



**CHINA AUSTRALIA**  
**GEOLOGICAL STORAGE OF CO<sub>2</sub>**

中澳二氧化碳地质封存

CAGS3 RESEARCH PROJECT 3

**THE POTENTIAL OF CO<sub>2</sub> GEOLOGICAL  
UTILISATION AND STORAGE IN THE  
JUNGGAR BASIN AND THE OPPORTUNITIES  
FOR EARLY DEMONSTRATION PROJECTS IN  
THE EASTERN JUNGGAR REGION**

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## INTRODUCTION

The China Australia Geological Storage of CO<sub>2</sub> (CAGS) Project is a collaborative project that aims to accelerate the development and deployment of geological storage of carbon dioxide in China and Australia. It is managed by Geoscience Australia (GA) and the Administrative Center for China's Agenda 21 (ACCA21, under the Ministry of Science and Technology, MOST) jointly, as the flagship project of all the CCS international cooperation research projects managed by MOST.

At the end of 2015, GA and ACCA21 started the third CAGS project, and the Center for Hydrogeology and Environmental Geology Survey, China Geological Survey (CHEGS) and the Institute of Rock and Soil Mechanics, Chinese Academy of Science, IRSM were funded to study the third work package of CAGS3 — “Evaluation of CO<sub>2</sub> Geological Utilisation Storage in the Junggar Basin and the Opportunities for Early Demonstration Projects in the Eastern Junggar Region”. In addition, in March 2017, GA and the China Geological Survey (CGS) signed a “Collaborative Research Project Agreement” to support this study.

According to the technical contract, our task consists of the following three main research components:

- 1) Theoretical evaluation of the potential of CO<sub>2</sub> Geological Utilisation and Storage (CGUS) in the Junggar Basin, including deep saline aquifer CO<sub>2</sub> storage, depleted oil and gas field CO<sub>2</sub> storage, Carbon Dioxide Enhanced Oil Recovery (CO<sub>2</sub>-EOR), Carbon Dioxide Enhanced Coal Bed Methane (CO<sub>2</sub>-ECBM) and Carbon Dioxide Enhanced Water Recovery (CO<sub>2</sub>-EWR).
- 2) Capacity evaluation and numerical simulation of CO<sub>2</sub>-EWR in selected storage sites in the Eastern Junggar Basin, based on the geological data from outcrop investigations, 2D seismic exploration, logging and downhole testing.
- 3) Formulation of a proposal for early opportunities for CCUS, based on a study of source-sink matching and early demonstration opportunities in the eastern Junggar region, and consideration of geological security and social conditions.

After two years of research, we completed all the components and accomplished a large number of significant achievements. Furthermore, through participation in CCS capacity training and international workshops, the CCUS research capability of our younger team members has improved greatly. Two senior hydrogeologists carried out collaborative research as academic visitors in Australia, and Dr. Liuqi Wang helped us improve our geological modeling ability.

## 1. CO<sub>2</sub> EMISSION SOURCES IN THE JUNGGAR BASIN

According to the requirements of the United Nations Framework Convention on Climate Change (UNFCCC), all contracting parties should prepare national greenhouse gas (GHG) inventories in line with the IPCC Guidelines for National Greenhouse Gas Inventories. In 2008, China commenced preparation of the 2005 National Greenhouse Gas Inventory. In order to further strengthen the capacity for preparation of provincial GHG inventories, experts from various government departments and research institutes formulated the Guidelines for the Compilation of Provincial-level Greenhouse Gas Inventories. The inventory compilation generally follows the basic method in the IPCC Guidelines, and draws from the experience of preparing the 1994 and 2005 greenhouse gas inventories of China's energy activities. However, due to the large number of parameters required for the calculation of CO<sub>2</sub> emissions in the inventory, it is difficult to conduct a detailed investigation of the emissions-producing enterprises throughout the entire Junggar Basin under this research project. Therefore, the CO<sub>2</sub> emissions are calculated based on the annual output or annual production capacity of enterprises, and uses the integrated emission factors that take into account fuel combustion and process elements. The locations of these CO<sub>2</sub> emission sources are also adjusted according to remote sensing imagery.

$$(E_{CO_2})_{ji} = (EF_{ji})(P_1)_{ji} \quad (1-1)$$

$$(E_{CO_2})_{ji} = (EF_{ji})(P_2)_{ji}(A_{ji})(T_{ji}) \quad (1-2)$$

$$(E_{CO_2})_t = \sum_j \sum_i (E_{CO_2})_{ji} \quad (1-3)$$

Where:  $(E_{CO_2})_{ji}$  is the annual CO<sub>2</sub> emissions of the  $i^{\text{th}}$  enterprise in the  $j^{\text{th}}$  industry,  $(EF)_{ji}$  is the CO<sub>2</sub> integrated emission factor of the enterprise,  $(P_1)_{ji}$  is the annual output,  $(P_2)_{ji}$  is the production capacity of the enterprise,  $(A)_{ji}$  is the utilisation rate,  $(T)_{ji}$  is the full load hours of the equipment, and  $(E_{CO_2})_t$  is the total emissions estimated per industry). When calculating the total emissions of the industry based on the actual output, formula (1-1) is adopted. When calculating the total emissions of the industry based on the annual production capacity, formula (1-2) is adopted.

The emission sources in the Junggar Basin are mainly located at the edge of the basin, especially in the southern region. They are largely concentrated in the Urumqi, Shihezi and Kuitun areas. The total annual emissions of 54 emission sources in the Basin have reached 132.22 Mt. Power plants account for over 50% of emissions both in quantity and annual emissions share, with the total annual emissions of as many as 32 plants reaching 67.51 Mt/a. There are 5 cement plants in this region, with emissions of 28.05 Mt/a, and 12 chemical plants (including coal chemical and petrochemical plants), with emissions of approximately 22.13 Mt/a.

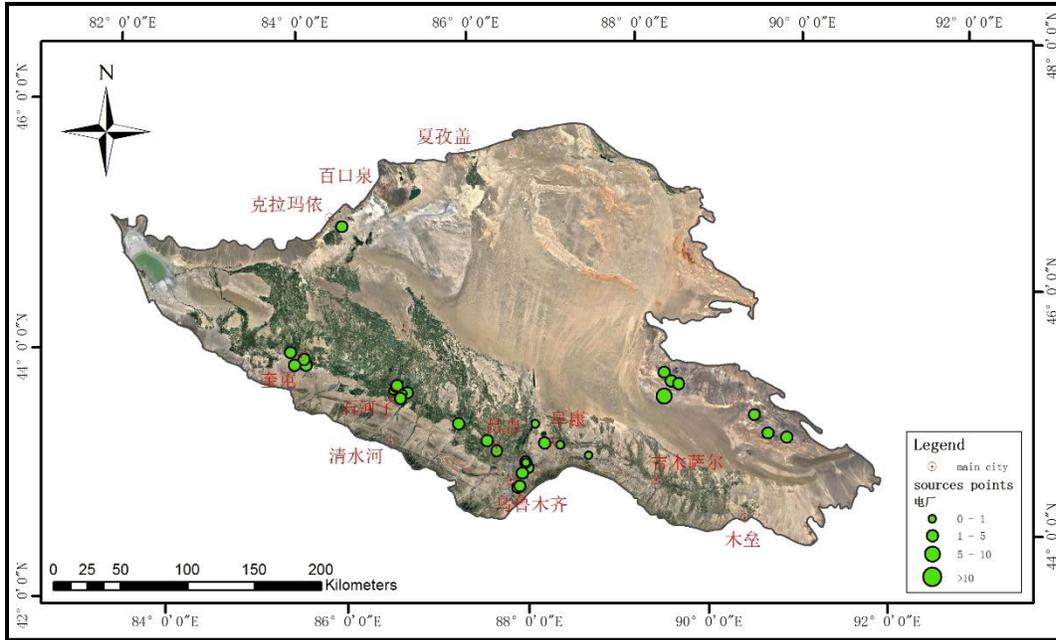


Figure 1.1 Distribution of thermal power plants in the Junggar Basin

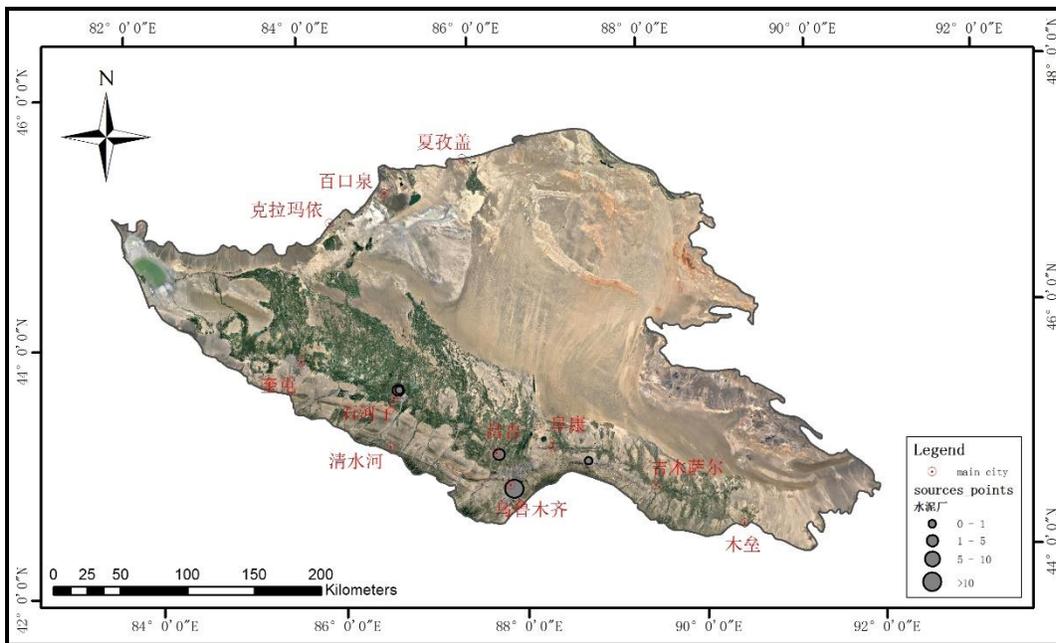


Figure 1.2 Distribution of cement plants in the Junggar Basin

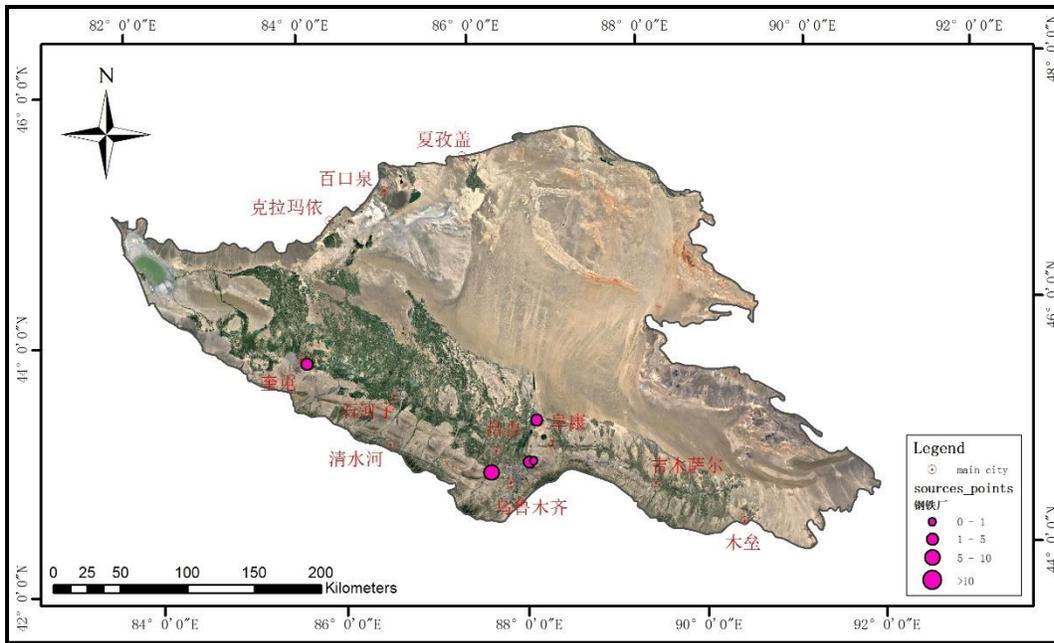


Figure 1.3 Distribution of steel plants in the Junggar Basin

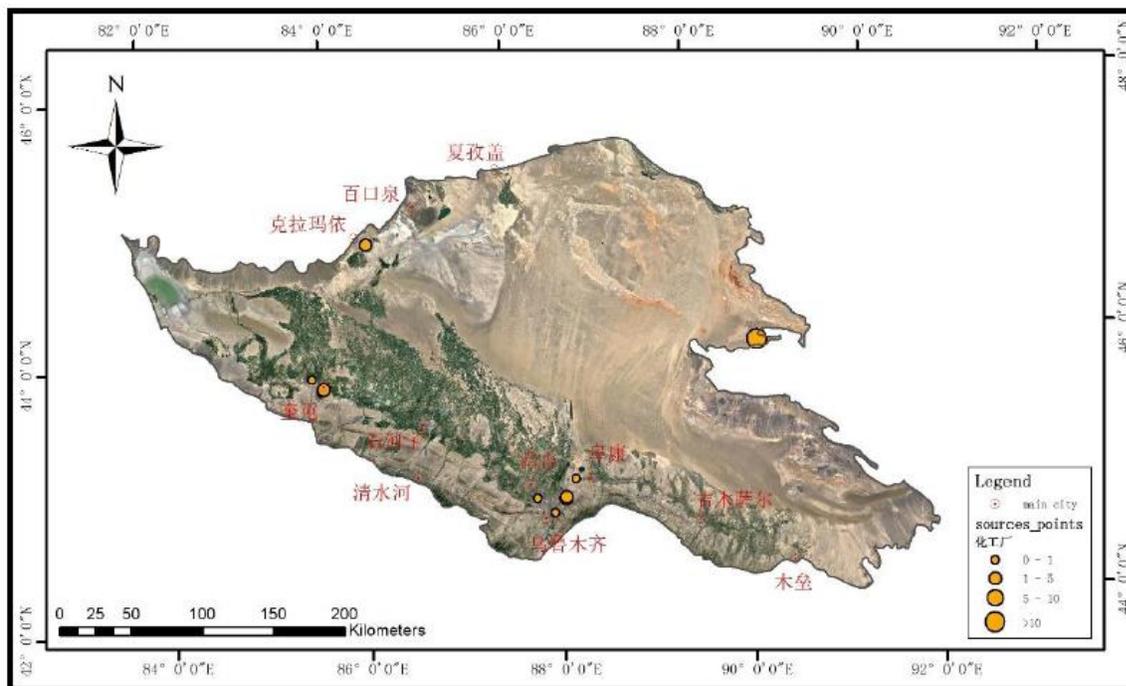


Figure 1.4 Distribution of chemical plants in the Junggar Basin

Table 1.1 Different CO<sub>2</sub> sources in the Junggar Basin

Category	Quantity	Emissions (Mt/a)
Power plant	32	67.51
Steel plant	5	14.53

Cement plant	5	28.05
Chemical plant	12	22.13
Total	54	132.22

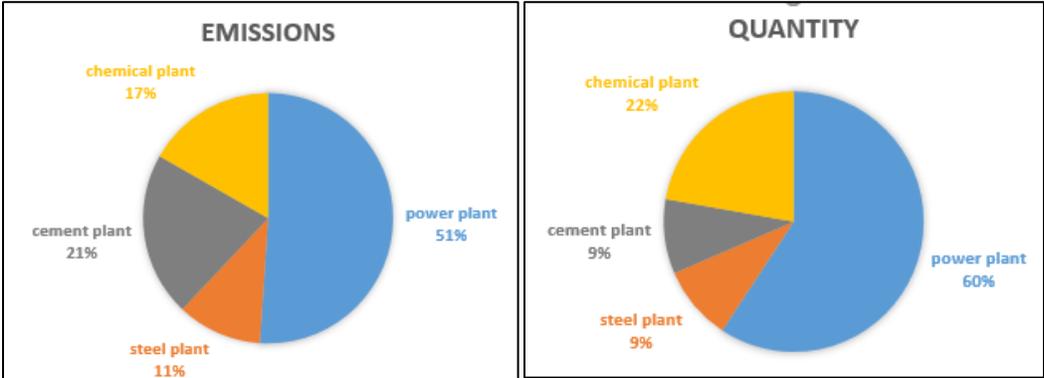


Figure 1.5 The proportion of different CO<sub>2</sub> emission sources

## 2. ASSESSMENT OF POTENTIAL AND GEOLOGICAL SUITABILITY FOR TARGET AREA SELECTION

Oil and gas fields and coal bed methane (CBM) fields under production could be the target areas on a regional scale for CO<sub>2</sub> geological utilisation or storage. However, for deep saline aquifer CO<sub>2</sub> geological storage or CO<sub>2</sub>-EOR, the assessment of potential and geological suitability for target area selection should follow the order of prospective area to target area. This is due to the fast changing lithology and strong heterogeneity in terrestrial sedimentary formations, and also the different distribution of aquifers in lateral and vertical directions. Based on the detailed studies of reservoirs and caprocks in sedimentary basins, and the basic requirements for geological safety, the prospective areas in the Junggar Basin should be selected first, then potential and geological suitability assessment can be carried out for target area selection next.

