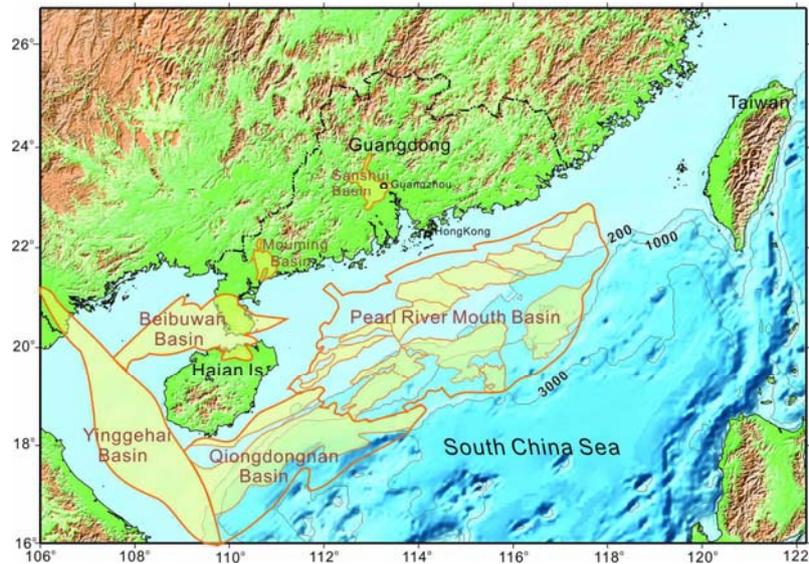


# Feasibility Study of CCS-Readiness in Guangdong Province, China (GDCCSR) Final Report: Part 2

## Assessment of CO<sub>2</sub> Storage Potential for Guangdong Province, China



GDCCSR-SCSIO Team  
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## **Disclaimer**

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The report is written based on published data mainly. The views in this report are the opinions of the authors and do not necessarily reflect those of the South China Sea Institute of Oceanology, nor of the funding organizations.

## **The full list of the GDCCSR project reports are as follows:**

- Part 1 Analysis of CO<sub>2</sub> emission in Guangdong Province, China.
- Part 2 Assessment of CO<sub>2</sub> Storage Potential for Guangdong Province, China.
- Part 3 CO<sub>2</sub> Mitigation Potential and Cost Analysis of CCS in Power Sector in Guangdong Province, China.
- Part 4 Techno-economic and Commercial Opportunities for CCS-Ready Plants in Guangdong Province, China.
- Part 5 CCS Capacity Building and Public Awareness in Guangdong Province, China
- Part 6 CCUS Development Roadmap Study for Guangdong Province, China. .

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## Summary for Policy Makers

This report is the second part of the final reports of the project “The CCS Readiness Study for Guangdong Province” (GDCCSR). In this report, the effective storage capacity of CO<sub>2</sub> in sedimentary basins onshore Guangdong (the Sanshui Basin) and offshore (the Pearl River Mouth Basin, Beibuwan Basin, Qiongdongnan Basin, and Yinggehai Basin) are assessed based on available geological data. It is concluded that the CO<sub>2</sub> storage potential is limited inland Guangdong but abundant offshore. The offshore sedimentary basins in northern South China Sea, especially the Pearl River Mouth Basin, have sufficiently large and high-quality storage potential for storing the CO<sub>2</sub> from Guangdong province in over one hundred years. An early opportunity of full-chain CCS demonstration project is identified for feasibility studies.

- For CO<sub>2</sub> underground storage the geological conditions of Guangdong Province are representative to southeast China (including the provinces of Guangdong, Guangxi, Fujian, Zhejiang, Jiangxi, and Hainan) and quite different from other parts of China. These provinces reside in Paleozoic fold belt overlapped by Mesozoic volcanic arc. Sedimentary basins are small, scattered, and filled with continental sediments of poor reservoir quality. Taken into account of the dense population and heavy land use, there is essentially no CO<sub>2</sub> storage potential inland these provinces.
- However offshore Guangdong there are very large sedimentary basins developed in a Cenozoic passive margin. High-quality reservoirs and cap rocks in these basins are mainly in Miocene and Upper Oligocene formations at depths of 2000m-3000m below seafloor. According to our assessment, the effective storage capacity of CO<sub>2</sub>, which is a subset of the theoretical (maximum) storage capacity obtained by multiplying a storage efficiency factor that reflects a range of geological and engineering limitations, in four sedimentary basins in northern South China Sea is 205 Gt<sup>1</sup>CO<sub>2</sub> at 85% probability level, among which 163 GtCO<sub>2</sub> in shallow water (<300m) areas. This capacity is sufficiently large for storing CO<sub>2</sub> emitted from large point sources in Guangdong and adjacent provinces for hundreds of years.
- Offshore CO<sub>2</sub> storage has many advantages over inland storage: There is less competition in land use, less risk to environment and groundwater, and thus easy to be accepted by public. The disadvantage of offshore CO<sub>2</sub> storage is its higher cost, several times of the cost of onshore storage. One way to offset the cost is to use existing infrastructure (platform, well, pipeline, etc.) of depleted oil/gas fields.
- The most favorable storage area is the northern Pearl River Mouth Basin (the Zhu-1 depression and the northern Dongsha Uplift). The area is the shallow water area proximal (mostly <200 km) to the large CO<sub>2</sub> point sources in the coastal Guangdong especially in the Pearl River Delta. The effective storage capacity of CO<sub>2</sub> in this area is 77 GtCO<sub>2</sub> at 85% probability level, more than 300 times of the

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<sup>1</sup> In this report Gt is 10<sup>9</sup> tonnes, Mt is 10<sup>6</sup> tonnes, and Gm<sup>3</sup> is 10<sup>9</sup> m<sup>3</sup>.

2010 total annual CO<sub>2</sub> emissions (252 Mt CO<sub>2</sub>) from large point sources of thermal power, petrochemical and steel industries in Guangdong Province. Many oil fields have been found in this area and have been in production since 1990. The potential of CO<sub>2</sub>-EOR is low because the oil fields are of high recovery rate with strong water drive. Several oil fields are near depletion, there is high possibility of using their infrastructures after depletion for CO<sub>2</sub> injection to offset partial cost of offshore CO<sub>2</sub> storage.

- An early opportunity for a full-chain CCUS demonstration project is identified. A planned oil refinery on the coast of the Huizhou city will emit 3.2 Mt/yr high-purity CO<sub>2</sub> from H<sub>2</sub> production. A small portion of these CO<sub>2</sub> will be utilized in industry, the majority of the CO<sub>2</sub> will enable a low-cost CO<sub>2</sub> capture because no or slight further purification of CO<sub>2</sub> is needed. An offshore oil field in the Pearl River Mouth basin 170 km south of the refinery is to be depleted soon, whose infrastructure may be used for CO<sub>2</sub> injection to offset the storage cost. These compose an ideal match for a cost-effective demonstration project, which is featured by the offshore CO<sub>2</sub> storage in the geological conditions of the northern South China Sea. A study on the technical and economical feasibility of the HZ project is needed urgently, because these have to be done before the start of the refinery construction and several years before the depletion of the oil field.
- Guangdong Province has the potential to lead in CCUS development in southeast China. because the province has strong economic background and is the only low-carbon pilot province in the region, also because the province has better CO<sub>2</sub> storage condition as being close to the oil-producing Pearl River Mouth Basin where the CO<sub>2</sub> storage capacity is large and the possibility of using existing infrastructure for CO<sub>2</sub> injection exists. If the offshore CO<sub>2</sub> storage in the northern Pearl River Mouth Basin has been demonstrated as feasible, a large-scaled CCUS employment would be foreseeable in the Guangdong Province, and this will have a significant impact to the low-carbon development in southeast China as well as in the world.

## Chapter 1 Background and outline

Carbon dioxide Capture and Storage (CCS) technology is the technology for large-scaled greenhouse gas mitigation upon continued use of fossil fuels. It is the major “clean coal” technology and has received significant attention. By the end of January 2013, there are 72 large-scale integrated CCS projects<sup>2</sup> worldwide (GCCSI, 2013).

China’s heavy reliance on coal means that CCS has the potential – once full commercial viability is achieved – to play a key role in the future development of China’s stated goal of limiting emissions growth per unit of GDP. China is undertaking a range of technical research and development projects on CCS. These include the national 973 and 863 programs, projects for assessing the storage potential in the country, several demonstration projects in CO<sub>2</sub> capture, CO<sub>2</sub>-EOR, and full-chain CCS, and international projects such as NZEC, GEOCAPACITY, COACH, STRACO2, CAGS, FutureGen, CACHETCO2, and MOVECBM, etc. In 2011 “The Technology Roadmap Study of Carbon Capture, Utilization, and Storage (CCUS) of China” was released (MOST and ACCA21, 2011), in which the need to utilize the captured CO<sub>2</sub> as a resource was emphasized.

However, there have been geographical gaps in the existing body of research and development of CCS in China. To date, all of the major CCS projects in China have focused on the regions north of the Yangtze River, with no substantial research having taken place in China’s wealthy manufacturing provinces of the southeast. Other gaps are technical. Many coal-based power plants are being built without any consideration of CO<sub>2</sub> capture or capture readiness. Additionally, whilst there are a number of projects involve CO<sub>2</sub> storage, there have been none in offshore prior to this project. It is important that these issues are addressed in order to provide a comprehensive R&D basis to underpin any development of future CCS-related policy in China.

The research project “CCS readiness in Guangdong” (GDCCSR) is the first large-scaled CCS-related research project in Guangdong as well as on southeast China. Guangdong is China’s largest provincial economy. In 2010 its GDP reached ~€530 billion with roughly 50% from industry. In 2010 Guangdong has been selected as one of the five low-carbon pilot provinces in China. However, the early draft of the roadmap of low-carbon economic development in Guangdong emphasizes the industrial reform, energy saving and efficiency, and renewable and nuclear energies, while CCS is not featured. The GDCCSR project aims to provide a comprehensive review on the need and feasibility of CCS in Guangdong.

This report presents the assessment of the CO<sub>2</sub> storage capacity and prospectivity onshore and offshore Guangdong, which is the essence for the feasibility of CCS in the province. Onshore Sanshui Basin and offshore Pearl River Mouth Basin, Beibuwan Basin, Yinggehai Basin, and Qiongdonghan Basin are examined based on available data (Fig. 1.1). Among these the Sanshui Basin and Pearl River Mouth Basin were assessed in a previous project PACOS-GD by the same authors and the estimation for the Pearl River Mouth Basin was published (Zhou et al., 2011). In the GDCCSR project the capacity estimates for the Sanshui and Pearl River Mouth basins have been checked and modified, and some additional analyses on the potential of CO<sub>2</sub>-EOR and using

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<sup>2</sup> By definition of GCCSI (2013), large-scale integrated CCS projects (LSIPs) are the projects involving the capture, transport and storage of carbon dioxide at a scale of: at least 0.8 Mt of CO<sub>2</sub> annually for a coal-based power plant, or at least 0.4 Mt of CO<sub>2</sub> annually for other emission intensive facilities. Projects that involve enhanced oil recovery (EOR) using anthropogenic CO<sub>2</sub> may also satisfy this definition

existing infrastructures have been added. Thus these two basins are included also in this report.

Our assessments show that the storage capacity is very limited onshore Guangdong Province but abundant offshore in northern South China Sea. Cost-effective early opportunity is identified for further investigation.



Figure 1.1 Map showing topography and the sedimentary basins being assessed for CO<sub>2</sub> storage capacity in this report.

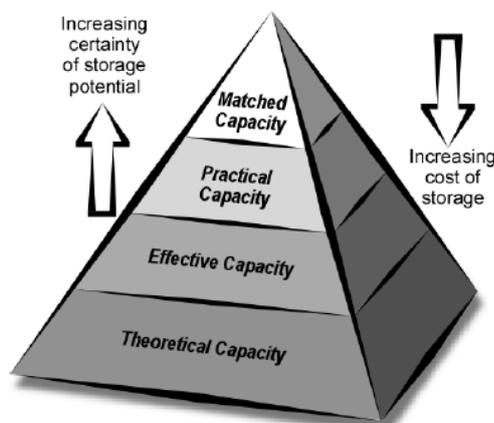
## Chapter 2 Methodology of CO<sub>2</sub> storage capacity assessment

### 2.1 Types and classification of storage capacity

Currently, there are two favorable types of geological storage options: oil and gas reservoirs, and deep saline formations. The largest capacity resides in deep saline formations, which are the porous rocks at depth below 800 m, where CO<sub>2</sub> would be stored in a critical state having higher density, and with formation water having total dissolved solids >10000 ppm so that the sources of fresh water are not contaminated (USDOE, 2008a).

The Techno-Economic Resource-Reserves Pyramid for CO<sub>2</sub> storage capacity proposed by CSLF (CSLF, 2007) indicated four classes of capacity (Fig. 2.1). From bottom to top in the pyramid, the estimated capacity is increasingly accurate by considering more physical, technical and general economic effects. The theoretical capacity is the maximum upper limit of storage potential. It assumes that the system's entire capacity to store CO<sub>2</sub> in pore space, or dissolved at maximum saturation in formation fluids, or adsorbed at 100% saturation in the entire coal mass. The effective capacity is a subset of the theoretical capacity with a number of geological and

engineering limitations applied. The practical capacity is a subset of the effective capacity gained by considering non-geological components (e.g. economics, regulation, legal infrastructure etc.). The matched capacity is a subset of the practical capacity obtained by matching sources to suitable sites (CSLF, 2008).



**Figure 2.1 the pyramid schematic diagram of different CO<sub>2</sub> capacities**

The effective capacity is the capacity that can be physically accessed and thus is suitable for being assessed for strategic purpose. In this project the effective storage capacities in saline formations and in oil and gas fields are estimated based on published data.

## 2.2 Capacity estimation for saline formations

For deep saline formations the methodology of assessment follows that of USDOE (2008a), where the effective storage capacity  $M_{CO_2}$  is given by:

$$M_{CO_2} = V \times R \times \varphi \times \rho_{CO_2} \times E \quad (2.1)$$

where  $V$  is the volume of the saline formation,  $R$  and  $\varphi$  are respectively the net/gross ratio and the porosity of the formation,  $\rho_{CO_2}$  is CO<sub>2</sub> density at formation depth, and  $E$  is the storage efficiency factor.

At first we compile formation isopach maps based on collected data. Then the formation volume  $V$  is estimated via GIS based on these isopach maps. Only the formations below the topmost regional seal are considered, and only their volumes at the depths from 800 m to 3500 m below ground surface or seafloor are calculated. This is because above 800 m the CO<sub>2</sub> is not in the super-critical state, and below 3500 m the formation may be too much compacted and thus not suitable for CO<sub>2</sub> storage. We also estimated the storage capacity in the shallow-water areas where the water depth is less than 300 m. The areas of deeper water are not favorable for CO<sub>2</sub> storage because of much higher engineering and operational costs.

The CO<sub>2</sub> density at depths varies with in situ pressure and temperature. We divide the basin into regions of relatively similar geothermal gradient and seafloor temperature, and then fit spline curves of CO<sub>2</sub> density versus depth for each region based on the data of Span and Wagner (1996). In final capacity calculation, the CO<sub>2</sub> density at any depth can be read from these curves.

The storage efficiency factor  $E$  is an important source of uncertainty for capacity assessment. The estimation of  $E$  is a topic that deserves specific researches and thus beyond the scope of this project. The USDOE (2008a) obtained through Monte Carlo simulations a statistical distribution

of  $E$  for deep saline aquifers at P15, P50, and P85 probability level as  $E = 0.01, 0.024, \text{ and } 0.04$  respectively (Bachu, 2008). Later thematic study (IEAGHG, 2009) suggests the overall mean value (P50) of  $E$  for all lithologies being 0.026 at the formation level. Combining these two results, we use  $E = 0.026$  for mean and  $E = 0.01$  and  $0.04$  for P15 and P85 probability levels, respectively for saline formations.

### 2.3 Capacity estimation for oil and gas fields

For oil or gas fields the effective storage capacity  $M_{CO_2}$  is deduced from the original oil or gas in place (CSLF, 2007).

For oil fields,

$$M_{CO_2} = \rho_{CO_2} \times (R_f \times OOIP / B_f - V_{iw} + V_{pw}) \times C_e \quad (2.2)$$

where  $OOIP$  is the volume of original oil in place,  $R_f$  and  $B_f$  are recovery and volume factors respectively,  $V_{iw}$  and  $V_{pw}$  are injected and produced waters,  $\rho_{CO_2}$  is the  $CO_2$  density, and  $C_e$  is the storage capacity factor. As there has been no water flooding in the basins of the northern SCS,  $V_{iw}$  and  $V_{pw}$  are zero and (2.2) becomes:

$$M_{CO_2} = \rho_{CO_2} \times (R_f \times OOIP / B_f) \times C_e \quad (2.3)$$

For gas fields,

$$M_{CO_2} = \rho_{CO_2} \times R_f \times (1 - F_{IG}) \times OGIP \times [(P_s \times Z_r \times T_r) / (P_r \times Z_s \times T_s)] \times C_e \quad (2.4)$$

where  $OGIP$  is the volume of original gas in place,  $R_f$  is recovery factor;  $F_{IG}$  is the fraction of injected gas;  $P$ ,  $T$  and  $Z$  denote pressure, temperature and the gas compressibility factor, respectively; The subscripts “r” and “s” denote reservoir and surface conditions, respectively. For the basins of the northern SCS,  $F_{IG} = 0$  as there has been no gas flooding;  $R_f = 0.85$  as the gas recovery factor is high. The term  $(P_s \times Z_r \times T_r) / (P_r \times Z_s \times T_s)$  is the reservoir volume factor  $B_g$ . Then (2.4) becomes:

$$M_{CO_2} = \rho_{CO_2} \times R_f \times OGIP \times B_g \times C_e \quad (2.5)$$

It should be pointed out that in China, hydrocarbon resources are assessed in the classes of perspective resource, geological resource, discovered reserve, and un-discovered resource. We use the value of “Geological Resources” in Chinese literature as the values of  $OOIP$  and  $OGIP$ .

The storage capacity factor  $C_e$  for oil/gas fields is equivalent to the  $E$  factor for saline formations in terms of defining a portion of the theoretical storage capacity as the effective storage capacity. There are very few studies on the  $C_e$  factor. According to Bachu and Shaw (2005),  $C_e = C_{eff} \cdot C_{aq}$ , where  $C_{eff} < 1$  is the effective storage coefficient, representing the affects such as the  $CO_2$  mobility and density with respect to oil and water and the heterogeneity of the reservoir, and  $C_{aq}$  represents the reduction in storage capacity as a result of aquifer effects such as the invaded aquifer water during the oil/gas production. Based on their study in western Canada,  $C_{eff} = 0.5$  for oil fields and  $C_{eff} = 0.9$  for gas fields;  $C_{aq} = 81\%$  to  $25\%$  with average  $50\%$  for oil reservoirs, and  $C_{aq} = 1$  to  $52\%$  with average  $70\%$  for gas reservoirs.

The oil/gas fields in the northern South China Sea are mostly associated with strong aquifers. Based on the study of Bachu and Shaw (2005), in this report we use the following  $C_e$  values:

For oil fields,  $C_e = 0.5 \times 0.25 = 0.12$  for the low end,  $C_e = 0.5 \times 0.81 = 0.4$  for the high end, and  $C_e = 0.5 \times 0.5 = 0.25$  for the average.

For gas fields,  $C_e = 0.9 \times 0.52 = 0.47$  for the low end,  $C_e = 0.9 \times 1 = 0.9$  for the high end, and  $C_e = 0.9 \times 0.7 = 0.6$  for the average.

# Chapter 3 CO<sub>2</sub> Storage Capacity of inland Guangdong Province especially the Sanshui Basin

## 3.1 Geography and geology

Guangdong Province is located in subtropical zone of South China, with a land area of 180 000 km<sup>2</sup>. Morphologically the province consists of the Pearl River Delta and coastal zones in the south, the E-W-running Nanling mountain range in the north, low mountains and terraces in the west, and upland and low mountains in the east. The middle and lower reaches of the Pearl River form a network through the province and enter the South China Sea at the river mouth near the city of Hong Kong (Fig. 1.1).

Tectonically the Guangdong province belongs to the Caledonian Fold Belt of the South China Block. The tightly folded basement consists of Proterozoic, Cambrian, Ordovician, and Silurian metamorphic rocks. The overlying platform cover consists of Devonian to Mid Triassic clastic and carbonate strata, which was folded and uplifted during the Indosinian Orogeny. Large-scaled granitic intrusions occurred during the Mesozoic Yanshannian Orogeny.

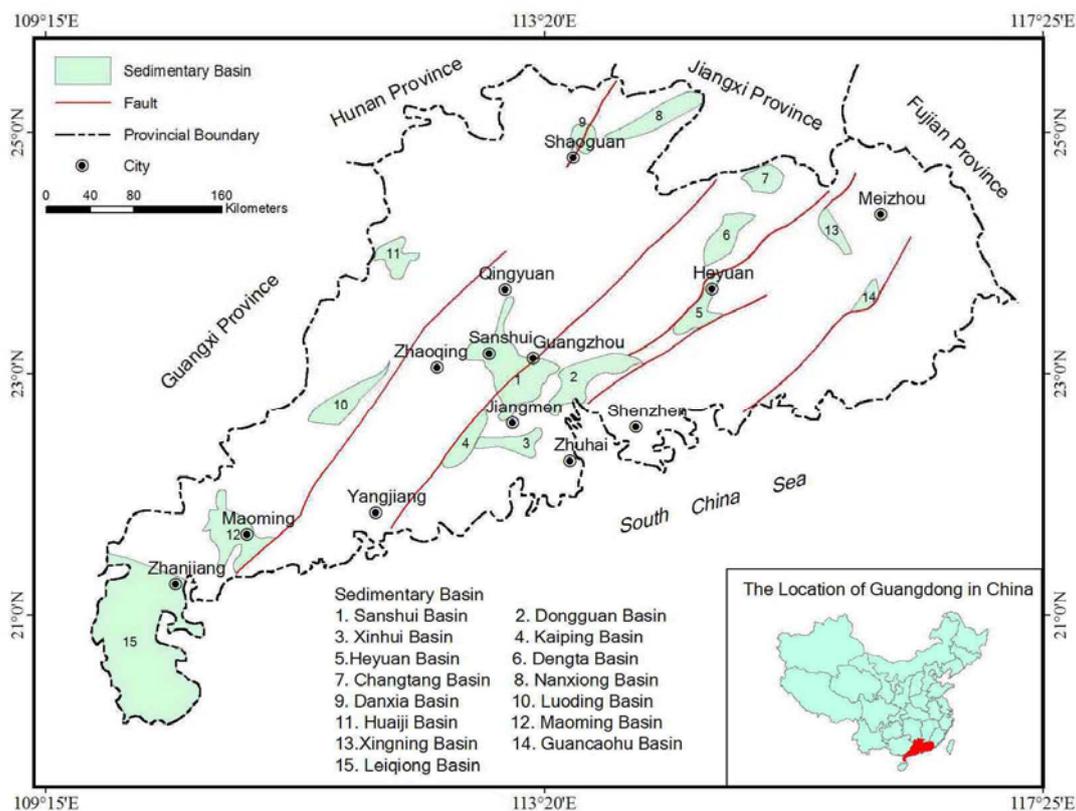
Sedimentary basins in Guangdong developed in Cretaceous to Tertiary. Although 108 basins has been named and occupy 17% area of the province, only 8 basins have the single basin area greater than 1000 km<sup>2</sup>, namely the Sanshui, Maoming, Leiqiong, Dongguan, Xinhui, Kaiping, Nanxiong, and Dengta basins (Fig. 3.1.1) (Zhang, 1999). These are continental basins controlled by NE-striking large faults and NW and EW faults, and were filled with fluvial-lacustrine and volcanic clastic sediments. The sediment thickness is typically 1~4 km and seldom exceeds 6 km. Lignite, oil shale, gypsum, salts, fluorite, barite, copper and uranium deposits have been found in these sediments (Table 3.1.1).

**Table 3.1.1 Major sedimentary basins in Guangdong Province**  
(Numbering follows that in Fig. 3.1.1)

	<b>Name</b>	<b>Area(km<sup>2</sup>)</b>	<b>Age</b>	<b>Volcanics</b>	<b>Resources</b>
1	Sanshui	3300	K <sub>1</sub> ,K <sub>2</sub> ,E	Widely	Oil/gas, gypsum, CO <sub>2</sub>
2	Dongguan	1400	K <sub>1</sub> ,K <sub>2</sub> ,E		
3	Xinhui	1100	K <sub>1</sub> ,K <sub>2</sub> ,E		
4	Kaiping	1000	K <sub>1</sub>		
6	Dengta	1000	K <sub>1</sub> ,K <sub>2</sub>		
8	Nanxiong	1240	K <sub>2</sub> ,E	No	Minor coal & uranium
12	Maoming	2000	K <sub>1</sub> ,K <sub>2</sub> ,E,N	K <sub>2</sub> ,E <sub>1</sub>	Oil shale, lignite
15	Leiqiong	8400	K <sub>1</sub> ,K <sub>2</sub> ,E	Q basalt widely spread	Oil shown inland the Hainan Island

### **Basin geology and exploration activities**

The Sanshui basin is chosen in this study because it is the second largest sedimentary basin in the Guangdong Province, it is the only sedimentary basin inland the province that contains oil fields, and it is the sedimentary basin most proximal to the industrialized area in the province. The basin reside in a area in 112°40' to 113°24' E and 22°50' to 23°42' N , straddling the Nanhai and Sanshui counties of the Foshan city, the northern Shunde City, and the western Guangzhou city, with a total area of about 3375 km<sup>2</sup> (Chen et al., 2008). The straight-line distance between the centers of Sanshui and Guangzhou is ~40 km, with railway, highway, and waterway connections.



**Figure 3.1.1** Simplified map showing the distribution of major Cretaceous-Tertiary sedimentary basins inland Guangdong Province. Simplified from Zhang (1999).

The name of “Shanshui” means “three rivers” in Chinese, as the three tributaries of the Pearl River, the West, the North, and the Sui rivers, come close to intersect near the city. The Sanshui basin occupies the western portion of the Pearl River Delta, consists of flat plain with low hills in the north. The elevation is ~500 m in general with 100~300 m relief. The Pearl River and its tributary network incised the basin and flow into the South China Sea.

Geologically the Sanshui Basin lies in the mid-eastern portion of the South China Block. It is a Cretaceous-Paleogene complex syncline with a SN-elongated rhombic shape, gentle dipping (5~12°) center and steeply dipping (10~20°) flanks. It is bounded by NE-running Sanshui and Engping-Xinfeng faults and NW-running West-River and Xiqiaoshan faults, and cut by a EW-running Guangzhou-Sanshui fault (Figs. 3.1.2a and 3.1.3). The basin may be subdivided into 4 depressions, 2 uplifts, and 3 slopes (Fig. 3.1.2b) (Team735, 1975). Rift-related volcanic eruptions are found widely in the basin, composed of mainly basalt, rhyolite, trachyte, and related volcanic clasts. Episodic volcanic eruptions occurred in Late Cretaceous and Paleogene, with total thickness over 2600 m (Dong et al., 2006; Tang, 1994).

