

Development of CO2 Strorage and Enhanced Oil Recovery in China

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> Sep.27, 2009 Beijing, China



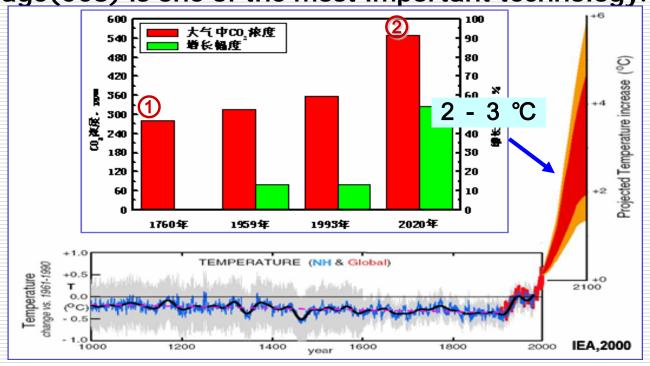
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1.Background

1.Reduction of Green House Gas Emission---A topic which concerned around the world nowadays. Carbon Capture and Storage(CCS) is one of the most important technology.





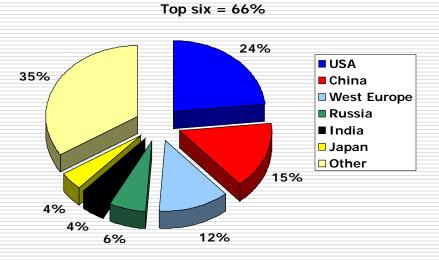
1.Background

2. Chinese Government Concerns Greatly about Reduction of CO2 Emission and Utilization of It as Resources

Chairman Hu Jintao

- Primer Wen Jiabao
- "973", "863" ReseachProjects....
- Petrochina, Huaneng Pil ot Test....

Biggest Emitters 2000-2025



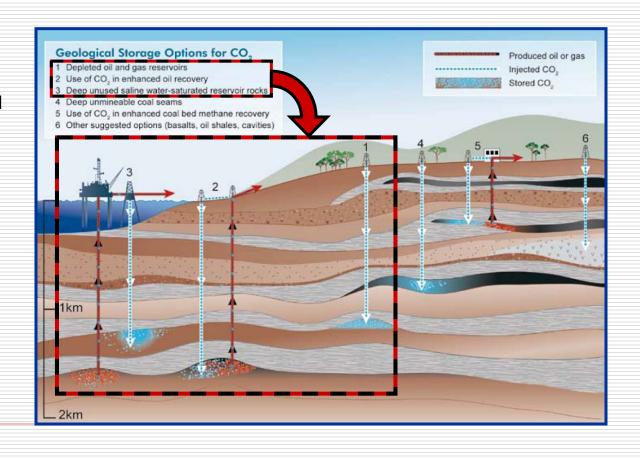
Cumulative CO2 Emissions 2000-2025, EIA, IEA 2002



1.Background

3. CO2 Storage and EOR in China

- Oil&Gas Reservoir,
 Subsurface Salaquifer, coal
 bed, ideal Place for CO₂
 Storage
- 923 billion tons of CO2 can be storaged in reservoir, which is 45% of global cumulative emission in 2050.





1. Basic Research

- "Utilizing Greenhouse Gas as Resource in EOR and Storing It Underground" (973)
- In 2006, a 973 project (The National Basic Research Program)
 named 'Research for Utilizing Greenhouse Gas as Resource in
 EOR and Storing It Underground' was authorized by China
 Ministry of Science and Technology.
- Chief Scientist: Prof. Shen Pinpin
- 8 sub-projects is included.
- Basic Research