### 2.1 METHOD OF ASSESSMENT OF CO<sub>2</sub> GEOLOGICAL UTILISATION AND STORAGE POTENTIAL

#### 2.1.1 DEPLETED OIL FIELD CO<sub>2</sub> GEOLOGICAL STORAGE AND CO<sub>2</sub>-EOR

##### (1) Depleted oil field CO<sub>2</sub> geological storage

The method of assessment of CO<sub>2</sub> geological storage potential of CO<sub>2</sub>-EOR is as follows (Goodman, 2011):

$$G_{CO_2} = OOIP/\rho_{oil} \cdot B \cdot \rho_{CO_2} \cdot E_{oil} \quad (2-1)$$

Where  $G_{CO_2}$  – CO<sub>2</sub> geological storage potential; OOIP – the proven original oil reserves in place, corresponding to the proven oil and gas field geological reserves data of the Ministry of Land and Resources of China (MLR), on a sub-basin scale;  $\rho_{oil}$  – oil density at standard atmospheric pressure;  $B$  – oil volume factor;  $\rho_{CO_2}$  – CO<sub>2</sub> density at reservoir temperature and pressure conditions (according to the Berndt Wischnewski formula);  $E_{oil}$  – storage efficiency (or effective coefficient), recommended to be 75% by Li (2009) based on the largest oil production rate of most depleted oil fields in China and the possible amount of CO<sub>2</sub> that could be injected.

##### (2) CO<sub>2</sub>-EOR

The method of assessment of CO<sub>2</sub>-EOR storage potential is as follows (Dahowski, 2005):

$$G_{CO_2-EOR} = OOIP/\rho_{oil} \cdot B \cdot E_{oil} \cdot EXTRA \cdot (P_{LCO_2} \cdot R_{LCO_2} + P_{HCO_2} \cdot R_{HCO_2}) \quad (2-2)$$

$$API = (141.5 / S_g) - 131.5 \quad (2-3)$$

Where  $G_{CO_2-EOR}$  – CO<sub>2</sub> geological storage potential by using CO<sub>2</sub>-EOR technology;  $EXTRA$  – enhanced recovery efficiency (see Table 2.1 for values);  $P_{LCO_2}$  – the lowest probability of oil recovery (Table 2.2);  $P_{HCO_2}$  – the highest probability of oil recovery (Table 2.2);  $R_{LCO_2} = 2.113 \text{ t/m}^3$ ;  $R_{HCO_2} = 3.522 \text{ t/m}^3$ ;  $S_g$  – specific gravity; other parameters are the same as formula 2-1.

**Table 2.1 The value of  $EXTRA$  with different API gravity**

$EXTRA$ (%)	API
5.3	<31
1.3 ( $API - 31$ ) +5.3	31 ≤ API ≤41
18.3	>41

**Table 2.2 Four EOR cases with different depth/pressure and API gravity**

Depth	API	$P_{LCO_2}$ (%)	$P_{HCO_2}$ (%)
<2000	>35	100	0
	≤35	66	33
>2000	>35	33	66
	≤35	0	100

### 2.1.2 DEPLETED GAS FIELD CO<sub>2</sub> GEOLOGICAL STORAGE AND CO<sub>2</sub>-EGR

#### (1) Depleted gas field CO<sub>2</sub> geological storage

USDOE (Goodman, 2011) and CSLF (2007) have the same assumptions for assessments of both CO<sub>2</sub>-EGR storage potential and CO<sub>2</sub>-EOR storage potential. Therefore, the calculation formulas are basically the same:

$$G_{CO_2} = OGIP / \rho_{gasstd} \cdot B \cdot \rho_{CO_2} \cdot E_{gas} \quad (2-4)$$

Where  $OGIP$  – the proven original natural gas reserves in place, corresponding to the proven oil and gas field geological reserves data of the MLR;  $\rho_{gasstd}$  – gas density under standard atmospheric pressure;  $B$  – natural gas volume factor;  $E_{gas}$  – storage efficiency (effective coefficient), 75% (Li, 2009); other parameters are the same as formula 2-1.

#### (2) CO<sub>2</sub>-EGR

Whether CO<sub>2</sub>-EGR technology is feasible or not, we can evaluate the storage potential of CO<sub>2</sub> using the following formula:

$$G_{CO_2-EGR} = OGIP / \rho_{gasstd} \cdot B \cdot \rho_{CO_2} \cdot E_{gas} \cdot C \quad (2-5)$$

Where  $G_{CO_2-EGR}$  – CO<sub>2</sub> geological storage potential by using CO<sub>2</sub>-EGR technology;  $C$  – reduction coefficient, compared with depleted gas storage, Li recommends that it be 63% (Li, 2009); other parameters are the same as formula 2-4.

### 2.1.3 Unmineable coal seam CO<sub>2</sub> storage and CO<sub>2</sub>-ECBM

#### (1) Unmineable coal seam CO<sub>2</sub> storage

The formula to calculate the storage potential is as follows:

$$G_{CO_2} = G_{CBM} \cdot R_{CO_2/CH_4} \cdot \rho_{CO_2std} \cdot E_{coal} \quad (2-6)$$

Where  $G_{CBM}$  – coal bed methane reserves (MLR has only published prospective reserves, which are less credible than the oil and gas reserves);  $R_{CO_2/CH_4}$  – the absorption capacity ratio of CO<sub>2</sub> and CH<sub>4</sub> in the coal seam;  $E_{coal}$  – storage efficiency (effective coefficient); other parameters are the same as formula 2-4.

The values of  $R_{CO_2/CH_4}$  and  $E_{coal}$  were proposed by USDOE (2003) and Goodman (2011), as shown in Table 2.3 and Table 2.4.

**Table 2.3 The values of  $R_{CO_2/CH_4}$  and  $C$  of different types of coal ( USDOE, 2003 )**

Types of coal	$R_{CO_2/CH_4}$	$C$

Lignite	10	1.00
Non-caking coal	10	0.67
Weakly caking coal	10	1.00
Long flame coal	6	1.00
Gas coal	3	0.61
Fat coal	1	0.55
Coking coal	1	0.50
Lean coal	1	0.50
Meager coal	1	0.50
Anthracite	1	0.50

**Table 2.4 Storage efficiency of unmineable coal seams (Goodman, 2011)**

P <sub>10</sub>	P <sub>50</sub>	P <sub>90</sub>
21%	37%	48%

(2) CO<sub>2</sub>-ECBM

The formula to calculate the geological storage potential of CO<sub>2</sub>-ECBM is as follows:

$$G_{\text{CO}_2\text{-ECBM}} = G_{\text{CBM}} \cdot R_{\text{CO}_2/\text{CH}_4} \cdot \rho_{\text{CO}_2\text{std}} \cdot E_{\text{coal}} \cdot C \quad (2-7)$$

Where  $G_{\text{CO}_2\text{-ECBM}}$  – CO<sub>2</sub> geological storage potential by using CO<sub>2</sub>-ECBM technology;  $C$  – recovery coefficient of different types of coal; other parameters are the same as formula 2-6.

2.1.4 Deep saline aquifer CO<sub>2</sub> storage and CO<sub>2</sub>-EWR

The formulas to calculate CO<sub>2</sub>-EWR and storage-only saline aquifer geological storage potential are the same as follows:

$$G_{\text{CO}_2} = A \cdot h \cdot \varphi_e \cdot \rho_{\text{CO}_2} \cdot E_{\text{saline}} \quad (2-8)$$

Where  $A$  – reservoir distribution area;  $h$  – reservoir thickness;  $\varphi_e$  – saline aquifer average effective porosity;  $E_{\text{saline}}$  – storage efficiency (effective coefficient), shown in Table 2.5; other parameters are defined above.

**Table 2.5 CO<sub>2</sub> storage efficiency coefficients  $E_{\text{saline}}$  (Bachu, 2015)**

Lithology	P <sub>10</sub>	P <sub>50</sub>	P <sub>90</sub>
Clastics	1.2%	2.4%	4.1%
Dolomite	2.0%	2.7%	3.6%
Limestone	1.3%	2.0%	2.8%

**2.2 METHOD OF SUITABILITY ASSESSMENT FOR SALINE AQUIFER STORAGE TARGET SELECTION**

**2.2.1 MATHEMATICAL MODEL**

(1) GIS superimposed multi-source information assessment technology

Superimposed multi-source information assessment technology is an integrated method of processing multi-source geological data. Based on the two-dimensional space determined by geographical coordinates, the unity of the geographical coordinates within the same region but with different information, i.e. the so-called spatial registration, is achieved, which is performed by using geographic information software (ArcGIS or MapGIS).

(2) Mathematical model

The selected prospective areas undergo the GIS spatial analysis into grids of 1500 m × 1500 m. The thematic information map prepared for each factor is screened by key veto factors. In this way, a single factor unfit for CO<sub>2</sub> geological storage is identified, so as to abandon the grids that are unsuitable for deep saline aquifer CO<sub>2</sub> storage. Then, GIS spatial analysis and evaluation is carried out using formula 2-9.

$$P = \sum_{i=1}^n P_i A_i (i = 1, 2, 3, \dots, n) \quad (2-9)$$

Here,  $P$ – suitability score of unit for CO<sub>2</sub> geological storage;  $n$ – the total number of evaluation factors;  $P_i$  – given point of the  $i^{\text{th}}$  evaluation index;  $A_i$  – weight of the  $i^{\text{th}}$  evaluation index.

Single metric suitability rating: "good" 9 points, "average" 5 points, and "poor" 1 point.

The evaluated suitability rating: "highly suitable" value range  $7 \leq P \leq 9$ , "suitable"  $5 \leq P < 7$ , "less suitable"  $3 \leq P < 5$ , and "unsuitable"  $1 \leq P < 3$ .

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### 2.2.2 INDEX SYSTEM FOR GEOLOGICAL SUITABILITY ASSESSMENT

As shown in Table 2.6, the index system for geological suitability has three hierarchies. The index weights at all levels are determined using the Analytic Hierarchy Process (AHP) (Saaty, 1980, 1985).

**Table 2.6 Index system for geological suitability assessment to select suitable targets for deep saline aquifer CO<sub>2</sub> storage**

Level one index	Weight	Level two index	Weight	Level three index	Weight	Good	Normal	Poor	Key veto factor
Reservoir conditions and storage potential	0.50	Characteristics of the best reservoir	0.60	Lithology	0.07	Clastic	Mix of Clastic and Carbonate	Carbonate	
				Single layer thickness $h/m$	0.11	$\geq 80$	$30 \leq h < 80$	$10 \leq h < 30$	$< 10$
				Sedimentary facies	0.36	River, Delta	Turbidity, Alluvial fan	Beach bar, Reef	
				Average porosity $\varphi/\%$	0.20	$\geq 15$	$10 \leq \varphi < 15$	$5 \leq \varphi < 10$	$< 5$
				Average permeability $k/mD$	0.27	$\geq 50$	$10 \leq k < 50$	$1 \leq k < 10$	$< 1$
		Storage potential	0.40	Storage potential per unit area $G$ ( $10^4$ t/km <sup>2</sup> )	1.00	$\geq 100$	$10 \leq G < 100$	$< 10$	
Geological safety	0.50	Characteristics of the main caprock	0.62	Lithology	0.30	Evaporites	Argillite	Shale and dense limestone	
				Thickness $h/m$	0.53	$\geq 100$	$50 \leq h < 100$	$10 \leq h < 50$	$< 10$
				Depth $D/m$	0.11	$< 1000$	$1000 \leq D \leq 2700$	$> 2700$	
				Buffer caprock above main caprock	0.06	Multiple sets	Single set	None	
		Hydrodynamic conditions	0.24	Hydrodynamic conditions	1.00	Groundwater high-containment area	Groundwater containment area	Groundwater semi-containment area	Groundwater open area
		Seismic activity	0.14	Peak ground acceleration	0.50	$< 0.05$ g	0.05 g, 0.10 g	0.15 g, 0.30 g	$\geq 0.40$ g

				Development degree of fractures	0.50	Simple	Moderate	Complex	Within 25 km of active faults
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Details of the assessment indexes are described below:

### (1) Characteristics of the best reservoir

*Depth:* Only if the theoretical storage depth is more than 800 metres can CO<sub>2</sub> enter the supercritical state, normally lower than 3,500 metres.

*Lithology:* According to the engineering experiences of existing commercial-scale CO<sub>2</sub> geological storage projects (e.g., Haddadji, 2006; Wright, 2007; Skalmaraas, 2014), the reservoir characteristics of oil and gas fields in China (Li, 2002) and the engineering verification by the Shenhua CCS demonstration project in the Ordos Basin (Wu, 2013), clastic reservoirs are generally better than carbonate reservoirs.

*Single layer thickness:* Because of terrestrial sedimentary facies in most formations in onshore basins within China, it is difficult to find large thick aquifers for CO<sub>2</sub> storage similar to those in the Sleipner project in Norway. The minimum single layer thickness of reservoirs recommended in this paper is 10 m.

*Sedimentary facies:* Most Cenozoic sedimentary basins in China are terrestrial sedimentary formations. The main part of the reservoir is the deltaic sand body, followed by the turbidite sand and alluvial fan glutenite body, and finally the sand beach dams and a small amount of reef.

*Porosity and permeability:* Low porosity and permeability is a special feature in terrestrial sedimentary oil and gas reservoirs, and saline aquifers in China. Generally, for both the clastic and carbonate rock reservoirs, the porosity should be greater than or equal to 5% and permeability should be greater than or equal to 1 mD (e.g. Bachu, 2003; IPCC, 2005; Oldenburg, 2008; Diao, 2012).

### (2) Characteristic of the main caprock

*Lithology:* The most common caprocks of oil and gas fields in China are argillite (mudstone, shale) and evaporites (gypsum, rock salt), followed by carbonate rocks (marl, argillaceous dolomite, compact limestone, dense dolomite) and frozen genesis caps. Sometimes there are local chert layers, seams, dense volcanic rocks and intrusive rock caps.

*Thickness:* There are certain relationships between cap thickness and the size and height of the reservoir. With the combination of existing cap thickness grading standards (Diao, 2012) and considerations of the differences between CO<sub>2</sub> and oil and gas, the reference criteria for grading the classification of CO<sub>2</sub> geological storage cap thickness can be specified. The minimum thickness of CO<sub>2</sub> geological storage caprocks recommended in this paper is 10 m.

*Burial depth:* The cap type is argillaceous rocks. The diagenesis has different effects on the performance of the caprock at different stages (Liu, 2008). When the burial depth of argillaceous rocks is less than 1,000 m, the diagenetic degree is poor and the sealing mainly relies on the capillary pressure. The porosity and permeability are good but with poor plasticity, and sealing ability is generally poor. At the burial depth of 1,000–2,700 m, the diagenesis is enhanced, mineral particles inside the argillaceous rock become more compacted, the porosity and permeability deteriorate, the plasticity increases, the capillary flow capacity declines, sealing ability improves, and there is abnormal sealing pressure. When the burial depth is greater than 2,700 m, it is equivalent to the tightly compacted stage of argillite. As the degree of diagenesis further increases, the plasticity decreases and fragility increases. With the increase in abnormal pressure, microcracks appear on the argillaceous rocks, and capillary sealing ability deteriorates.

*The "buffer cap" above the main caprock:* When the CO<sub>2</sub> breaks through the main cap, the "buffer cap" above the main cap has to provide a certain sealing capability to reduce or prevent the escape of CO<sub>2</sub>.