Geological surveying in the Sanshui Basin started in the 60’s, and exploration for oil, gas, and gypsum was extensive during the 70’s of the last century. So far 1:50 000 geological mapping, geophysical (seismic, gravity, and magnetic) survey have been conducted, more than 400 wells (including 187 deep wells) have been drilled in order to explore for oil/gas and gypsum (Hou et al., 2007a). 34 structural traps in sandstones have been found in the Sanjiang-Danzao Sag with the area of single trap mostly < 3 km<sup>2</sup>. The Baoyue and Zhushangang oil fields in the northwest of the basin had the highest production rate of 139 m<sup>3</sup>/d oil and 118 000 m<sup>3</sup>/d gas. Commercial oil flow

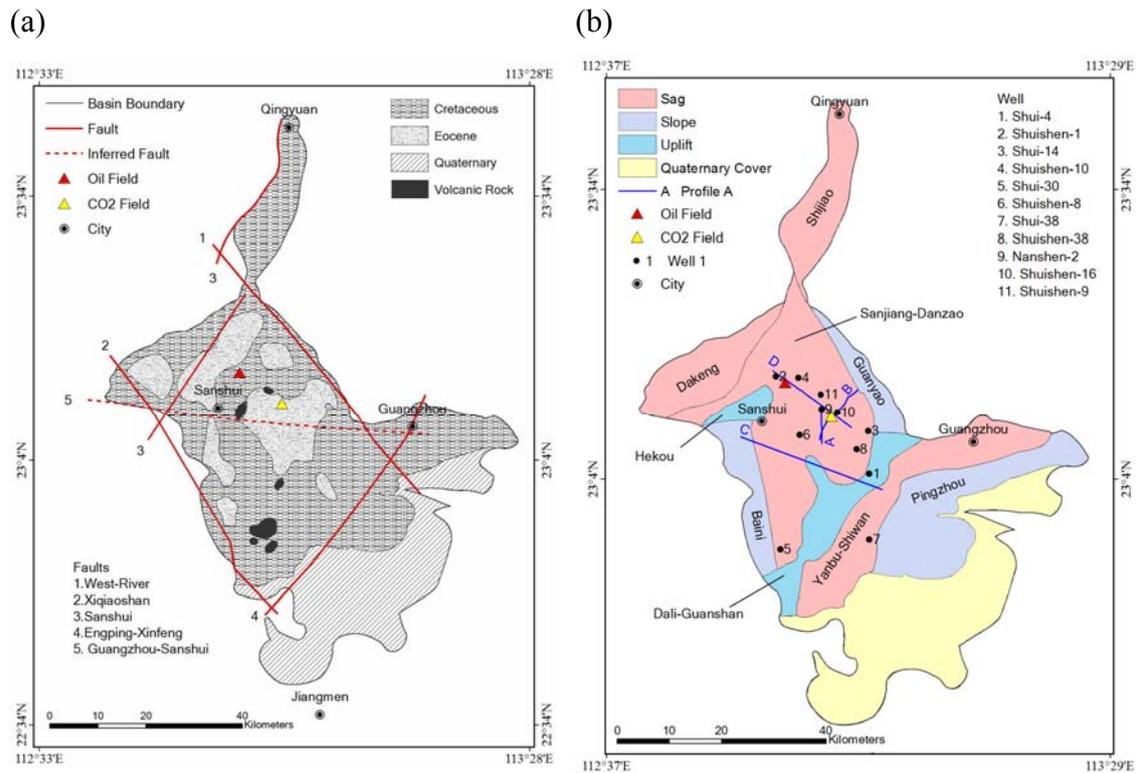


Figure 3.1.2 (a) Simplified geological map of the Sanshui Basin after Chen et al. (2008); and (b) structure divisions after (Team735, 1975).

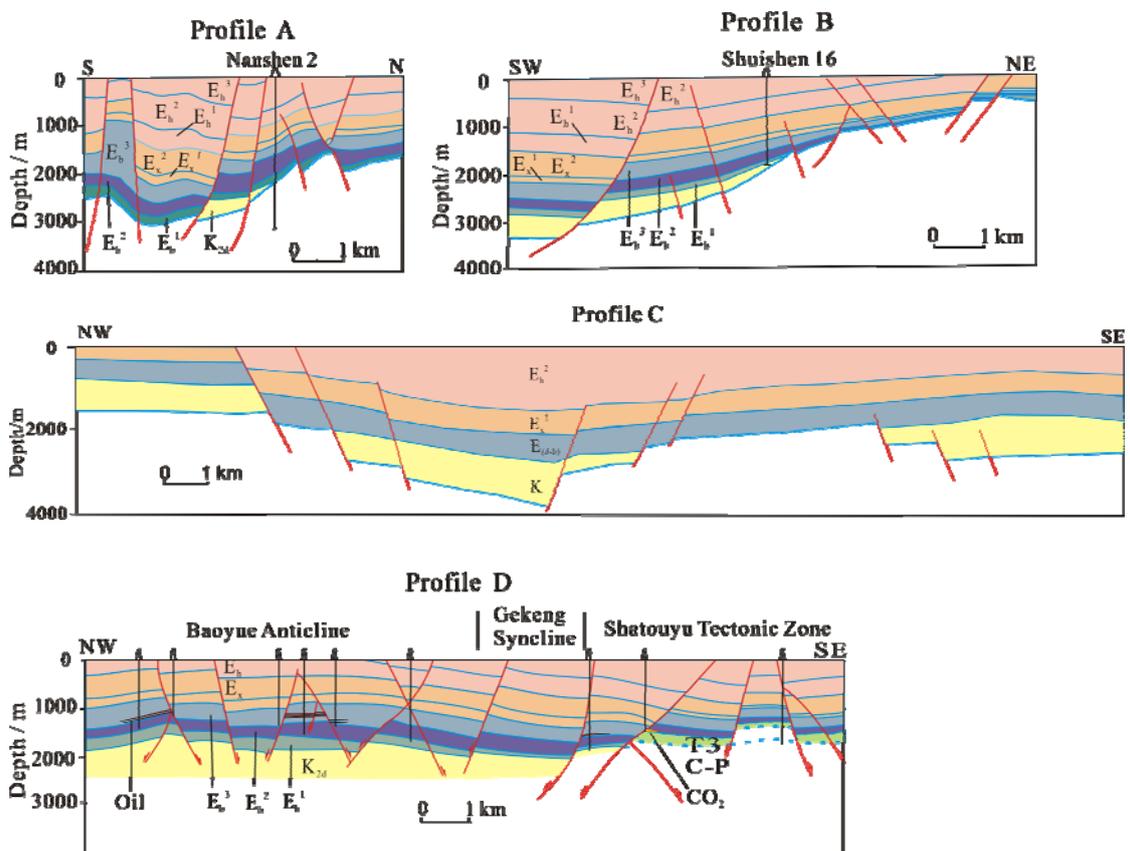


Figure 3.1.3 Geological cross sections of the Sanshui Basin. Locations of the profiles are indicated in Fig. 3.1.2b.

was discovered also in carbonate reservoirs in the Yanbu Sag in the east of the basin (Team12, 1982; Team735, 1975). Small scale oil/gas and gypsum exploration is still ongoing to date. Informal source indicates that the proved oil/gas reserves in the basin is only 600 000 ton, and annual production is <6000 ton. According to the 2008 estimation, the geological resources in the Sanshui Basin are 12 Mt of oil and 1.7 Gm<sup>3</sup> of gas (MLRC et al., 2008).

In addition, pure (99.5%) CO<sub>2</sub> was produced from carbonate cavities of the Shuishen-9 well in the center of the Sanshui Basin. The rate of CO<sub>2</sub> flow was 0.5 million m<sup>3</sup>/d, the highest single-well rate then in China, but dried out soon after the production began.

### **Stratigraphy and paleo-geography**

The basement of the Sanshui Basin consists of Carboniferous-Permian carbonates and coal-bearing shales, Triassic-Jurassic clastic rocks, and Mesozoic granites.

The Sanshui Basin was filled with Cretaceous and Paleogene lacustrine sediments up to 5500 m in thickness. Several stratigraphic systems were proposed based on their lithology, lithofacies, cyclothem, and Paleontology (Team12, 1981; Team735, 1975; Zhang et al., 1993). In this report the naming of stratigraphic system follows that of the Team12, but the lithology, age, and thickness follow those of Zhang et al. (1993). See Table 3.1.2.

In general, the sedimentation in the Sanshui Basin started in Early Cretaceous with red-bed clastics (lower Baihedong Fm.), coarse in the lower portion and fining upwards, containing thin layers of gypsum, indicating lacustrine sedimentation in warm and dry climate. Earliest sedimentation occurred in a small lake in the east (the northern Yanbu Sag). In the middle Early Cretaceous the lake expanded and deepened, dark mudstone and marl deposited (middle and upper Baihedong Fm.). In Late Cretaceous another salty lake appeared in the NW of the basin (Sanjiang-Danzao Sag), separated from the Yanbu lake by a NE-striking fault-uplift, while the sedimentation was also red-bed clastics (the Sanshui and Dalangshan Fms). At the end of Cretaceous the basin was uplifted by the Himalayan Orogen, forming a regional unconformity (Hou et al., 2007a).

In the Paleocene the basin subsided again. The western basin became a large lake, and marshes developed in the eastern basin. During the Paleocene the climate kept dry and the sedimentation was coarse in the lower section and fining upwards, dominated by red beds (the lower Buxin Fm.). It is the major gypsum production layer in the basin. In Early Eocene the basin subsidence came to climax while the climate became warm and wet. Dark mud (with oil shale) and marl deposited in the deep lake in the west, which became the major oil/gas source rocks in the basin (middle and upper Buxin Fm.). In Middle Eocene the lake shrunk slightly and the climate became dry. The sediments were relatively fine and mainly of purple or dark grey color (Xibu Fm.). Late Eocene was the last stage of the basin development before the post-Eocene uplift. Sedimentation was restricted to the center of the basin, and volcanism was very active (Huachong Fm.) (Hou et al., 2007b).

Age	Formation	Member	Thickness /m	Lithology	Seal	Oil/gas	CO <sub>2</sub> reservoir
Q.			48	Brownish red mud, sand and gravel			
Late Eocene	Huachong	E <sub>h</sub> <sup>3-4</sup>	323	Light grey and brownish grey sandstone & conglomerate, with gravel sandstone, red-brown muddy siltstone, and silty mudstone with dark grey calcareous mudstone			
		E <sub>h</sub> <sup>2</sup>	396	Greyly green tuff, trachyte, basalt, light-grey sandy conglomerate, brown silty-fine sandstone, dark or variegated mudstone with thin limestone and marl			
			263	Greyly green bracciaded tuff, tuffaceous sandy conglomerate, rhyolitic porphyry, light grey sandy conglomerate, brown silty-fine sandstone with mudstone			
Middle Eocene	Xibu	E <sub>h</sub> <sup>1</sup>	326	Interbedded purple grey and aubergine sandy mudstone, muddy silty-fine sandstone, light grey gravel sandstone, sandy conglomerate with variegated mudstone			
		E <sub>x</sub> <sup>2</sup>	307	Interbedded Brown siltstone and fine-medium sandstone, with gravel sandstone and dark grey mudstone, silty-fine sandstone with cross bedding highly developed	•		
		E <sub>x</sub> <sup>1</sup>	193	Dark grey and brown calcareous mudstone with siltstone and fine sandstone	•		
Early Eocene	Buxin	E <sub>b</sub> <sup>3</sup>	143	Dark grey calcareous mudstone with brown siltstone, mudstone, salt, bottomed by tuff.	•		
			130	Dark grey gypsum-bearing calcareous mudstone with silty-fine sandstone and salt.	•	•	•
			130	Interbedded grey medium-coarse sandstone			•
		E <sub>b</sub> <sup>2</sup>	266	Dark grey calcareous mudstone, marl, limestone, lean oil shale with siltstone and tuff	•	•	•
Paleocene		E <sub>b</sub> <sup>1</sup>	100	Dark brown and dark grey mudstone, marl, siltstone with gypsum	•		
			140	Brown red mudstone, siltstone with dark mudstone and gypsum	•		
			60	Sandy conglomerate with gravel sandstone			•
Upper Cretaceous	Dalongshan	K <sub>2d</sub>	176	Dark purple silty-fine sandstone with sandy conglomerate, dark grey calcareous mudstone, marl		○	○
			200	Dark sandy conglomerate, silty-fine sandstone with mudstone, marl, basalt			
	Sanshui	K <sub>2s</sub>	314	Aubergine and brown red silty-fine sandstone, calcareous mudstone with sandy conglomerate, marl, and blocky gypsum			○
			260	Aubergine sandy conglomerate, gravel sandstone, silty-fine sandstone, with silty mudstone			
Lower Cretaceous	Baihedong	K <sub>1b</sub>	207	Dark brown silty mudstone and muddy siltstone interbeds			
			572	Dark brown silty mudstone, muddy siltstone, with dark grey and green grey calcareous mudstone, with gypsum			
			243	Brown muddy siltstone, silty mudstone, light grey conglomerate, sandy conglomerate, and sandstone			

**Table 3.1.2 General stratigraphy of the Sanshui Basin\***

\* Naming of stratigraphic system follows that of (Team12, 1982), but the lithology, age, and thickness follow those of (Zhang et al., 1993). Solid dots – most likely; open circles – possible.

## **Petroleum geology**

Source rocks reside in the Lower Eocene Buxin Fm. Its  $E_b^2$  member is the major source composed of dark mudstone intercalated with carbonate, which were deposited in the deep lake of the Sanjiang-Danzao Sag. This member occupies the area  $\sim 1000 \text{ km}^2$  and has the thickness  $>100 \text{ m}$  and up to  $350 \text{ m}$ . The dark mudstone in the member may have continuous thickness  $>60 \text{ m}$  (Team12, 1981). Secondary source rocks are in the  $E_b^3$  member and the upper  $E_b^1$  member of the Buxin Fm (Chen et al., 2008).

The reservoirs reside also mainly in the Lower Eocene Buxin Fm, sandstones in the west, and marl and limestone in the east. The area of single trap is mostly  $<3 \text{ km}^2$ . Commercial oil/gas fields are found in turbidites and sandbars, generally thin with low permeability (Chen et al., 2008).

Several mudstone layers of dozens meters thick in Lower Eocene  $E_b^2$  and  $E_b^3$  of the Buxin Fm form excellent regional cap for hydrocarbon. The thickness of this cap layer is  $50\sim 1000 \text{ m}$ . Secondary caps are the fine sandstone and mudstone interbeds in the Middle and Upper Eocene Xibu and Huachong Fms, whose thickness is  $500\sim 1000 \text{ m}$  in general and may reach  $1500 \text{ m}$  in depo-centers (Chen et al., 2008). Two source-reservoir-seal assemblages exist in the basin. The best one in the Buxin Fm, and the secondary one in the lower member of the Xibu Fm.

## **Geological conditions for CO<sub>2</sub> storage**

The Sanshui Basin has undergone extensive geological exploration, from which a significant amount of data has been accumulated. Here the geological conditions for CO<sub>2</sub> storage are analyzed based on published literatures and reports mainly.

From the CO<sub>2</sub> storage point of view the sediments in the basin may be summarized into three sequences: (1) the Lower Sequence of Cretaceous and Paleocene redbeds; (2) the Middle Sequence of the Early Eocene Buxin Fm and Middle Eocene Xibu Fm, consist of mainly mudstone and fine sandstone; (3) the Upper Sequence of the Late Eocene Huachong Fm, consists of coarse clastics with abundant volcanic materials. The Middle Sequence is a good regional seal, the Lower and Middle sequences may contain reservoirs, while the Upper Sequence has a minor contribution to capping the CO<sub>2</sub> storage.

The quality of seals in the Middle Sequence is “excellent” in terms of the classification on pore structures, especially in the western portion of the basin (Chen et al., 2008). The mudstones in the lower and middle members of the Buxin Fm have thickness of  $300\sim 400 \text{ m}$ , and the dark mudstone layer in upper Buxin has thickness  $>100 \text{ m}$  in the area of  $\sim 500 \text{ km}^2$  (Chen et al., 2008). The quality of the seal may decrease towards the basin margins due to the change of litho-facies to coarse clastics in paleo-lake margins.

Normal faulting was extensive in Late Eocene and cut down to the basement, but mostly small faults elongated in NE direction for a few km. These faults have vertical offset of dozens to over  $100 \text{ m}$ , and generally  $<300 \text{ m}$  and less than the thickness of the Buxin Fm. Thus the faults tend to form fault traps and do not breaching the integrity of the capping layers (Yan and Jin, 1997). Eocene volcanism resulted in basaltic sheets, which may form local seals.

Earthquake activity is weak in the Pearl River Delta including the Sanshui Basin. No quake greater than M4 has occurred. There are 3 heatflow measurements in the basin area, giving the values in the range of  $60\sim 80 \text{ mW/m}^2$  (Wang, 1996). No hot spring has been found within the basin.

The quality of CO<sub>2</sub> reservoir is variable. According to Chen et al. (2008), in the sandstone reservoirs of middle and upper Buxin Fm the porosity is generally 10%~14% and permeability is 50~470 mD. But these numbers differ from those in the report of Team 735 (1976), which is listed in Table 3.2.2. The structural traps are small, usually 1 km<sup>2</sup> and up to 3~4 km<sup>2</sup>, with single layer thickness of 1~2 m and up to 6 m. The total thickness of sandstone and siltstone is 2~57 m in lower Buxin, locally 20~42 m in middle Buxin, and in western basin 56~>200 m in upper Buxin. The coarse sediments in the Lower Sequence may be of some storage capacity and may be the future target for CO<sub>2</sub> storage. But relevant data are sparse, especially for the Lower Cretaceous Baihedong Fm. The effect of diagenesis in reducing reservoir porosity and permeability should be examined.

### 3.2 Capacity assessment for Saline formations

The GIS-based database was built for the stratigraphic formations in the Sanshui Basin, and capacity of CO<sub>2</sub> in deep formations (below 800 m and between 800m and 2500m from the surface,) of the Sanshui Basin is assessed under the following assumptions in addition to the general assumptions stated in Chapter 1:

- (1) The middle and upper members of the Buxin Fm (E<sub>b</sub><sup>2-3</sup>) and the lower member of the Xibu Fm (E<sub>x</sub><sup>1</sup>) form regional seals;
- (2) CO<sub>2</sub> reservoirs may reside in the sandstone and limestone interbeds in the Buxin Fm and in Cretaceous redbeds;
- (3) The deepest Cretaceous Baihedong Fm is not considered in this study because lack of data;
- (4) The groundwater chemistry is not considered, and all the formations are assumed saline. Thus the estimates should be considered as maximum.

#### Isopaches and isobaths of the formations

Isopach contours for individual formations were built after the maps of Team 12 (1982) (Figs. 3.2.1 and 3.2.3) except the Lower Cretaceous Baihedong Fm. The gross isopach of these formations is shown in Fig. 3.2.2a, and the gross isopach of the Sanshui, Buxin, and Xibu formations below 800 m from the surface is shown in Fig. 3.2.2b. The Huachong Fm is excluded in Fig. 3.2.2b because it lies above the regional seal. The volumes of individual formations below 800 m depth from the surface and in the depth range of 800~2500 m were calculated (Table 3.2.1). Isobaths contours for the tops of the formations are shown in Fig. 3.2.3.

#### Porosity and permeability

Limited and incomplete data on porosity, permeability, and net/gross ratio of the formations in the Sanshui Basin are taken from the early reports of the wells (Table 2-1, 3 and stratigraphic column of Team735 (1975)). Their ranges and calculated weighted averages are generally low (Table 3.2.2). The original tables do not include the data of sandy conglomerate and conglomerate, which are abundant in the lower members of the Cretaceous Sanshui and Dalangshan Fms, thus the porosity and permeability of these formations may be under-estimated. The missing data for the E<sub>b</sub><sup>1</sup> and K<sub>2d</sub> are assumed equal to those of E<sub>b</sub><sup>2</sup> and K<sub>2s</sub>, respectively. The parameters of the Buxin Fm are calculated by averaging weighted over thickness of the members.

**Table 3.2.1 Areas and volumes of the formations in the Sanshui Basin**

Formation	Member	Area (km <sup>2</sup> )	Depth of top (m)	Thickness (m)	Volume (Gm3)		
					Gross	-800m	-800~-2500m
Huachong	E <sub>h</sub>	890		100-1540	37.0	4.6	4.6
Xibu	E <sub>x</sub>	560	0~1500	50-900	27.2	11.8	11.8
Buxin	E <sub>b</sub>	1000	350~2800	50-1000	42.2	25.7	25.1
Dalangshan	K <sub>2d</sub>	460	>800	200-600	38.2	20.0	17.1
Sanshui	K <sub>2s</sub>	490		100-600	27.1	18.5	14.1
Total					171.7	80.6	72.6

### Capacity calculation

The effective capacity for CO<sub>2</sub> storage in the Buxin, Dalangshan, and Sanshui formations are calculated. Equation (2.1),  $M_{CO_2} = V \times R \times \varphi \times \rho_{CO_2} \times E$ , is used in the calculation with  $E = 0.01, 0.026, \text{ and } 0.04$  for a probability level of P15, P50, and P85, respectively. The CO<sub>2</sub> density at formation depths is simplified as a constant, for which the average value for the northern Pearl River Mouth Basin,  $0.55 \text{ t m}^{-3}$ , is used. Parameters and results are listed in Table 3.3.3. The estimated capacity of CO<sub>2</sub> in saline formations in the Sanshui Basin is 7.2 Mt to 27 Mt and in average  $18 \text{ MtCO}_2$ .

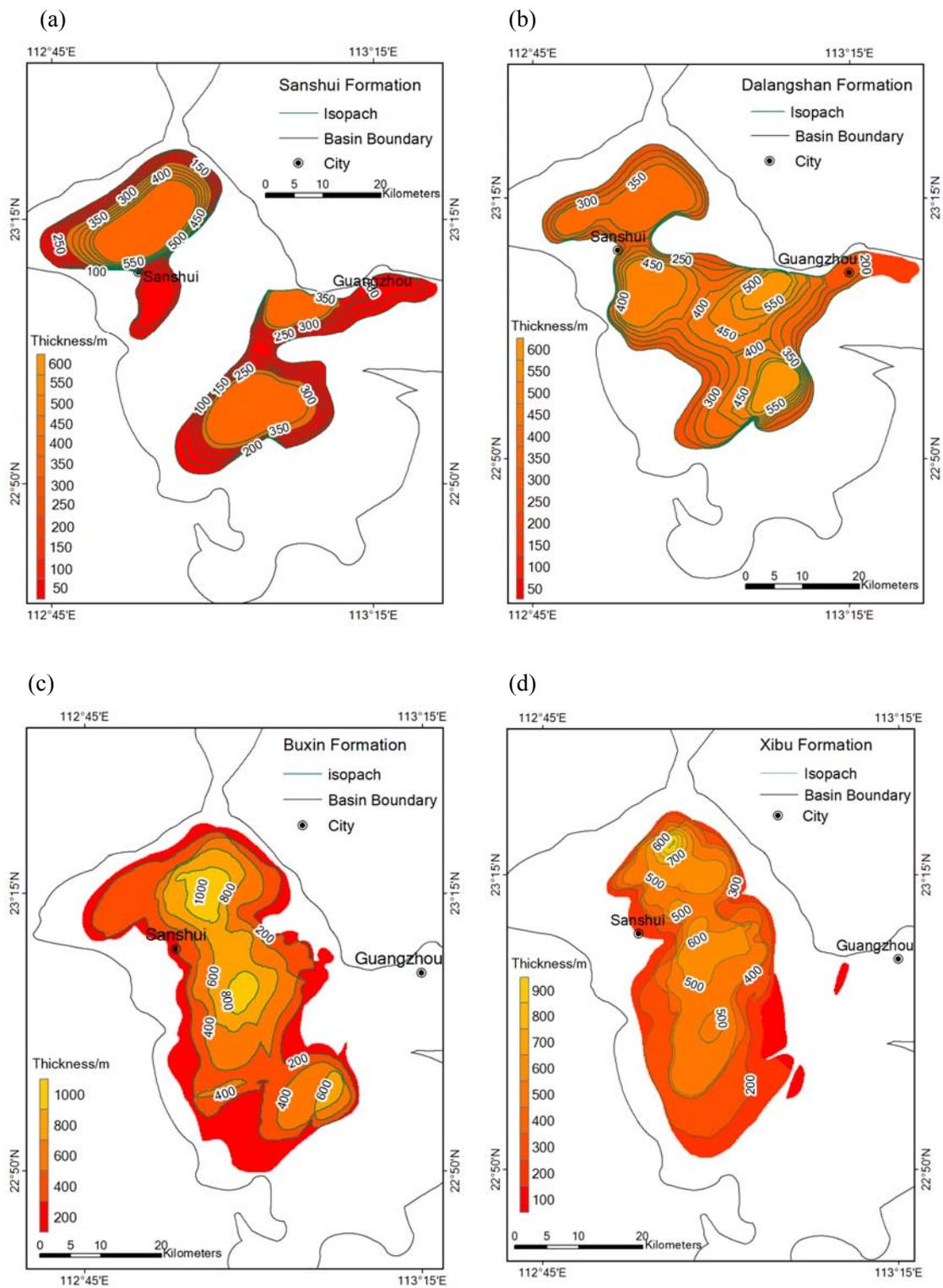
**Table 3.2.2 Parameters of sandstones in the Sanshui Basin** calculated from the data in Team 735 (1976).

Numbers in parentheses are inferred from formation lithology or adjacent formations.

