

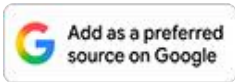
‘Drill Baby Drill’ for India but with more private players and deregulation?

Vedanta’s Anil Agarwal calls for a US-style revolution in Oil exploration and production, potentially opening rigs to start-ups, farmers, and individuals to unlock a 300 billion barrel opportunity amid geopolitical storms.



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In the backdrop of turbulent geopolitics in 2026 and India’s heavy dependence on securing energy, Vedanta’s Anil Agrawal took to microblogging platform X, highlighting the need to liberalise India’s heavily regulated Oil & Gas sector with the need to rationalise rules in the Crude Oil Exploration and Production (E&P) space.

He also emphasised that in order to secure energy independence the country needs thousands of drilling rigs advocating to open up the sector and lease rigs to not only startups and small entrepreneurs but also consider opening the doors for individuals and farmers—a model that was implemented by the United States, two decades ago, once an energy dependent nation like India.

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unlocked by accelerating oil exploration, devising incentive schemes and doubling down on operating licences for more private players.

"This sector is among a few that has no government protection or incentive like PLI. To unlock India's full potential, we need more exploration. Today, there are hardly 200 active licences in India when there should be 2,000," Agarwal added.

Regulations Stifling the Black Gold Rush

India's oil and gas sector faces implementation hurdles that limit investor pace, with domestic production around 600,000 bpd against a demand of 5 million bpd. Policies like NELP (1999-2019: bidding with profit-sharing & bonuses) paved the way, succeeded by HELP (2016: revenue-sharing for unified oil/gas licenses) and DSF (for small fields). HELP via OALP has awarded 254+ contracts across 9 rounds, with OALP-X (192,000 sq km) ongoing till May 2026, yet DGH approvals and MoEFCC clearances often take 2-3 years. ONGC holds 61% PEL acreage via legacy nominations, even as auctions expand opportunities amid evolving rules. Agarwal argues this falls short: "Today, there are hardly 200 active licences in India when there should be 2,000," calling for deregulation to match U.S.-style scale and unlock the full 300 billion barrel potential.

OMCs Step Up Under Ministry Mandate, But Limits Show



India's Oil Marketing Companies (OMCs), Hindustan Petroleum Corporation Limited (HPCL), Bharat Petroleum Corporation Limited (BPCL), and Indian Oil Corporation Limited (IOCL) have been directed by the Oil Ministry to expand into upstream Exploration & Production (E&P) activities to bolster energy security, though results remain mixed amid state dominance. ONGC, the national flagship, operates the KG-D5/98/2 cluster in the Krishna-Godavari Basin, targeting peak output of 45,000 bpd oil and 10 million standard cubic metres per day (MMSCMD) gas from new wells drilled in recent years. Oil India Limited advanced its Numaligarh-Siliguri pipeline upgrade to 5.5 million metric tonnes per annum (MMTPA) capacity in late 2025 while partnering with BPCL on a massive ₹1 trillion Andhra Pradesh refinery-petrochemical complex. BPCL's upstream arm, Bharat PetroResources Limited (BPRL), pursues drilling in the Cambay Basin alongside bids for international blocks; HPCL develops marginal fields like Hirapur and Sanganpur through tie-ups with ONGC.

Petroleum Minister Hardeep Singh Puri stated at India Energy Week 2026: "India's energy strategy is anchored in diversification, resilience and forward-looking transitions... through successive OALP and DSF bidding rounds, along with continued policy reforms."

U.S. Exploration Model From Oil Starved To Oil Sufficient

Two decades ago, the US was heavily import-dependent on hydrocarbons and geopolitically exposed. Deregulation transformed this by allowing small entrepreneurs even drilling backyards and farms through tax incentives, streamlined permitting, and strong private land rights that fuelled the shale fracking revolution, propelling America to net energy exporter status by 2019. Jobs exploded across rural areas; production costs plummeted, stabilising prices for all.

In contrast highlighting India's E&P production, Agrawal says, "India boasts top talent 10% of global E&P professionals are Indian, working from Texas to the Middle East and sedimentary resources dwarfing Guyana's discoveries."

Just as India achieved food self-sufficiency through the Green Revolution's policy push and farmer incentives, energy demands a similar blitz. Open Acreage Licensing Policy (OALP) rounds have awarded over 1 million sq km since 2019, but production growth lags: ONGC's output has declined around 5% yearly as mature fields wane, while private assets like Cairn's Rajasthan block near peak. Vedanta targets a fivefold production increase; nationally, output must grow tenfold to fuel Viksit Bharat's ambitions.

