resources.

x. Collaboration with international technology partners and global oil companies as technical service providers to leverage advanced exploration, drilling and reservoir management technologies.

   To augment domestic production from existing fields, National Oil Companies have also entered into strategic international technical collaborations. In February 2025, ONGC appointed BP Exploration (Alpha) Limited as Technical Services Provider for Mumbai High, and in May 2026 extended the engagement to the remaining Western Offshore region to support implementation of advanced interventions aimed at arresting production decline and enhancing recovery.

xi. Recognising that high-quality geoscientific data is critical for reducing exploration risk, the Government has established the National Data Repository (NDR), which presently hosts approximately 1.33-million-line kilometres of 2D seismic data, 0.47 million square kilometres of 3D seismic data, and information relating to more than 24,500 wells. In addition, Government-funded seismic acquisition programmes are being implemented under Mission Anveshan, including acquisition of an additional 20,000 linekilometres of onland 2D seismic data, while acquisition of 30,000 linekilometres of offshore 2D seismic data beyond the Exclusive Economic Zone has already been completed.

xii. **Hydrocarbon Resource Assessment Study (HRAS)**: This is a periodic, basin-wide exercise in which the hydrocarbon prospectivity of Indian sedimentary basins is reassessed using updated geological, geophysical and well data, so as to re-estimate in-place and recoverable hydrocarbon resources. Such assessment is undertaken by the Government from time to time, with the last one having been completed in 2017.

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