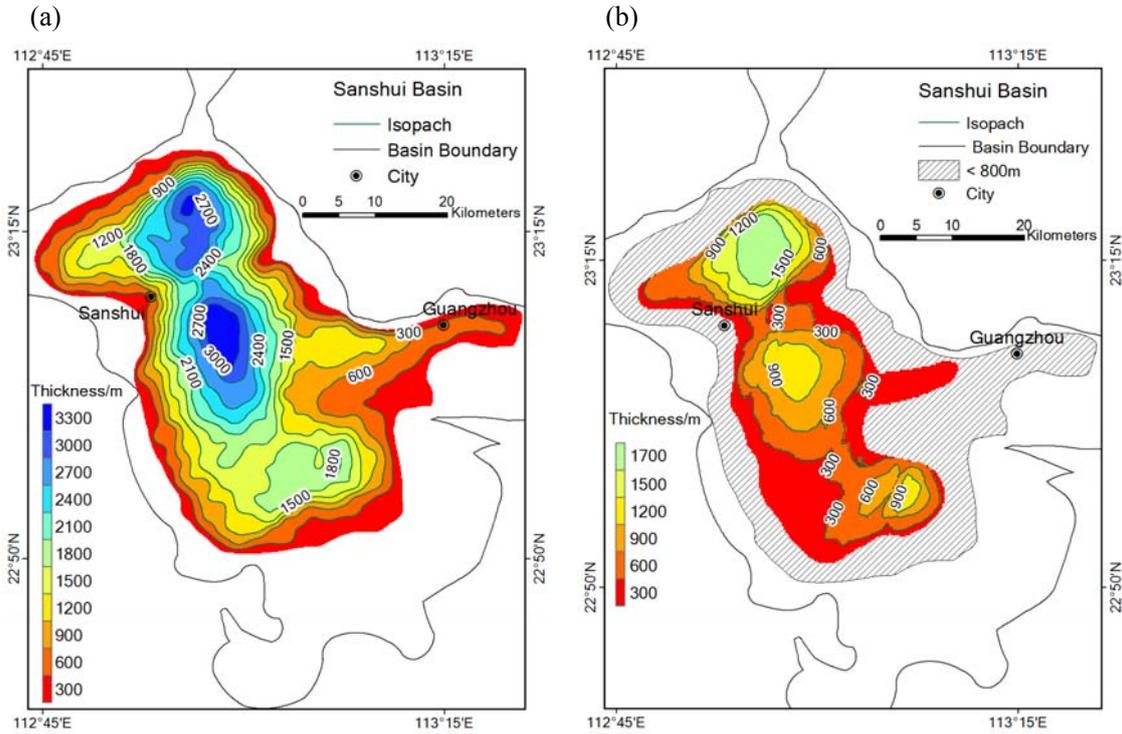
Formation	Member	Porosity (%)		Permeability(mD)		Sample number	Net/Gross (%)	
		Range	Ave.	Range	Ave.			
Buxin	E <sub>b</sub> <sup>3</sup>	0.4~21	7.3	<1~702	14.5	731	53.6	33.4
	E <sub>b</sub> <sup>2</sup>	0.3~17	4.6	<1~5700	2.8	86	17.4	
	E <sub>b</sub> <sup>1</sup>		2.5		(2.8)		25.4	
Dalangshan	K <sub>2d</sub>		(5.2)		(1.2)		(50)	
Sanshui	K <sub>2s</sub>	<5~16	5.2	<1~23	1.2	179	(50)	

**Table 3.2.3 Parameters and capacity assessments for the saline formations in the Sanshui Basin**

Parameter	Buxin	Dalangshan	Sanshui	Total
Volume below 800m $V \text{ (m}^3\text{)}$	$25.7 \times 10^9$	$20.0 \times 10^9$	$18.5 \times 10^9$	
Net:Gross ratio $R$	0.334	0.5	0.5	
Average porosity $\varphi$	0.053	0.05	0.05	
CO <sub>2</sub> density $\rho_{CO_2} \text{ (t m}^{-3}\text{)}$	0.55	0.6	0.6	
<b>Effective capacity (t)</b> <b>800~2500 m</b>	$E = 0.01$	$2.5 \times 10^6$	$2.6 \times 10^6$	$2.1 \times 10^6$
	$E = 0.026$	$6.4 \times 10^6$	$6.1 \times 10^6$	$5.0 \times 10^6$
	$E = 0.04$	$9.9 \times 10^6$	$9.4 \times 10^6$	$7.8 \times 10^6$



**Figure 3.3.1 Isopach maps of the formations in the Sanshui Basin, Guangdong Province.**  
 (a) Sanshui Formation, (b) Dalangshan Formation, (c) Buxin Formation, (d) Xibu Formation.



**Figure 3.3.2 Maps of gross isopach in the Sanshui Basin, Guangdong Province.**  
 (a) Gross isopach; (b) Gross isopach below 800m from the surface excluding the Huachong Fm.

### 3.3 Capacity assessment for oil/gas fields

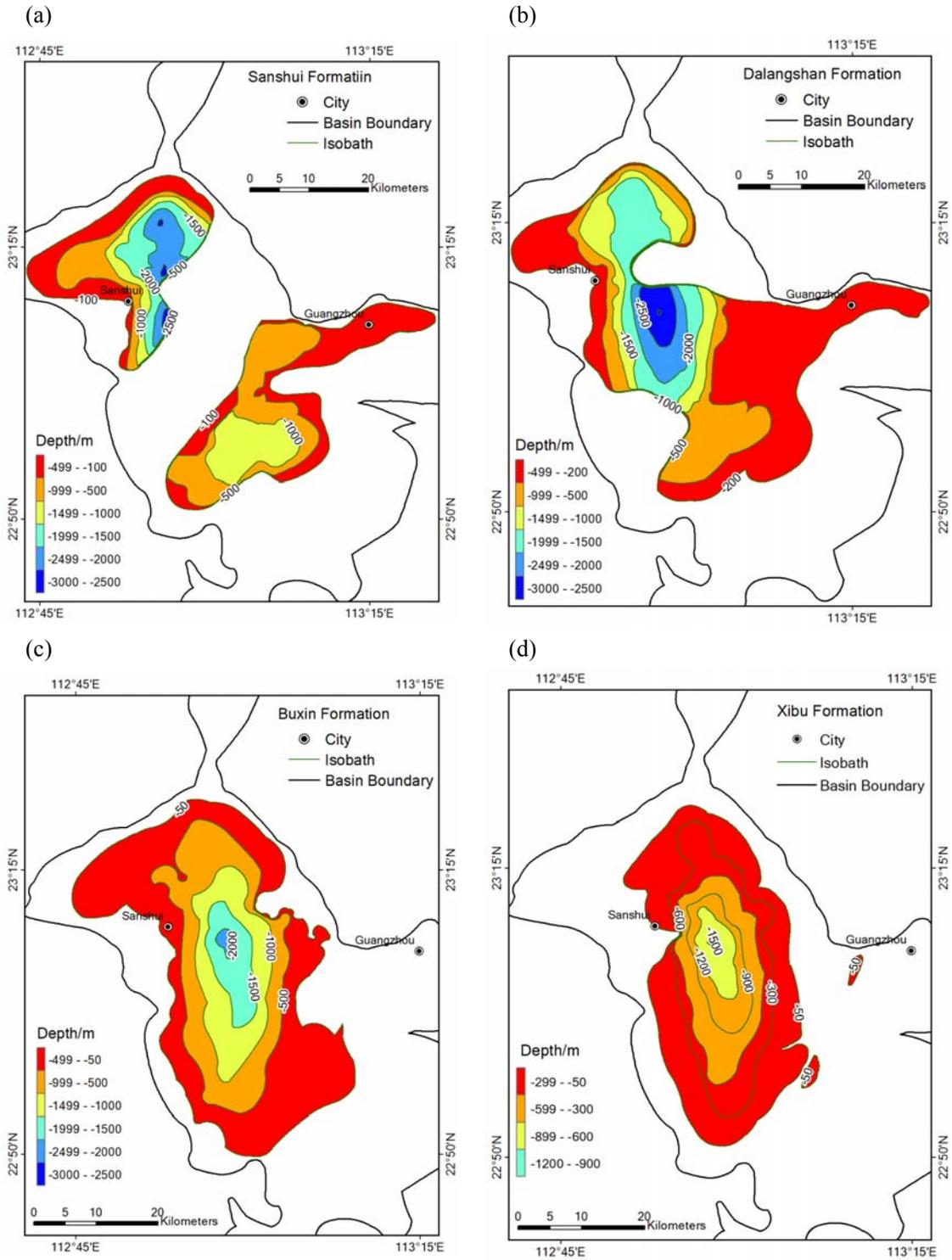
The capacity of CO<sub>2</sub> in oil/gas fields of the Sanshui Basin is estimated using the formula (2.3)  $M_{CO_2} = \rho_{CO_2} \times (R_f \times OOIP / B_f) \times C_e$  and formula (2.5)  $M_{CO_2} = \rho_{CO_2} \times R_f \times OGIP \times B_g \times C_e$ . The parameters used are listed in Table 3.3.1. The estimated capacity of CO<sub>2</sub> in oil and gas fields of the Sanshui Basin is 2.3 Mt to 4.9 Mt and in average 3.23 MtCO<sub>2</sub>.

**Table 3.3.1 The capacity of CO<sub>2</sub> in oil fields of the Sanshui Basin**

Parameter		Value	Data source
OOIP $V_{oil(STP)}$ (t)		$12 \times 10^6$	MLRC et al. (2008)
Recovery rate $R_f$		0.4	Pearl River Mouth Basin
Volume factor $B_f$		1.03	Pearl River Mouth Basin
CO <sub>2</sub> density $\rho_{CO_2}$ (t/m <sup>3</sup> )		0.55	Northern Pearl River Mouth Basin
<b>Effective capacity</b> $M_{CO_2}$ (Mt)	$C_e = 0.12$	$0.31 \times 10^6$	
	$C_e = 0.25$	<b><math>0.64 \times 10^6</math></b>	
	$C_e = 0.40$	$1.02 \times 10^6$	

**Table 3.3.2 The capacity of CO<sub>2</sub> in gas fields of the Sanshui Basin**

Parameter		Value	Data source
OGIP $V_{oil(STP)}$ (m <sup>3</sup> )		$1700 \times 10^6$	MLRC et al. (2008)
Recovery rate $R_f$		0.55	Yinggehai Basin
Volume factor $B_g$		0.0084	Yinggehai Basin
CO <sub>2</sub> density $\rho_{CO_2}$ (t/m <sup>3</sup> )		0.55	Northern Pearl River Mouth Basin
<b>Effective capacity</b> $M_{CO_2}$ (t)	$C_e = 0.47$	$2.03 \times 10^6$	
	$C_e = 0.6$	<b><math>2.59 \times 10^6</math></b>	
	$C_e = 0.9$	$3.89 \times 10^6$	



**Figure 3.3.3** Isobath maps of the formation tops in the Sanshui Basin, Guangdong Province.

(a) top of Sanshui Fm., (b) top of Dalangshan Fm., (c) top of Buxin Fm., (d) top of Xibu Fm.

### 3.4 Conclusions

In the Sanshui Basin, the estimated effective CO<sub>2</sub> storage capacity is only 20.4 MtCO<sub>2</sub> in average, include the storage capacity of 3.2 Mt in average in oil and gas fields. These estimates are of high uncertainty because they were obtained based on published incomplete data, and with the assumptions that all the formations are saline and all the pore space may be filled with injected CO<sub>2</sub>. The capacity of the Lower Cretaceous Baihedong Formation at depth is not considered in the calculation because of the lack of data.

Compared with other sedimentary basins inland Guangdong, the Sanshui Basin is the most advantageous basin for CO<sub>2</sub> storage in the following aspects:

- 1) The 300~400 m thick mud-rich Early Eocene Buxin formation is excellent regional seal. It is faulted, but the faulting did not destroy its lateral continuity;
- 2) Very small oil/gas fields exist and may be transformed to CO<sub>2</sub> storage pilot or demonstration sites when they become depleted;
- 3) Extensive data and infrastructures are accumulated during a long period of exploration;
- 4) Proximal to major CO<sub>2</sub> point sources in the most industrialized Pearl River Delta.

However, the Sanshui Basin has the following disadvantages in terms of CO<sub>2</sub> storage:

- 1) The effective storage capacity is very small;
- 2) The reservoirs are of poor quality: their sizes and thickness are small, porosity and permeability are low, and heterogeneity is high;
- 3) The entire basin resides in a densely populated and economical developed region of the Pearl River Delta.

In summary, although the Sanshui Basin is proximal to the emission sources, the small storage capacity, poor reservoir property, and the heavy land use in the basin make it un-suitable for large-scaled CO<sub>2</sub> storage.

The Sanshui Basin is the only petroliferous basin inland Guangdong. The geological conditions of other inland basins in Guangdong are even less favorable for CO<sub>2</sub> storage in terms of even smaller size and poorer reservoir quality. Taking into account of the dense population and high economic development in the province, there are essentially no storage potential inland Guangdong.

## Chapter 4 CO<sub>2</sub> Storage Capacity of the Pearl River Mouth Basin

### 4.1 Geography and geology

#### Geography

The Pearl River Mouth Basin (PRMB), 111°20'~118°0'E and 18°30'~23°00'N, is the largest sedimentary basin in the northern South China Sea offshore Guangdong Province. It is a NEE-elongated basin, 900 km long and 115-280 km wide, with total area of 170 000 km<sup>2</sup>, or 147 000 km<sup>2</sup> if calculated with sediment thickness  $\geq 1$  km (Cai, 2005). The basin resides in the shelf (~68% in area) and the slope of the northern South China Sea, with water depth ranging from 50 m to over 2000 m (Fig. 4.1.1).

#### General geology

The PRMB has experienced extensive geological survey and oil/gas exploration since the 1970's of the last century. Numerous papers and books have been published on its geology and hydrocarbon resources (Chen et al., 2003; Gong and Li, 1997; Pang et al., 2007a).

Geologically the PRMB is an extensional basin in the passive continental margin of the northern South China Sea. It was formed by rifting of the South China Block in Paleogene and subsequent subsidence in Neogene. Geographically the basin was generally continental in Paleogene and marine in Neogene.

The basement of the PRMB is composed of Mesozoic granites and secondarily Paleozoic metamorphic rocks. Above the basement there are 4 depressions aligned in two NEE-running belts: The Zhu-3 and Zhu-1 depressions in the northern depression belt, and the Zhu-2 and Chaoshan depressions in the Southern depression belt (Fig. 4.1.1). The two belts are separated by a NEE-running belt of uplifts.

In vertical sections the structures are composed of the lower section of Paleogene rifts (half-grabens and grabens) and the upper section of Neogene post-rift downwarps (Fig. 4.1.1). Rifting occurred episodically since Late Cretaceous, reached the climax in Late Eocene, and ended in Early or Late Oligocene. NEE faults often controlled the orientation of the depressions, while NWW-EW faults controlled the distribution of sags and traps. NW-running large crustal or lithospheric faults cut the depression belts into blocks. In Neogene, long-wavelength subsidence occurred in wide areas by post-rifting lithosphere cooling and contraction.

Cenozoic volcanism occurred episodically from Early Eocene to Quaternary (Liang and Li, 1992). They are mostly acid and intermediate volcanic clasts, with mafic and intermediate lavas in Paleogene, and basaltic lavas in Neogene and Quaternary. Except the Quaternary basalts these appear usually in small sizes and in vicinity of large NW faults. Locally the volcanic rocks may have large total thickness, e.g., the BY7-1-1 well in the western Zhu-2 depression encountered Oligocene to Early Miocene tuff and basalts of ~400 m in thickness (Chen et al., 2003).

Earthquake activity has been sparse and weak in major portions of the PRMB (Fig. 4.1.2). The only  $M > 6$  earthquake occurred in the western central uplift belt (Sept. 1931,  $M 6.75$ ).

### **Stratigraphy and paleo-geography**

The PRMB is filled with Cenozoic sediments with maximum thickness of >6 km in shelf areas and may be >14 km in slopes (Chen et al., 2003; Zhou et al., 2009), except in the Chaoshan depression where Paleogene is absent and the depression is filled with 1~2 km Neogene underlain by >7 km of Mesozoic un-metamorphosed sediments (Hao et al., 2009).

The stratigraphic column of the PRMB is shown in Fig. 4.1.3. During Paleogene the PRMB was inland on the South China Block, receiving fluvial and lacustrine sedimentation in rifted basins and incised valleys. The Paleogene to Early Eocene Shenhu Fm appears in restricted areas and consists of mudstone and sandstone interbeds. The Middle Eocene Wenchang Fm contains the major source rocks of the basin. Its middle section is composed of dark mudstone deposited in large and deep lakes, locally reaches a total thickness of 230 m and single layer thickness of >70 m. The dark-mudstone section is topped by the upper member of sandstone, siltstone with coal-bearing mudstone, and bottomed by gravel sandstones. The upper Eocene to Lower Oligocene Enping Fm is characterized by coal-bearing interbeds of clastic rocks and is another major source rock interval in the basin. The Late Oligocene Zhuhai Fm consists of three cycles of coarse-to-fine clastic rocks deposited in alternative continental-marine environments. It is relatively rich in sandstones (Cai, 2005).

After the breakup of the South China Sea in ~30 Ma, the PRMB subsided to a marine environment. The sealevel oscillated but in general trend of rising (Qin, 2002) (Fig. 4.1.3), opposite to the global trend of sealevel dropping during the Neogene period. Frequent fluctuation of sealevel has resulted in cyclic sedimentations throughout the period, forming multiple deltas in the north and sequences of marine strata in the south. The Lower Miocene Zhujiang Fm is characterized, in addition to clastic sediments, by the development of reefal limestone on local highs. The Middle Miocene Hanjiang Fm contains mainly sandstones in the lower section and mainly mudstone in its upper section. The Upper Miocene Yuehai Fm is composed of mudstone and sandstone. The Pliocene Wanshan Fm contains less compacted sandstone and mudstone. The Quaternary sediments are mainly silt and mud (Cai, 2005; Gong and Li, 1997).

### **Petroleum Geology**

Major source rocks in the PRMB are the lacustrine dark mudstones of Middle Eocene Wenchang Fm and the coal-bearing sequences in Late Eocene to Early Oligocene Enping Fm. The dark mudstones in the Zhuhai and Zhujiang Fms are secondary source rocks (Cai, 2005).

There are three source-reservoir-seal assemblages in the PRMB: (1) the Paleocene-Eocene self-contained continental assemblage developed sparsely in northern PRMB; (2) the Paleogene-Eocene-Miocene assemblage with sources in continental Paleogene formations locally within sags, reservoirs in marine Zhuhai and Zhujiang Fms, and caprocks in upper Zhujiang Fm; (3) the Zhujiang-Yuehai marine assemblage with sources in Zhujiang Fm, reservoirs in Hanjiang Fm, and caprocks in upper Hanjiang Fm and in Yuehai Fm (Cai, 2005; Zhu et al., 2008).

Structural traps in sandstone and the cavities in carbonate buildups are the principal reservoir types in the PRMB. Oil fields have been found mainly in the Zhu-1 depression along the edges between the northern Dongsha Uplift and the southern Huizhou Sag and southwestern Lufeng Sag, and in the southern Dongsha Uplift (Fig. 4.1.1). By the end of 2007, a total of 169.5 Mt oil has been produced from the northern South China Sea, the majority from the PRMB. Most oil fields

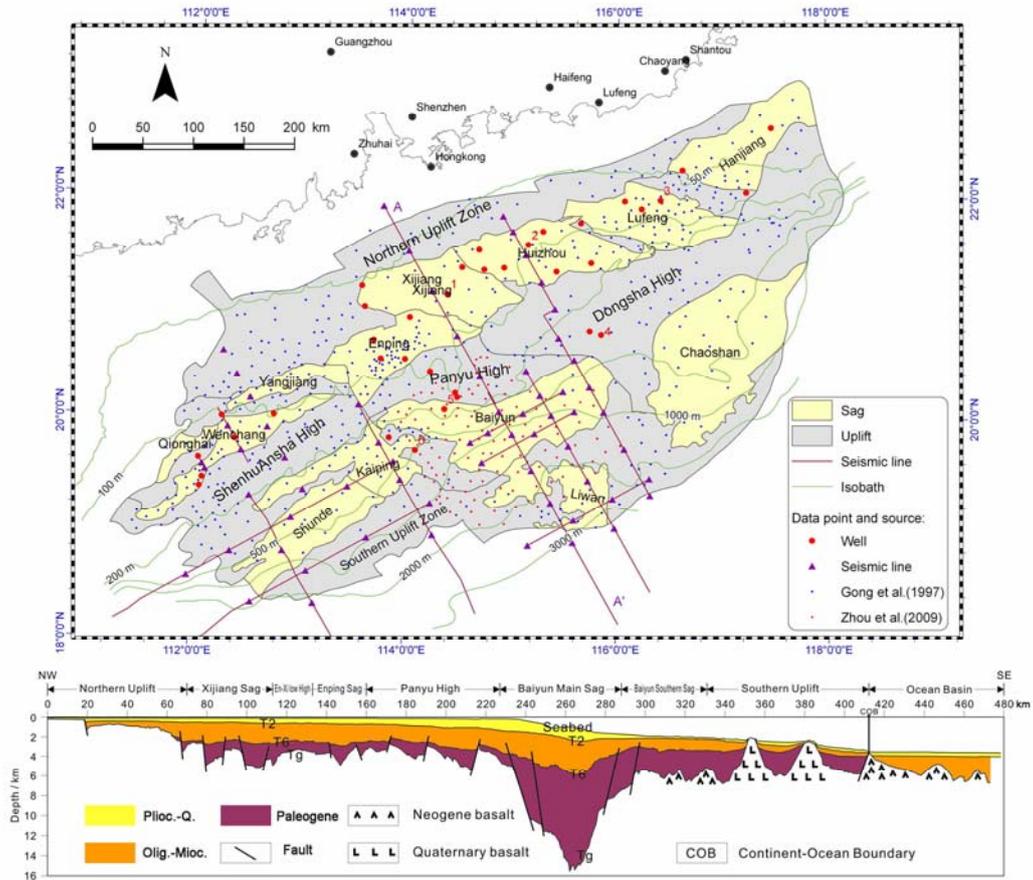


Figure 4.1.1 Simplified geological map and cross section AA' of the Pearl River Mouth Basin. Data points used in the assessment are superimposed.

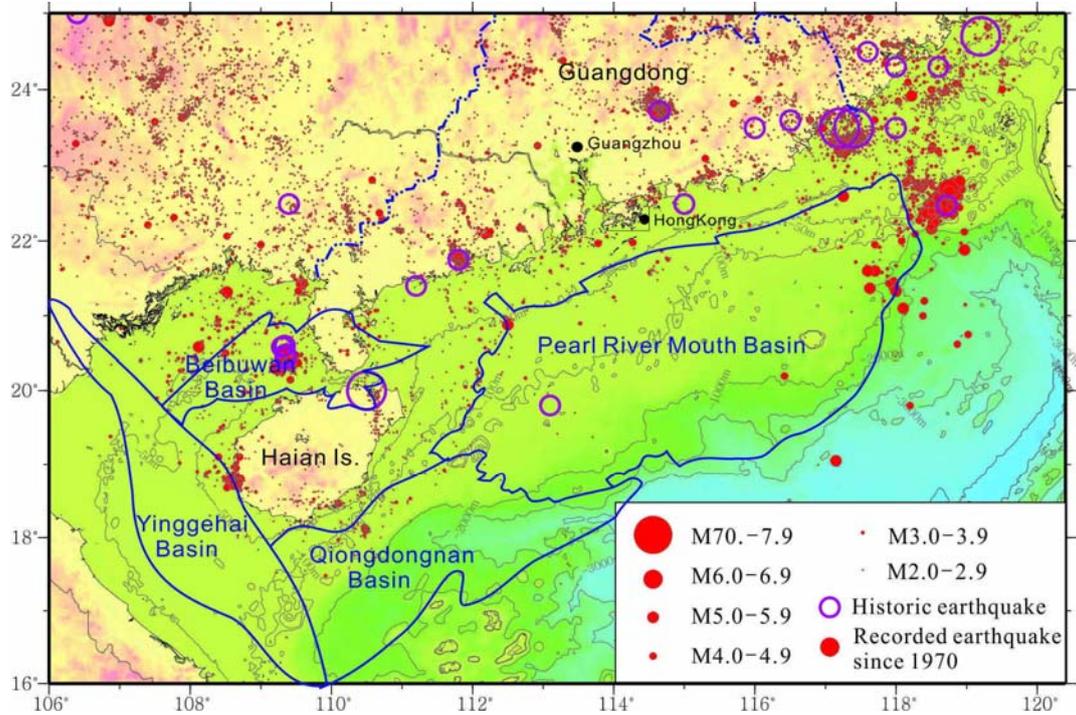


Figure 4.1.2 Seismic epicenters and magnitudes in Guangdong and northern South China Sea (courtesy of Jinglong Sun). Location of sedimentary basins is superimposed.

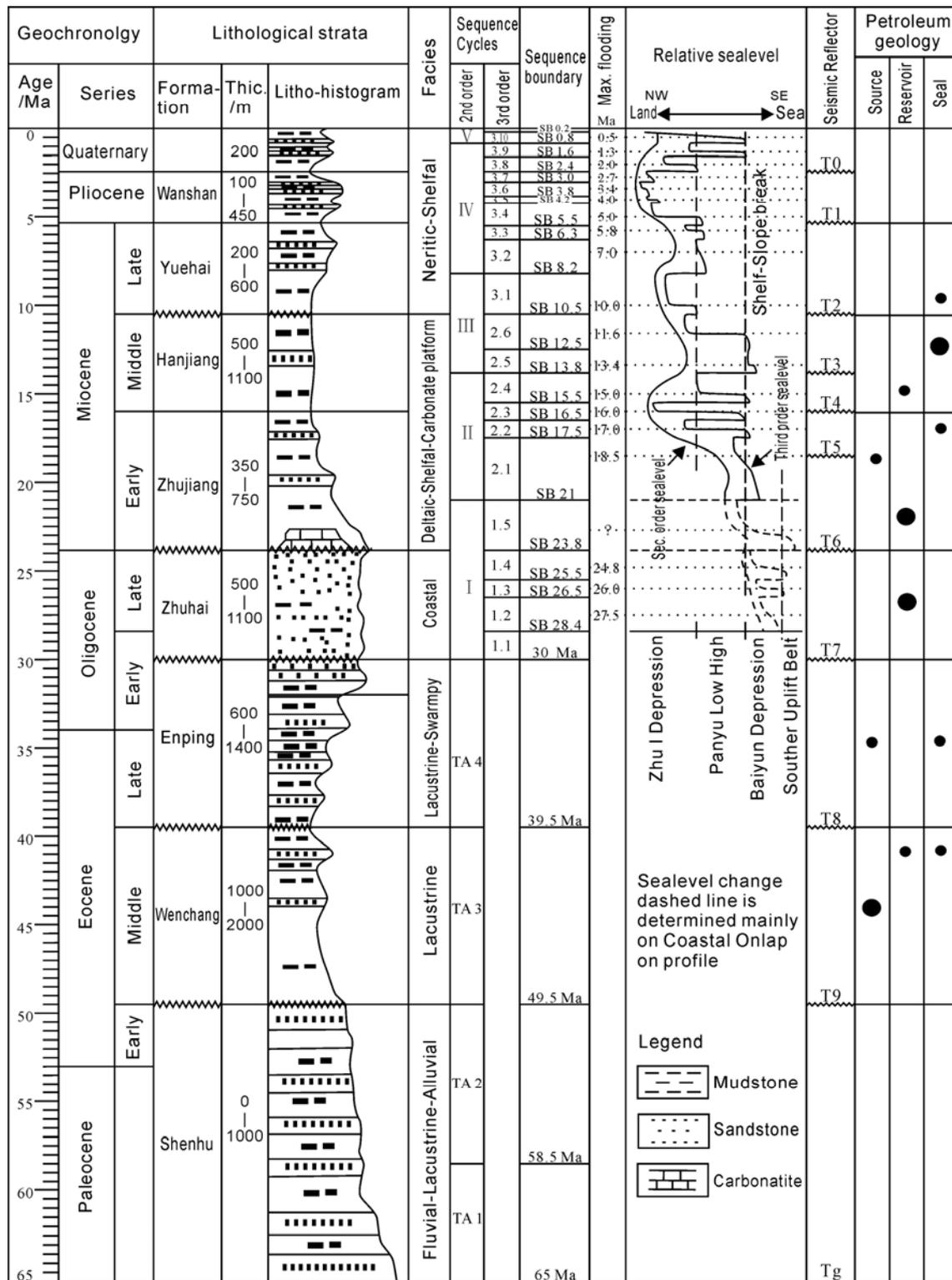


Figure 4.1.3 Stratigraphic column of the Pearl River Mouth Basin. Sequence stratigraphy after Yang et al.(1996) and Pang et al.(2007a), sealevel curve after Qin (2002), and others after Chen et al. (2003).

are small, except the LH11-1 field with proved reserves over 100 Mt (0.73 billion barrels) (Zhu et al., 2008). In recent years, large gas fields have been discovered in the Wenchang Sag of the Zhu-3 depression, and in the Baiyun Sag and its northern edge of the Zhu-2 depression.