### (3) Geological safety

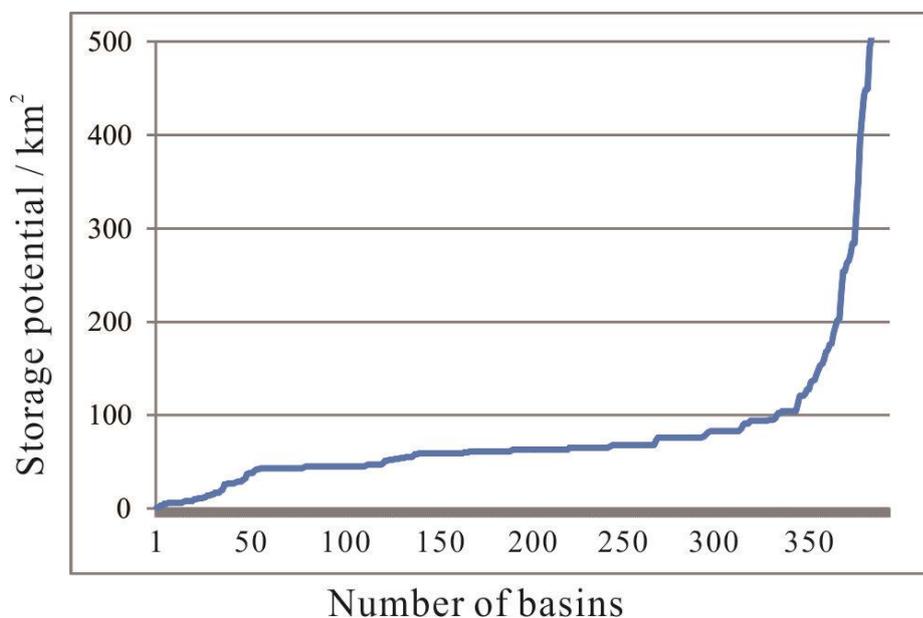
*Hydrodynamic conditions:* Ye (2001) divided the effect of hydrogeological conditions that control coal bed methane into three categories: hydraulic transport dissipation effect, hydraulic seal effect and hydraulic block effect. The more closed the hydrogeological conditions, the more favorable they are for CO<sub>2</sub> geological storage. Basin sections with complex geological structure and powerful water alternation are not suitable CO<sub>2</sub> geological storage prospective areas due to the high degree of hydrogeology and strong groundwater activities.

*Peak ground acceleration:* The " Seismic Ground Motion Parameter Zonation Map of China" (GB 18306-2001), which shows the Chinese seismic zonation map, its technical elements and user provisions, is also applicable to CO<sub>2</sub> geological storage construction projects. The greater the peak ground acceleration, the more unfavorable it is for CO<sub>2</sub> geological storage. Generally, the peak ground acceleration should be less than 0.40 g. In addition, active faults are not only CO<sub>2</sub> leakage pathways but also cause damage to the strata continuity, resulting in CO<sub>2</sub> leakage through the caprock. According to the "Evaluation of Seismic Safety for Engineering Sites" (GB 17741-2005), the identification of active faults has to be made within a 5 km range of Grade I sites and their extensions, and the seismic safety evaluation should extend to a 25 km radius. Therefore, it is inappropriate for areas within 25 km of an active fault to be a prospective area.

*Development degree of fractures:* CO<sub>2</sub> could leak by tectonic pathways including faults, fractures and ground fissures (e.g., IPCC, 2005; Pruess, 2008; Lemieux, 2011; Diao, 2015). The more complex the fault system, the more unfavorable it is for CO<sub>2</sub> geological storage. In addition, there has been more frequent seismic activity in the Sichuan Basin in recent years.

#### (4) Storage potential per unit area

Guo (2014) evaluated the national scale potential of CO<sub>2</sub> geological storage in deep saline aquifers of 390 onshore basins in China, supported by the China Geological Survey. As shown in Figure 2.1, the potential of CO<sub>2</sub> geological storage in deep saline aquifers in most of the sedimentary basins is generally 50×10<sup>4</sup> - 100×10<sup>4</sup> t. A small number of basins have a storage potential of less than 10 ×10<sup>4</sup> t or more than 100 ×10<sup>4</sup> t.



**Figure 2.1 The statistical profile of CO<sub>2</sub> geological storage potential per square kilometre of 390 onshore basins in China**

## 2.3 RESULTS

### 2.3.1 POTENTIAL

The results of CO<sub>2</sub> geological utilisation and storage potential are shown in the Table 2.7.

**Table 2.7 Summary of CO<sub>2</sub> geological utilisation and storage potential in the Junggar Basin**

CGUS Technology	Potential (10 <sup>8</sup> t)	Credibility
Enhanced oil recovery, CO <sub>2</sub> -EOR	1.48	Effective, Credible
Depleted oil field CO <sub>2</sub> storage	13.45	Effective, Credible
Enhanced gas recovery, CO <sub>2</sub> -EGR	0.09	Effective, Credible
Depleted gas field CO <sub>2</sub> storage	0.16	Effective, Credible
Enhanced coal bed methane, CO <sub>2</sub> -ECBM	22.81-52.15 40.2 expected	Theoretical, Less Credible
Unmineable coal seam CO <sub>2</sub> storage	34.05-77.83 60 expected	Theoretical, Less Credible
CO <sub>2</sub> -EWR/deep saline aquifer	480.27-1640.93 960.55 expected	Theoretical, Less Credible

Storage potential per unit area for each prospective area is shown in Figure 2.3.

地层系统			厚度 (m)	岩性剖面	储层	盖层	平均孔隙度 (%)	平均渗透率 (10 <sup>-3</sup> μm <sup>2</sup> )	储集空间	构造运动	盆地演化
系	组	地层代号									
Q	西域组	Q1x	2478								
N	独山子组	N2d	2800							喜马拉雅运动	准南陆内前陆盆地阶段
	塔西河组	N1t									
	沙湾组	N1s									
E	安集海河组	E3a	1180								
	紫泥泉子组	E1-2z					12.7	3.87-127			
K	东沟组	K2d	2000				22.25	110.38		燕山运动 II 幕	陆内统一拗陷阶段
	连木沁组	K1l					>20	>50			
	胜金口组	K1s									
	呼图壁河组	K1h					>15	9.68-607.48			
	清水河组	K1q					16.29	1.47-369.82			
J	齐古组	J3q	3600				>10	3.62-161.99		燕山运动 I 幕	压扭盆地阶段
	头屯河组	J2t					18.35				
	西山窑组	J2x					>10	1-225.04		晚印支运动	伸展盆地阶段
	三工河组	J1s					>10	1-375.36			
	八道湾组	J1b					>10	>5			
T	白碱滩组	T3b	1700				>10	>50		早印支运动	陆内拗陷阶段
	克拉玛依组	T2k									
	百口泉组	T1b					13.18	16.15-77.12			

Figure 2.2 Reservoirs and caprocks for deep saline aquifer CO<sub>2</sub> geological storage

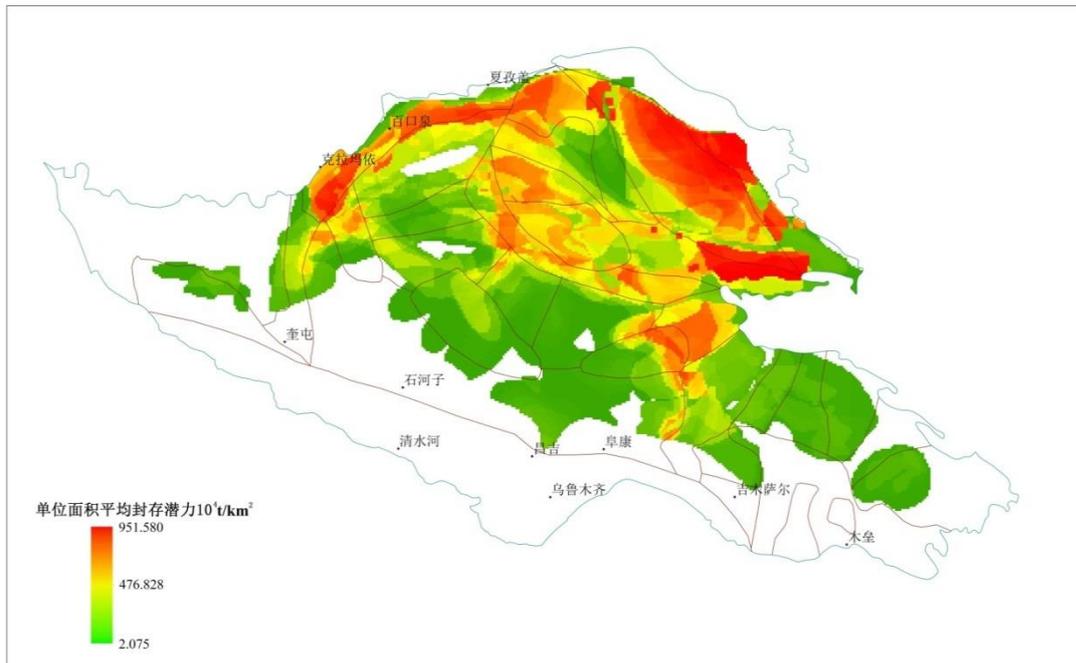


Figure 2.3 Storage potential per unit area of prospective areas in the Junggar Basin

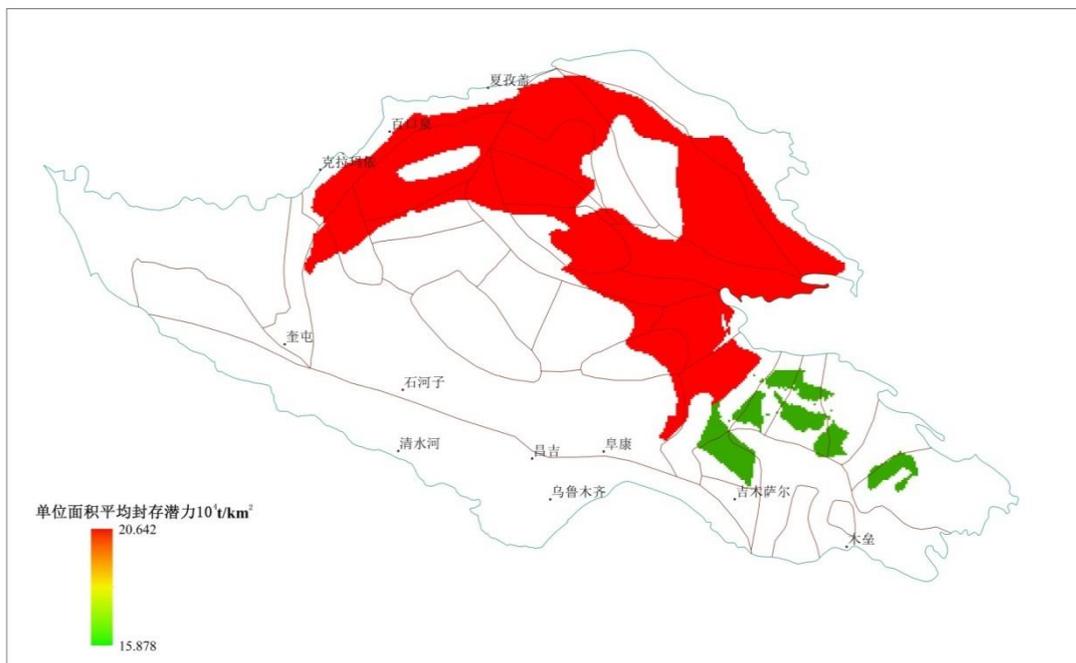


Figure 2.4 Storage potential per unit area of Second Sandstone Formation in Second Member of Sangonghe Formation



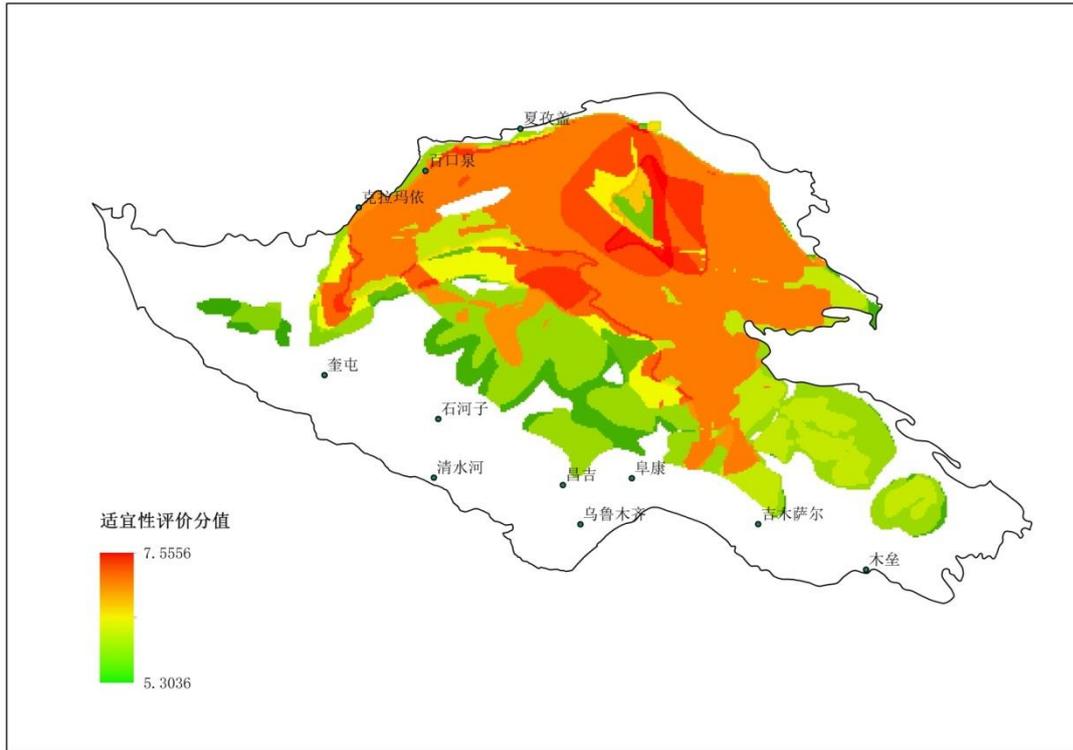


Figure 2.7 Targets for deep saline aquifer CO<sub>2</sub> geological storage or CO<sub>2</sub>-EWR

### 3. CO<sub>2</sub> SOURCE-SINK MATCHING AND EARLY OPPORTUNITIES IN THE JUNGGAR BASIN

#### 3.1 SITE GEOGRAPHIC INFORMATION DATABASE

In order to carry out source-sink matching analysis and CO<sub>2</sub>-EWR technical and economic analysis, a geographic information database of the Junggar Basin was established, which included land cover, digital elevation models (DEM), surface gradient, population density and remote sensing imaging, etc.