2. Basic Research

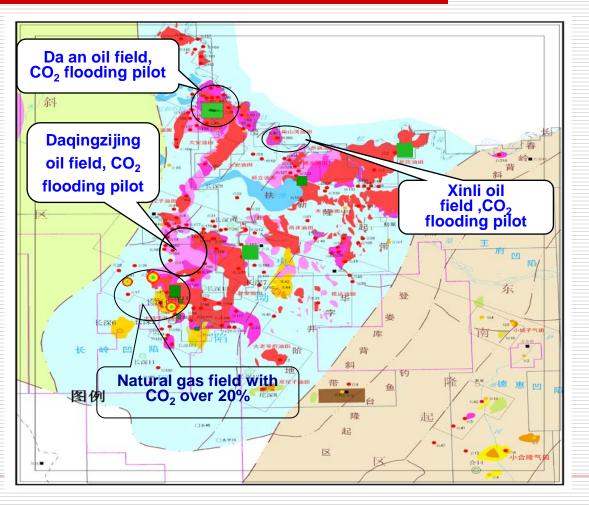
- □ Project 1 Standard stipulation and potential evaluation for CO2 storage that meets China geologic characteristic, PetroChina
- Project 2 Geologic theory of CO2 subsurface storage, Chinese Academic of Sciences
- Project 3 Theory and technology of monitoring and front predicting during CO2 storage process, Beijing University
- Project 4 Research on phase theory of multiphase and multicomponent during CO2 flooding process, PetroChina
- Project 5 Nonlinearity flow mechanism and law of multiphase and multicomponent during CO2 flooding process, China University of Petroleum
- Project 7 Theory and technology of CO2 separation and concentration from industrial gas, Qinghua University
- Project 8 Theory and method of engineering for CO2 corrosion prevention and antiscale, Jilin Oil field



- □ "CO2 Storage and Enhanced Oil Recovery in Jilin Oil Field"

 Major Science & Technology Research Project and Key Pilot Test were conducted by PetroChina
- ☐ In 2007, a key science& technology research project named 'Utilizing Greenhouse Gas as Resource and Storing it Underground' was established by PetroChina.
- ☐ In 2007, a key pilot test named 'Pilot Test of CO2 EOR and Storage in Jilin Oil Field' was established by PetroChina





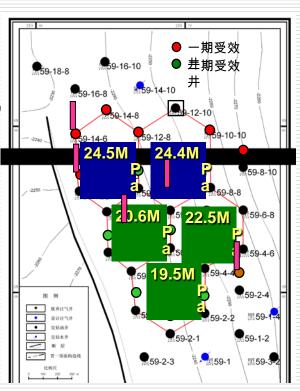
CNPC promise "0" CO₂ emission in developing the Gas Field

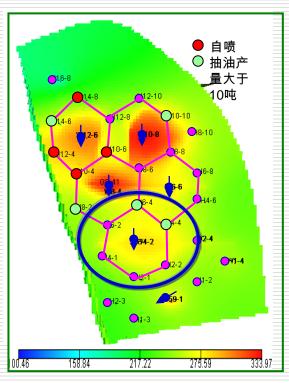
In recent years, there is a major breakthrough in natural gas exploration in the deep reservoirs of Songliao Basin. A large amount of natural gas resources has been discovered and CO₂ resources are amounted to more than 100 billion cubic meters.



Hei59 CO₂ Pilot test

- □ EOR layer : QING1 7,12,14 layer, average depth 2400 meter
- **□** Well Pressure ≤40MP
- □ CO2 Injection : **30** ~ **40t/d**
- ☐ Well groups: 5 well groups,(1inject well,6 product well),Total:5In.19Pr.,
- ☐ Liquid CO2 continuous injection
- **☐** MMP: 22.1 MPa







Pilot test of CO₂ injection

Pilot Test for Liquified CO₂ Injection --- Xin 228 Block of Xinli Oilfield

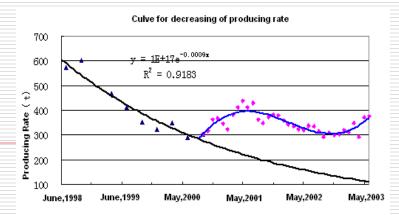
■ Xin 228 block is a part of Xinli structure and is located in the north of it. The angle of structure dip is 1.06 degree. The average effective thickness of reservoir is 8.93 m, average permeability of reservoir is 0.35 mD, porosity is 12.38%, temperature is 66 °C

Test Result

As of the end of June, 2003, 5121 tons of crude oil was cumulatively increased, with the injection/production ratio1:4.28, corresponding to 3.2 tons of crude oil increased by each ton of CO₂.