## 4.2 Capacity assessment for Saline formations

### Geological conditions for CO<sub>2</sub> storage

The topmost regional seal is the transgression mudstones in the Middle Miocene Hanjiang Fm. In the Zhu-1 depression the Hanjiang Fm contains 400~600 m mudstones, 70%~80% of the formation thickness; while in the Zhu-2 depression to the south these numbers are 700~800 m and 80~90% (Cai, 2005). As the mudstones in the Hanjiang Fm form the uppermost regional seal, in this assessment the strata above the Hanjiang Fm will not be considered. Beneath this regional seal the delta-front sandstones of the Hanjiang Fm form good reservoirs, with porosity 28.7% to 37.5%, and permeability 188 mD to 1732 mD (Cai, 2005).

The middle seal-reservoir assemblage is within the Lower Miocene Zhujiang Fm, which is composed of delta front and transgression mudstones interbedded with delta-front sandstones or carbonates. The mudstones have 57~90% of the formation thickness in most part of the basin. A single mudstone layer of >6 m thickness can form effective seal. The porosity and permeability of the sandstones reservoirs are similar as those in the Hanjiang Fm (Cai, 2005). Reefal carbonates mainly in the Dongsha uplift are important reservoirs with porosity of 9~28% and permeability of 7~1365 mD. The LH11-1 field in the carbonate of the Zhujiang Fm is the largest oil field in the basin. The average porosity and permeability in the LH11-1 field are 23% and 472 mD respectively (Cai, 2005).

The Upper Oligocene Zhuhai Fm has local seals of delta front and lacustrine mudstones. The reservoirs in the formation are transgression delta front, channel, and sandbar sandstones, with porosity of 15~20% and permeability of 156-875 mD. Single reservoir thickness up to 20~37 m (Chen, 2003; Table 4.2.4). The transgression sequence in the Zhuhai Fm may have thickness of 145-175 m and porosity of 16~30% (Cai, 2005). A regional unconformity exists beneath the Zhuhai formation, thus the sealing conditions in the bottom should be examined case by case.

The Oligocene Enping Fm and older strata are composed of mainly continental clastic sediments that filled discrete sags. They contain major source rocks for hydrocarbon, but are not favorable for CO<sub>2</sub> storage as their relatively rapid facies changes and large depths.

### Data sources

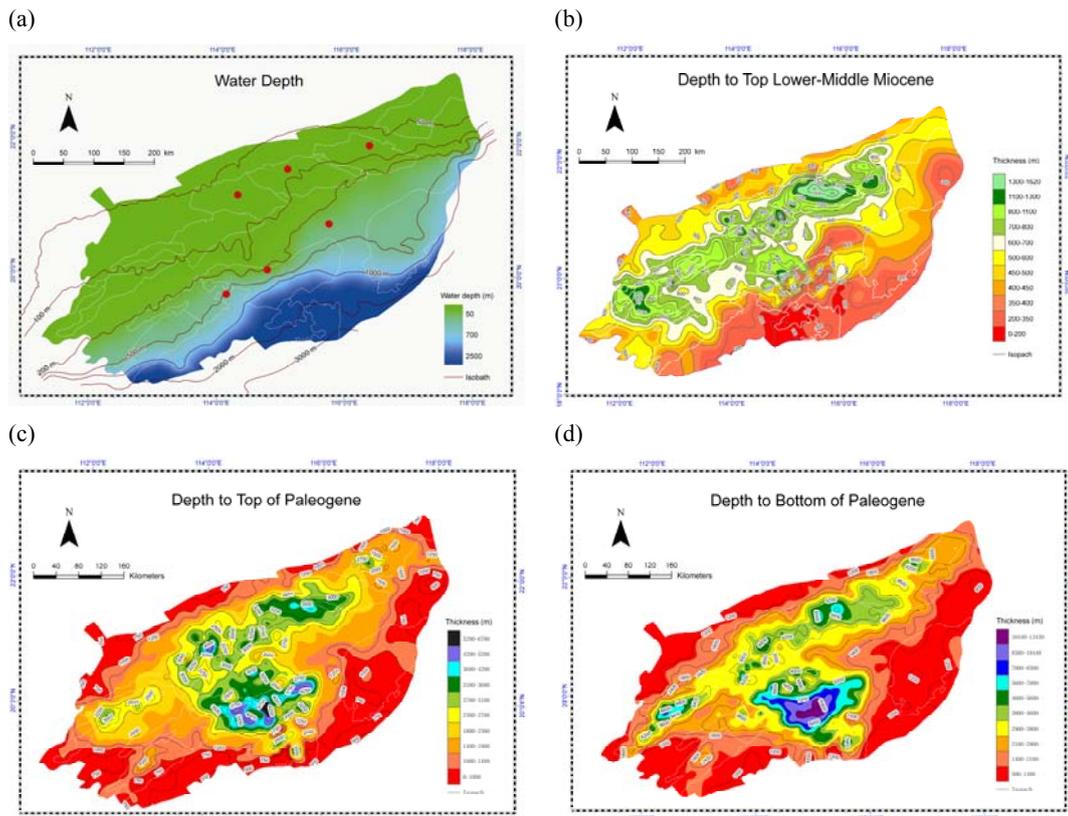
A GIS-based database was built for the Cenozoic formations in the PRMB based on the data compiled from published sources, including those from 31 wells. As available well data are insufficient for depth and isopach mapping, 23 regional seismic profiles (depth converted) and published low-resolution isopach maps (e.g., the three isopach maps from Gong et al., 1997, as well as the isopach maps of the Baiyun Sag from Zhou et al., 2009) have been used to provide additional data points. Resulting isopach maps are in reasonable resolution for assessing the effective capacity (see Fig. 4.1.1 for data point distribution). Water depths are from the Geographic Map of the South China Sea printed by SCSIO in 1983.

## Formation volumes

For the assessment of storage capacity the Cenozoic formations of the PRMB are divided into two super sequences: Paleogene (Wenchang, Enping, and Zhuhai Fms), Lower-Middle Miocene (Zhujiang and Hanjiang Fms). The sequence of Upper Miocene to Holocene lies above the uppermost regional seal in the Hanjiang Fm is assessed only for thickness in order to define the upper surface of the sequence below. Maps of their surface depths and isopaches were constructed (Figs. 4.2.1 and 4.2.2). Their gross volumes and the volumes below 800 m and above 3500 m from the seafloor, and volumes in the depth range 800~3500 m within the shallow water (<300 m) areas were calculated on a GIS platform (Table 4.2.1).

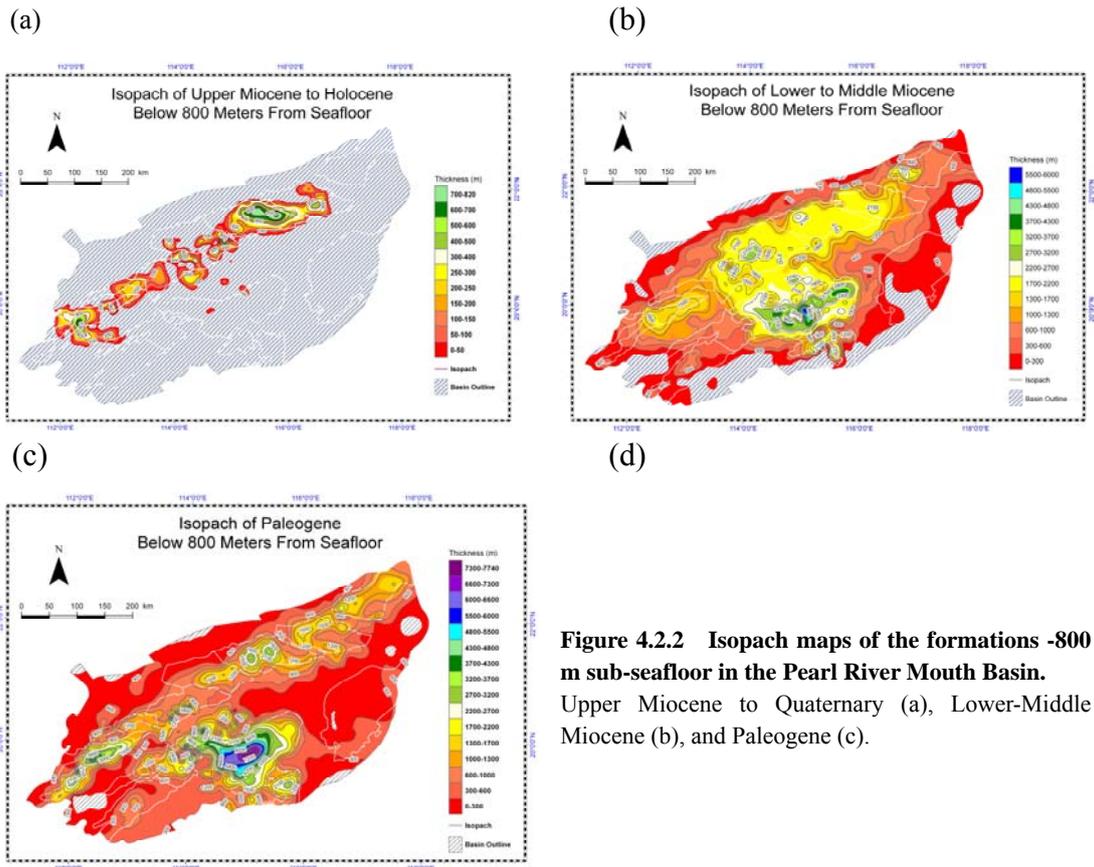
**Table 4.2.1 Areas and volumes of the super sequences in the Pearl River Mouth Basin**

Super sequence	Area (km <sup>2</sup> )	Depth of top (m)	Thickness (m)	Volume (Gm <sup>3</sup> )		
				Gross	800-3500 m	Shallow area
Paleogene	197290	0-2600	0-1700	175773	169000	93000
L.-M. Mioc.	174856	0-700	0-2500	235228	203000	141000
U. Mioc. To Q	30185	0	0-700	114490	6240	
Total				525491	378240	234000



**Figure 4.2.1 Depths from seafloor to formation interfaces in the Pearl River Mouth Basin.**

(a) Seafloor, red dots are locations of the wells in Table 4.2.2; (b) Top of Lower-Middle Miocene; (c) top of Paleogene; (d) bottom of Paleogene.



**Figure 4.2.2 Isopach maps of the formations -800 m sub-seafloor in the Pearl River Mouth Basin. Upper Miocene to Quaternary (a), Lower-Middle Miocene (b), and Paleogene (c).**

### Lithological parameters

Published data on net/gross ratio, porosity and permeability of the rocks in the PRMB are sparse. Thus we have to estimate based on several sets of incomplete or indirect data.

Stratigraphic columns from 6 wells in the Zhu-1 and Zhu-2 depressions have been used to measure the net/gross ratio (Table 4.2.3). Simple averages of net/gross ratios in these wells are 0.36, 0.49, and 0.64 for the super layers of Paleogene, Early to Middle Miocene, and Upper Miocene to Holocene, respectively.

Data of oil-tested sandstone segments from 11 wells and of sampled segment from 7 wells of the eastern PRMB (east of longitude 113°E) are published in Tables 5-2, 5-3, and 5-4 of Chen et al. (2003). The average values weighted by segment thickness are listed in Table 4.2.5.

Petroleum systems have been delineated in the eastern PRMB, and their parameters are listed in the Table 8-2 of Chen et al. (2003). Based on these data the parameters of caprocks and reservoirs in the formations of the eastern PRMB are calculated by thickness-weighted averaging (Table 4.2.4).

**Table 4.2.2 Statistics for net/gross ratios in 6 wells in the Pearl River Mouth Basin\*.**

SS-Sandstone, MSS-Muddy Sandstone, CA-Carbonate, MS-Mudstone, SMS-Sandy mudstone, N/G is (SS+MSS+CA)/(MS+SMS).

		HF33 -3-1	%	N/G %	HZ13 -1-1x	%	N/G %	BY7 -1-1	%	N/G %	LH11 -1-2	%	N/G %	XJ33 -2-1A	%	N/G %	PY33 -1-1	%	N/G %	Ave. N/G %
Paleo- gene	SS	0	0.0	0.0	305	22.8	23.8	330	58.1	58.1	85	54.8	54.8	485	25.3	47.0				36.8
	MSS	0	0.0		14	1.0		0	0.0			0.0		410	21.4					
	CA	0	0.0		0	0.0		0	0.0		0	0.0		7	0.4					
	MS	262	23.3		811	60.6		238	41.9		45	29.0		1016	53.0					
	SMS	862	76.7		208	15.5		0	0.0		25	16.1		0	0.0					
	Total	1124	100.0		1338	100.0		568	100.0		155	100.0		1918	100.0					
E-M Mioc	SS	705	54.3	57.0	1471	72.7	81.1	375	25.8	28.5	0	0.0	37.0	1046	36.5	59.4	583	29.6	36.4	49.9
	MSS	7	0.5		171	8.4		40	2.7		305	37.0		653	22.8		134	6.8		
	CA	28	2.2		0	0.0		0	0.0		0	0.0		3	0.1			0.0		
	MS	12	0.9		62	3.1		1040	71.5		520	63.0		1162	40.6		1255	63.6		
	SMS	547	42.1		320	15.8		0	0.0		0	0.0		0	0.0			0.0		
	Total	1299	100.0		2024	100.0		1455	100.0		825	100.0		2864	100.0		1972	100.0		
L Mioc -Q	SS	832	82.0	98.0	986	74.6	95.6	0	0.0	0.0										64.5
	MSS	20	2.0		0	0.0		0	0.0											
	CA	143	14.1		278	21.0		0	0.0											
	MS	0	0.0		53	4.0		675	100.0											
	SMS	20	2.0		5	0.4		0	0.0											
	Total	1015	100.0		1322	100.0		675	100.0											

\* Data are from well log interpretations of CNOOC. Well locations are indicated by red dots in Fig.4.2.1a

**Table 4.2.4 Parameters of reservoirs and seals in eastern PRMB** based on regional data from Table 8-2 of Chen et al. (2003)

Formation	Region	Reservoirs					Seals			N/G %
		Gross thickness	Sandstone	Max single layer	Porosity	Permeability	Gross thickness	Mudstone	Max single layer	
		(m)	%	(m)	%	(mD)	(m)	%	(m)	
Hanjiang	EP	596.0	51.2	8-22.5	33.1		279.5	46.8	12.0-22.0	31.9
	Range	567-625	43.0-59.5	8-22.5	28.7-37.5		229-330	40.5-53.3	12.0-22.0	
Zhujiang	EP	931.0	49.3	12.5-30	21.5	623.0	468.8	49.1	16.5-21	44.8
	EP-E*	319.0	40.0	10.0-22.0	23.7	750.0	105.0	53.5	20.0-28.0	
	XJ*	1100.0	62.0	71.0	23.0	524.0	616.0	28.0	27.0	
	XJ-E*	470.0	35.0	30.0	24.0	1650.0	1000.0	63.0	105.0	
	HZ-W*	541.0	50.5	43.0	23.3	1536.0	1036.0	66.0	97.0	
	HZ-E	280.0	27.0	9-33	18.8	36.2	624.0	61.0	120.0	
	LF-S	174.0	24.0	32.0	17.0	630.0	500.0	72.0	35-211	
	Range		16-77	9-71		19-1650	70-1408	15-82	20-211	
W. Ave		47.8		22.3	818.3		57.8			
Zhuhai	XJ	400.0	63.5	35.5	15.0	303.0	440.0	36.0	30.0	62.8
	HZ-W	313.5	86.5	37.0	16.8	875.0	132.0	20.0	10.0	
	HZ-N	147.2	85.0	20.0	18.6		576.0	63.0	4.0	
	LF-S	214.0	66.0	37.0	20.0	316.0	132.0	35.0	7.0-13.0	
	Range		47-96	20-37		156-875	11-576	5-63	4.0-30.0	
	W. Ave		73.7		17.0	430.9		46.4		

\* Including Hanjiang Formation.

\*\* "W. Ave." stands for thickness-weighted averages.

The parameters compiled from the above-mentioned sources are compared in Table 4.2.6. The porosities and permeabilities are reasonable consistent, but the net/gross ratio varies significantly. The data in Table 4.2.5 has much higher Net/Gross ratios and can not represent the reservoirs in water zones. The data in Table 4.2.4 are from a regional study and should be more reliable, but they are only for the middle sequence of Lower to Middle Miocene. In this capacity calculation, the net/gross ratios from 6 wells (Table 4.2.3) were used. It should be keep in mind that these parameters were collected from hydrocarbon reservoirs or petroleum systems and thus are not representative for all saline formations in the basin. This is, however, the only feasible practice at the present. As pointed out by USDOE (2008), “Because formation heterogeneity terms are included (in the storage efficiency factor), this estimate could be considered a reasonable maximum storage resource estimate”.

**Table 4.2.5 Parameters of oil-tested sandstone segments from the wells in eastern PRMB**  
(thickness-weighted averages based on tables 5-2, 5-3, and 5-4 in Chen et al. 2003)

Formation	Porosity (%)		Permeability(mD)		Net/Gross ratio (%)	# of wells
	Range	Ave.	Range	Ave.		
Zhujiang	13.3~23.9	19.9	20.2~2027.9	916.5	92.6	10
Zhuhai	2.3~22.7	16.8	3.5~299.1	318.0	87.8	11
Enping	0.7~22.0	10.3	0.03~95	7.0	No data	14

**Table 4.2.6 Comparison of the reservoir parameters compiled from various data sources.**

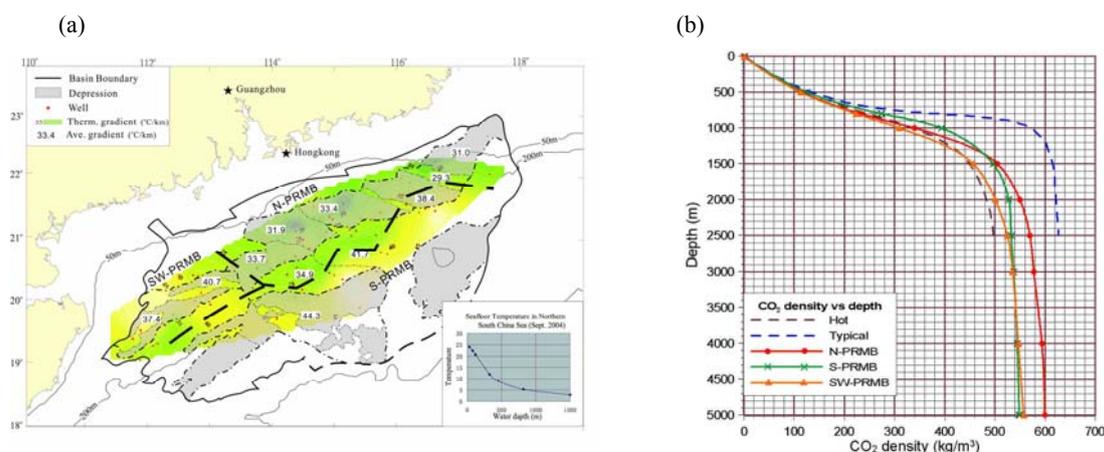
	Porosity (%)	Permeability (mD)	Net/Gross (%)	Data source
Hanjiang	33.1		31.9	Table 4.2.4
	16.3~29.6	188~1732	10~30	Cai (2005)
Zhujiang	19.9	916.5	92.6	Table 4.2.5
	20.8	624.1	44.8	Table 4.2.4
	16.3~29.6	188~1732	10~43	Cai (2005)
Zhuhai	16.8	318.0	87.8	Table 4.2.5
	17.0	431	62.8	Table 4.2.4
	4.5~16.8	4.4~2434		Cai (2005)
Enping	10.3	7.0		Table 4.2.5

### CO<sub>2</sub> density

The density of CO<sub>2</sub> varies with formation temperature and pressure (Bachu, 2003). The PRMB is in general in a normal pressure system. Overpressure is observed only locally in deeply buried (>4600 m) Wenchang and Enping formations (Gong and Li, 2004). Thus in this paper we use the hydrostatic pressure to approximate the formation pressure.

The formation temperature depends on the surface temperature and geothermal gradient. The seafloor temperature of the northern SCS varies with water depth as shown in the inset of Fig. 5. The thermal gradient varies across the PRMB in the range of 26.2~50.6 °C /km. A contour map of geothermal gradients in the PRMB was compiled based the data of 75 wells (Fig. 5) from Rao

and Li (1991). The gradient is in general lower than 35 °C /km in the shallow-water Zhu 1 depression, while higher in the deep-water Zhu 2 and shallow-water Zhu 3 depressions. Accordingly we divide the basin into three regions (Fig. 5): the N-PRMB with relatively high seafloor temperature and low thermal gradient, the S-PRMB with relatively low seafloor temperature and high thermal gradient, and the SW-PRMB with both high seafloor temperature and high thermal gradient. Curves of CO<sub>2</sub> density versus formation depth were constructed respectively for each region (Fig. 6) based on Span and Wagner (1996). In Fig.6 selected curves from other publications are also presented for comparison. The increase rate of CO<sub>2</sub> density with depth in the PRMB is much slower than the 35 °C/km curve of GeoCapacity (2009), and in between the “Typical” and “Hot” curves of Chadwick et al.(2008).



**Figure 4.2.4** (a) Contour map of geothermal gradient of the Pearl River Mouth Basin compiled based on drill hole measurements given in Rao and Li (1991) with minor additions. Thick dashed line divides the basin into 3 districts for constructing CO<sub>2</sub> density curves. Numbers show the average gradient (in °C/km) for individual sags. Inset is a curve of seafloor temperature in northern South China Sea measured by SCSIO. (b) Curves of CO<sub>2</sub> density versus depth for N-, S-, and SW- Pearl River Mouth Basin. Curves of “Typical” and “Hot” regions from Chadwick et al. (2008) are also shown for comparison.

### Capacity calculation

The effective capacity for CO<sub>2</sub> storage in the saline formations in the Pearl River Mouth Basin is estimated under the following assumptions in addition to the general assumptions stated in Chapter 2:

- (1) The Middle Miocene Hanjiang Fm forms the upper regional seal, and the delta-front and transgression mudstone in the Zhujiang Fm form the lower regional seal;
- (2) CO<sub>2</sub> reservoirs mainly reside in the sandstones and limestones of the Early Miocene Zhujiang and Zhuhai Fms, and secondarily in Middle Miocene Hanjiang Fm and in Oligocene Enping Fm;
- (3) Because to the authors no data are available for the Wenchang Fm., its parameters are assumed to be the same as those of the Enping Fm.

Therefore, only the Paleogene (Wenchang, Enping, and Zhuhai) and Lower-Middle Miocene (Zhujiang and Hanjiang) formations are considered in the capacity calculation. Equation (2.1) is used in the calculation with  $E = 0.01, 0.026, \text{ and } 0.04$  for a probability level of P15, P50, and P85, respectively. Parameters and results are listed in Table 4.2.7. The effective CO<sub>2</sub> storage capacity in saline formations of the PRMB ranges in 110 Gt CO<sub>2</sub> to 443 Gt CO<sub>2</sub> and in average 289 Gt CO<sub>2</sub>,

while the capacity in shallow area of the PRMB ranges in 77 Gt CO<sub>2</sub> to 310 Gt CO<sub>2</sub> and in average 201 Gt CO<sub>2</sub>. More than 80% storage capacity resides in Lower to Middle Miocene formations.

**Table 4.2.7 Estimates of effective capacity of saline formations in the Pearl River Mouth Basin**

Parameter		L.-M. Miocene	Paleogene	Total
Volume 800-3500 m $V$ (Gm <sup>3</sup> )		203000	169000	
Volume 800-3500 m in shallow area		141000	93000	
Net/Gross ratio $R$		0.5	0.37	
Average porosity $\phi$		0.2	0.1	
CO <sub>2</sub> density $\rho_{CO_2}$ (t/m <sup>3</sup> )		As in Fig. 4.2.4b	As in Fig. 4.2.4b	
Effective capacity (GtCO <sub>2</sub> ), 800-3500 m	$E = 0.01$	<b>91</b>	<b>19</b>	<b>110</b>
	$E = 0.026$	<b>238</b>	<b>51</b>	<b>289</b>
	$E = 0.04$	<b>365</b>	<b>78</b>	<b>443</b>
Effective capacity (GtCO <sub>2</sub> ), Shallow area	$E = 0.01$	<b>64</b>	<b>13</b>	<b>77</b>
	$E = 0.026$	<b>167</b>	<b>34</b>	<b>201</b>
	$E = 0.04$	<b>258</b>	<b>52</b>	<b>310</b>

### 4.3 Capacity assessment for oil/gas fields

Up to 2009 there are ~200 wells have been drilled in the PRMB, and ~40 oil/gas fields have been found, with oil production over or near 10 million tons since 1996. The estimations of geological resources in the PRMB are 2.2 Gt oil equivalent (MLRC ET AL., 2008). The resources may be underestimated because the PRMB is still in active exploration. For example, the newly estimated resource of the Zhu-1 depression alone reaches 5.9 Gt oil equivalent (Shi et al., 2009), and new gas fields have been discovered in the deepwater Baiyun Sag of the Zhu-2 depression (Pang et al., 2007b).

The capacity of CO<sub>2</sub> in oil/gas fields of the PRMB is estimated using the formulas (2.3) and (2.5). The parameters used are listed in Tables 4.3.1 and 4.3.2, where *OOIP* and *OGIP* are the geological resources in Chinese nomenclature, and the value of storage capacity factor  $C_e$  are explained in section of 2.3 in this report.

Assuming that all the oil and gas fields can be used for CO<sub>2</sub> storage after their depletion, our assessment indicates that in the PRMB the oil fields have effective capacity of 0.06~0.2 (average 0.13) Gt CO<sub>2</sub>, and the gas fields have effective capacity of 1.1~2.1 (average 1.4) Gt CO<sub>2</sub>.

**Table 4.3.1 Estimates of the effective CO<sub>2</sub> storage capacity in oil fields of the Pearl River Mouth Basin**

Parameter		Value	Data source
OOIP (Mt)		2327	Zhu et al. (2010)
Recovery rate $R_f$		0.4	Liu et al. (2009)
Volume factor $B_f$		1.03	CNOOC
CO <sub>2</sub> density $\rho_{CO_2}$ (t/m <sup>3</sup> )		0.566	Fig. 4.2.4b
Theoretical CO <sub>2</sub> storage capacity (Mt CO <sub>2</sub> )		511	
Effective storage capacity (Mt CO <sub>2</sub> )	P85: $C_e = 0.12$	61	
	P50: $C_e = 0.25$	128	

	P15: $C_e = 0.4$	205	
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**Table 4.3.2 Estimation of the effective CO<sub>2</sub> storage capacity of gas fields in the Pearl River Mouth Basin.**

Parameter		Value	Reference
OGIP (Gm <sup>3</sup> )		1961	Zhu et al. (2010)
Recovery rate		0.55	DF1-1 data
Reservoir CO <sub>2</sub> density ( $\rho_{CO_2r}$ )		0.56	Fig. Q5
Gas volume factor ( $B_g$ )		0.00385	$= (P_s \times Z_r \times T_r) / (P_r \times Z_s \times T_s)$
Theoretical CO <sub>2</sub> storage capacity		2325 Mt	$= \rho_{CO_2r} \times R_f \times OGIP \times B_g$
Effective Storage capacity (Mt CO <sub>2</sub> )	P85: $C_e = 0.47$	1093	
	P50: $C_e = 0.6$	1395	
	P15: $C_e = 0.9$	2093	

#### 4.4 Potential of CO<sub>2</sub>-EOR and reusing existing infrastructures for CCS

CO<sub>2</sub> injection has proved to be an effective method for tertiary oil recovery. Globally there are nearly 170 CO<sub>2</sub>-EOR projects currently in operation, among which all are onshore and mostly in the United States. Offshore CO<sub>2</sub>-EOR is more difficult technically and economically. In North Sea, EOR was tested in 19 projects during the period of 1975 to 2005 using water and hydrocarbon gas, but CO<sub>2</sub>-EOR was hampered by the lack of reliable large CO<sub>2</sub> supply. There were also concerns about technical and economic feasibility of offshore CO<sub>2</sub>-EOR. This situation has changed now, because with the advance of CCS demonstration and commercial deployment the CO<sub>2</sub> supply will no longer be a problem, and with the increased oil price, the economic value of CO<sub>2</sub>-EOR may increase also. A recent study predict that CO<sub>2</sub>-EOR in the UK continental shelf may have a potential of contribute ~15% oil recovery from the area by 2030 and meanwhile realize large-scaled CO<sub>2</sub> storage (Pershad et al., 2012).