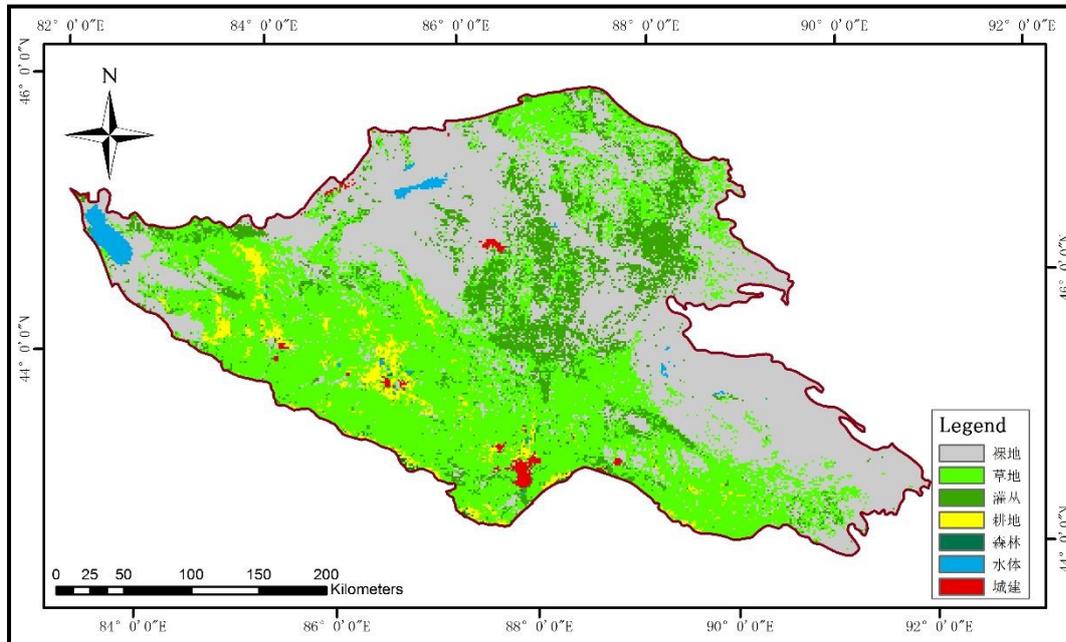


Figure 3.1 Land cover of the Junggar Basin

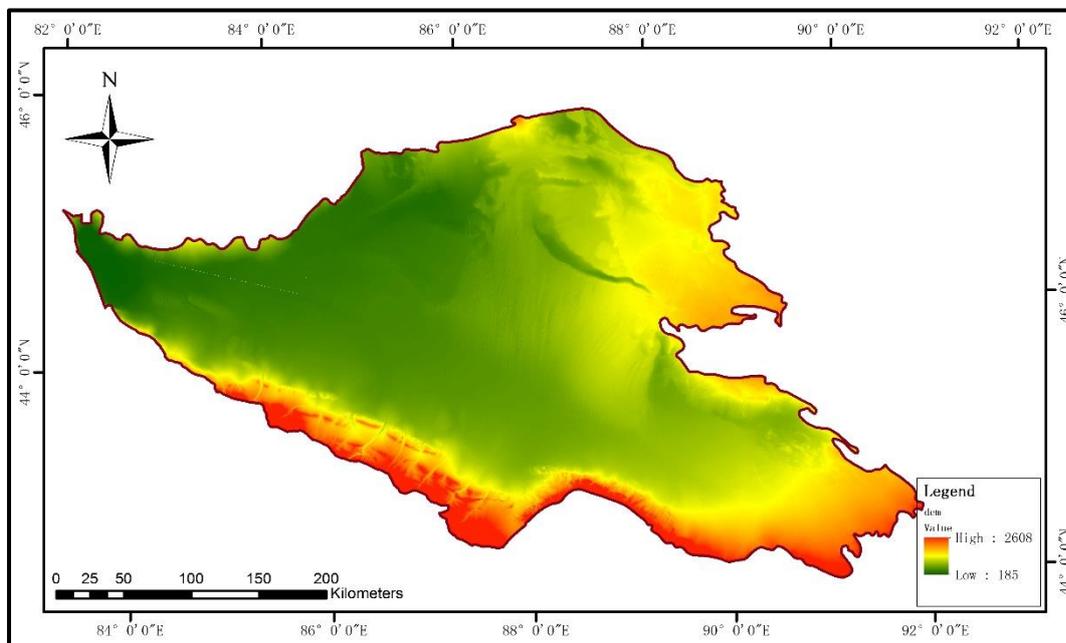


Figure 3.2 DEM of the Junggar Basin

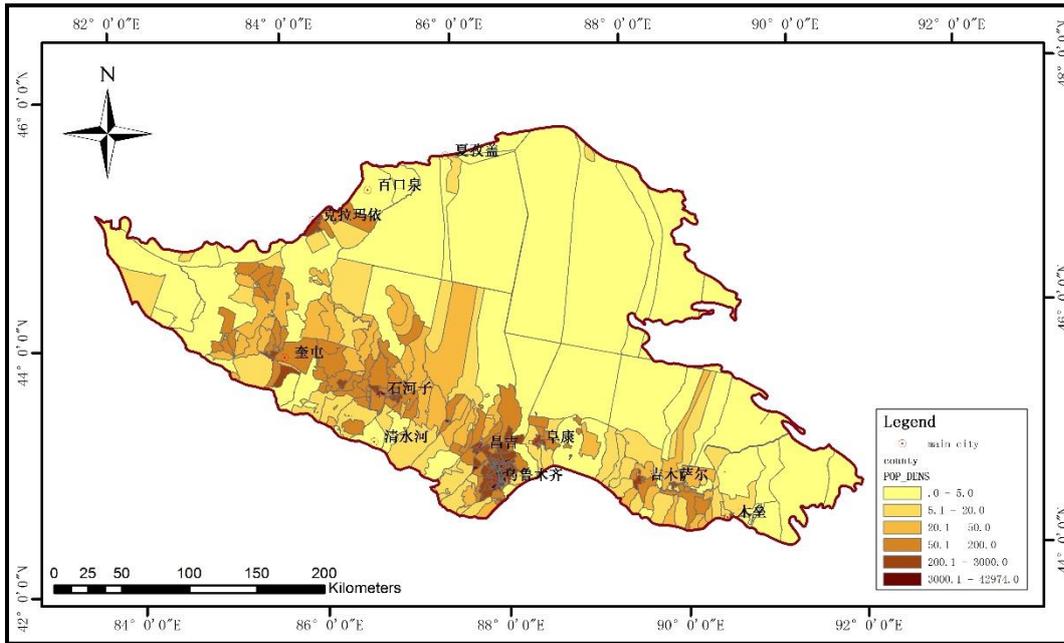


Figure 3.3 Population density of the Junggar Basin ( unit : people/km<sup>2</sup> )

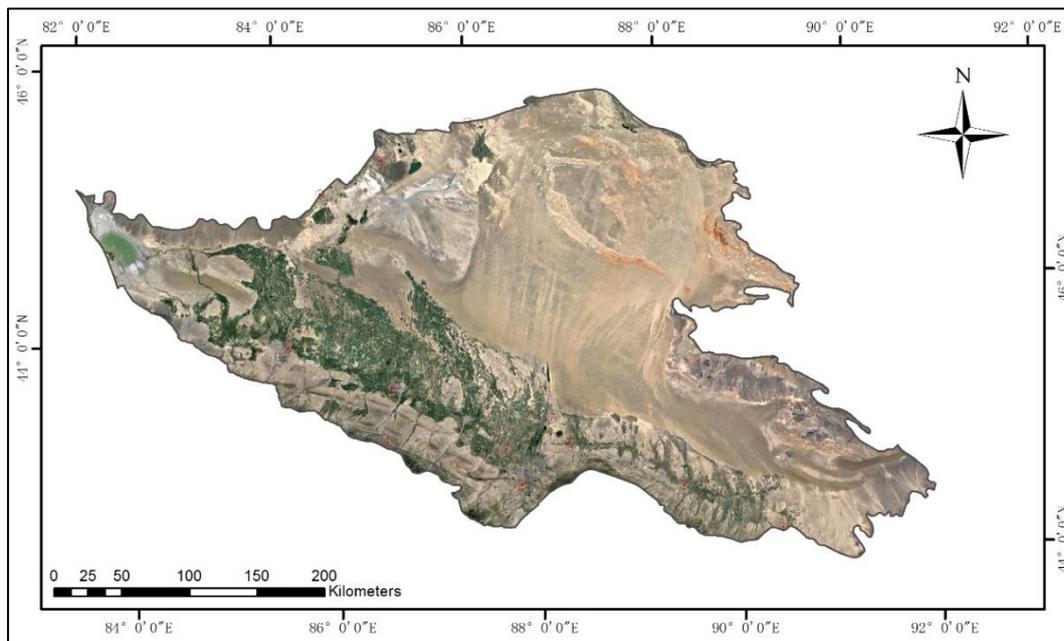


Figure 3.4 Remote sensing image of the Junggar Basin

### 3.2 METHOD OF SOURCE-SINK MATCHING

Carbon dioxide geological utilisation and storage (CGUS) technology is a complex system. The essence of CGUS source-sink matching is a mixed integer programming problem, which involves considering all of the influencing factors systematically and then optimising the selection of CO<sub>2</sub> emission sources, storage sites, as well as their transportation paths.

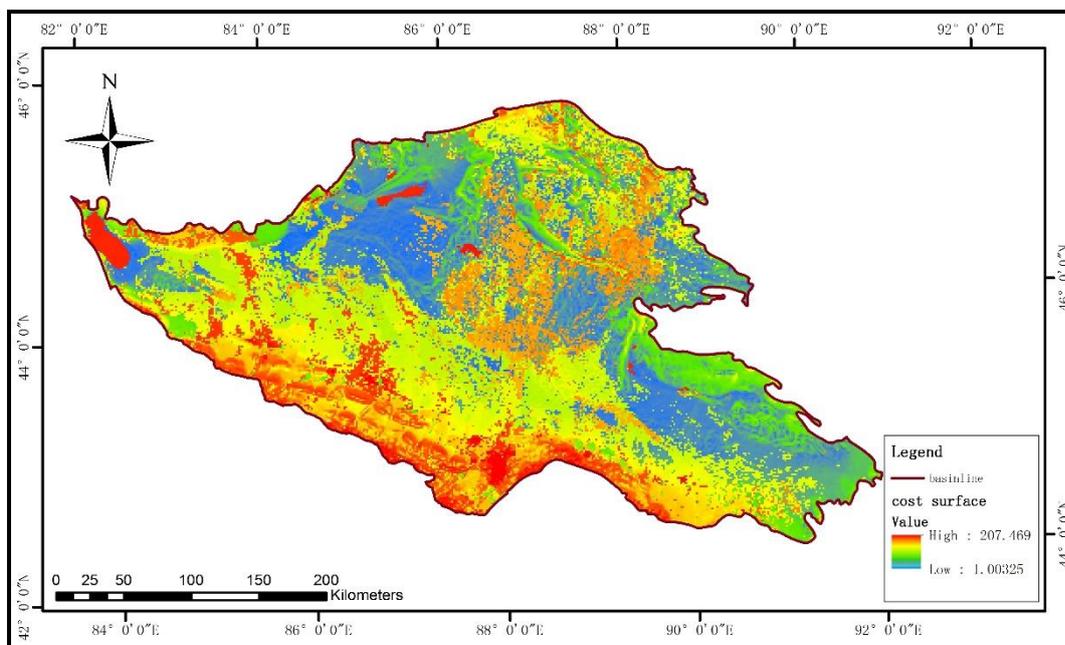
The “cost surface” is analysed by ArcGIS 10.3 software, considering the impacts of all relevant factors. Different layers in the GIS database are assigned suitable values, as shown in Table 3.1. Subsequently, these layers are calculated based on formula (3-1), then rasterized to obtain the cost surface.

$$P = \sum_{i=1}^n P_i A_i (i = 1, 2, 3, \dots, n) \quad (3-1)$$

Where  $P$  is the total value;  $n$  is the number of layers;  $P_i$  is the given value of the  $i^{\text{th}}$  layer;  $A_i$  is the  $i^{\text{th}}$  layer.

**Table 3.1 Values of different layers**

Layer	Value
Water	11
Forest	10
Bush	5
Grass	3
Cultivated land	8
Barren land	1
Urban construction area	14
Population density	(0 ~ 156)
Surface gradient	(0 ~ 13)



**Figure 3.5 Cost surface of the Junggar Basin**

Using the “cost surface” as the base map, we can use the Cost-Weighted Distance Analysis Tool and Cost Paths in the ArcGIS Spatial Analysis Tool to analyse the relative cost of "transportation routes" in the Basin.

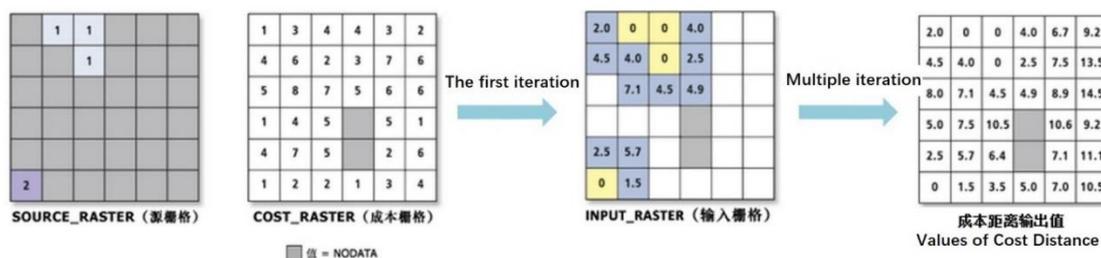


Figure 3.6 Schematic diagram of cost distance tool

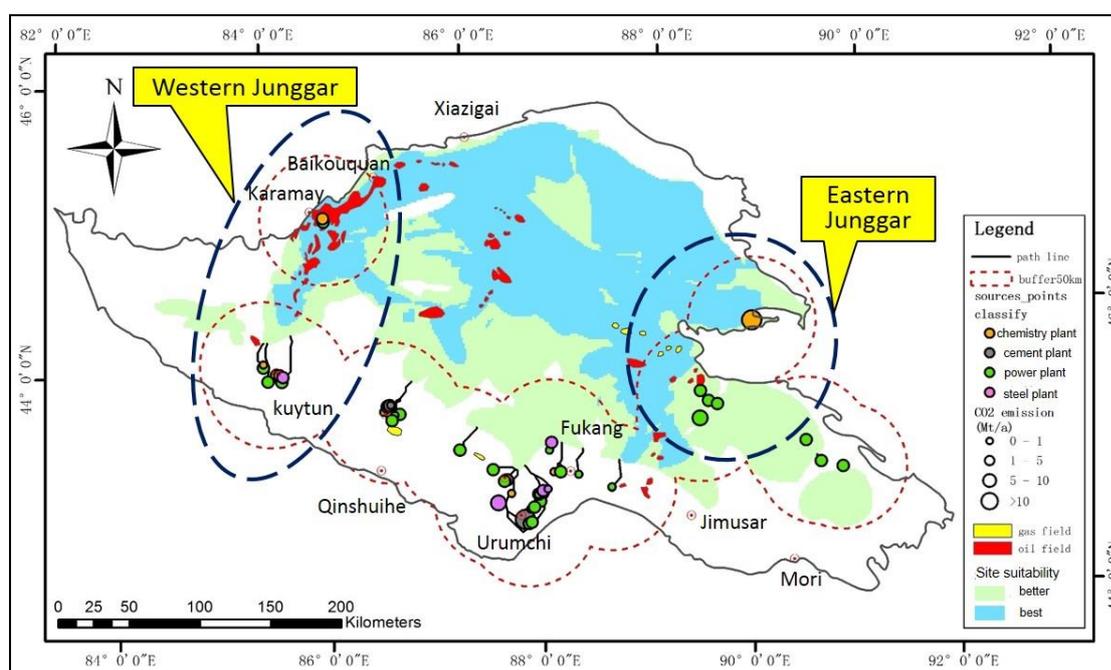


Figure 3.7 Junggar Basin source-sink matching results

As shown in Figure 3.7, the Junggar Basin has good source-sink matching results. All CO<sub>2</sub> emission points could be matched to suitable storage sites within a range of no more than 50 kilometers. In fact, the longest route is about 32.5km. In many areas, CO<sub>2</sub> can be captured and stored in the surrounding areas, such as in Karamay, Fuyun and Wucaiwan Industrial Park in the Eastern Junggar Basin. The early demonstration opportunity analysis of the Junggar Basin should also consider the current local industry deployment and the willingness of enterprises to participate, together with the capture cost (which accounts for most of the cost in the overall CCUS process).

### 3.2.1 THE EARLY DEMONSTRATION OPPORTUNITIES IN WESTERN JUNGGAR BASIN

Western Junggar Basin is suitable for CO<sub>2</sub>-EOR demonstration projects. There are several oilfields with large reserves, especially Karamay oilfield, Baikouquan oilfield and Hongshanzui oilfield. Among these, Karamay oilfield is the largest both in terms of area and reserves. Around these oilfields, there are 12 CO<sub>2</sub> emission points located in Karamay and Kuitun, including chemical plants, power plants and steel plants, with emissions of 12.01 Mt/a. In addition, Xinjiang Dunhua Petroleum Technology Co., Ltd., located in Karamay, has built a

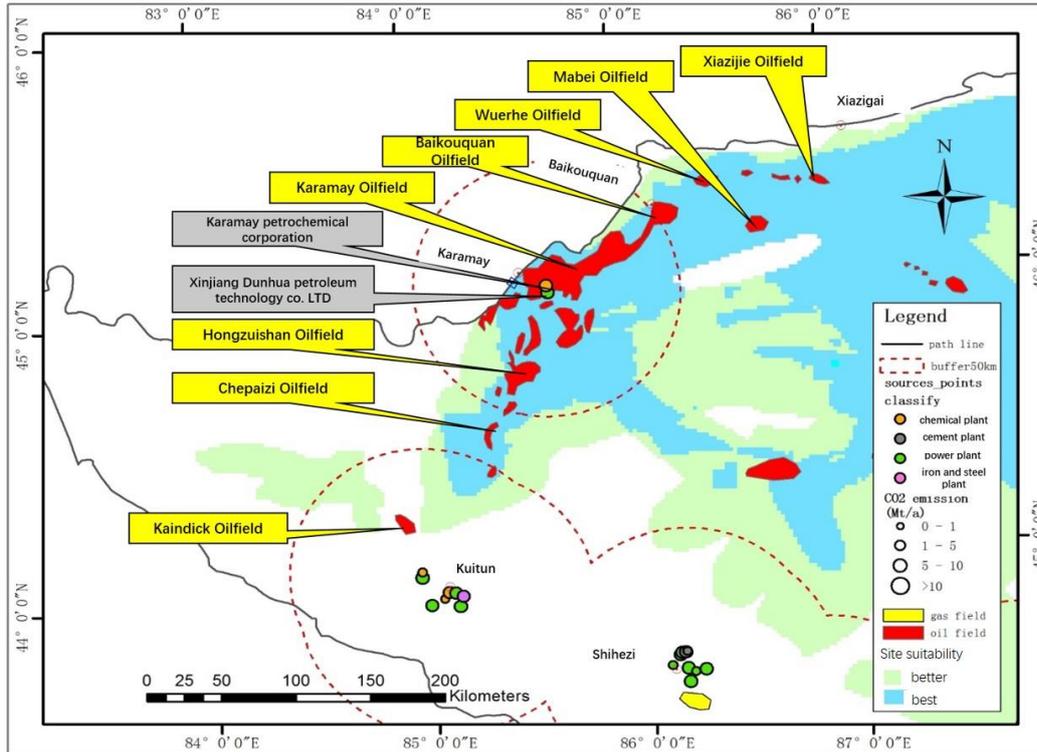
CO<sub>2</sub> capture device (0.1 Mt/a capture capacity). In addition, there are another two projects under construction, a CO<sub>2</sub> capture device at the Tahe Refinery (0.1 Mt/a) and a CO<sub>2</sub> low-temperature distillation capture device for Changqing Oilfield (0.1 Mt/a). Considering the capture cost, chemical plants are preferred as CO<sub>2</sub> emission sources, so Karamay Petrochemical Co. can be the CO<sub>2</sub> emission source.

