

Importance of Oil Exploration and Production

As of 2024, India ranks as the world's third-largest energy consumer, according to the Energy Institute Statistical Review of World Energy. The country's energy demand continues to rise due to steady economic growth, driven by industrialization, urbanization, infrastructure development, and increasing transportation needs. Factors such as rising incomes, improved living standards, and greater access to modern energy also contribute to this growth. Consequently, India relies heavily on crude oil imports. Currently, about 13% of oil and 53% of gas are produced domestically by Exploration and Production (E&P) companies. These companies play a crucial role in reducing dependence on imports.

In 2023-24, India produced 29.36 MMT of crude oil, with a provisional figure of 14.4 MMT for 2024-25. The International Energy Agency predicts India's oil demand will reach 6.6 million barrels per day (mb/d) by 2030, while petrol demand will hit 1.0 mb/d.

To boost domestic oil and gas production, the government has implemented several policies and initiatives:

1. **Early Monetization Policy (2014)** under the PSC regime.
2. **Discovered Small Field Policy (2015)**.
3. **Hydrocarbon Exploration and Licensing Policy (HELP, 2016)**.
4. **PSC Extension Policies (2016 and 2017)**.
5. **Coal Bed Methane Early Monetization Policy (2017)**.
6. **National Data Repository (2017)**.

7. **National Seismic Programme (2017)** for unappraised sedimentary basins.
8. **Pre-NELP Policy Framework (2016 and 2017).**
9. **Enhanced Recovery Methods Policy (2018)** for oil and gas.
10. **Unconventional Hydrocarbons Policy (2018)** for PSCs and CBM contracts.
11. **Natural Gas Marketing Reforms (2020).**
12. **Incentives for OALP Blocks**, such as lower royalties and zero revenue share for Category II and III basins.
13. **Release of 1 Million Sq. Km.** of offshore 'No-Go' areas for exploration.
14. **Seismic Data Acquisition:** The government is investing ₹7,500 crore to gather seismic data and drill stratigraphic wells. Additionally, 20,000 LKM of land and 30,000 LKM offshore data beyond the Exclusive Economic Zone (EEZ) are being acquired.

These measures aim to accelerate exploration and enhance India's energy security.

Reference: PIB

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