According to our preliminary analysis and discussions with experts in China National Offshore Oil Co., the potential of CO<sub>2</sub>-EOR in the PRMB is low unfortunately. Although the crude oil produced from the basin is mostly light oil, and the reservoirs are mostly of good quality suitable for a miscible CO<sub>2</sub> flooding which is favorable for CO<sub>2</sub>-EOR, there are a number of negative factors: The oil fields in the basin are of high oil recovery rate (30~>70%, in average 40% (Liu et al., 2010), which is similar to the recovery rate in North Sea. But the oil fields in the PRMB have strong aquifer support so that there has been no need even for the secondary EOR of water flooding. These fields are mostly small, only the LH11-1 field in carbonate reservoirs has proved reserve >100 Mt. These conditions are quite different from those in North Sea and make the potential of CO<sub>2</sub>-EOR very limited.

The crude oil production in the PRMB started in 1990 and has kept at the rate about 10 Mt/y for the last 12 years. Although the basin is still in the developing stage with 73% of geological resources (OOIP) yet to be discovered, to date there are several producing fields are close to depletion. The possibility of reusing the infrastructures (platform, well, etc.) of depleted hydrocarbon fields for CO<sub>2</sub> injection exists in the basin, providing opportunities of reducing the cost of CCS implementation. This possibility should be evaluated at least several years before the field depletion and should be taken into account in the regional planning for CCS development.

## 4.5 Storage prospectivity

The areas favorite for CO<sub>2</sub> storage in the Pearl River Mouth Basin are analyzed qualitatively based the geological conditions, capacity assessments and other economic and environmental factors. Major concerns for the favorability at this preliminary stage are the distribution of reservoirs and seals, the distance from major emission sources (the Pearl River Delta), the depth, and size, and quality of possible reservoirs, and the possibility of CO<sub>2</sub>-EOR and of using existing infrastructures.

In general we should prioritize the reservoirs in the Lower and Middle Miocene Zhujiang and Hanjiang Fms and the Upper Oligocene Zhuhai Fm. These formations contain most abundant, thick, and high quality sandstone or carbonate formations, accompanied by well developed mudstone seals.

There may be some sandstone reservoirs in the Lower Oligocene and older sequences, but those continental formations are usually deeper, less understood, and with poorer quality (lower porosity and permeability (Table 4.2.3) and smaller capacity (Table 4.2.7). These make it questionable whether injection and storage would be technically feasible and economic in these formations.

The most promising area for CO<sub>2</sub> storage is the Zhu-1 Depression and the northern Dongsha Uplift (Fig. 4.4.1). Water depth in the area are mostly <200 m. In this area the Lower and Middle Miocene formations are thick and with good reservoir-seal assemblages (Fig. 4.2.2). A number of structural traps in the area have been proved dry, among which the large ones may be good candidates for large-scale CO<sub>2</sub> storage. The producing oil fields of the PRMB reside mostly in this area, among which some are approaching depletion. Most fields are small but distributed as clusters and contain high quality light oil. The CO<sub>2</sub> storage capacity of these oil fields is small (Table 4.3.1), but the capacity may be enlarged by a combined utilization of oil and gas fields and underlying or nearby saline formations. The most important benefit of these fields is the possibility of using their infrastructures for CO<sub>2</sub> injection when the fields are depleted.

The largest oil field in the PRMB is the LH11-1 field. It is a Lower Miocene carbonate oil field with discovered oil reserve of 155 Mt. Oil resides in a coral reef buildup of 87 m height and 59 km<sup>2</sup> trap area. This field is considered less favorable for either CO<sub>2</sub>-EOR or CO<sub>2</sub> storage, because it has complex pore structures and high-density and high-viscosity oil, and the field is located relatively far from the coast (220 km from Hong Kong) at relatively deep water (200-380m).

The gas fields so far discovered in the PRMB are relatively large. For example, the newly discovered LW3-1, LH34-2, and LH29-1 gas fields have proved reserve >100 Gm<sup>3</sup> each, and the PY30-1 gas field has proved reserve of 30 Gm<sup>3</sup> and started production in early 2009. The produced gas has been transported to Zhuhai City through underwater pipeline. The gas fields have larger CO<sub>2</sub> storage capacity (Table 4.3.2), however they reside in deepwater areas (> 300 m) where the cost of drilling and infrastructures are much higher. Thus these fields have the potential to be used as the storage sites for CO<sub>2</sub> only in a very long term.

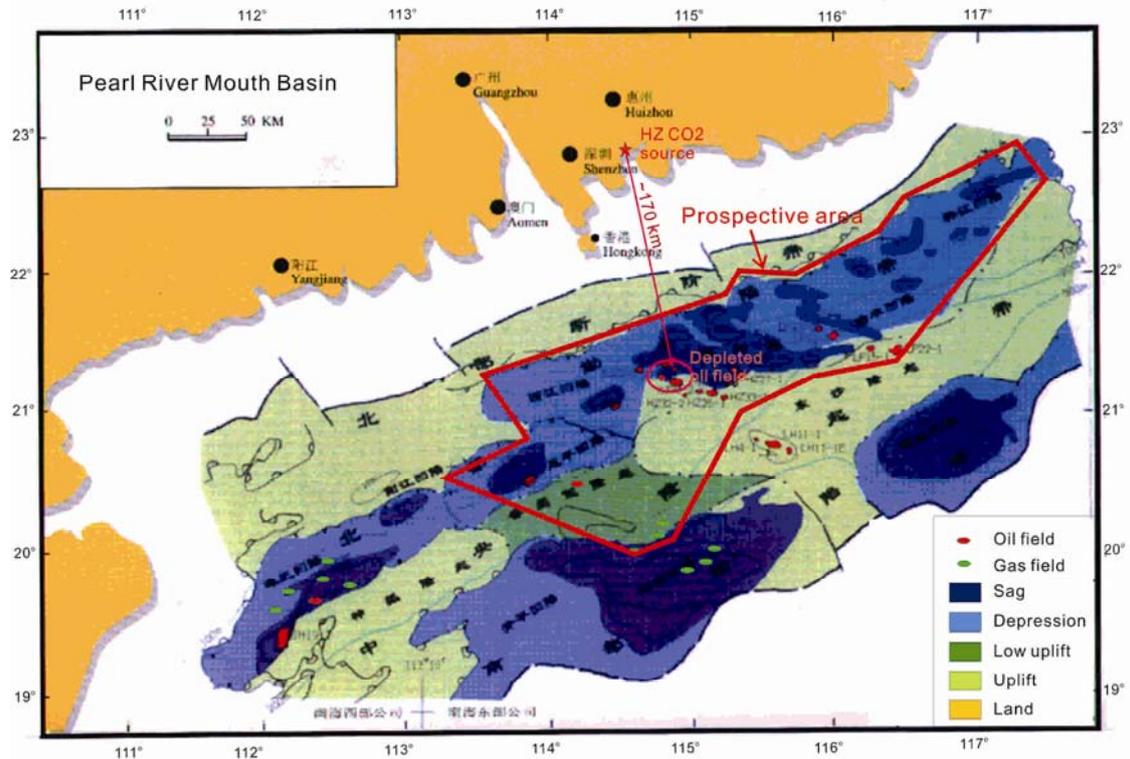


Figure 4.4.1 The prospective area for CO<sub>2</sub> storage in the Pearl River Mouth Basin.

## 4.6 Conclusions

For the saline formations in the Pearl River Mouth Basin, the estimated effective capacity for CO<sub>2</sub> storage is 110~443 Gt at the probability level of P85~P15, and 289 Gt at the probability level of P50. If only the formations in the shallower water areas (<300 m) are considered, the estimated effective capacity is reduced to 77~310 GtCO<sub>2</sub> at the probability level of P85~P15, and 201 GtCO<sub>2</sub> at the probability level of P50. According to the estimate of this project (GIEC, 2013), the CO<sub>2</sub> emission from large point sources of thermal power, petrochemical and steel industries was 252 MtCO<sub>2</sub> in 2010. Thus the effective capacity in shallower water areas of the PRMB is sufficiently to store >300 years of the CO<sub>2</sub> emission from large point sources in the Guangdong Province on the 2010 level.

The estimated effective storage capacities in oil/gas fields (including the undiscovered oil/gas fields) are small: 0.06~0.2 GtCO<sub>2</sub> (average 0.13 GtCO<sub>2</sub>) in oil fields and 1.1~2.1 GtCO<sub>2</sub> (average 1.4 GtCO<sub>2</sub>) in gas fields. The potential of CO<sub>2</sub>-EOR is low because high recovery rate and strong water drive. The value of oil fields is the possibility of using their infrastructure for CO<sub>2</sub> injection after the fields' depletion in order to reduce the cost of offshore CO<sub>2</sub> storage.

The advantages common to all offshore storage of CO<sub>2</sub> are applicable to the PRMB, such as not interfered with population, agriculture, and industry, no damage to groundwater. Schrag (2009) thinks that storing CO<sub>2</sub> in geological formations offshore may be easier, safer, and is probably the best option for large population centers near the coast.

In addition, the advantages of the Pearl River Mouth Basin for CO<sub>2</sub> storage are:

1. The mudstones in Miocene Hanjiang and Zhujiang Fms form excellent regional seal. Frequent sealevel fluctuation in Neogene resulted in multi-layers of local seals. Sandstones and limestones are wide spread in Miocene formations, forming promising reservoirs. Multiple seal-reservoir assemblages have been proved by hydrocarbon exploration.

2. Existing oil/gas fields may be transformed to storage sites after their depletion. After the production for more than 20 years, some fields are close to depletion in the PRMB. Extensive data and infrastructures (platforms, wells, pipelines, etc.) may be suitable for use for CO<sub>2</sub> storage to reduce costs.

3. The shallower area of the basin is proximal to the coast of Guangdong, where major CO<sub>2</sub> point sources are concentrated. The distances between the hubs of source clusters and hubs of sink clusters can be kept within 120 km to 300 km, mostly < 200 km.

As there are little capacity for CO<sub>2</sub> storage onshore Guangdong, the high potential for CO<sub>2</sub> storage in the Pearl River Mouth Basin is even more important to the Guangdong Province.

The disadvantage of the Pearl River Mouth Basin for CO<sub>2</sub> storage, common to all offshore storage sites, is mainly the higher cost of the infrastructures and engineering operations compared with the onshore storage. The high cost may be partially offset by using the infrastructures of depleted offshore oil/gas fields.

Taken into account of geological, economical and source-sink matching conditions, the most prospective area in the Pearl River Mouth Basin is the Zhu-1 depression and the northern Dongsha Uplift.

## Chapter 5 CO<sub>2</sub> Storage Capacity of the Beibuwan Basin

### 5.1 Geography and geology

The Beibuwan Basin (BBWB), 107°20'~111°50'E and 19°40'~21°10'N, is the northwestern corner of the South China Sea. It is a NEE-elongated basin with an area of ~36000 km<sup>2</sup>, most offshore within the Beibu Gulf with water depth less than 55 m, but its northern part extends across the Laizhou Peninsula, and its southern part extends to northern Hainan Island (Fig.1.1).

Tectonically the BBWB is a rifted basin intra-continental but close to the continental margin of the northern SCS. It is a composite graben composed of SWW-NEE-running listric half-grabens and intervening uplifts (Fig. 5.1.1).

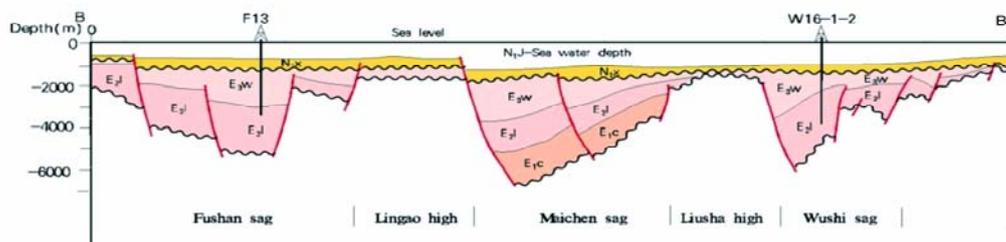
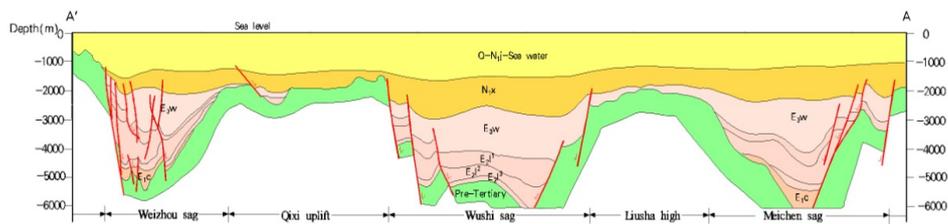
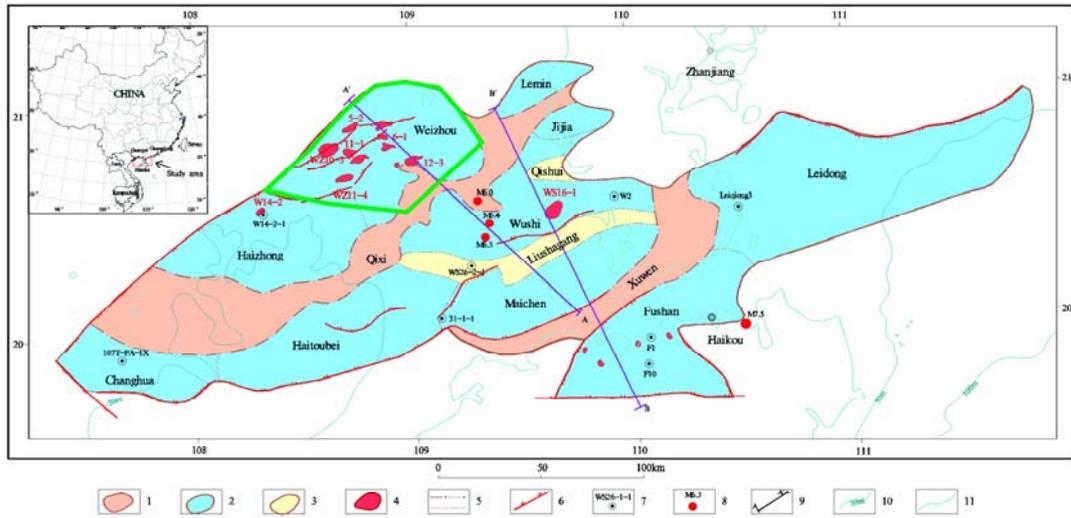
The basement of the BBWB is made of Paleozoic metamorphic and carbonate rocks. Cenozoic sediments in the basin reach 7 km thick in the gulf area and up to 9 km thick in the northern Hainan Is. The evolution of the basin, similar to other basins in the northern SCS, consists of Paleogene rifting and Neogene post-rifting subsidence. During Paleogene time inland sags filled with lacustrine, deltaic, and fluvial sediments. In Neogene seawater entered the basin, and littoral and neritic clastic and secondarily carbonate sediments deposited (Fig. 5.1.2).

The Paleocene to Lower Eocene Changliu Fm consists of red mudstone, sandstone and conglomerate, with a total thickness of 0-840 m. The Mid- to upper Eocene Liushagang Fm is dominated by dark-grey mudstone and brown oil shale, with minor variegated layers near the bottom. The maximum penetrated total thickness of the Liushagang Fm is up to 1200 m. The Oligocene Weizhou Fm is made of mainly variegated mudstone, with a penetrated thickness of 97-830 m. The Weizhou Fm was subjected to intensive erosion, forming a regional unconformity overlain by the Neogene.

The Neogene consists of 4 formations of marine sediments with a total thickness of 1200~2100 m in depressions and 300-600 m in uplifts. The major source rocks in the BBWB is the Mid- to Upper Eocene Liushagang Fm deposited in the summit of lake development. Its dark mudstone is of n×10 m to over 1000 m in thickness and contains abundant organic materials (mainly II type kerogen), especially good in the Weixinan and Wushi sags (Zhu et al., 2004).

There are three types of reservoirs in the basin: Lower to Middle Miocene marine sandstones, Eocene and Oligocene fluvial and lacustrine sandstones, and Carboniferous limestones. The Tertiary rhythmic sedimentation resulted in multiple regional seals, such as the thick mudstones in the Eocene, Oligocene, and Mid-Miocene formations (Zhang and Su, 1989; Li and Lv., 2002; Zhu et al., 2004).

The petroleum exploration in the BBWB started since the 60's of the last century. By 2008, 10 oil fields have been found with discovered reserves of 132 Mt crude oil and 7 Gm<sup>3</sup> natural gas. The predicted geological resources of the basin are 970 Mt oil and 85 Gm<sup>3</sup> natural gas (MLRC et al., 2008).



**Figure 5.1.1** Simplified structural map and cross sections of the BBWB (Clift et al., 2008; Li and Lv, 2002; Zhu and Mi, 2010). Green polygon delineates the prospective area for CO<sub>2</sub> storage.  
 1-uplift; 2-sag; 3- high; 4-oilfield; 5- structural unit boundary; 6-fault; 7-well and its name; 8- earthquake and its magnitude  
 9-section line; 10- sea water depth line; 11-basin boundary

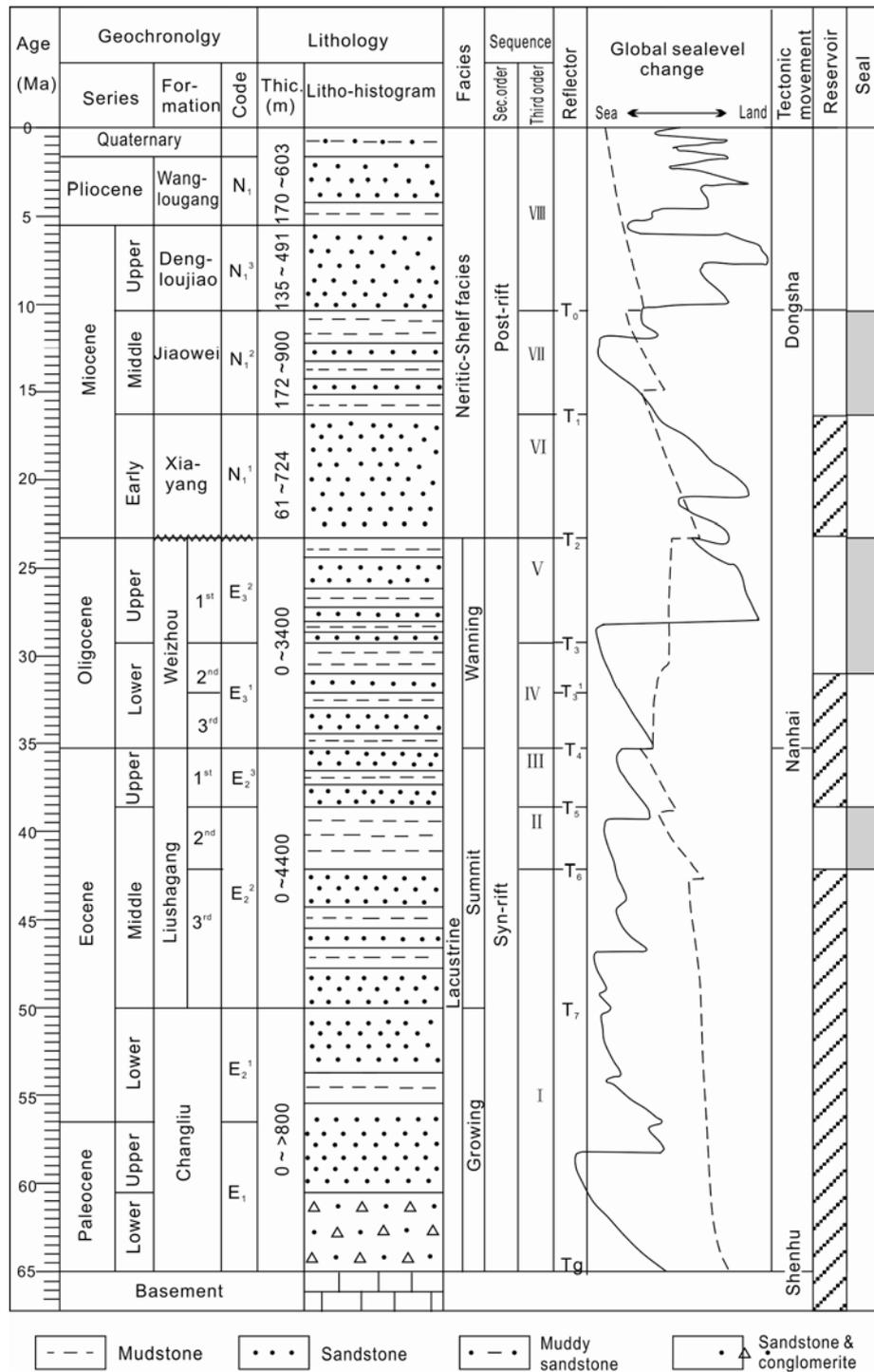


Figure 5.1.2. Stratigraphic column of the Beibuwan Basin.

## 5.2 Geological conditions for CO<sub>2</sub> storage

Three regional seals developed in the basin. The upper-most regional seal is the thick marine mudstones in the upper part of the Mid-Miocene Jiaowei Fm, which covered the entire basin. The middle seal is the 2<sup>nd</sup> member of the Oligocene Weizhou Fm consisting of variegated mudstones deposited in wide shallow lakes of the later stage of rifting. The lower regional seal is the 2<sup>nd</sup> member of the Eocene Liushagang Fm consisting of dark mudstones deposited in discrete deep lakes of the early rifting stage, which are the major hydrocarbon source in the basin with thickness

up to >1000 m (Li and Lv, 2002).

Underneath these regional seals there are three sets of saline formations, which usually have medium to high porosity and permeability favorable for CO<sub>2</sub> storage.

1. The lower set includes saline formations of the sandstones in Eocene-Paleocene Liushagang and Changliu Fms and in fissured limestones in the Paleozoic basement buried hills. In this set the 1<sup>st</sup> and 3<sup>rd</sup> members of the Liushagang Fm contain best aquifers. As penetrated by the Wei-1 well, sandstones in the 1<sup>st</sup> member have single layer thickness >40 m and total thickness 219 m, net/gross ratio is 82.6%, porosity and permeability in average 28% and 500 mD respectively; and those in the 3<sup>rd</sup> member are >20 m, 94 m, 56.3%, 10%, and 45 mD, respectively (Guo et al., 2009; Sun et al., 2008; Zhai, 1993; Zhang and Su, 1989).
2. The middle set is the saline formations of sandstones and gravel sandstones in the Oligocene Weizhou Fm, which is important reservoir for hydrocarbon. These are high porosity and permeability rocks formed in delta front and delta plain of braided rivers. The single layer thickness of the sandstones is usually >30 m, and the total thickness varies from 50 m to 200 m in depressions. Porosity and permeability in average are 28% and ~500 mD respectively (Guo et al., 2009; Zhang and Su, 1989).
3. The top set is the Mid- to Lower Miocene Jiaowei and Xiayang Fms shallow marine sandstones with thickness between 320~575m showed by Wan-4 and Wei-23 wells (Clift et al., 2008).

Multiple stages of tectonic deformation and sea level oscillations have resulted in abundant structural and stratigraphic traps in the basin. Structure traps in the forms of anticlines and faulted noses or blocks were formed mainly in Paleogene rifting stage. Stratigraphic traps were formed by overlaps or by the Oligocene unconformity and in buried basement hills. Fault-and-lithological composite traps are seen in the Weixinan depression.

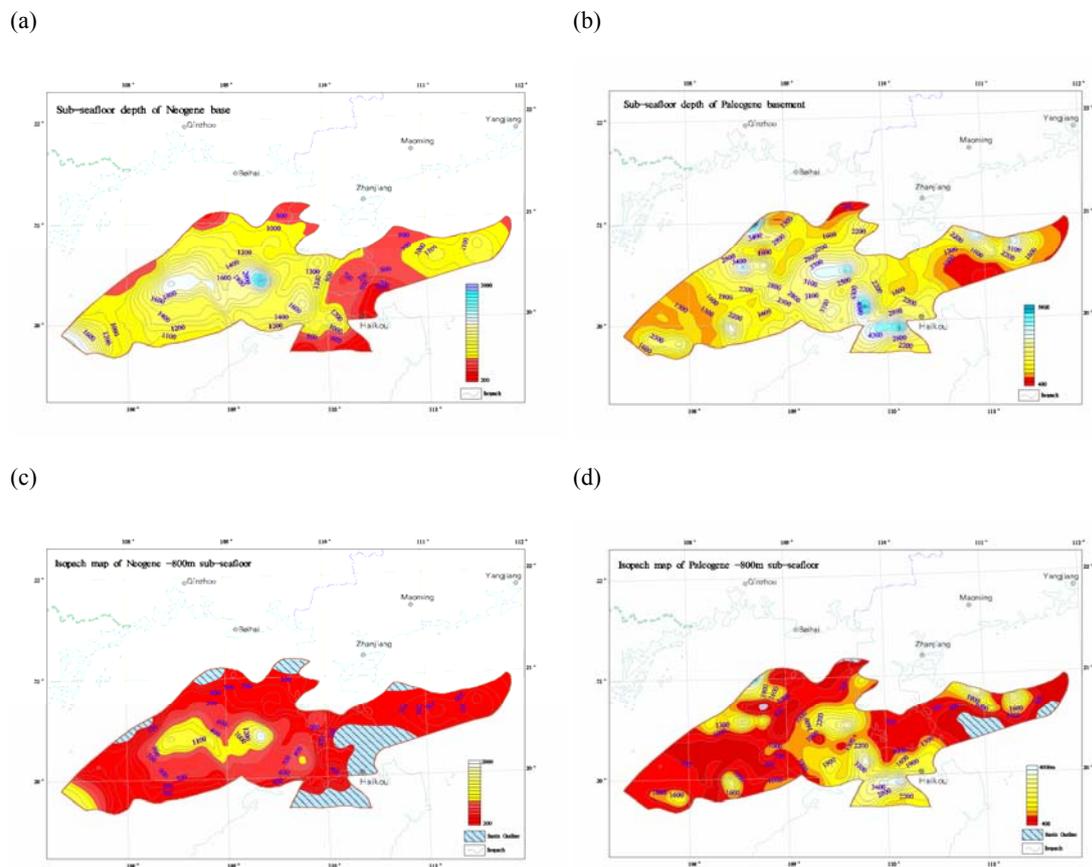
Three major periods of fault activities occurred in the basin (Li et al., 2012). During Paleocene and Eocene the rifting formed NE- and NEE-oriented extension faults. In the post-rifting period in Late Oligocene and Early Miocene, NW-oriented strike-slip movement along the Red River Fault system has resulted approximately EW-directed extensional sub faults. The influence of these faults on the CO<sub>2</sub> storage should be examined case by case, but in general the potential of safe storage exists as evidenced by the existence of oil fields. The third stage of faulting occurred in Pliocene to Quaternary. Neotectonic activities are characterized by strong basaltic volcanism, which are mainly in the inland portion of the BBWB such as the Leizhou Peninsular to the east and in the northern Hainan Island to the south. In the Beibu Gulf where the major portion of the BBWB resides, the neotectonic activities are expressed as small active faults and a few volcanic islands occurring in early Quaternary time. Historical and modern earthquakes were recorded, M6 in the center and M>7 at the southeastern corner of the basin (Fig. 4.1.2). The areas having Quaternary volcanics and earthquakes should be avoided in site selection for CO<sub>2</sub> storage.