**Table 3.2 The main CO<sub>2</sub> emission points in Western Junggar Basin**

Class	Number	Emissions (Mt/a)
Chemical plant	6	3.25
Power plant	5	7.08
Steel plant	1	1.68
Total	12	12.01

**Table 3.3 Inventory of main CO<sub>2</sub> emission points in Western Junggar Basin**

Name	Location	Class	Emissions (Mt/a)
Kuishan Baota Power Station	Kuitun	Power plant	1.48
Duzishan Petrochemical Power Station	Duzishan	Power plant	1.21
Kuitun Thermal Power Plant	Kuitun	Power plant	1.48
SPI Wusu Thermal Power Plant	Wusu County	Power plant	1.34
Guodian Karamay Power Generation Co., Ltd.	Karamay	Power plant	1.57
Xinjiang Kunyu Steel Co., Ltd.	Kuitun	Steel plant	1.68
CNPC Dushanzi Petrochemical Branch	Karamay	Chemical plant	0.81
Xinjiang Dushanzi Tianli High & Newtech Co., Ltd.	Karamay	Chemical plant	0.04
Xinjiang Kuitun Jinjiang Chemical Co., Ltd.	Kuitun	Chemical plant	1.05
Wusu Xinhai Chemical Co., Ltd. Ltd.	Wusu City	Chemical plant	0.02
Huatai Petrochemical Co., Ltd.	Wusu City	Chemical plant	0.12
Karamay Petrochemical Co., Ltd.	Wusu City	Chemical plant	1.21

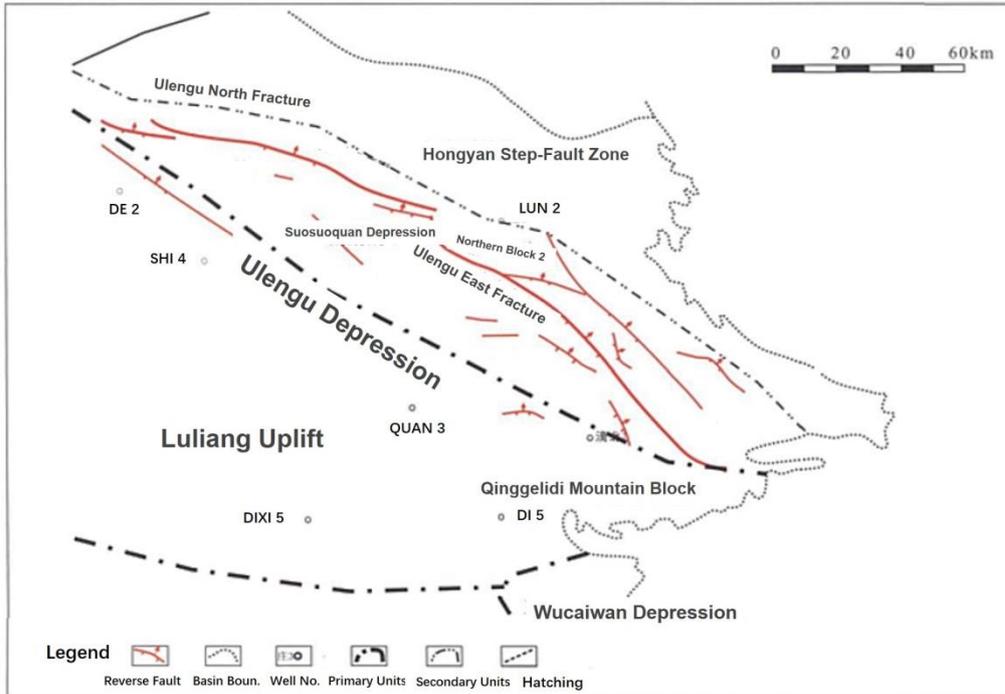


**Figure 3.8 The location of oilfields and emission sources in Western Junggar Basin**

### 3.2.2 THE EARLY DEMONSTRATION OPPORTUNITIES IN EASTERN JUNGGAR BASIN

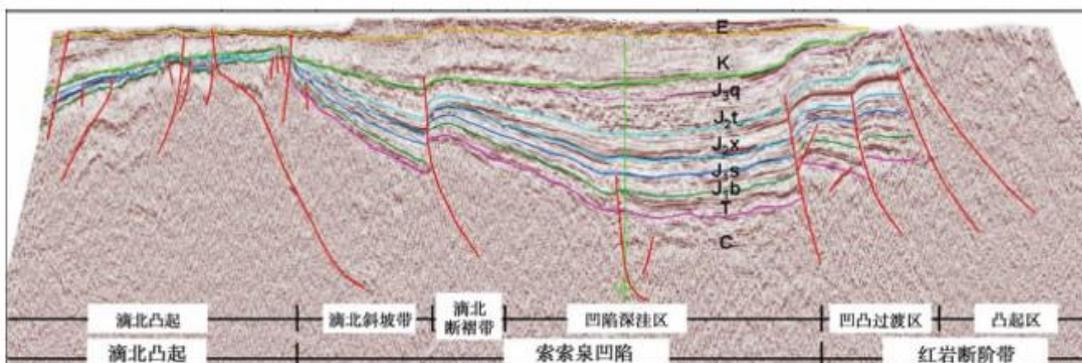
Eastern Junggar Basin is suitable for CO<sub>2</sub>-EWR demonstration projects. The main CO<sub>2</sub> emission points are chemical plants and power plants. The power plants are still not fully constructed. Once construction has been completed and the plants are put into operation, it is estimated that their annual emissions will be approximately 17.61 Mt/a. Guanghui New Energy Co., Ltd., which is a coal chemical plant, has CO<sub>2</sub> emissions of 14.58 Mt/a. More importantly, Guanghui New Energy has a strong willingness to reduce carbon emissions, and also has engaged in some related research. Furthermore, Ulungur Depression, located to the northwest of the Guanghui New Energy site, has large aquifer storage capacity and good geological conditions.

The Ulungur Depression is a first-level tectonic unit in the northeast edge of the Junggar Basin, with a diamond-shaped form. It covers an area of about 16,000 square kilometers, accounting for 13% of the basin's total area. The Ulungur Depression can be divided into two secondary tectonic units: the Hongyan step-fault zone and the Suosuoquan Depression from north to south, and is connected to the northern slope of the Luliang Uplift in the south. The current deposition thickness of the Suosuoquan Depression can reach 3,000 - 5,000 m. The large number of fault blocks, fault noses and lithologic structures formed during the Indo-China period and Yanshan period provide good traps.



**Figure 3.9 The main tectonics of Ulungur Depression in Eastern Junggar Basin**

The Ulungur Depression has developed Carboniferous, Triassic, Jurassic, Cretaceous and Tertiary strata from bottom to top for, but lacks Permian strata. There are good reservoir conditions in the Depression. The sandstone of Jurassic Shishugou Group, Xishanyao Formation, Sangonghe Formation and Badaowan Formation has good physical properties. The huge thick mudstone between the upper Shishugou Group and lower Cretaceous system can serve as a regional caprock. The thickness of single layer mudstone is 10 - 100 m with an average thickness reaching 30 m. The huge thick mudstone below Xishanyao Formation can also serve as a regional caprock. The single layer thickness is 10 - 100 m with an average thickness reaching 20 m.



**Figure 3.10 Seismic Section of Eastern Ulungur Depression (Mei Wenke, 2013)**

**Table 4.4 Jurassic Reservoir Caprock Assemblages of Ulungur Depression in Junggar Basin**

Stratum	Lithologic Description	Reservoir cap

Jurassic System	Qigu Formation	Mainly fuchsia and maroon mudstones, siltstone and coarse sandstone.	Caprock
	Toutunhe Formation	Sepia and grey mudstones, sandy mudstone, gray argillaceous sandstone, siltstone and fine sandstone are interbedded with different thickness.	Caprock
	Xishanyao Formation	The upper parts are grayish white pebbly sandstone. The lower parts are gray, grayish green and grayish black mudstones and siltstones.	Upper part reservoir, Lower part caprock
	Sangonghe Formation	The upper parts are grey mudstone, sandy mudstone mixed with siltstone, gray, grayish green, grayish black and tawny pebbly sandstones.	Upper part caprock, lower part reservoir
	Badaowan Formation	Gray and grayish green pebbly sandstones mixed with coal bed.	Reservoir

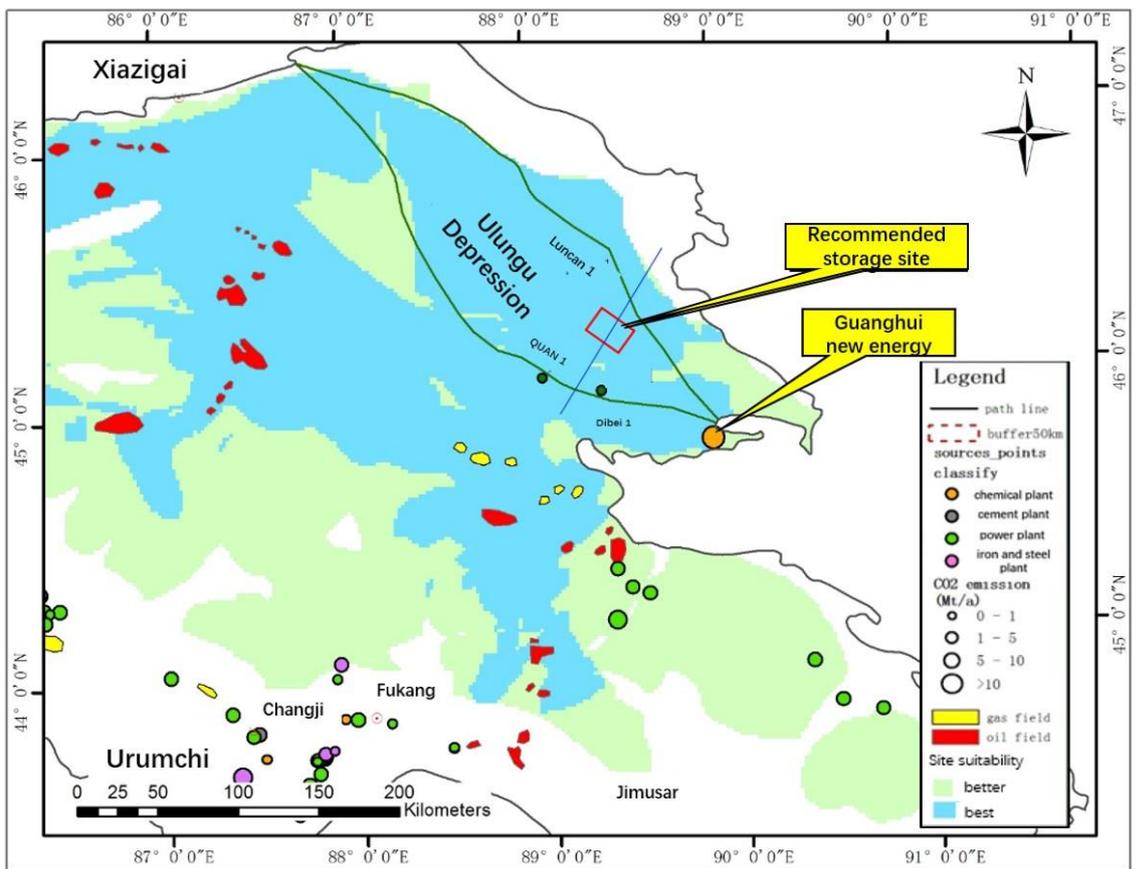


Figure 3.11 The CO<sub>2</sub>-EWR early demonstration site in Eastern Junggar Basin

## 4. GEOLOGY OF STORAGE SITE FOR PRELIMINARY STUDY OF CO<sub>2</sub>-EWR

### 4.1 REGIONAL GEOLOGY

The storage site for CO<sub>2</sub>-EWR is mainly supported by the D7 well, which is an abandoned well completed by Sinopec in 2016. It is located in the south of Gurbantunggut Desert in the Junggar Basin, with no permanent settlements nearby, which could help us to carry out further geological investigation of the storage site and CO<sub>2</sub>-EWR prefeasibility study.

The D7 well is located in the secondary tectonic unit of the Junggar Basin, Fukang Sag, with simple geostucture, stable crust, and almost no large historical earthquakes recorded in the surrounding area. Furthermore, few faults have developed in the target saline aquifers range from 800-3,500 m except for the lower Jurassic, and the D7 well is far away from the active faults developing in the Southern Basin.

Funded by the CAGS and China Geological Survey (CGS) project “Geological Survey of CO<sub>2</sub> Geological Storage in the Junggar and Other Typical Basins”, data collection of drilling and logging, outcrops geological surveys, 2D seismic exploration, and downhole testing for reservoir characterisation and modeling were completed.



**Figure 4.1 China Geological Survey area in the Junggar Basin**

The D7 well drilling data shows that the strata in the storage site from old to young is as follows:

(1) Jurassic

Badaowan Formation, Sangonghe Formation, Xishanyao Formation, Toutunhe Formation, Qigu Formation;

(2) Cretaceous

Qingshuihe Formation, Hutubi Formation, Lianmuqin & Shengjinkou Formation, Donggou Formation.

(3) Tertiary

(4) Quaternary

**Table 4.1 Stratigraphy of the D7 well**

Strata				Label	Bottom /m	Thickness /m
Cenozoic	Neogene			N	1405.00	1405.00
	Paleogene			E	1945.50	540.50
Mesozoic	Cretaceous	Upper	Donggou	K <sub>2d</sub>	2286.00	340.50
			Lianmuqin-Shengjinkou	K <sub>1l</sub> +K <sub>1s</sub>	2994.00	708.00
		Lower	Hutubi	K <sub>1h</sub>	3595.50	601.50
			Qingshuihe	K <sub>1q</sub>	3876.00	280.50
	Jurassic	Middle	Toutunhe	J <sub>2t</sub>	4602.00	726.00
			Xishanyao	J <sub>2x</sub>	4978.30	376.30
		Lower	Sangonghe	J <sub>1s</sub>	5336.40	358.10
			Badaowan	J <sub>1b</sub>	5405.00 (not real bottom)	68.60

The Donggou Formation of the Cretaceous in the Eastern Junggar Basin has a total thickness of 356 m, mainly consisting of reddish-brown, purple-red mudstones and sandy mudstones with yellowish-gray siltstones and argillaceous siltstones. Among them, there is a set of thick muddy mudstones at the top of Donggou Formation, and there are sandstones, siltstones and argillaceous siltstones in the middle, upper and middle parts of Donggou Formation with different thickness.

