GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 931
ANSWERED ON-27/07/2026

DEPENDENCE ON IMPORTED CRUDE OIL

931. SHRI DEREK O' BRIEN

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

(a) whether Government has assessed India's dependence on imported crude oil and the progress made in increasing domestic crude oil and natural gas production during the last five years;

(b) whether Government has identified key challenges hindering domestic exploration and production, including geological risks, technological limitations, regulatory hurdles and investment constraints, the steps taken by Government to address these challenges; and

(c) whether Government proposes to introduce or strengthen policy incentives, exploration licensing reforms and technology adoption to boost domestic crude oil production and reduce reliance on imports, and if so, the details and timelines thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI SURESH GOPI)

(a) to (c) As per information provided by Petroleum Planning and Analysis Cell (PPAC), the details of India's dependence on imported crude oil and production of crude oil & natural gas for last five years is given below:-

	2021-22	2022-23	2023-24	2024-25	2025-26 (P)
Percentage (%) of Import Dependence on crude oil	85.5	87.4	87.8	88.3	88.7
Domestic Crude Oil Production (MMT)	29.7	29.2	29.4	28.7	28.0
Domestic Net Production of Natural Gas (MMSCM)	33131	33664	35717	35594	34326

Sources: PPAC
P = Provisional

Production of crude oil over the last five years 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 ONGC and OIL—have consistently sustained their production levels. ONGC has maintained an average oil production of approximately 19.6 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). Conversely, natural gas production has witnessed a positive turnaround starting FY 2021-22, driven by new production additions from deepwater blocks in the Krishna-Godavari (KG) Basin (KG-DWN-98/2 and KG-DWN-98/3).

Oil & Gas extraction is carried out over time because hydrocarbon reservoirs behave like natural pressure systems. If production is accelerated excessively, it will lead to rapid pressure decline, reduced recovery, and possible damage to the reservoir, ultimately lowering the total amount that can be recovered. Therefore, production rates are carefully managed based on standard reservoir engineering principles. In addition, geological and operational challenges impact production levels. These include increasing watercut, which leads to higher water production and reduces oil and gas yield, sand ingress, and limited reservoir influx. Further, subsurface complexities sometimes restrict the effectiveness of workover operations, new drilling and infill wells, thereby affecting the overall contribution to production.

It is important to note that acquisition of Geological data, promoting ease of doing business and incentivizing through innovative policies are the three main needs for the E&P sector. A series of reforms over the last decade has benefitted the E&P sector of India. These 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. Government have taken various policy decisions and operational 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. A list of such initiatives is placed at Annexure.

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Annexure

Annexure in reply to part (a) to (c) in respect of Rajya Sabha Unstarred Question No. 931 to be answered on 27.07.2026 regarding "Dependence On Imported Crude Oil" asked by Shri Derek O' Brien

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. Policy to Promote/Incentivize Enhanced Recovery Methods (EOR/IOR), 2018 to improve recovery from mature oil and gas fields.

vii. Policy Framework for exploration and exploitation of Unconventional Hydrocarbons (2018) including CBM, shale oil and gas, and gas hydrates under existing contracts and nomination fields.

viii. 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).

ix. Accelerated exploration and drilling activities by National Oil Companies (ONGC and OIL) including near-field exploration and development drilling in onshore and offshore basins.

x. Implementation of enhanced reservoir management techniques and advanced recovery technologies, including deployment of Enhanced Oil Recovery (EOR) and Improved Oil Recovery (IOR) techniques in mature fields to augment production.

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

xii. 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.

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