### 5.3 Capacity assessment for Saline formations

#### Data sources

In consideration of the geological conditions and data availability, we divide the Cenozoic sedimentary sequences into two assessment super layers: The upper super layer consists of the Neogene formations underneath the upper-most regional seal of the Mid-Miocene Jiaowei Fm; while the lower super layer consists of Paleogene formations roughly below the regional seal within the Oligocene Weizhou Fm. The basement traps are not considered in this study, but should not be left out in future studies because the storage potential is suggested by the existence of oil fields in the Carboniferous limestone in buried hills.

Collected stratigraphic data were compiled into a data base and processed on the MapGIS<sup>3</sup> platform to generate maps (Fig. 5.3.1) and to perform calculations.



**Figure 5.3.1** Contour maps of sub-seafloor formation depth (a, b) and formation thickness between 800 m to 3500 m sub-seafloor (c, d) in the Beibuwan basin.

#### Parameters

Based on literature data, the parameters of reservoirs in the depressions of the BBWB are summarized in Table 5.3.1, and parameters of formations in the entire basin are estimated and listed in Table 5.3.2.

<sup>3</sup> Trademark of the Zondy Cyber Group, Wuhan, China.

**Table 5.3.1 Parameters of Liushagang and Weizhou reservoirs in the Beibuwan Basin\*.**

Depression	Formation	Porosity (%)	Permeability (mD)	Facies	Lithology	Depth (m)	Thickness (m)	Area (km <sup>2</sup> )
Weixinan	3 <sup>rd</sup> member Liushagang	5.16~25.21 Av.9.96	0.3~330 Ave. 44.52	Littoral and shallow lake	Coarse sandstone, Sandy conglomerate	1800~2100	94	3000
	1 <sup>st</sup> member Liushagang	26.65~29.74 Av.28	423~673 Ave. 534	Littoral and shallow lake Fan delta	Silty mudstone and siltstone	1500	219	
	Weizhou	23.32~30 Av.27.5	234.7~689.11 Ave. 511	River delta front, Deltaic plain	Sandy conglomerate	1300	85.8	
Maichen	3 <sup>rd</sup> member Liushagang	5.1~11.3 av7.5	0.244~1.78 0.73	Lacustrine	Interbedded mudstone, sandstone, & gravel sandstone	100~2000	215	2600
	Weizhou	15-25	1-760	River delta	gravel sandstone, siltstone, fine sandstone	2000	50	
Haizhong	Liushagang	7.8	0.4~3	River delta, fan delta, lacustrine	Mudstone with minor siltstone	2000~4000	126	2900
	Weizhou	20~24	230~610		Siltstone, sandstone	1000~2000		
Fushan	1 <sup>st</sup> member Liushagang	10~13 av15.6	0.16~500 Ave. 60.3	Fan delta, abyssal to shallow lacustrine	Interbedded sandstone & mudstone	2500~400	100~300	2920
	3 <sup>rd</sup> memb. Liushagang	13~18	1~1600	Fluvial, fan delta, shallow, lake	Siltstone, locally sandy conglomerate			
	Weizhou Liushagang	5.2~33 av19.5	0.04~6930 Ave. 902.7	Fluvial fan and plain	Blocky sandy conglomerate	1000~2500	100~200	
Leidong	Weizhou Liushagang	13~17	44~188	Lacustrine and alluvial plain	Sandstone and conglomerate With mudstone interlayers	1300	1200	7500
Wushi	Weizhou Liushagang	15~25	1~760	Fluvial, shallow to bathyal lacustrine	Sandstone with mudstone interlayers	3000	1500	2800

\* Data compiled from Zhang and Su (1989); uo et al. (2009); He et al.(2008).

**Table 5.3.2 Parameters of the stratigraphic formations in the Beibuwan Basin.**

Formation	Porosity(%)	Permeability(mD)	N/G %	Data source
Neogene (average -800 m subseafloor,)	>20	~300	66	Zhang (1989)
Jiaowei	>20	~300	55	He et al.,(2008)
Xiayang	>20	~300	77	Wang et al.(1992)
Paleogene (average -800 m subseafloor)	3.34~23.2 av.23.0	1~6930 av.354	41	
Weizhou Fm	5.2~30 av.27.2	1~6930 av.604	39	
Liushagang Fm	17.6~23.2 av.18.9	1~1600 av.104	36	Guo et al.(2009)
1 <sup>st</sup> member	18-22 av.18.8	1-600 183.6		Zhang (1989)
2 <sup>nd</sup> member	18-22 av.18.3	1-200 av.50		He et al.,(2008)
3 <sup>rd</sup> member	17.6-23.2 av. 19.7	137.6-435.5 av.178.6	50	Wang et al.(1992)
Changliu Fm	3.34~12.69 av.7.7	0.11~17.28 av.3.85	81	Liu et al.(2009)
				Sun et al.(2008)

### CO<sub>2</sub> density

Based on well testing data, the geothermal gradient is 32.7°C/km in average for the BBWB (38.6°C/km for the Weixinan depression, 33.5°C/km for the Haizhong depression, 35.0°C/km for the Wushi depression, and 32.5°C/km for the Maichen-North Haitou depression). The heat flow varies in 50~80 mW/m<sup>2</sup> and in average 61.7 mW/m<sup>2</sup>. A thermal event occurred at ~6 Ma which increased the heat flow in the basin significantly (Kang et al., 1995).

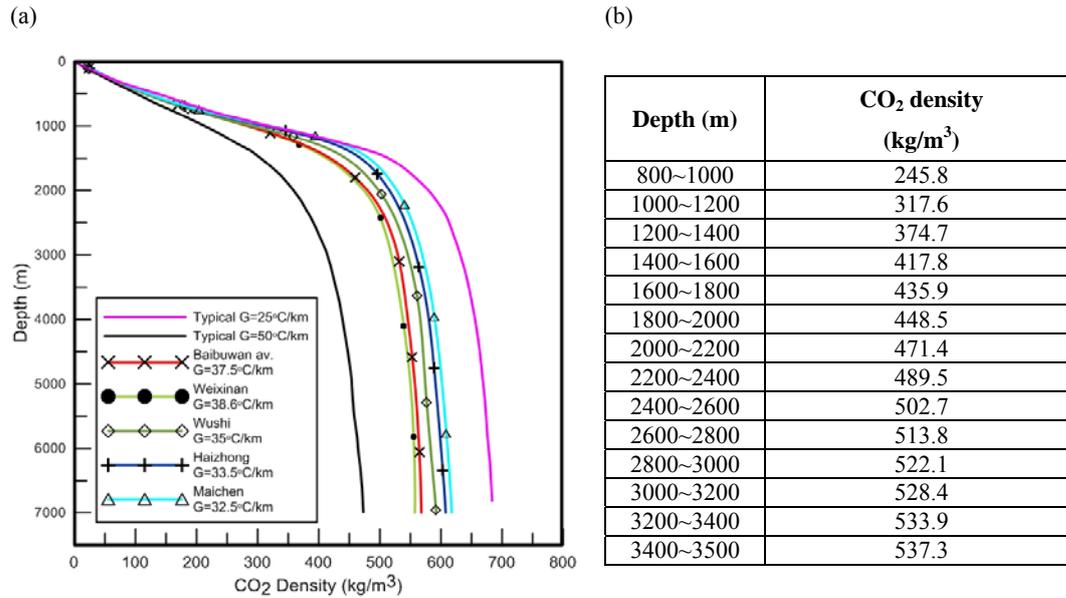
The CO<sub>2</sub> density varies with temperature and pressure at depth. The density-depth curve was calculated for four depressions in the BBWB and for the entire basin using hydrostatic pressure of reservoir formation and average seabed temperature of 25°C. Curves of CO<sub>2</sub> density versus formation depth were d using the online calculator<sup>4</sup> for Weixinan, Wushi, Haizhong and Maichen sag, and also for BBWB (Fig.5.3.2). Selected curves for typical geothermal gradient such as “cold” (25°C/km) and “warm” (50°C/km) basins (Bachu, 2003) are also presented for comparison. The increase rate of CO<sub>2</sub> density with depth in the BBWB is in between the “cold” and “warm” basins curves.

### Calculation of the effective storage capacity of saline formations

The definition and formulation of the effective CO<sub>2</sub> storage capacity is given in Chapter 2 of this report. The calculations were performed for the two super layers, Neogene and Paleogene, which lie under the regional seals in the Mid-Miocene Jiaowei Fm and the Upper Oligocene Weizhou Fm respectively.

The parameters used in calculations are listed in Table 5.3.3. The parameter  $V$  is the formation volume calculated via GIS. The net/gross ratio  $R$  and porosity  $\phi$  are the average values based on the data in Table 5.3.3. The storage efficiency factor  $E = 0.01, 0.026, \text{ and } 0.04$  respectively at P15, P50, and P85 probability level following IEA (2009).

<sup>4</sup> [http://www.peacesoftware.de/einigerwerte/co2\\_e.html](http://www.peacesoftware.de/einigerwerte/co2_e.html)



**Figure 5.3.2.** (a) Curves of CO<sub>2</sub> density vs. depth, and (b) the data table for the average curve for the Baibuwan basin. Curves of “cold” and “warm” regions from Bachu (2003) are also shown for comparison.

The differences between the density-depth curves for four depressions in the BBWB are not large, thus we used the curve for the entire basin in the calculation. For porosity and net/gross ratio of Neogene and Palaeogene we use the average values in Table 5.3.2.

The estimated effective storage capacity of the BBWB is 52.6 GtCO<sub>2</sub> in average, and 20.2 ~80.9 GtCO<sub>2</sub> at the P15 ~ P85 probability level (Table 5.3.3).

**Table 5.3.3** Parameter and estimation of the effective CO<sub>2</sub> storage capacity in the saline formations of the Baibuwan Basin

Parameter		Neogene	Palaeogene	Total	Data source
Volume below 800m $V(\times 10^9 \text{m}^3)$		13 900	34 000	48 000	This paper
Net/gross ratio $R$ (%)		66	41		Table 5.3.2
Average porosity $\phi$ (%)		20	23		Table 5.3.2
CO <sub>2</sub> density $\rho$ (kg/m <sup>3</sup> )		From Fig. 5.3.2			
Effective capacity 800~3500m (GtCO <sub>2</sub> )	$E=0.01$	5.9	14.3	20.2	
	$E=0.026$	15.5	37.1	52.6	
	$E=0.04$	23.8	57.1	80.9	

## 5.4 Calculation of the effective storage capacity in oil/gas fields

According to the 2008 assessment, the BBWB has the geological resources of 734 Mt oil and 60 Gm<sup>3</sup> gas, and discovered reserves of 132 Mt oil and 7 Gm<sup>3</sup> gas. The gas resource in the BBWB is low and thus being ignored in our calculation. Recent study gave the average oil recovery factor of ~24% for the BBWB (Liu et al., 2010).

Using the Eq.(2.3) the storage capacity factors explained in Chapter 2, and the parameters in Table 5.4.1, the effective CO<sub>2</sub> storage capacity in oil fields (including undiscovered fields) of the

BBWB is estimated as 10.5 ~ 35 Mt CO<sub>2</sub> and in average 22 Mt CO<sub>2</sub>.

**Table 5.5. Estimation of the effective CO<sub>2</sub> storage capacity for oil fields in the Beibuwan Basin.**

Parameter		Value	Data source
OOIP (Mt)		734	Zhu et al.(2010)
Recovery rate $R_f$		0.24	Liu et al.(2010)
Volume factor $B_f$		1.03	Zhou et al.(2011) for PRMB
CO <sub>2</sub> density $\rho_{CO_2}$ (t/m <sup>3</sup> )		0.460	Fig.5.3.2 at 2000m
Effective storage capacity (MtCO <sub>2</sub> )	$C_e = 0.12$	10.5	
	$C_e = 0.25$	22	
	$C_e = 0.4$	35	

## 5.5 Prospective areas for CO<sub>2</sub> storage

In consideration of geological, geographical, social, and economic conditions, the most favorable area for CO<sub>2</sub> storage in the Beibuwan Basin is the Weixinan Sag (the green polygon in Fig. 5.1.1), which is located in the northwestern Beibu Gulf, with area of 3000 km<sup>2</sup> and water depth of ~30 m. The sag is only 30 km from the Weizhou Island, 40~100 km from the Beihai city in the Guangxi province and 140~200 km from the Zhanjing city of the Guangdong province.

The Weixinan Sag is a half graben bounded to the NW by a growth fault and filled with up to 8000 m Paleogene and up to 1200 m Neogene sediments. The Mid-Miocene Jiaowei Fm and the upper member of the Lower Miocene Xiayang Fm are dominated by mudstones, forming excellent upper regional seal. The lower member of the Xiayang Fm is made of coarse, medium-grained, and gravel sandstones intercalated with mudstones and of a total thickness of 200~700 m, forming high-quality reservoirs. The upper and middle members of the Oligocene Weizhou Fm consist of lacustrine mudstone intercalated with thin layers of sandstone. Especially the 500 m thick 2<sup>nd</sup> member contains 70% mudstone and is called as a “stable mudstone member”, forming excellent lower regional seal. Below this regional seal the 3<sup>rd</sup> member of the Weizhou Fm consists of fluvial-lacustrine-deltaic bulk sandstones interbedded with siltstone and mudstone. The sandstones have large single-layer thickness, stable lateral continuity, intermediate depth, and excellent physical properties, forming high-quality reservoirs.

The Weixinan Sag has been a major target area for hydrocarbon exploration for half century and still active to date with new discoveries. Eight oilfields have been found in the sag, among which five are producing and one is depleted. These are mainly small sized oilfields with OOIP ranges in 1.7 Mt to 3.4 Mt. The fields are grouped in clusters and characterized by light crude oil (Zhou, 2009; Zhu and Mi, 2010). The effective CO<sub>2</sub> storage capacity in the Weixinan Sag is 2~8 Gt CO<sub>2</sub> (ave. 5 Gt CO<sub>2</sub>) in saline formations, which is several orders of magnitude greater than storage capacity in oil fields: 6~21 Mt CO<sub>2</sub> in range and 13 Mt CO<sub>2</sub> in average. Existing data and facilities of the oil fields are potentially useful for CO<sub>2</sub> geological storage.

Neotectonic activities (volcanism, earthquakes, active faults) are intensive in the onshore portions of the BBWB (in the Leizhou Peninsular and the northern Hainan Island) and should be avoided in the selection of storage site. In the Weixinan Sag, well integrity is an important issue to be carefully examined and treated to ensure the storage safety.

## Chapter 6 CO<sub>2</sub> Storage Capacity of the Qiongdongnan Basin

### 6.1 Geography and geology

The Qiongdongnan basin (QDNB) occupies the offshore area between the Hainan Island and the Xisha islands, with water depth 20~200 m in the north and >2000 m in the southeast, and a total area of 88000 km<sup>2</sup>, among which the area of shallow water (depth <300m) is 21000 km<sup>2</sup> (Fig.1.1).

The QDNB experienced three tectonic evolutionary stages: rifting, post-rifting and tectonic reactive stage. The rifting stage began from Eocene to Early Miocene and formed discrete rifts. In post-rifting stage from Early to Middle Miocene, the basin was filled with deltaic and shallow marine clastic and carbonate deposits, which contain important reservoirs. In the last stage since Late Miocene, the basin was filled with neritic, bathyal, and abyssal deposits and formed the basin-wide caprocks (He et al, 2002).

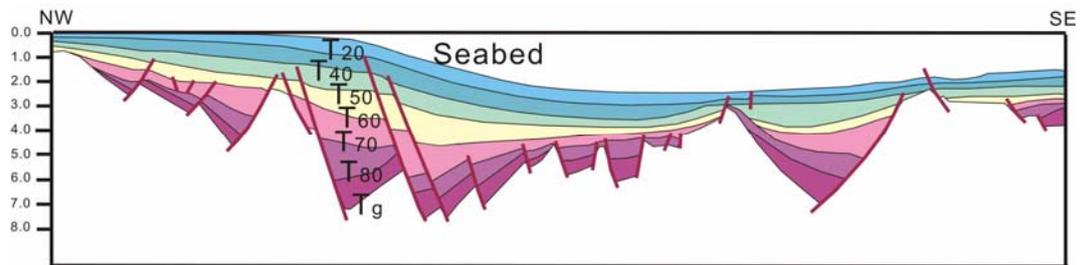
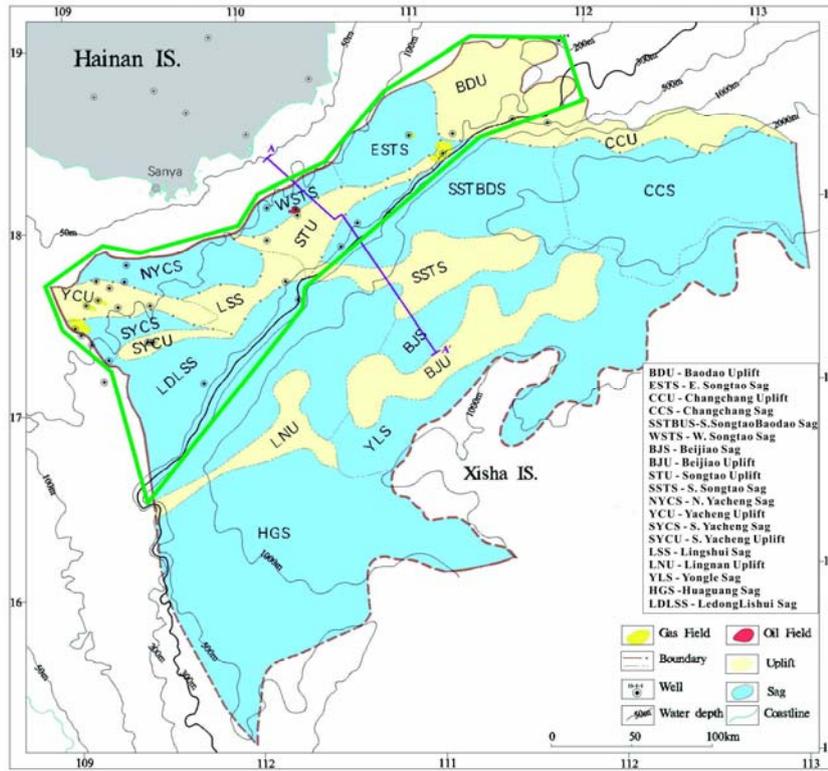
The QDNB consists of three depression belts separated by two uplift belts, which are further divided into 10 sags and 9 uplifts. The sags are mostly composed of half grabens bounded by generally NEE-striking normal faults (Fig. 6.1.1). Subordinary faults developed and controlled the formation of structural traps.

Cenozoic strata in the basin have a total thickness up to 12 km. Frequent sea level variations resulted in rhythmic Paleogene and Neogene strata in the QDNB. The upper parts of the Yinggehai, Meishan, and Shanya, and Lingshui Fms contain more than 40% marine mudstones, forming regional seals in the basin. Three types of reservoirs developed: fan delta and delta front, channel and gravity flow, reef and platform carbonates (Fig. 6.1.2) Sandstones reservoirs have been found mostly in Upper Oligocene to Miocene Lingshui, Sanya and Huangliu Fm (Liu et al, 2006). Gravity flow accumulated in Miocene Huangliu and Pliocene Yinggehai Fms are the second most important type of reservoirs. These include slope, basin floor, turbidite channel and mass transport complex and display good porosity and permeability. The central canyon in the Qiongdongnan basin as a special sedimentary system is filled with Miocene to Quaternary turbidites, slumps and mass transport complex (Fu et al, 2009). The third type of reservoirs is associated with platform limestones and reef complexes, mostly in the Lower Miocene Sanya Fm, and also seen in the Paleozoic basement (Li et al, 2007).

The hydrocarbon exploration in the QDNB started in the 1960s. The Yacheng 13-1 gas field discovered in 1983 is the largest gas field offshore China to date, with the discovered reserves of  $98 \times 10^9$  m<sup>3</sup> natural gas and  $4.3 \times 10^6$  t condensate from Upper Oligocene Lingshui formation tidal flat to lagoon sandstones. This field has been in production since 1996 (Zhu and Mi, 2010). Gas and oil shows have been found in the Yacheng and Songtao uplifts, Baodao, southern Songtao sags (Huang, 1999), and recently in the deepwater Lingshui sag. According to the 2008 assessment (MLRC et al., 2008), the QDNB has the total resources of  $426 \times 10^6$  t oil and  $1890 \times 10^9$  m<sup>3</sup> gas, and discovered reserves of only  $4 \times 10^6$  t oil and  $104 \times 10^9$  m<sup>3</sup> gas.

The Neogene and Quaternary neotectonics has been weak in the QDNB. No M>5 earthquake

has occurred (Fig. 4.1.2),



**Figure 6.1.1** Simplified geological map and cross section of the Qiongdongnan Basin. Green polygon delineates the prospective area for CO<sub>2</sub> storage.



The upper assemblage consists of the regional seal in the upper Yinggehai Fm and the reservoirs in the Upper Miocene Huangliu Fm and the Pliocene Yinggehai Fm. The marine mudstones in upper Yinggehai Fm formed the topmost regional seal. It is an excellent seal, for example, the YC8-2-1 well in the northern Yacheng sag penetrated 820 m mudstone which is 73.8% of the total thickness of the Yinggehai Fm (Wang and He, 2003). Reservoirs are gravity flow accumulations (slope, basin floor, turbidic channel and mass transport complex) with high porosity and permeability in the Huangliu and Yinggehai Fms, and neritic sandstone layers in the Huangliu Fm.

The second assemblage consists of the regional seal in the upper Meishan Fm and the reservoirs in the Lower to Middle Miocene Meishan Fm. In the upper Meishan Fm thick mudstones have 41-51 % of the total formation thickness (Li & Lv, 2002). It is a good regional seal without destruction by faults. The reservoirs include marine sandstones and limestones.

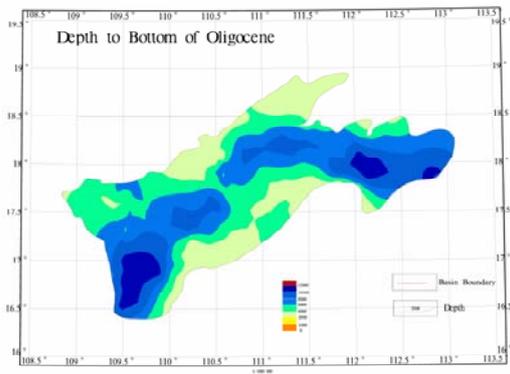
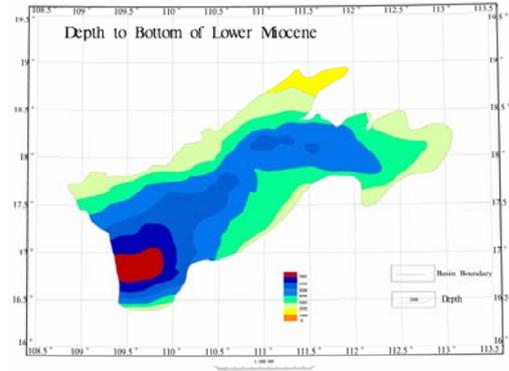
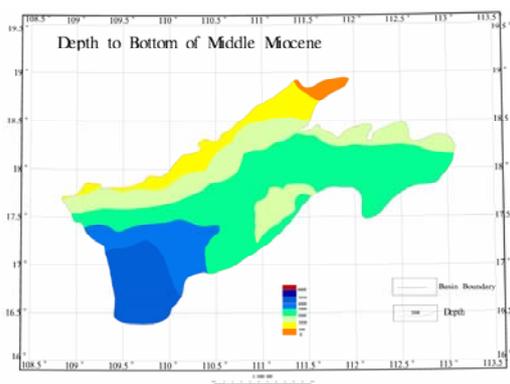
The third assemblage consists of the seal in the upper sector and the reservoirs in the Lower sector of the Sanya Fm. Previous study suggested that mudstones of the Sanya Fm were mainly distributed in the northeast and southwest of the Qiongdongnan basin (Wang and He, 2003). Seven sandstone layers of basin floor and turbidite channels in the Lower Miocene Sanya Fm have been penetrated by Well LD30-1-1A in the Ledong and Lingshui Sags (Fig. 6.1.1). Single layer ranges from 18.6 m to 87 m in thickness and has porosity of 20% and permeability of 11.72 mD. (Fu et al, 2009). In the YA13-1 gas field the Sanya Fm contains high quality reservoir of feldspar sandstone and feldspar-quartz sandstone with porosity 16%~20% and permeability >2.5 D (Zhu and Mi, 2010). Platform limestone and reef complexes in the Sanya Fm have porosity and permeability up to 24% and >3 D respectively (Table 6.2.1).

The fourth assemblage consists of the regional seal in the second member of the Lingshui Fm and the reservoirs in lower Lingshui Fm. The second member of the Lingshui Fm formed local seals at rifted sags but was eroded in structural highs. The delta front fan sandstones accounts for 50-87% of the 3<sup>rd</sup> member of Lingshui Fm and are the principal reservoir in the YA13-1 gas field, with porosity of 14%~20% and permeability 810 mD (Zhu and Mi, 2010). The YA13-1 reservoir, however, is capped by the high quality seal in Meishan Fm because the second member of the Lingshui Fm is absent in the structural high. The lower assemblage is the most important one for hydrocarbon because the lower Lingshui Fm and the Yacheng Fm below contain good source rocks. But this assemblage may not be the first choice for CO<sub>2</sub> storage because of its greater depths and smaller volume (see Table 6.3.1).