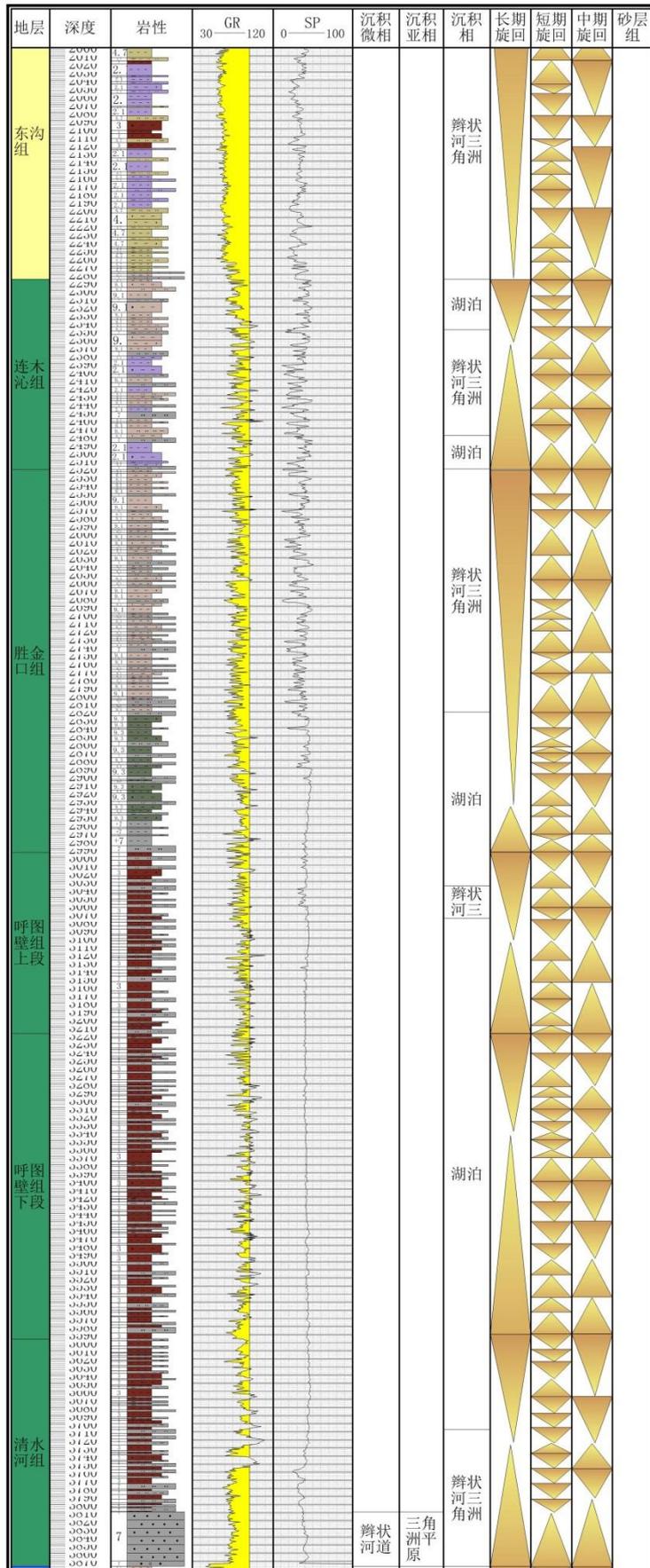


Figure 4.2 Cretaceous formations of the D7 well

## 4.2 RESERVOIR CHARACTERISATION

### 4.2.1 RESERVOIRS SELECTED FOR CO<sub>2</sub>-EWR

Based on a geological study of drilling, logging and seismic exploration, we ultimately selected three sandstone saline aquifers to perforate as target reservoirs. The three perforated intervals are all sandstone aquifers, of which the first and second are developed in the Cretaceous Donggou Formation, and the third is developed in Lian-Sheng Formation. The geological information is shown in Table 4.2 and Figure 4.3.

**Table 4.2 Reservoir characterisation of 3 perforated intervals**

Interval	Formation	Depth /m	Average porosity /%	Average permeability /mD	Pressure /MPa	Temperature /°C
1 <sup>st</sup>	Donggou	2038-2065	22.8	181.2	19	58.66
2 <sup>nd</sup>	Donggou	2246.5-2265	23.8	209	22.1	66
3 <sup>rd</sup>	Lian-Sheng	2392-2407	18.6	95.7	22.73	65.54

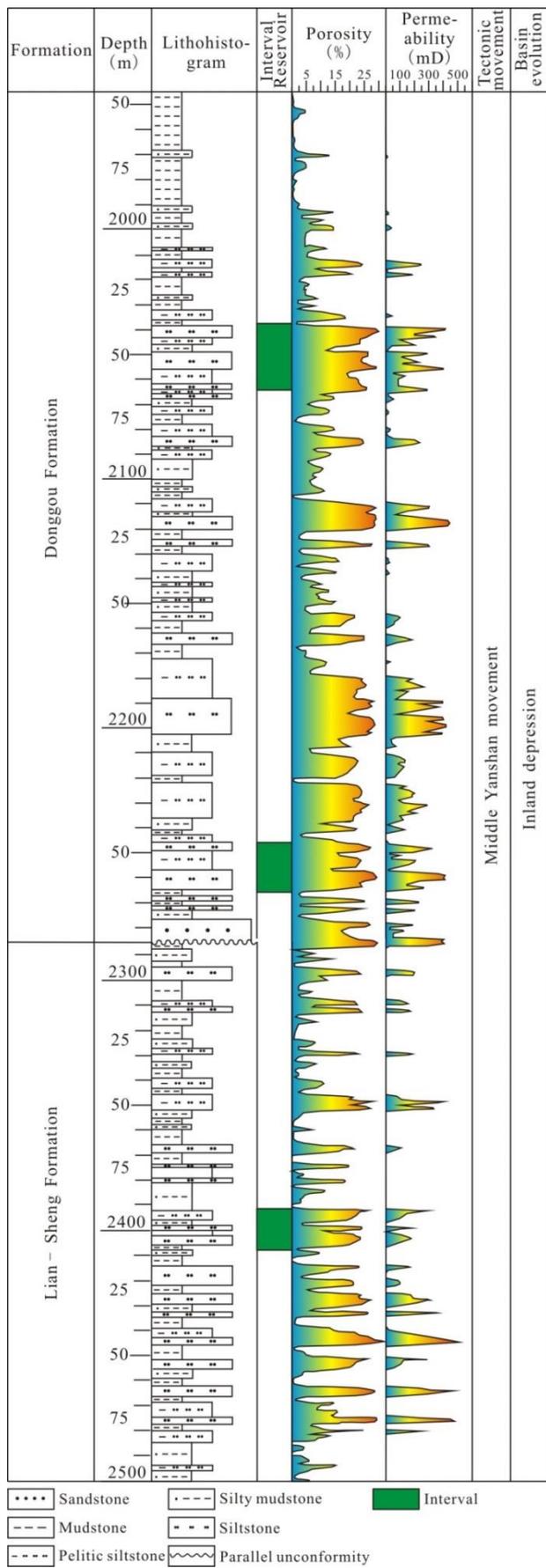


Figure 4.3 Stratigraphic histogram of 3 perforated intervals

#### 4.2.2 Porosity and Permeability Prediction

##### (1) Logging

Based on the sequential stratigraphy correlation of the D7 well shown in Figure 4.2, we predicted the porosity and permeability using the logging data.

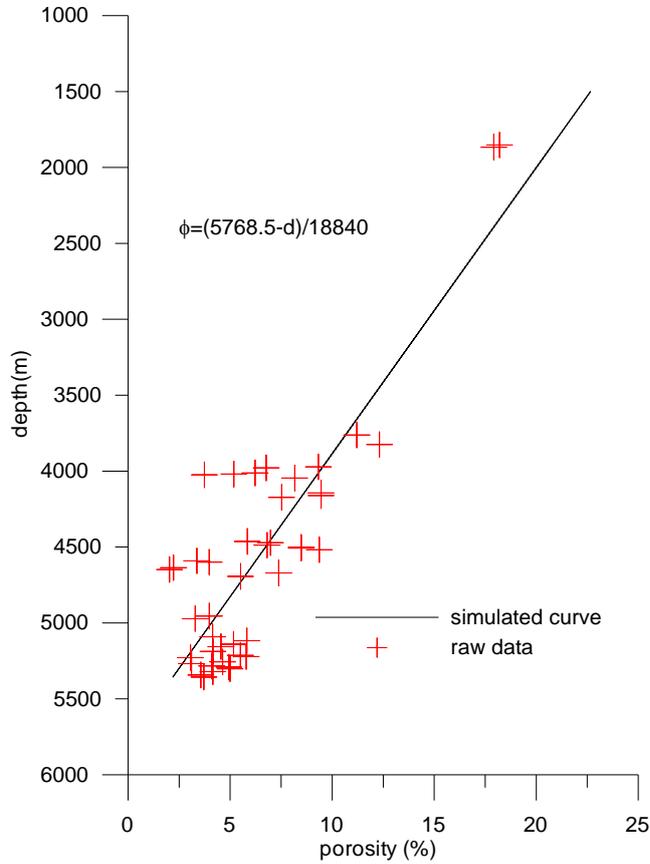
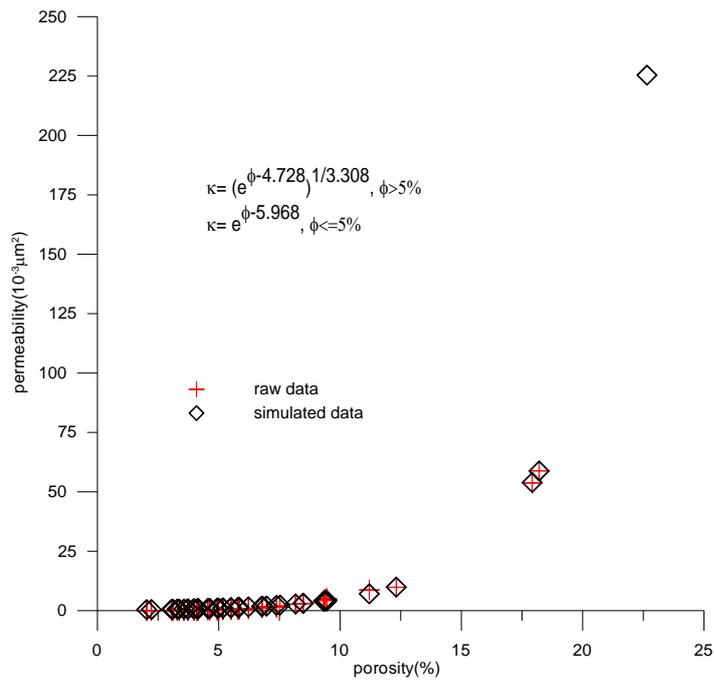


Figure 4.4 The relation curve of depth and porosity in the D7 well



**Figure 4.5 The relation curve of permeability and porosity in the D7 well**

**(2) 2D seismic**

According to the preliminary analysis of the logging data of the D7 well storage site, rich groundwater has developed in the unconformity between the top of Jurassic and the bottom of Cretaceous, while a large thickness of lacustrine mudstone has developed in Hutubi Formation. Liansheng Formation and Shengjinkou Formation mainly consist of mudstones with thin sandstone layers of braided river delta sedimentary facies. The content of sandstone increases markedly, but the water quantity needs to be checked.

Therefore, in order to select the suitable and rich groundwater reservoirs, we carried out 2D seismic exploration (including 4 lines) around the D7 well covering an area of 10 km × 10 km. The results show that Cretaceous and Jurassic formations are characterised by gentle incline in a W-E direction with good continuity, undeveloped tectonic activity and no interlayer fractures.

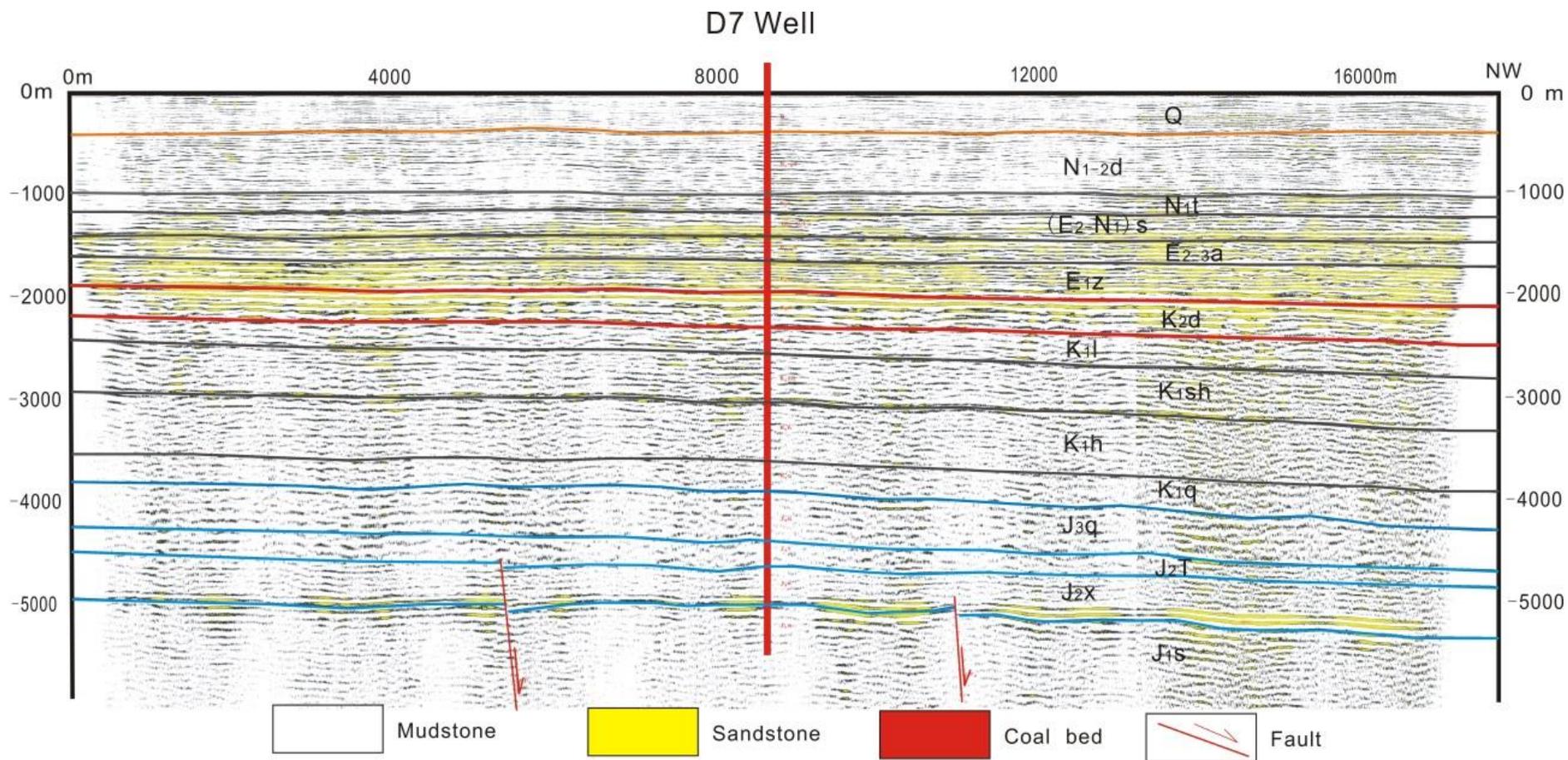


Figure 4.6 2D seismic profile of DZ01

### (3) Downhole test

Funded by the CAGS and CGS project, we carried out reservoir tests in the D7 well. We selected three perforated layers to test the characteristics, and obtained key parameters based on the logging and 2D seismic exploration, as shown in Table 4.3 in detail.



**Figure 4.7 Downhole reservoir test at the D7 site (by UAV)**

Considering the drilling, logging, 2D seismic exploration and downhole test data, we inferred that the 2nd layer was the best saline aquifer suitable for preliminary study of CO<sub>2</sub>-EWR of the three perforated layers.

Furthermore, because of no good or continuous mudstone between the 1st and 2nd perforated layers, we considered the whole Donggou Formation as the potential reservoir for CO<sub>2</sub>-EWR study.

