

GOVERNMENT OF INDIA  
MINISTRY OF PETROLEUM & NATURAL GAS  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO- 1729**  
ANSWERED ON- 15/12/2025

**DECLINE IN THE PRODUCTION OF CRUDE OIL AND NATURAL GAS**

1729 # SHRI NEERAJ DANGI:

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

- (a) the quantum of decline in domestic production of crude oil and natural gas in the country over the past five years along with the reasons therefor; and
- (b) the new policies or incentives introduced by Government to check this decline and boost production?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS  
(SHRI SURESH GOPI)

(a) and (b): The domestic production of Crude Oil in 2024-25 has been 28.7 Million Metric Tonnes (MMT) as against 30.5 MMT in 2020-21. However, the domestic production of Natural Gas has increased from 28.367 Billion Cubic Metres (BCM) in 2020-21 to 36.13 BCM in 2024-25. There is a natural decline in production year on year from mature fields. To help arrest such natural decline, the Government approved the Policy framework in 2018 to promote and incentivize Enhanced Recovery (ER)/Improved Recovery (IR)/Unconventional Hydrocarbon (UHC) production methods through fiscal incentives in the form of partial waiver of royalty and cess. The Government has taken measures for increasing the domestic exploration and production of both conventional (Oil & Natural gas) as well as unconventional (Coal Bed Methane, Shale Oil & Gas and Gas Hydrate) hydrocarbon resources vis-à-vis the expansion of refining capacity which *inter-alia* include:

- i. Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract (PSC) regime for early monetization of hydrocarbon discoveries, 2014;
- ii. Discovered Small Field Policy, 2015;
- iii. Hydrocarbon Exploration and Licensing Policy (HELP), 2016;
- iv. Policy for Extension of PSCs, 2016 and 2017;
- v. Policy for early monetization of Coal Bed Methane (CBM), 2017;
- vi. Policy to Promote/Incentivize Enhanced Recovery Methods of Oil/Gas, 2018;
- vii. Policy Framework for exploration and exploitation of Unconventional Hydrocarbons including CBM, Shale Oil and Gas etc under Existing Contracts and Nomination Fields, 2018;
- viii. Release of about 1 Million Sq. Km. (SKM) “No-Go” area in offshore in 2022 which were earlier blocked for exploration for decades.

- ix. Amendments to Oilfields (Regulation and Development) Act in 2025 to promote ease of doing business, contractual stability and operational efficiency.
- x. The Oilfields (Regulation and Development) Amendment Act, 2025 has expanded the definition of "mineral oils" to include a broader range of hydrocarbons including conventional as well as unconventional form of hydrocarbons allowing the production of these hydrocarbons under a single lease.
- xi. In 2017, a policy framework for Early Monetization of CBM was formulated to provide marketing and pricing freedom for CBM and streamline the operational issues in the existing blocks.
- xii. In 2018, Government notified terms & conditions for grant of exploration and exploitation rights to Coal India Limited (& subsidiaries) from coal bearing areas.
- xiii. Policy guidelines for promotion of exploration and production of shale gas / oil *inter-alia* include:
  - a. Allowing E&P operators in India to explore and develop all unconventional hydrocarbons (CBM, shale oil/gas and gas hydrate) under existing production sharing contracts, CBM blocks, and nominated licenses. This allows the exploration and development of shale gas/ oil in existing PML areas.
  - b. Policy framework to promote and incentivize Enhanced Recovery Methods for Oil and Gas under which various fiscal incentives are being provided to the operators for future discoveries of unconventional hydrocarbons (Shale Gas/Oil and Gas Hydrate).

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