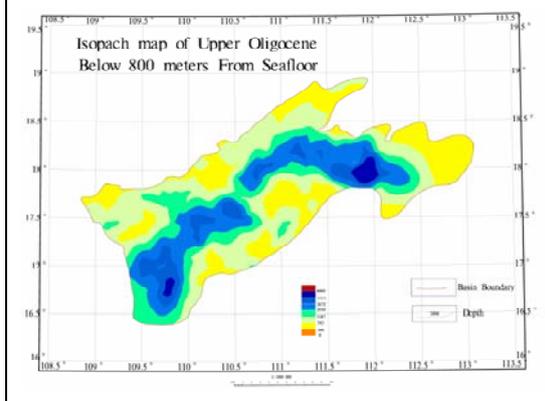
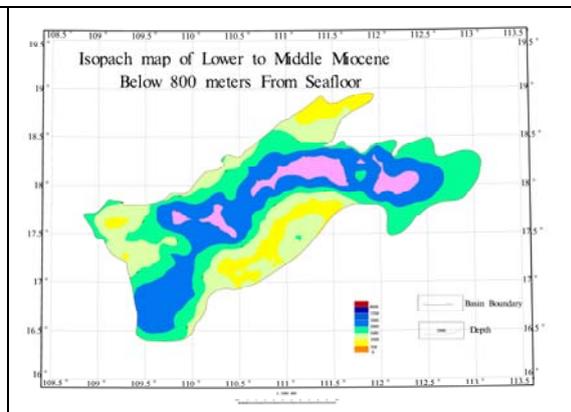
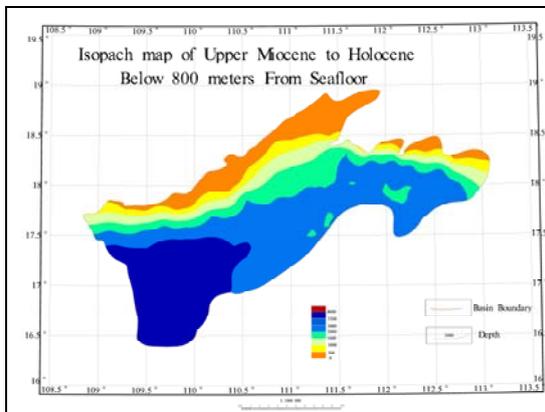
### **6.3 GIS and parameter estimations**

The Cenozoic strata are divided into three super-layers for the assessment (Fig. 6.1.2): 1) The upper layer: Upper Miocene to Pliocene Huangliu and Yinggehai Fms under the regional seal in the upper Yinggehai Fm; 2) the middle layer: the Lower to Middle Miocene Sanya and Meishan Fms under the regional seal in the upper Maishan Fm; and 3) the lower layer: the Upper Oligocene Lingshui Fm under the regional seal in the upper Lingshui Fm.

Contour maps of the bottom depths and sub-800 m thickness of these super layers are compiled (Figs. 6.3.1 and 6.3.2), and their volumes are calculated on the MapGis platform (Table 6.3.1). Because the depth data for the top Yinggehai Fm (the T2 reflector) are not available, the Quaternary deposits above the top-most regional seal could not be excluded from our calculation.



**Figure 6.3.1** Contour maps of the sub-seafloor formation depths in the Qiongdongnan basin.



**Figure 6.3.2** Contour maps of formation thickness between 800 m to 3500 m sub-seafloor in the Qiongdongnan basin.

Thus the volume for the upper layer is over-estimated. But the overestimation in the effective volume of the super layer should not be very large, as the Quaternary thickness varies in 140-1318 m and only the portion below 800m sub-seafloor is considered for CO<sub>2</sub> storage.

The lithological parameters are listed in Table 6.3.2 and 6.3.3.

To estimate the CO<sub>2</sub> density at formation depths, we divide the QDNB into three regions roughly by the bathymetry contours of ~100 m and ~1000 m, the shallowest N-QDNB to the north, the M-QDNB in the center, and the deepest SE-QDNB in the southeast. The geothermal gradient of the basin is relatively high (35-42.5°C/km) and increases SE-wards in the M- and SE- regions (Table 6.3.4). The CO<sub>2</sub> density at various depths (the midpoint of each 200 m depth range) are calculated by the online calculator of the Peace Software<sup>5</sup>, with temperatures calculated based on seafloor temperature (Zhou et al., 2011) and thermal gradient, and pressure is assumed as the normal hydrostatic pressure. The SE-QDNB is left out from the estimation because its water depth is too large for CO<sub>2</sub> storage. The curves of CO<sub>2</sub> density vs. depth for the other two regions are shown in Fig.6.3.3.

**Table 6.3.1 Area and volumes of the formations in the Qiongdongnan Basin**

Formation	Bottom reflector	Area(km <sup>2</sup> )	Bottom depth (m)	Thickness (m)	Volume (km <sup>3</sup> )	
					Gross	-800m
Quaternary	T20	38372	140-1318	140-1318	20903	14512
Yinggehai	T30		300-3200	473-2912		
Huangliu	T40		500-4900	0-664		
Meishan	T50	46425	500-5000	0-1000	52624	47785
Sanya	T60		1000-8000	200-2000		
Lingshui	T70	46503	1600-10450	100-4600	46711	45843
Total					120238	108140

**Table 6.3.2 Lithological parameters of the formations in the Qiongdongnan Basin.**

Formation	Avg Porosity (%) <sup>1)</sup>	Avg Permeability (mD) <sup>1)</sup>	Net/Gross Ratio <sup>2)</sup>
Yinggehai			0.13
Huangliu	15	11.7	
Meishan	18	2.3	0.26
Sanya	16	1000	
Lingshui			0.28
Yacheng			

<sup>1)</sup> From Wang & He (2003). <sup>2)</sup> Thickness-weighted average based on data from 3 wells.

<sup>5</sup> [http://www.peacesoftware.de/einigewerte/co2\\_e.html](http://www.peacesoftware.de/einigewerte/co2_e.html)

**Table 6.3.3 Parameters of sandstones in the Qiongdongnan Basin** (data from Wang and He, 2003)

	Well	Lithology and sedimentary facies	Porosity (%)			Permeability (mD)		
			Max	Min	Avg	Max	Min	Avg
Yinggehai Fm.	YC8-2-1	Sandstones	30.4	20.4	25.6			
	YC13-1-4	Sandstones	31.14	34	27.1			
	Ying9	Sandstones	23.8					
	YC35-1-1	Turbidite channel sandstones	14.8	5.9	13.2	2.58	0.03	1.52
Huangliu Fm.	YC13-1-1	Carbonate platform	21.14	2.52	6.9	2.58	0.01	0.21
	YC13-1-2	Carbonate platform	11.4	6.6	9.2	2.9	0.02	0.18
	YC13-1-4	Turbidite fan sandstones	20	9	13.75			
			12	7.5	9.75			
			19.5	15	17.83			
	YC35-1-2	Turbidite channel sandstones	14	11.8	12.9	64.5	41.9	53.2
			19	17	17.9	26.5	12.1	16.9
			18	10.5	16.6	11.9	0.64	8.6
17.1			3.4	14.29	6.54	0.02	2.46	
13.1			2.3	8.85	9.08	0.01	0.95	
Meishan Fm.	YC7-4-1	Shallow-water platform sandstones	7.52	2.68	6.37	1.67	0.01	3.07
	Ying9	Shallow-water platform sandstones	35.1	34.3	34.7			
	YC35-1-2	Sandstones	15.1	15.1	15.1	90.9		
	LS2-1-1	Delta front sandstones	25.7	18.7	22.2			
	BD19-2-1	Sandstones	17	12.8	14.33			
		Sandstones	21.2	15.5	18.35			
ST36-1-1	Delta front sandstones	21.6	17.25	18.62	6.25	0.11	0.84	
Sanya Fm.	YC8-2-1		27	19	22.92			
	YC14-1-1		23	21	22			
	YC7-4-1	Coastal sandstones	27		22			
	Ying9		23.8	5.8	14.76			
	YC13-1-4	Channel sandstones	16	12				
	YC13-1-A8	Channel sandstones	19.1	9.2	15.57	7733	267	2445.8
	YC13-1-8	Channel sandstones	17.6	6.9	12.81	3173	0.36	533.4
	YC21-1-1	Channel sandstones	19.3	7.6	13.5			
	YC21-1/2/3	Carbonate platform limestones	24	0.5	2.4			
	YC35-1-2	Delta front sandstones	12		12	49.3		
	LS2-1-1	Coastal sandstones	32	19.2	24.06			
BD19-2-1	Delta front sandstones	19.5						

**Table 6.3.4 Geothermal parameters of the Qiongdongnan basin.**

Region	Maximum sed. thickn. <sup>1)</sup> (m)		Geothermal gradient <sup>1)</sup> (°C/km)	Seafloor temperature <sup>2)</sup> (°C)
	Neogene	Paleogene		
N-QDNB	3300	4000	35-42.5	22
M-QDNB	4000	6600	42.5-45.5	8
SE-QDNB	4000	3000	42.5	3

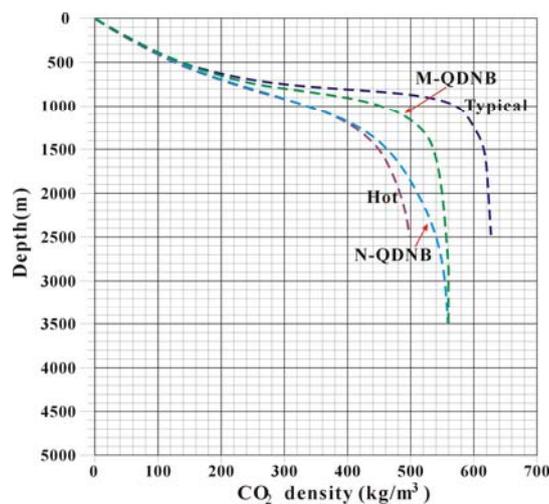
<sup>1)</sup> Huang (1999). <sup>2)</sup> Zhou et al., 2011.

## 6.4 Capacity estimation for saline formations

The parameters and estimates of the effective CO<sub>2</sub> storage capacity in saline formations of the QDNB and its shallow (<300 m) portion are listed in Table 6.4.1. The mean value of the effective CO<sub>2</sub> storage capacity in saline formations of the QDNB is 41 GtCO<sub>2</sub>, with lower and upper bands of estimates in 15 GtCO<sub>2</sub> and 63 GtCO<sub>2</sub> respectively. The effective capacity resides in shallower water areas is in average 11.4 GtCO<sub>2</sub>, with lower and upper bands (at P85 and P15 probability levels, respectively) of estimates in 3.5 GtCO<sub>2</sub> and 17.3 GtCO<sub>2</sub> respectively.

**Table 6.4.1. parameters and estimates of the effective CO<sub>2</sub> storage capacity in saline formations of the Qiongdongnan basin.**

Formation		Yinggehai & Huangliu	Meishan & Sanya	Lingshui	Total
<b>The Qiongdongnan Basin</b>					
Volume below 800m $V(\times 10^9 \text{ m}^3)$		46 710	43 135	4051	93 895
Net/gross ratio $R(\%)$		13	26	28	
Average porosity $\varphi(\%)$		18.75	16	11.5	
Effective storage capacity (GtCO <sub>2</sub> ) 800~3500m sub-seafloor	$E=0.01$	5.5	9.6	0.7	14.8
	$E=0.026$	14.3	24.9	1.9	41.1
	$E=0.04$	22.0	38.4	2.9	63.3
<b>The shallow portion of the Qiongdongnan Basin with water depth &lt;300 m</b>					
Volume below 800m $V(\times 10^9 \text{ m}^3)$		12822	11840	1112	25774
Net/gross ratio $R(\%)$		13	26	28	
Average porosity $\varphi(\%)$		18.75	16	11.5	
Effective storage capacity (GtCO <sub>2</sub> ) 800~3500m sub-seafloor	$E=0.01$	1.5	1.2	0.8	3.5
	$E=0.026$	4.9	3.9	2.6	11.4
	$E=0.04$	7.5	5.9	3.9	17.3



**Figure 6.3.3 Curves of CO<sub>2</sub> density vs. depth in the north and middle regions of the Qiongdongnan basin.**

## 6.5 Capacity estimation for oil/gas fields

According to the 2008 assessment, the QDNB has the geological resources of 272 Mt oil and 1114 Gm<sup>3</sup> gas, and discovered reserves of only 4 Mt oil and 104 Gm<sup>3</sup> gas.

The effective CO<sub>2</sub> storage capacities in oil and gas fields of the QDNB are estimated using the equations and storage factors described in Chapter 2. Parameters and results of the estimation are listed in Tables 6.5.1 and 6.5.3. It should be noted that these estimates include the capacity in deep-water areas.

The YA13-1 gas field has been in production since 1996 and is the largest gas field offshore China and the only producing field in the QDNB to date. This field has gas geological reserve of  $97.85 \times 10^9 \text{ m}^3$ , from which  $37.1 \times 10^9 \text{ m}^3$  gas and  $1.1 \times 10^6 \text{ m}^3$  condensate was produced by the end of 2007 (Zhu and Mi, 2010), accounts for ~38% of the geological reserve. Reservoir is the fan delta sandstones mainly in the 3rd member of the Upper Oligocene Lingshui Fm but also in the 2<sup>nd</sup> member of the Lingshui Fm and in the lower Sanya Fm, at depths of 3752~3961 m, 54.2 km<sup>2</sup> in trap area and 77-163 m in thickness, and overlain unconformably by the mudstone seal in the Mid Miocene Meishan Fm (Li and Lv, 2002; Zhu and Mi, 2010). This field has thermal gradient of 40 °C/km and a normal pressure system. Estimated using the Eq.(2.5) with parameters listed in Table 6.5.2, the effective CO<sub>2</sub> storage capacity in the YA13-1 gas field ranges in 48~93 Mt and in average 62 Mt. This storage capacity might not be available for many years, as by the end of 2007 the gas produced from the YA13-1 field is less than half of the discovered reserve (Zhu and Mi, 2010). However, in the YA13-1 field some blocks or horizons contain 7-10% CO<sub>2</sub>. The possibility of CO<sub>2</sub>-EGR should be investigated.

The parameters for the YA13-1 field are applied to the entire QDNB based on the 2008 assessment of 1114 Gm<sup>3</sup> gas geological reserves. The expected effective CO<sub>2</sub> storage capacity in the gas fields (including the undiscovered fields) of the QDNB ranges in 620~1190 Mt and in average 790 Mt (Table 6.5.3). Most of this would appear to be in undiscovered fields.

**Table 6.5.1 Effective CO<sub>2</sub> storage capacity for oil fields in the Qiongdongnan Basin.**

Parameter		Value	Data source
OOIP (Mt)		272	Zhu et al.(2010)
Oil density (t/m <sup>3</sup> )		0.9	Zhou et al.(2011) for PRMB
Recovery rate R <sub>f</sub>		0.4	Liu et al.(2010)
Volume factor B <sub>f</sub>		1.03	Zhou et al.(2011) for PRMB
CO <sub>2</sub> density ρCO <sub>2</sub> (t/m <sup>3</sup> )		0.503	Fig.B5 at 2000m
Effective storage capacity (Mt CO <sub>2</sub> )	Ce = 0.12	7	
	Ce = 0.25	15	
	Ce = 0.4	24	

**Table 6.5.2 Estimation of the effective CO<sub>2</sub> storage capacity for the YA13-1 gas field.**

Parameter	Value	Reference
<i>OGIP</i>	98 Gm <sup>3</sup>	Zhu et al. (2010)
Recovery rate	55 %	DF1-1 data
Compression factor:		
Surface ( $Z_s$ )	0.987	LD22-1 data
Reservoir ( $Z_r$ )	0.938	LD22-1 data
Reservoir pressure ( $P_r$ )	38.2 MPa	Hydrostatic pressure at 3900 m depth
Reservoir temperature ( $T_r$ )	449 K	At 3900 m depth
Surface temperature ( $P_s$ )	293 K	Chinese standard
Surface pressure ( $T_s$ )	0.101 MPa	Chinese standard
Gas volume factor ( $B_g$ )	0.00385	$= (P_s \times Z_r \times T_r) / (P_r \times Z_s \times T_s)$
Reservoir CO <sub>2</sub> density ( $\rho_{CO2r}$ )	0.56	Fig. Q5
Theoretical CO <sub>2</sub> storage capacity	116 Mt	$= \rho_{CO2r} \times R_f \times OGIP \times B_g$
Effective Storage capacity (Mt CO <sub>2</sub> )		
$C_e = 0.47$	55	
$C_e = 0.6$	70	
$C_e = 0.9$	104	

**Table 6.5.3 Effective CO<sub>2</sub> storage capacity in gas field of the Qiongdongnan Basin.**

Parameter	Value	Reference
<i>OGIP</i>	1114 Gm <sup>3</sup>	Zhu et al. (2010)
Recovery rate	55 %	DF1-1 data
Reservoir CO <sub>2</sub> density ( $\rho_{CO2r}$ )	0.56	Fig. Q5
Gas volume factor ( $B_g$ )	0.00385	$= (P_s \times Z_r \times T_r) / (P_r \times Z_s \times T_s)$
Theoretical CO <sub>2</sub> storage capacity	1320 Mt	$= \rho_{CO2r} \times R_f \times OGIP \times B_g$
Effective Storage capacity (Mt CO <sub>2</sub> )		
$C_e = 0.47$	620	
$C_e = 0.6$	790	
$C_e = 0.9$	1190	

## 6.6 Prospective areas for CO<sub>2</sub> geological storage

Concerning with geological and geographical conditions, the shallow portion (<300m water depth) is the most suitable structural zone for CO<sub>2</sub> geological storage in the QDNB (Fig. 6.1.1). This area is favorable because it is the area nearby the Hainan Island (40~100 km to the coast) and at shallow water depth (<50 m to 300 m), and also is the area of good seal-reservoir combinations and traps and has been the major target for hydrocarbon exploration in the past years. Accumulated wealth of data may facilitate the site characterization for CO<sub>2</sub> storage. The estimated effective storage capacity in the area is 3.5~17.3 GtCO<sub>2</sub> with average of 11.4 GtCO<sub>2</sub> (Table 6.4.1).

Within this area the Yacheng Uplift in the west is the most prosperous. It is an overlapping half anticline above a buried basement high. The YA13-1 gas field was discovered in the uplift. The field started production since 1996, with annual production of 3.4 Gm<sup>3</sup>, among which 2.9 Gm<sup>3</sup> is piped to Hong Kong, and 0.5 Gm<sup>3</sup> piped to Hainan. Estimated CO<sub>2</sub> storage capacity in the YA13-1 field is 60~114 MtCO<sub>2</sub> with expectation of 76 MtCO<sub>2</sub>. A number of structural traps nearby the YA13-1 field were found of no economic significance, and the saline formations in these traps may be used to enlarge the capacity for CO<sub>2</sub> storage.

Disadvantages of the shallow portion of the QDNB for CO<sub>2</sub> storage are that the industrial development is rather weak in the adjacent Hainan Island, and this situation will continue in the future as the island is defined as an “Island for international tourism” by Chinese government in 2009.

If the favorite area in the QDNB is to be used for CO<sub>2</sub> storage, the CO<sub>2</sub> could be supplied from the following sources: 1) The CO<sub>2</sub> produced from gas fields in the QDNB and in the adjacent Yinggehai basin. The YA13-1 gas field contains ~8% CO<sub>2</sub> (Li and Lv, 2002), and many gas fields in the adjacent Yinggehai Basin contain >60% CO<sub>2</sub>. The feasibility of CO<sub>2</sub>-EGR in the YA13-1 gas field needs to be investigated. 2) The CO<sub>2</sub> from major point sources in Hong Kong or in Guangdong. The feasibility of using the gas field for CO<sub>2</sub> storage after its depletion and of using the gas pipeline now transporting gas from YA13-1 to Hong Kong to transport CO<sub>2</sub> back to the storage site in the basin should be explored.

## Chapter 7 CO<sub>2</sub> Storage Capacity of the Yinggehai Basin

### 7.1 Geography and geology

The Yinggehai basin (YGHB) is the only NW-SE-striking basin in the northern South China Sea. It lies NW of the Beibu Gulf with water depth <100 m mostly. The basin is the second largest sedimentary basin in northern South China Sea after the Pearl River Mouth Basin, with an area of 100,000 km<sup>2</sup> (Fig.1.1).

The YGHB was formed by a combination of rifting and transtension along the offshore extension of the Red River fault system (Gong & Li, 1997). It has a relatively simple structure as a semi-symmetrical graben, composed of the Central Sag, the Lingao Uplift, and the surrounding slopes (Fig.7.1.1).

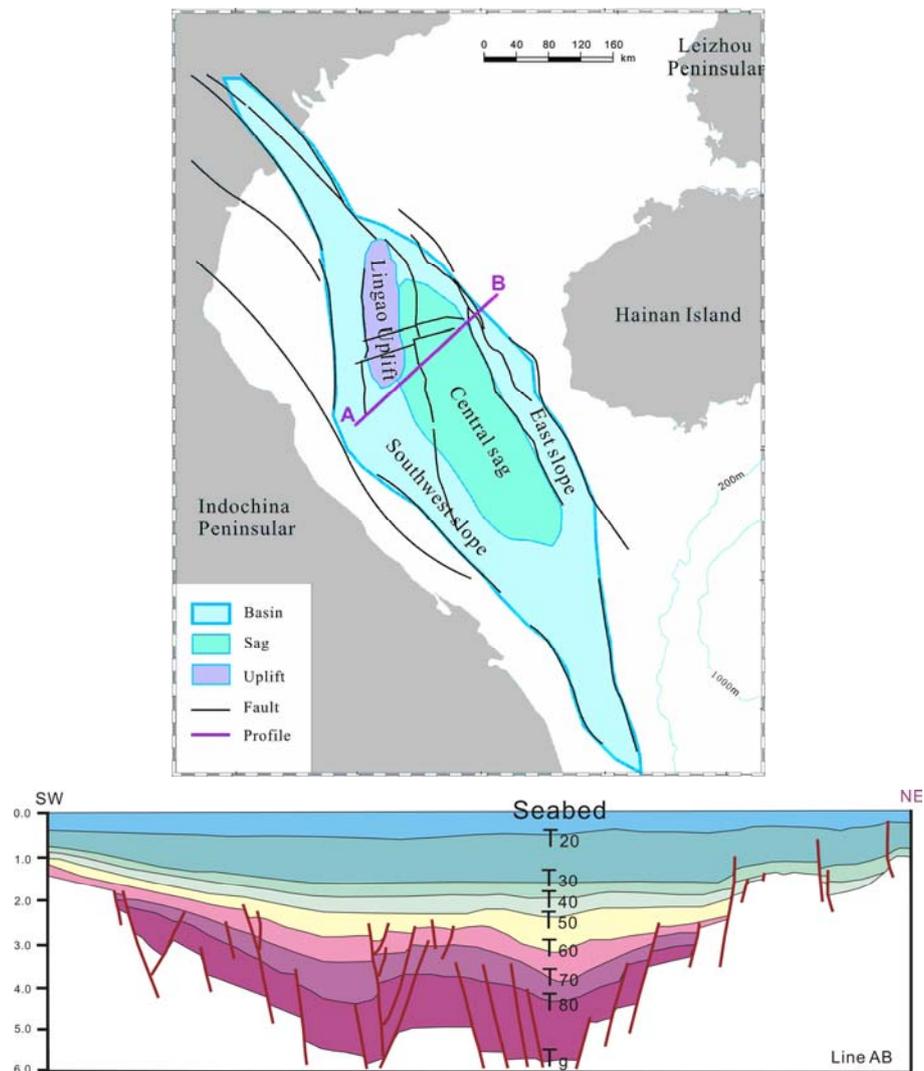


Figure7.1.1. Simplified geological map and cross section of the Yinggehai Basin.

The Cenozoic thickness in the YGHB is up to 17 km, the thickest in the northern South China Sea. The YGHB uses the same stratigraphic system and nomenclature as that for the QDNB (see Fig. 6.1.2). Its Paleogene consists of fluvial, lacustrine, and land-sea transitional sediments, while Neogene are of mainly deltaic, littoral, and neritic sediments.

Due to the abundant sediment supply from the Red River system, in the YGHB developed basin-wide thick reservoirs. Sandstones deposited in fan delta, fluvial delta, neritic environment formed good reservoirs in the Eocene Lingshui Fm, so do the sandstones deposited in turbidity current, neritic, and bathyal environment in Neogene Sanya, Huangliu and Yinggehai Fms (Gong and Li, 1997).

Potential source rocks in the YGHB reside in the Yacheng, Sanya, and Meishan Fms (Chen, 1990; Zhang et al, 1993; Hao et al, 1995; Gong and Li, 1997; Hao et al, 1998). The thick mudstones in the Oligocene Yacheng Fm were deposited during the rift stage, which is the major source of the YA13-1 gas field in the adjacent Qiongdongnan Basin (Hao et al., 1998). The Miocene Sanya and Meishan Fms are shale-dominated units deposited in marine environments during the regional subsidence.

Generally, the petroleum system in the YGHB is divided into two groups: (1) source rocks in Shanya and Meishan Fms accompanying with sandstone reservoirs in the upper Meishan, middle Yinggehai and Huangliu Fms sealed by mudstones of upper Yinggehai and Huangliu Fms; (2) source rocks in the lower Yinggehai and Huangliu Fms covered by middle sandstone reservoirs and upper mudstone seals (Xu and Wan, 2008).

In the central sag of the basin diapir structures developed, which served not only as the major hydrocarbon migration pathways but also as the best places for gas accumulations (He et al, 1994; Zhang et al, 2004). The diapirism occurred since Late Miocene and continued to Quaternary, and is related to the high sedimentation rate in the center of the basin (Gong, 2004).

Because of the large sediment thickness and high geothermal gradient (35~47 °C/km), the hydrocarbons in the YGHB are over mature. Until now, commercial gas fields have been found over diapir structures in the central sag, such as DF1-1, LD5-1, LD22-1 and LD8-1 (Zhu et al, 2004). The new assessment (MLRC et al., 2008) suggests ~1307 Gm<sup>3</sup> gas geological reserve in the YGHB, but only and 156 Gm<sup>3</sup> gas reserve is discovered. Many gas fields in the basin contain variable amount of CO<sub>2</sub>, for example, 1% to >50% CO<sub>2</sub> in the gas produced from the largest gas field DF1-1. High concentration CO<sub>2</sub> is thought to be originated from thermal decomposition of carbonates at depths (Wang and Huang, 2008).

## **7.2 Geological conditions for CO<sub>2</sub> storage**

During the Cenozoic era the YGHB experiences four periods of major marine transgression, which produced four layers of excellent regional seals. The uppermost seal is in the Quaternary mud existed where its thickness exceeds 1000 m. Although it capped several lower Quaternary gas layers, it would not be considered in our assessment because the relatively shallow depth and poor seal quality. The second seal is the thick mudstones in the Yinggehai and Huangliu Fms. These widespread marine mudstones are of good quality and large thickness (173~2048 m), forming the best regional seal in the basin. The third seal is the calcareous mudstone in the Maishan Fm, equivalent to the regional seal which caps the YA13-1 gas field in the adjacent Qiongdongnan basin. The fourth regional seal is the mudstones in the 1<sup>st</sup> members of the Sanya Fm. These are

neritic to abyssal mudstones with a total thickness ~200 m which is 40~50 % of the formation thickness (Zhang and Huang, 1993; Gong and Li, 1997).

Potential reservoirs in the YGHB include deltaic, channel, neritic, turbidites sandstones found mostly in Lingshui, Sanya, Huangliu and Yinggehai Fms. For example, the DF1-1 gas fields at water depth of 63~70 m is a NS-elongated diapir dome, with area of 350 km<sup>2</sup> and closure height of 255 m. Gas reservoirs are mostly in the Pliocene Yinggehai Fm, with thickness of 5~40m, depth of 1157~1525m, porosity of 21~25%, and permeability of 4~275 mD (Li & Lv, 2002). The well LD30-1-1(A) in the Central Sag penetrated 4 layers of sandstones deposited in the gravity flow channel, with total thickness of 361m. Single layer ranges from 18.6m to 87m in thickness and has porosity of 20% and permeability of 11.72md (Gong and Li, 1997). Littoral sandstones in the Yinggehai Fm show good porosity and permeability.