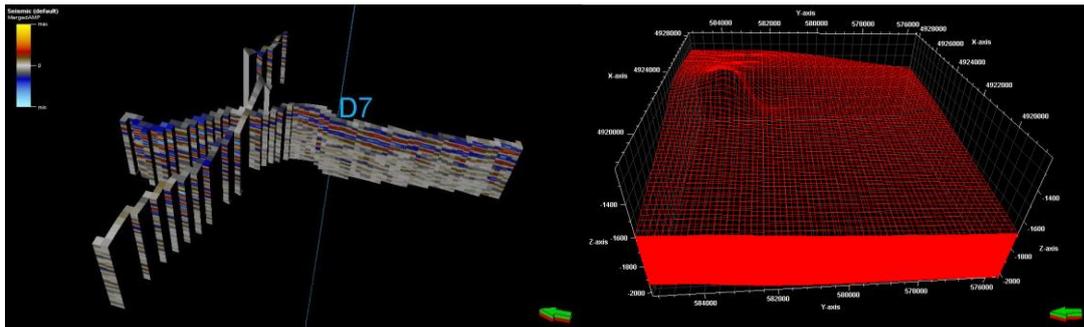
**Table 4.3 Selected and tested perforated layers**

Perforated layer	Depth m	Thickness m	T °C	P MPa	Pressure coefficient	Saline production m <sup>3</sup> /d	pH	TDS mg/L	Hydrochemistry	Well test permeability mD	Impact radius m
1	2038-2065	27	58.66	19	0.99	14	7.62	33404	CaCl <sub>2</sub>	1.68	55.5
2	2246.5-2265	18.5	66	22.1	1.0	41	7.51	40509	CaCl <sub>2</sub>	18.9	192
3	2392-2407	15	65.54	22.73	1.0	41	6.82	34453	CaCl <sub>2</sub>	7.47	138

### 4.3 3D GEOLOGICAL MODELING

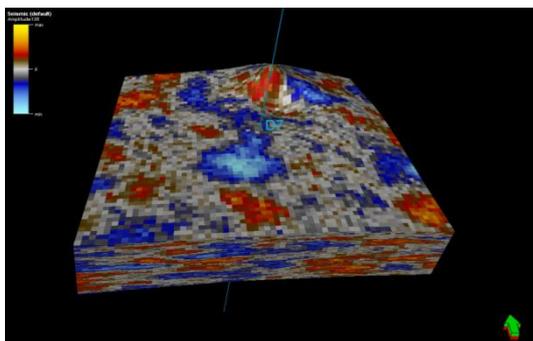
Based on the 2D seismic amplitude data, we derived three main 2D seismic profiles which could be inputted into the grid model for static geological modeling, combined with the drilling and logging data of the D7 storage site.

Selecting the first and second aquifers of Donggou Formation as the target research reservoirs, a static model of Donggou Formation was finally set up in the range of 100 square kilometers with a total of 673,530 grids, and the size of each grid was 150 m × 150 m × 2.5 m. After upscaling of the grids in a vertical direction, there were 79 layers with a total of 338,910 grids, with the size of each grid being 150 m × 150 m × 5 m.

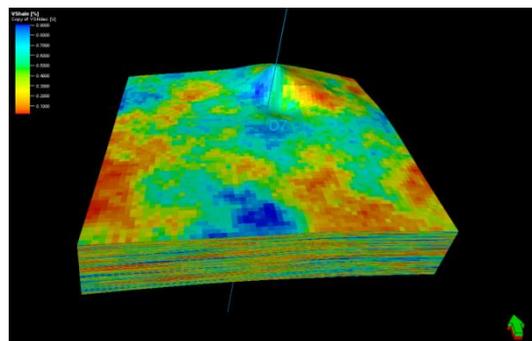


**Figure 4.8 Seismic profiles and mesh generation of the geological model**

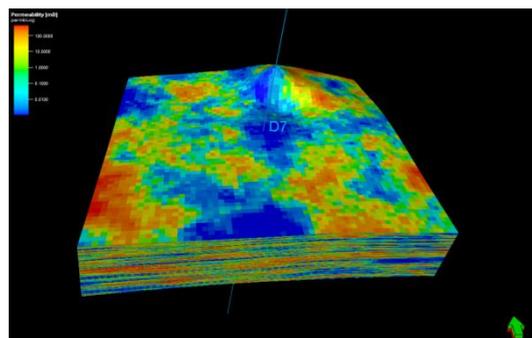
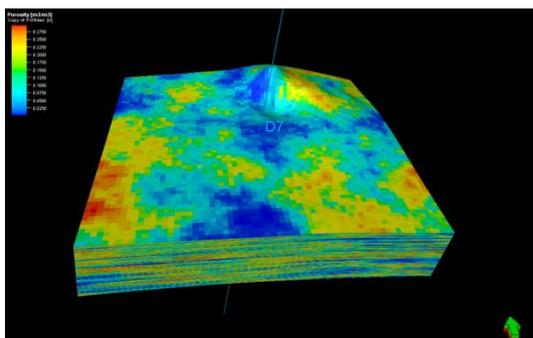
Based on the drilling, logging and seismic amplitude data, we obtained a seismic amplitude model, shale content model (synergetic stochastic simulation with seismic amplitude model, with correlation coefficient of 0.545), porosity model (synergetic stochastic simulation with shale content model, with correlation coefficient of -0.968), and permeability model (synergetic stochastic simulation of permeability logarithm with porosity model, with correlation coefficient of 0.923). As shown in Figure 4.9, the permeability in the X and Y direction is the same, and the permeability in the Z direction is 0.3 times the permeability in the X direction.



Seismic amplitude



Shale content



Porosity

Permeability

#### Figure 4.9 Static geological model of seismic amplitude, shale content, porosity and permeability

In the geological model, the Donggou Formation ranges from -1481.40 m to -1821.88 m (altitude). The temperature in the centre of the model is 66°C, and the pressure is 20.6 MPa, with the formation pressure gradient ranging from 1.03 to 1.1 MPa / 100m and the fracture pressure gradient ranging from 1.63 to 2.25 MPa / 100m. The porosity of Donggou Formation ranges from 0.01 to 0.296, and the permeability ranges from 0.001 to 441mD.

### 4.4 ASSESSMENT OF CAPACITY AND GROUNDWATER RESOURCES

#### 4.4.1 THEORETICAL CAPACITY ASSESSMENT

By using PETREL software, we assessed the total volume of rock to be  $3.2551 \times 10^{10} \text{ m}^3$ , while the total volume of pores is  $4.327 \times 10^9 \text{ m}^3$ , which could be regarded as the total theoretical groundwater resources volume.

Furthermore, based on the geological model, we evaluated the capacity of CO<sub>2</sub> storage by using the formula proposed by USDOE (2007) as mentioned in Section 2. The density of injected CO<sub>2</sub> underground is about 0.693g/cm<sup>3</sup> when the in-depth temperature is about 66°C and the pressure is about 20.6 MPa.

The evaluated results show that, at a P50 level, the theoretical capacity of CO<sub>2</sub> geological storage in the D7 well storage site is 71.97 Mt.

**Table 4.4 Capacity of CO<sub>2</sub> storage based on static reservoir modeling**

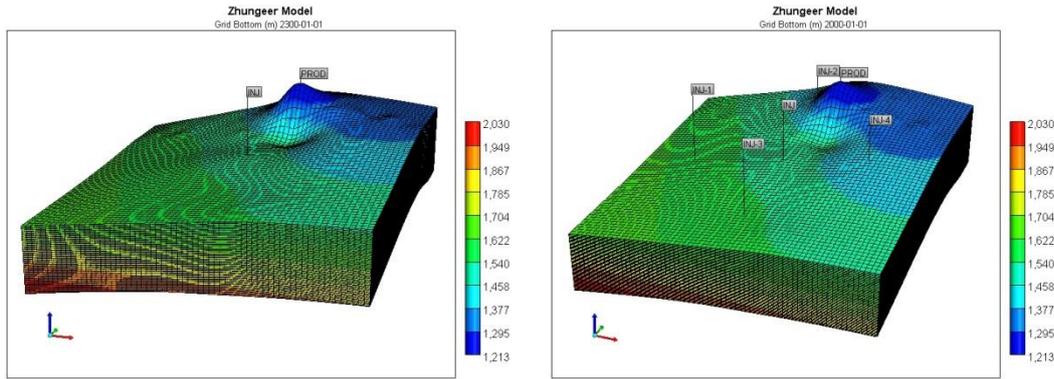
	P <sub>10</sub>	P <sub>50</sub>	P <sub>90</sub>
$E_{\text{saline}}$ (Bachu, 2015)	1.2%	<b>2.4%</b>	4.1%
Total effective volume (m <sup>3</sup> )	5.19E+07	<b>1.04E+08</b>	1.77E+08
Capacity (Mt)	35.98	<b>71.97</b>	122.94

#### 4.4.2 CAPACITY ASSESSMENT BASED OF CO<sub>2</sub> INJECTION CASE STUDIES

##### (1) Cases

In order to evaluate the field scale capacity of CO<sub>2</sub> geological storage in the Donggou Formation, we hypothesised two cases with different CO<sub>2</sub> injection schemes for reservoir modeling as shown in Figure 4.10.

We defined the average temperature of the reservoir as 66°C, and set the pressure of the centre of the model at 20.6MPa, with formation pressure gradient ranging from 1.03 to 1.1 MPa per 100 m and the fracture pressure gradient ranging from 1.63 to 2.25 MPa per 100 m.

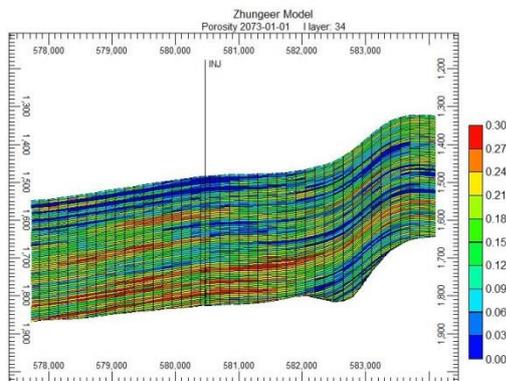


**Figure 4.10 Two cases with different injection schemes (Case 1 is on the left and Case 2 is on the right)**

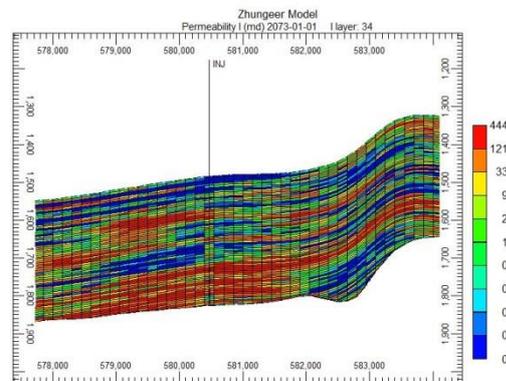
Based on the static geological model, the formation parameters were inputted into the injection modelling, as shown in Figure 4.11. The two typical injection cases were as follows:

**Case 1:** One injection well and one production well nearby. Simulation time of 300 years. The injection well is the Dong 7 well. The perforation location is mainly in the middle and lower part. The maximum allowable injection pressure at the bottom of the well is less than 50 MPa (stop injection when injection pressure exceeds 50 MPa). The CO<sub>2</sub> injection rate is set at 500,000 tons per year for a continuous period of 50 years, followed by a simulation of 250 years. The production well is set at the top of the Donggou Formation with the maximum allowable pressure of 50 MPa at the bottom of the well.

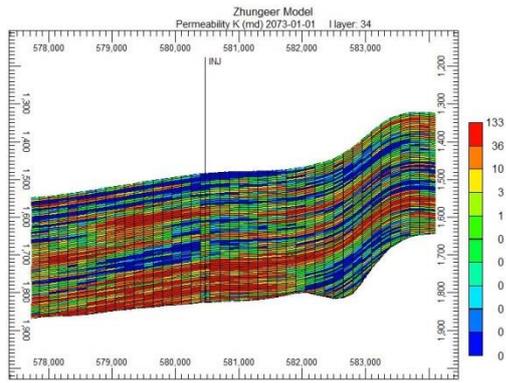
**Case 2:** Five injection wells, one production well, simulated for 300 years. Dong 7 well is located at the centre of the model, and the distance between the injection wells is 3 km. The perforating location is mainly in the middle and lower part of Donggou Formation.



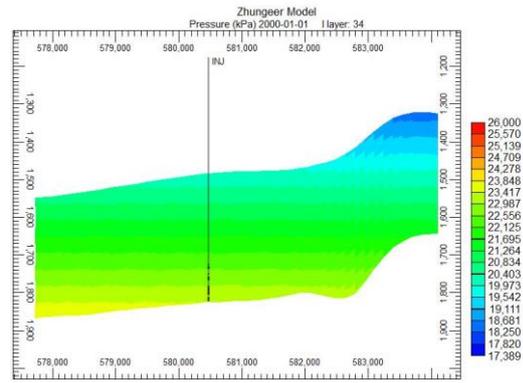
Porosity



Permeability in horizontal direction



Permeability in vertical direction



Pressure

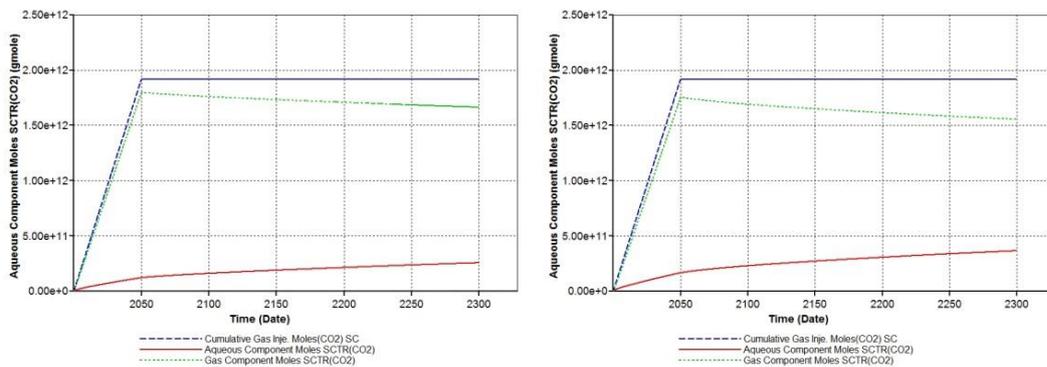
**Fig. 4.11 Numerical models for the case studies**

The allowable bottom injection pressure must be less than 50MPa (stop injection when injection pressure exceeds 50 MPa), and the annual injection amount is 500,000 tons for a continuous period of 50 years, followed by a simulation of 250 years. The production well is set at the top of the Donggou Formation with the maximum allowable pressure of 50 MPa at the bottom of the well.

**(2) Capacity**

In the Case 1 and Case 2 models, CO<sub>2</sub> was supposed to be continuously injected for 50 years at an injection volume of 2 million tons a year for a cumulative total of  $1.919 \times 10^{12}$  mole ( $84.41 \times 10^6$  tons). As shown in Figure 4.12, the injected CO<sub>2</sub> will be mainly trapped as gas CO<sub>2</sub> and dissolved CO<sub>2</sub>. During the CO<sub>2</sub> injection, both the amount of gas and dissolution trapped CO<sub>2</sub> increase, but the amount of gas trapping is much larger. However, after injection completion, the total amount of dissolved CO<sub>2</sub> increases while the gas CO<sub>2</sub> decreases.

After 300 years, the total amount of trapped CO<sub>2</sub> including residual and dissolution trapping is about  $7.059 \times 10^{11}$  mole (about  $31.063 \times 10^6$  t) in Case 1 and  $8.653 \times 10^{11}$  mole (about  $38.077 \times 10^6$  t) in Case 2.



**Figure 4.11 Gas CO<sub>2</sub> and dissolved CO<sub>2</sub> of the two case studies**

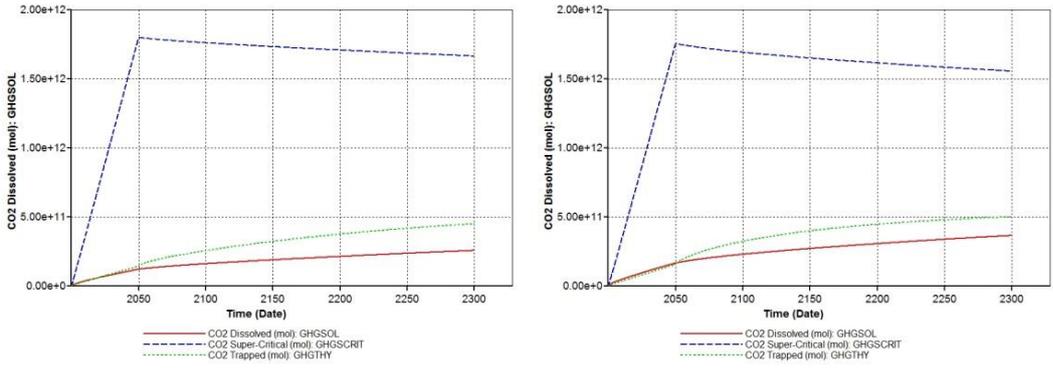


Figure 4.12 Total amount of trapped CO<sub>2</sub> of the two case studies

**(3) Pressure**

During the CO<sub>2</sub> injection, the pressure in the reservoir will increase. In Case 1 and Case 2, the overall average reservoir pressure increases to 39.776 MPa and 39.615 MPa respectively from the initial 21.878 MPa (or 81.81% and 81.07% respectively).