The Effect of Well Group 54-4

Well	Date for	Effect time	Oil increased	Oil increased	Ratio for	Remark
	action	(day)	per day	accumulative	production	
					enhancement	
54-6	Oct.,2000	730	1.02	743.70	48.5	Work
56-4	Sep.,2000	560	0.34	190.00	24.2	Work
56-2	Oct.,2000	540	0.32	170.60	28.7	Work
52-4	Dec.,2000	323	0.11	34.00	11.7	Work
54-2	Nov.,2000	360	0.26	93,30	32.4	Watercut
						decline at first
52-6						Watercut
						decline at first
56-6	Feb.,2001	400	0.86	343.60	24.5	delay
52-2	Nov.,2001			77.80		
Total				1653.00		

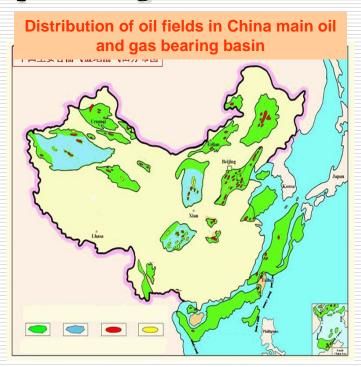




4. Opportunity

Low permeability reservoir account for a large

percentage



- 30% OOIP deposited in the low-permeability reservoirs in China.
- 2/3 undeveloped oil in place deposited in low-permeability reservoirs (K<10mD).
- 95% oil in CNPC produced from waterflooding reservoirs.



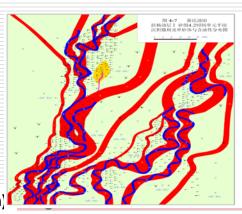
4. Challenge

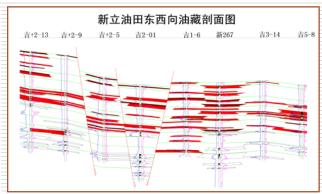
Reservoir characteristics of low permeability reservoirs in China

- Small pore throat, low P&K, poor reservoir quality
- lithologic trap , poor reservoir continuity
- thin interbedded sandstone and mudstone
- variable reservoir thickness and physical properties
- well-developed micro-fracture
- strong heterogeneity
- higher water saturation









thin interbedded sandstone and mudstone

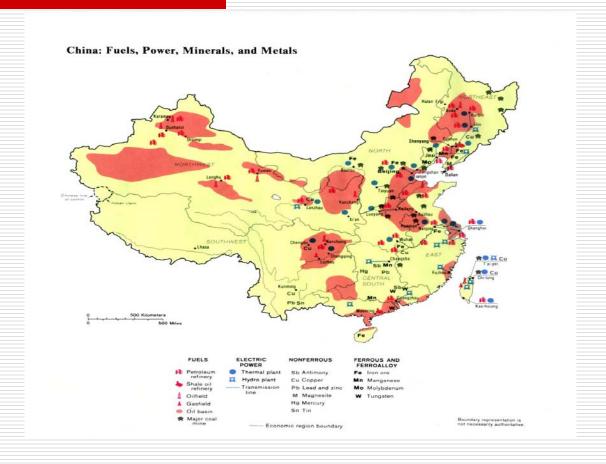


5. Cooperation

Oil Co.:

Power Co.:

NewMechanism? CO₂ Tax? CO₂Price?





5. Cooperation

International Cooperation: NEZC, COACH, STATRA, CAGS....CDM???





7. Conclusion

- China is a developing country. With the sense of responsibility, China has taken a series measures, such as conducting the national project of Research for Utilizing Greenhouse Gas as Resource in EOR and Storing It Underground.
- In 2007, a major science & technology research project named 'CO2 EOR and Storage Underground' and a key pilot test named 'CO2 EOR and Storage Pilot Test in Jilin Oil Field' were established by PetroChina.
- Petrochina will start new 'CO2 EOR and Storage Underground' pilot test in Daqing and Changqing Oil field.
- More Cooperation is needed to do in CO2 storage and EOR.