Overpressure is an important factor to be considered. The high subsidence rate (500-1400 m/Ma) and thick sediments caused rapid loading and under compaction in the basin. These, in combination of hydrocarbon generation and thermal expansion of pore fluids, generated diapirs in the center of the basin as well as strong overpressure over a large part of the basin (Gong and Li, 1997; Zhang and Li, 2000). The overpressured system in the central sag of the YGHB is, with the pressure coefficient up to 2.1, developed in the section from Sanya Fm to Lower Yinggehai Fm starting at depth usually greater than 3000 m and may be shallower to 1800 m. Overpressure is not favorable for CO<sub>2</sub> storage because it increases the difficulty of drilling and increases the required injection pressure.

### 7.3 GIS and parameter estimations

The sedimentary sequences in the YGHB (Fig. 6.1.2) are divided into three super layers in our assessment: The upper layer consists of Pliocene Yinggehai Fm and the Upper Miocene Huangliu Fm, under the regional seal in the Upper Yinggehai Fm; the middle layer of Middle Miocene Meishan Fm and the Lower Miocene Sanya Fm, under the regional seal in the Meishan Fm; and the lower layer of lower Miocene to Oligocene Lingshui and Yacheng Fms, under the regional seal in the upper Sanya Fm. Thickness and interface depths of these layers are input into the MapGis system, and isobath maps of the layers at depths of 800m~3500m sub-seafloor are compiled (Fig. 7.3.1).

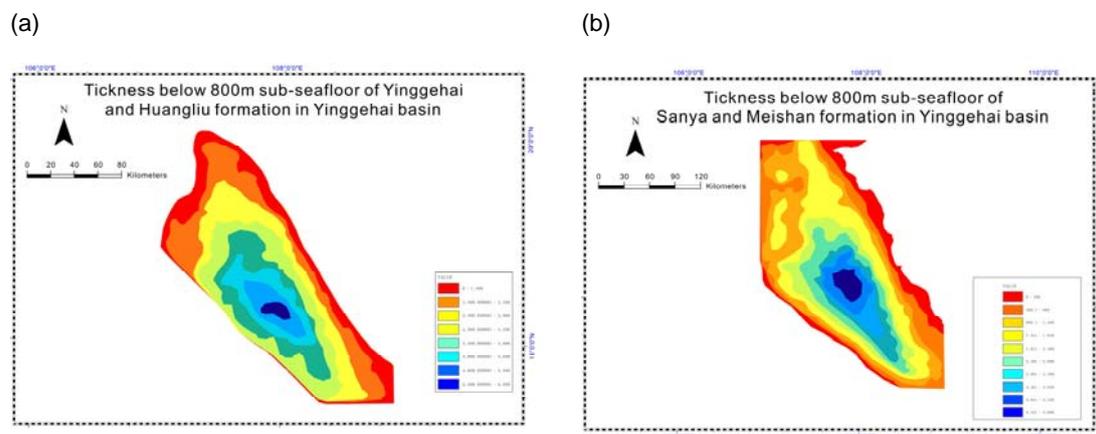


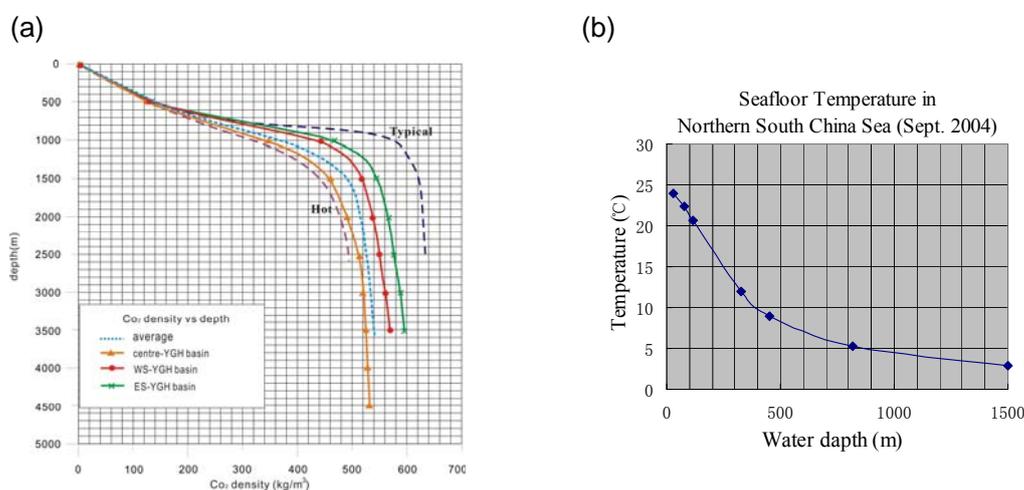
Figure 7.3.1 Isopach maps of the super layers in the Yinggehai Basin.

The YGHB is a hot basin with geothermal gradient  $>40^{\circ}\text{C}/\text{km}$  in general (Gong and Li, 1997) and seafloor temperature of  $10\sim 25^{\circ}\text{C}$  variable with water depth (Table 7.3.1 and Fig.7.3.2b). The basin is divided by its geothermal characteristics into Central, SW, and SE regions as shown by dashed purple lines in Fig. 7.1.1, and curves of  $\text{CO}_2$  density vs. depth for these regions are calculated according to Span & Wagner (1996) and presented in Fig. 7.3.2a. Lithological parameters collected from literatures for the YGHB are listed in Tables 7.3.2 and 7.3.3.

**Table 7.3.1 Geothermal gradient in Yinggehai basin.**

Region*	Thermal gradient ( $^{\circ}\text{C}/\text{km}$ )	Seafloor Temp.
Entire basin	42.07	
Central	43.22	$20^{\circ}\text{C}$
SW	42.56	$15^{\circ}\text{C}$
ES	36.28	$10^{\circ}\text{C}$

\* For division of regions see the purple dashed lines in the Fig. 7.1.1.



**Figure 7.3.2 Curves of  $\text{CO}_2$  density vs. depth for the Yinggehai basin (a) , and seafloor temperature of the northern South China Sea (b) .**

For division of regions in (a) see the purple dashed lines in the Fig.Y1. The figure (b) is from Zhou et al. (2011).

**Table 7.3.2 Parameters of sandstones in the Yinggehai Basin**

Well	Formation	Sedimentary facies	Lithology	Porosity (%)	Permeability (mD)	Reference
LG20-1-1	Yinggehai	delta	sandstone	13-15		(1)
LT1-1-1	Yinggehai	coastal	sandstone	25	600	(1)
HK30-3-1A	Yinggehai	coastal	sandstone	21.5		(1)
LD15-1-1	Yinggehai	neritic	Fine sandstone	30	800	(1)
LD30-1-1	Yinggehai	turbidite fan	Fine sandstone	22	12	(2)
DF1-1	Huangliu	neritic	Sandstone	21~25	4~274	(2)
	Meishan & Sanya	neritic	sandstone	20~25		(2)
	Meishan & Sanya	neritic	carbonate	20		(2)
	3 <sup>rd</sup> member of Lingshui	littoral	sandstone	14		(2)

(1) Gong and Li (1997); (2) Li and Lv, (2002).

**Table 7.3.3 Average parameters of formations in the Yinggehai Basin**

Formation	Area (km <sup>2</sup> )	Bottom depth (m)	Thickness (m)	Porosity (%)	Net/Gross ratio
Ledong	20149	200-1500	200-1500		0.24
Yinggehai		500-3800	600-3500	15	
Huangliu		600-5400	100-800	14.7	
Meishan	18380	800-6000	300-2100	13.2	0.15
Sanya		4500-9000	320-2900	11	

## 7.4 Capacity estimation for saline formations

The assessment of the effective CO<sub>2</sub> storage capacity in saline formations was performed for the entire YGHB according to the methodology specified in Chapter 2. The storage efficiency factor  $E$  was chosen according to the average values in IEAGHG (2009) with no differentiation made for overpressure zones because we do not have pertaining data.

The parameters and estimates are listed in Table 7.4.1. The mean value of the effective CO<sub>2</sub> storage capacity in saline formations of the YGHB is 160 GtCO<sub>2</sub>, with lower and upper bands of estimates in 62 GtCO<sub>2</sub> and 248 GtCO<sub>2</sub> respectively.

**Table 7.4.1 Parameters and estimates of the effective CO<sub>2</sub> storage capacity in saline formations of the Yinggehai basin (800~3500 m sub-seafloor).**

Formation		Huangliu & Yinggehai Fms	Sanya & Meishan Fms	Total
Volume below 800m $V(\times 10^9 \text{ m}^3)$		188 855	50 339	239 194
Net/gross ratio $R(\%)$		40.43	55.25	
Average porosity $\varphi(\%)$		12.48	12.24	
Effective capacity	$E=0.01$	44.9	17.1	62.0
800~3500m	$E=0.026$	116.6	44.5	161.1
sub-seafloor (GtCO <sub>2</sub> )	$E=0.04$	179.4	68.5	247.9

## 7.5 Capacity estimation for oil/gas fields

In the YGHB only gas fields have been found to date. According to the 2008 assessment, the YGHB has the total resources of 1300 Gm<sup>3</sup> gas, in which 156 Gm<sup>3</sup> are discovered reserves. The DF1-1 gas field is the largest producing field in the basin. Capacity assessment was performed for the DF1-1 field and for the entire basin according to the methodology described in Chapter 2.

The DF1-1 gas field has the geological reserve of 87 Gm<sup>3</sup> and discovered reserve of 41 Gm<sup>3</sup>, and started production in 2003 (Zhu et al., 2010). This field has reservoir depth of 1200~1600 m, thermal gradient of 46.7 °C/km, and a normal pressure system. Using the Eq.(2.4) with parameters listed in Table 7.51, the effective CO<sub>2</sub> storage capacity in the DF1-1 gas field ranges in 87~166 MtCO<sub>2</sub> and in average 111 MtCO<sub>2</sub>.

If the parameters for the DF1-1 field are applied to the entire YGHB based on the 2008 assessment of 1300 Gm<sup>3</sup> gas resources, the expected effective CO<sub>2</sub> storage capacity in the YGHB ranges in 1300~2486 MtCO<sub>2</sub> and in average 1660 MtCO<sub>2</sub> (Table 7.5.2).

**Table 7.4.1. Estimation of the effective CO<sub>2</sub> storage capacity for the DF1-1 gas field.**

Parameter	Value	Reference
<i>OGIP</i>	87 Gm <sup>3</sup>	Zhu et al. (2010)
Recovery rate	0.55	
Compression factor:		
Surface ( $Z_s$ )	0.999	
Reservoir ( $Z_r$ )	0.932	
Reservoir pressure ( $P_r$ )	13.7 MPa	Hydrostatic pressure at 1600 m depth
Reservoir temperature ( $T_r$ )	358.4 K	At 1600 m depth
Surface temperature ( $P_s$ )	293 K	Chinese standard
Surface pressure ( $T_s$ )	0.101 MPa	Chinese standard
Reservoir CO <sub>2</sub> density ( $\rho_{CO2r}$ )	0.46	Fig. 7.2.2a
Gas volume factor ( $B_g$ )	0.0084	$= (P_s \times Z_r \times T_r) / (P_r \times Z_s \times T_s)$
Theoretical CO <sub>2</sub> storage capacity	185 Mt	$= \rho_{CO2r} \times R_f \times OGIP \times B_g$
Effective storage capacity (Mt CO <sub>2</sub> )		
$C_e = 0.47$	87	
$C_e = 0.6$	111	
$C_e = 0.9$	166	

**Table 7.5.2. Estimation of the effective CO<sub>2</sub> storage capacity in the gas fields of the Yinggehai Basin.**

Parameter	Value	Reference
<i>OGIP</i>	1300 Gm <sup>3</sup>	
Recovery rate	0.55	
Reservoir CO <sub>2</sub> density ( $\rho_{CO2r}$ )	0.46	Fig. 7.2.2a
Gas volume factor ( $B_g$ )	0.0084	$= (P_s \times Z_r \times T_r) / (P_r \times Z_s \times T_s)$
Theoretical CO <sub>2</sub> storage capacity	2760 Mt	$= \rho_{CO2r} \times R_f \times OGIP \times B_g$
Effective storage capacity (Mt CO <sub>2</sub> )		
$C_e = 0.47$	1298	
$C_e = 0.6$	1658	
$C_e = 0.9$	2486	

## 7.6 Favorable areas for CO<sub>2</sub> geological storage

At this preliminary stage, major concerns for assessing the storage prospectivity are the distribution of reservoirs and seals, the distance from major emission sources, the depth and size of possible reservoirs, the distribution of overpressure and high thermal gradient, and the possibility of CO<sub>2</sub> extraction from gas fields.

The Yinggehai basin is characterized by high thermal gradients and widespread overpressure at depths. A diapir structure zone developed in the center of the Central depression. All the gas fields discovered so far in the basin are found in the diapir zone. The hydrocarbon gas in this zone often contains high CO<sub>2</sub>. For example, the gas produced from its east block of the DF1-1 field contains 55~71 % CO<sub>2</sub>; and the gas fields LD8-1 and LD15-1 contain >60% CO<sub>2</sub> (Li et al., 2002). The existence of high-CO<sub>2</sub> gas fields indicates the existence of favorable geological conditions for CO<sub>2</sub> trapping. Thus the diapir zone in the YGHB has the geological conditions favorable for CO<sub>2</sub> storage, but the high-degree of fracturing and shallow occurrence of overpressure should be avoided carefully in site selection.

Gas produced from the DF1-1 field is now transported through pipelines to the Hainan Island, and a fraction of CO<sub>2</sub> separated from the gas is used to produce urea. Remaining CO<sub>2</sub> (~100 KtCO<sub>2</sub> per year) may be used for CO<sub>2</sub> storage.

The eastern flank and the SE region of the YGHB (see Fig.7.1.1) have favorite geographic location vary close to the Hainan Island. But this region may not be prospective for CO<sub>2</sub> storage, because the sealing condition may not be favorable, as shown by abundant gas seeps. In this area the Yinggehai and Huangliu formations are thick and with good reservoir properties. The geothermal gradient is lower than that in the Central Sag. Although hydrocarbon exploration has been extensive in this region, no major discovery so far. The reasons for the failure are yet to be resolved but the sealing property has been questioned.

## Chapter 8 Overall Evaluation and Source-Sink Match

### 8.1 Conclusions on the CO<sub>2</sub> storage potential for Guangdong Province

In this study we have reviewed storage potential and capacity for all the main basins onshore and offshore Guangdong Province. Following the definitions of CSLF(2007), we estimated the total storage capacity for each basin at the level of “effective” storage capacities, which is a subset of the theoretical storage capacity multiplied by the storage efficiency factor  $E$  (for saline formation) or  $C_e$  (for oil and gas field) which reflects a number of geological and engineering limitations. We provided regional estimates of the total potential storage capacity in saline formations and in oil and gas fields for each basin. Subtotals of estimated capacity are presented by major geological intervals, and for shallower water (<300 m) areas. Major conclusions on the CO<sub>2</sub> storage potential of Guangdong are as follows:

(1) The CO<sub>2</sub> storage potential inland Guangdong is very small and should not be considered practical in consideration of the dense population.

(2) The CO<sub>2</sub> storage potential is very large offshore in the northern South China Sea (Table 8.1.1). The conservative (at P85 probability level) estimate of the effective CO<sub>2</sub> storage capacity is 205 GtCO<sub>2</sub> in saline formations, including 0.142 GtCO<sub>2</sub> in oil fields and 1 GtCO<sub>2</sub> in gas fields. If only the shallow areas (water depth <300m) are considered for CO<sub>2</sub> storage, the conservative effective storage capacity is 163 GtCO<sub>2</sub> in saline formations, which are more than 600 times of the CO<sub>2</sub> emission (252 MtCO<sub>2</sub> in 2010) from large point sources in Guangdong. Thus the storage capacity in the shallow areas of the northern South China Sea is large enough to support the CCS development in Guangdong.

(3) The CO<sub>2</sub> storage potential is predominantly in saline aquifer formations. This type of storage is in use in some other areas of the world but is at an early stage of research, demonstration and development. This type of storage is likely to be important for future large scale CCS. The storage capacity of oil and gas fields is relatively small and will principally be available after the end of hydrocarbon production. Opportunities for CO<sub>2</sub> utilization and EOR appear limited in the region. These may provide some early opportunities for storage in oil and gas fields with cost benefits from re-use of infrastructure and oil/gas field data; in addition these may allow combination with storage in underlying or adjacent saline formations.

(4) In consideration of geological and geographical conditions, the high graded area for CO<sub>2</sub> storage is the Zhu-1 Depression and the northern Dongsha Uplift in the Pearl River Mouth Basin (Fig. 4.1.1). This ~400 km<sup>2</sup> area has shallow water depth (mostly <200 m), thick Lower and Middle Miocene formations with good reservoir-seal assemblages, large amount oil fields and dry structures. The conservative estimation of the effective CO<sub>2</sub> storage capacity in the area is 77 GtCO<sub>2</sub> at P85 probability level, more than 300 times of the CO<sub>2</sub> emission from the large point sources in Guangdong in 2010. The producing oil fields of the PRMB reside mostly in this area, among which some are already depleted and some are approaching depletion. The oil fields in the area are all small, and the potential of CO<sub>2</sub>-EOR in the area (and in the entire Pearl River Mouth

Basin) is low because the oil fields have high recovery rate (>40%) and strong water drive. However there is the possibility for reusing the infrastructure of these fields for CO<sub>2</sub> injection after the fields' depletion. This might reduce significantly the cost of offshore CO<sub>2</sub> storage. The major disadvantage is the small storage capacity in these oil fields. The storage capacity should be enlarged by utilization ambient saline formations. The evaluation of feasibility of using offshore oil/gas production facilities for CO<sub>2</sub> storage is an urgent task, as this should be done far ahead of the field depletion.

**Table 8.1.1 The effective CO<sub>2</sub> storage capacity<sup>1)</sup> (in GtCO<sub>2</sub>) of saline formations and oil/gas fields<sup>2)</sup> of the northern South China Sea.**

<b>The effective CO<sub>2</sub> storage capacity (in GtCO<sub>2</sub>) of saline formations</b>						
(Range <sup>3)</sup> is calculated with $E=0.01 \sim 0.04$ , and mean with $E=0.026$ following IEAGHG(2009))						
		BBWB	QDNB	YGHB	PRMB	Total
Entire basin	Range	20.2~80.9	12.8~63.3	62.0~247.9	110~443	205~835
	Mean	52.6	41.1	161.1	289	544
Shallow water area (<300 m)	Range	20.2~80.9	3.5~17.4	62.0~247.9	77~310	163~656
	Mean	52.6	11.3	161.1	201	373
<b>The effective CO<sub>2</sub> storage capacity (in GtCO<sub>2</sub>) of oil and gas fields</b>						
(For oil fields "Range" is calculated with $C_e=0.12 \sim 0.4$ , and "Mean" with $C_e=0.25$ , while for gas fields "Range" is calculated with $C_e=0.47 \sim 0.9$ , and "Mean" with $C_e=0.6$ , as explained in Section 2.3 of this report)						
		BBWB	QDNB	YGHB	PRMB	Total
Oil fields	Range	0.011~0.035	0.070~0.024	-	0.061~0.205	0.142~0.264
	Mean	0.022	0.015	-	0.128	0.165
Gas fields	Range	-	0.620~1.190	1.300~2.490	1.093~2.093	3.013~5.773
	Mean	-	0.790	1.660	1.395	3.845
Oil and Gas fields	Range					3.149~6.016
	Mean					3.997
YA13-1 gas field	Range		0.055~0.104			
	Mean		0.070			
DF1-1 gas field	Range			0.087~0.166		
	Mean			0.111		

<sup>1)</sup> The effective storage capacity is a subset of the theoretical (maximum) storage capacity multiplied by the storage efficiency factor  $E$  or  $C_e$  which reflects a number of geological and engineering limitations (CSLF, 2007).

<sup>2)</sup> Undiscovered oil and gas fields are included.

<sup>3)</sup> In this table, "Range" corresponds to the probability levels of P85~P15; "Mean" the probability level of P50.

(5) The second priority area for CO<sub>2</sub> storage is the Weixinan Sag in the Beibuwan Basin. This 3000 km<sup>2</sup> area has up to >9000 m thick Cenozoic sediments with good reservoir-seal

assemblages. Through the half century explorations eight small oilfields were founded in the sag, among which five are producing and one is depleted. The estimated effective CO<sub>2</sub> storage capacity in the area is 2~8 GtCO<sub>2</sub> (ave. 5 GtCO<sub>2</sub>) in saline formations. A specific advantage of the area is its shallow water depth (~30 m) and short distance from the coast of the Guangxi Province and the Leizhou Peninsular of the Guangdong Province. Thus this area may be a potential storage area for the CO<sub>2</sub> emitted from the industry in western Guangdong and in Guangxi. The disadvantage of this area is the relatively strong neotectonic activities including volcanism and earthquakes, but the M6.0 earthquakes occurred to the east of this area (Fig. 4.1.2). Well integrity is another issue to be carefully examined and treated to ensure the storage safety.

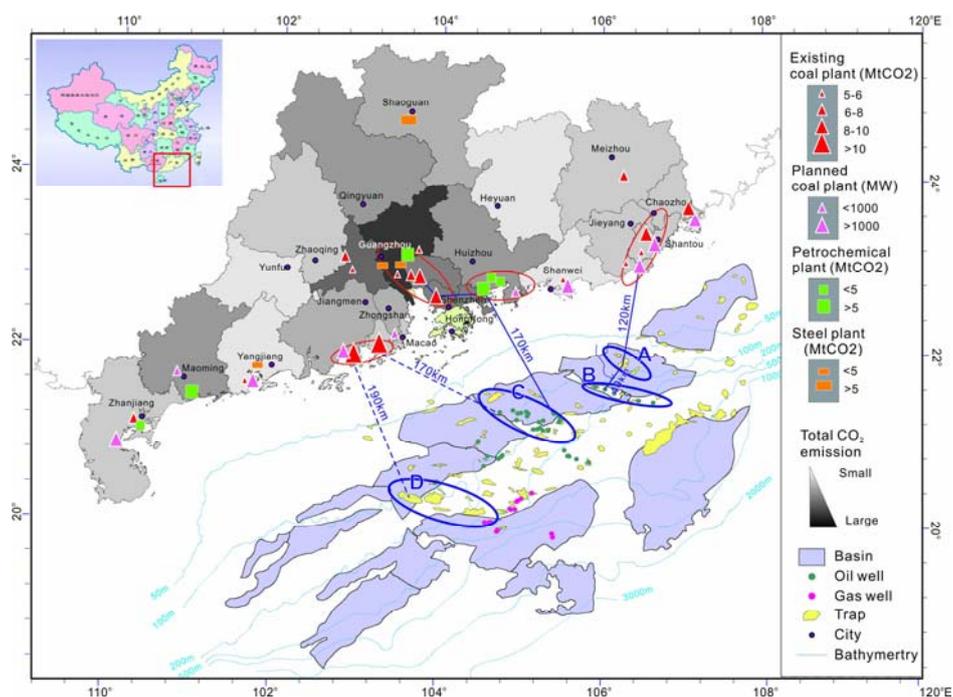
(6) The Qingdongnan Basin and Yinggehai Basin have large effective CO<sub>2</sub> storage capacity, but they are relatively distant from the inland large emission sources inland China. A common feature of these basins is that they have large gas fields which often have high CO<sub>2</sub> content. For example the YA13-1 gas field in the Qingdongnan Basin has geological reserve of  $97.85 \times 10^9 \text{ m}^3$  gas in which the CO<sub>2</sub> content is about 8%. The DF1-1 gas field in the Ynggehai Basin has geological reserve of  $87 \times 10^9 \text{ m}^3$  gas in which the CO<sub>2</sub> content is about 55~71%. Currently the CO<sub>2</sub> produced from these fields are mostly emitted to the air except a small portion used for fertilizer production. CCS project with CO<sub>2</sub> sourced from these fields might be considered in the future.

## 8.2 Source-sink match and early opportunity

In the Guangdong province, most large point sources (LPSs) of CO<sub>2</sub> emissions are distributed along the coast, especially concentrated in the Pearl River Delta (Fig. 8.2.1). These LPSs may be matched with the potential storage sites in the Pearl River Mouth Basin (PRMB) offshore.

There might be various schemes of source-sink matching for Guangdong. We put forward a conceptual scheme of source hubs matching sink hubs within the straight-line distances of 120 km to 200 km as shown in Fig. 8.2.1. The source hubs would be built along the coast with CO<sub>2</sub> treatment facilities, while the sink hubs could be built utilizing the existing facilities of depleted oil/gas fields or upon large dry structures. A regional planning is needed for the pipeline routes from a cluster of emission sources to a source hub and from a sink hub to a cluster of sinks, as well as a grand pipeline linking the source hub to the sink hub. In this scheme a most efficient and economic transportation of CO<sub>2</sub> may be achieved.

An early opportunity for a full-chain CCS demonstration (the HZ project) has been identified, which consists of a low-cost capture from the high purity CO<sub>2</sub> from a planned refinery and a low-cost storage using the infrastructures of a near-depleted oil field in the PRMB. The source-sink distance is ~170 km, as shown by the solid blue line in Fig. 8.2.1. A planned oil refinery on the coast of the Huizhou city will emit a total of 2.6 Mt/yr high purity CO<sub>2</sub> from H<sub>2</sub> production. The near-depleted oil field is in Lower Miocene marine sandstone at depths of 2820 m to 3000 m in a dome structure. Preliminary injection modeling indicates that the CO<sub>2</sub> storage capacity of the field is very small, but the ambient saline formations may be used and then the capacity is sufficient to support the suggested storage rate of 3000 tCO<sub>2</sub>/d (1 MtCO<sub>2</sub>/a). A study on the technical and economical feasibility of the HZ project is needed urgently, because these have to be done several years before the depletion of the oil field.



**Figure 8.2.1 Proposed scheme of CO<sub>2</sub> source-sink match for the Guangdong province.**

Grey scale shows the relative intensity of CO<sub>2</sub> emission by counties. Red and blue circles indicate source and sink clusters respectively. Blue lines connect potential source hubs and sink hubs, with distance indicated. Inset shows the map location in China.

### 8.3 CCS strategic considerations

In the aspect of CO<sub>2</sub> storage, Guangdong is superior over other province in southeast China. All these provinces have little potential for onshore CO<sub>2</sub> storage, but only Guangdong is adjacent to the Pearl River Mouth Basin, which has not only large storage capacity but also producing oil fields. When the fields are depleted, their infrastructure might be used for CO<sub>2</sub> injection, and the cost for CO<sub>2</sub> storage might be reduced significantly.

In the aspect of CO<sub>2</sub> capture, Guangdong might be benefited by her strong petrochemical industry whose hydrogen production by-produces high-purity CO<sub>2</sub> and enables a low-cost capture. In 2010 the CO<sub>2</sub> emission from petrochemical is 8% of industrial total, and will be 16.3% in 2020, the number one exceeding the emission of cement and pottery.

Taken into account of the status of Guangdong as the leading provincial economy in China and the only low-carbon pilot province in southeast China, Guangdong should have the ambition and capability to lead the CCS development in southeast China.

From these strategic considerations, the HZ demonstration project would be a good start. The key of the project is to ensure the possibility and to develop the techniques for offshore CO<sub>2</sub> storage using the existing infrastructure of depleted oil field. When this breakthrough is made, a large-scaled CCS employment would be foreseeable in the Guangdong province, and this will have a significant impact to the low-carbon development in southeast China and in the world.

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