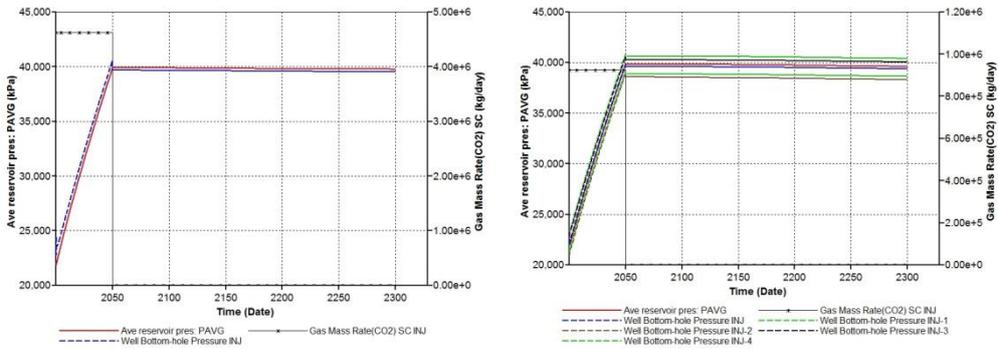
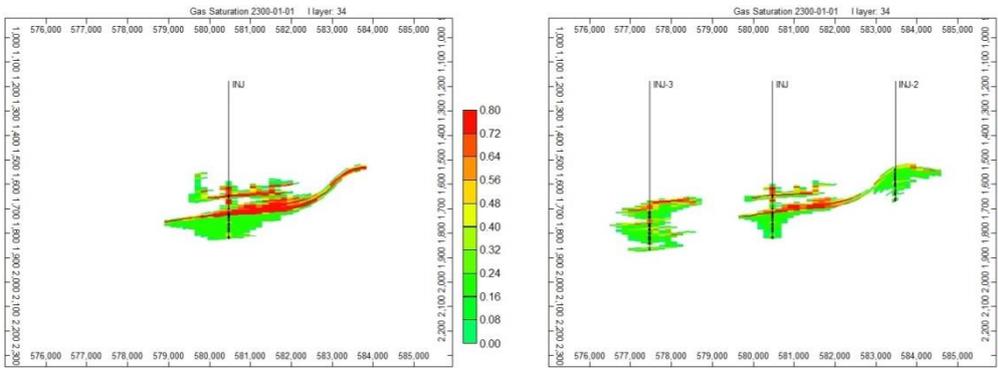


Figure 4.13 Pressure in the reservoir and bottom of injection well of the two case studies

**(4) CO<sub>2</sub> distribution**

As shown in the Figure 4.14, the CO<sub>2</sub> migration distance is about 3,500 m in a N-E direction in Case 1, and the distance upwards is about 300 m. In Case 2, the CO<sub>2</sub> plume is much larger than Case 1 because of more injection wells.



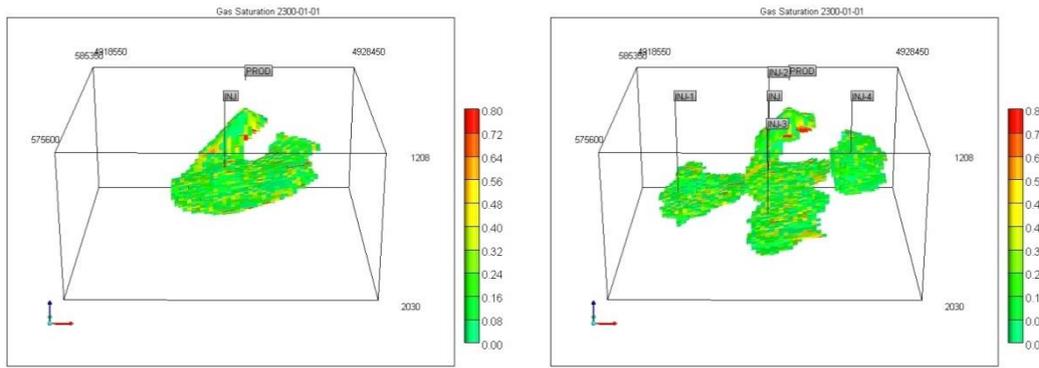


Figure 4.14 CO<sub>2</sub> distribution after 300 years of Case 1 and Case 2

### (5) CO<sub>2</sub> trapping

The numerical simulation results of dissolution trapped CO<sub>2</sub> are shown in Figure 4.15. The dissolved CO<sub>2</sub> plume near the injection well is completely connected, with a maximum distribution of 8.6 km north to south, 9.3 km east to west, and a maximum vertical thickness close to 300 m. The residual trapped CO<sub>2</sub> distribution is similar to the dissolution trapping, as shown in Figure 4.16.

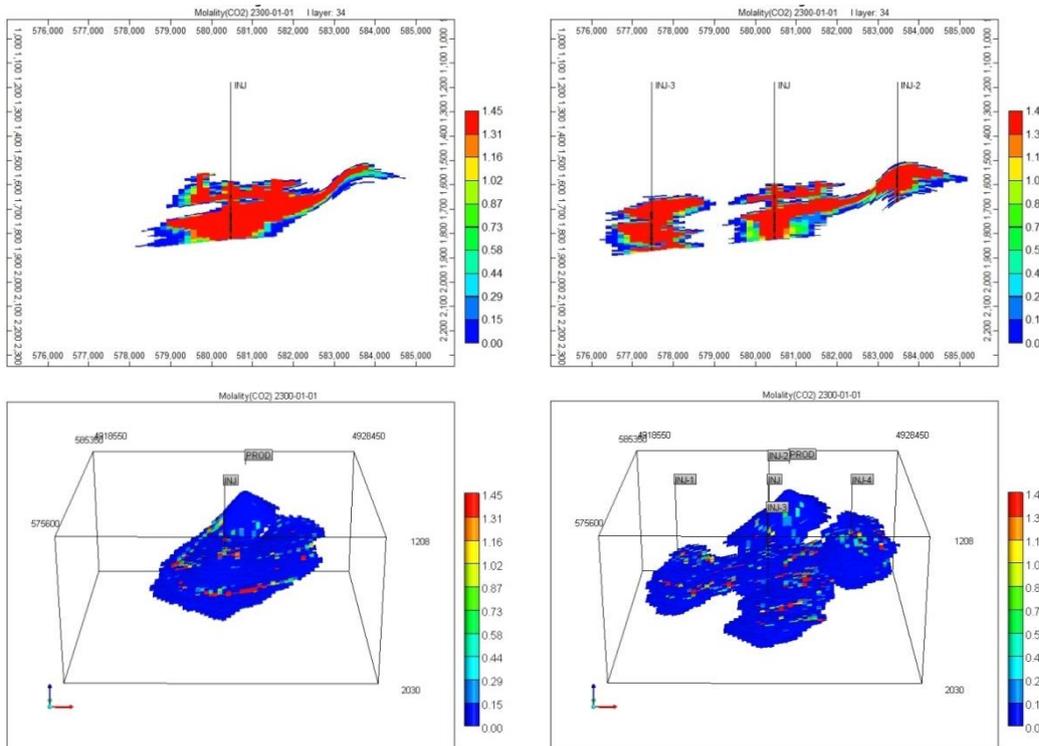
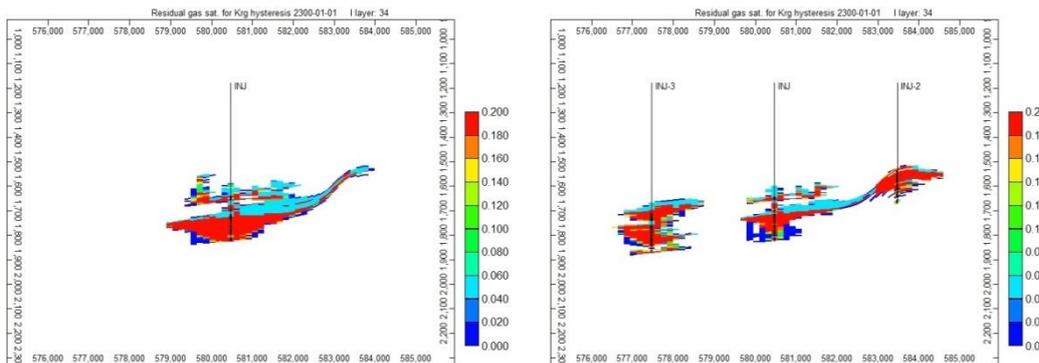


Figure 4.15 Dissolved CO<sub>2</sub> distribution after 300 years of Case 1 and Case 2



**Figure 4.16 Residual trapped CO<sub>2</sub> distribution after 300 years of Case 1 and Case 2**

As shown in Table 4.5, we can infer that more injection wells could enhance the effectiveness of CO<sub>2</sub> storage and enlarge the area of CO<sub>2</sub> distribution, which could also enhance the security of CO<sub>2</sub> storage. However, more injection wells also means higher cost.

**Table 4.5 Total amount of injected CO<sub>2</sub> and trapping**

CO <sub>2</sub> Storage Amounts in Reservoir	Case	Million tonne	kg	Moles	Percentage %
Total injection	Case1	84.414	8.441E+10	1.919E+12	100.00%
Supercritical gas		73.234	7.32E+10	1.664E+12	86.76%
Residual trapping gas		19.813	1.98E+10	4.502E+11	23.47%
Dissolved gas in water		11.250	1.125E+10	2.557E+11	13.33%
Total trapping gas		31.063	3.11E+10	7.059E+11	36.80%
Total injection	Case2	84.414	8.441E+10	1.919E+12	100.00%
Supercritical gas		68.437	6.84E+10	1.555E+12	81.07%
Residual trapping gas		22.063	2.21E+10	5.013E+11	26.14%
Dissolved gas in water		16.013	1.601E+10	3.639E+11	18.97%
Total trapping gas		38.077	3.81E+10	8.653E+11	45.11%

## 5. NUMERICAL SIMULATION OF CO<sub>2</sub>-EWR IN THE D7 WELL SITE

In China, the Junggar Basin, with huge carbon emissions and deep saline aquifers having good geology, has the greatest early opportunities for CO<sub>2</sub>-EWR or storage. The objective of our research is to evaluate the enhanced efficiency of CO<sub>2</sub> storage and saline production, including total CO<sub>2</sub> injection and saline production when CO<sub>2</sub> breaks through into the production well, based on the reservoir characterisation and modeling using the China Geological Survey (CGS) future CO<sub>2</sub>-EWR test site in the Eastern Junggar Basin as a case study. The CGS CO<sub>2</sub>-EWR site is located in Fukang Sag of the Junggar Basin, which has gentle formations and a dip angle of about 5 degrees from southwest to northeast. Currently, there has been one deep hole in the site for CO<sub>2</sub>-EWR prefeasibility study. Three intervals are perforated between the depths of 1,945.5-2,994 m without faults.

### 5.1 ENHANCED EFFICIENCY OF CO<sub>2</sub> STORAGE AND SALINE PRODUCTION

#### 5.1.1 UPSCALING

Based on the reservoir characterisation and geological model, we obtained the upscaling model for numerical simulation of CO<sub>2</sub>-EWR. The new model is generalised into homogeneous isotropic and infinitely extended sandstone formations using irregular mesh generation.

Assuming that the spacing between injection and production wells is 2 km, in order to avoid the boundary impact, the X and Y directions are set to 20 km, and each layer is divided into 1,297 grids. The accuracy of porosity and permeability for each sample point in the original logging data is 0.125 m, and we obtained the porosity and permeability of the three perforated layers by taking the weighted mean values of each of the 10 logging points. The subdivision accuracy of each layer in the Z direction is 1.25 m, and the number of vertical grids of each sub-reservoir is different according to the reservoir thickness. The first sub-reservoir is vertically divided into 16 layers, with 20,752 grids; the second sub-reservoir is vertically divided into 18 layers, with 23,346 grids; the third sub-reservoir is vertically divided into 15 layers, with 19,455 grids.

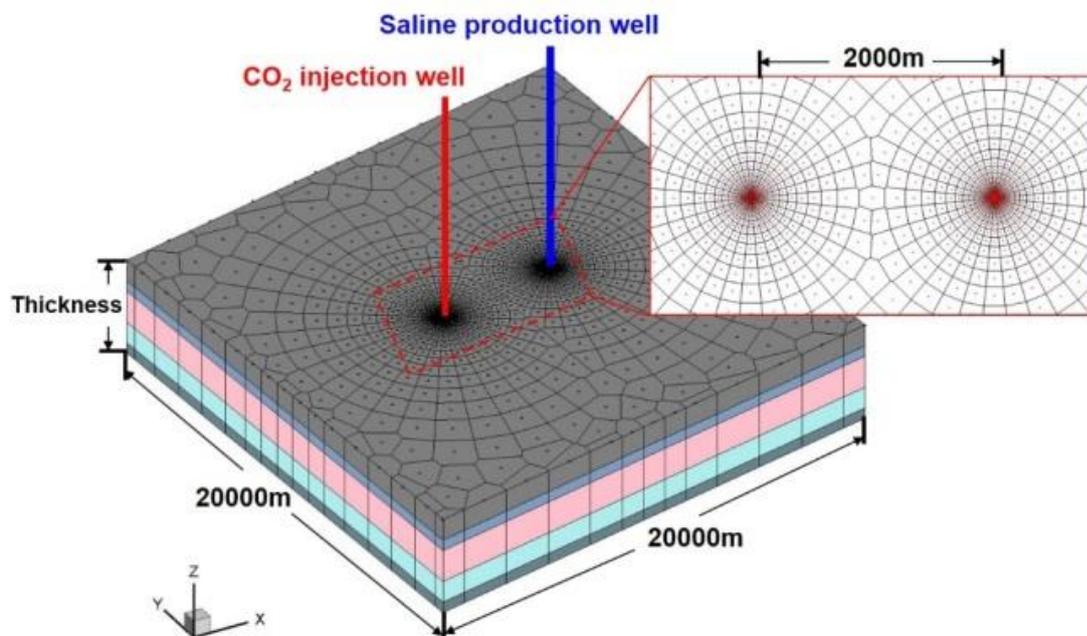


Figure 5.1 Mesh model of field scale CO<sub>2</sub>-EWR test site (X: 20km; Y: 20km)

#### 5.1.2 SIMULATED CONDITIONS AND KEY PARAMETERS

We used TOUGH2 (Transport of Unsaturated Groundwater and Heat) software to simulate the CO<sub>2</sub>-EWR in the D7 storage site.

The reservoir formula modeling based on Darcy's law is as follows:

$$\frac{d}{dt} \int_{V_n} A^\kappa dV = \int_{\Gamma_n} \mathbf{F}^\kappa \cdot \mathbf{n} d\Gamma + \int_{V_n} q^\kappa dV \quad (5-1)$$

Where  $V_n$  is the volume;  $\Gamma_n$  is area;  $\kappa$  is the component of fluid,  $\kappa=1, 2, 3, \dots$ ;  $A^\kappa$  is the mass term of  $\kappa$ ;  $F^\kappa$  is the mass exchange;  $q^\kappa$  is the source sink term;  $\mathbf{n}$  is the unit normal vector;  $t$  is time.

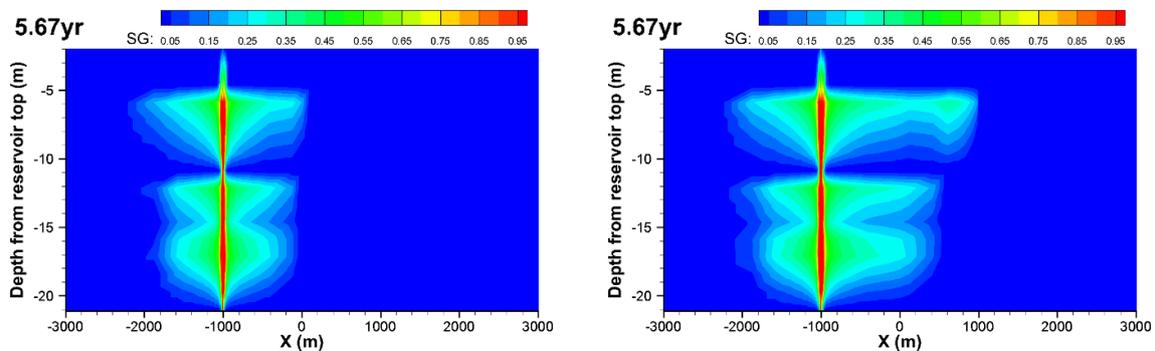
To simulate the enhanced efficiency of CO<sub>2</sub> storage and saline production, the given conditions of the push-pull test for numerical simulation are as follows:

- (1) Assume that there will be a water production well and the distance between the CO<sub>2</sub> injection well and production well is 2 km;
- (2) Simulate the cases of CO<sub>2</sub>-EWR push-pull test in different reservoirs separately;
- (3) Specify a constant injection pressure at the wellhead of 7 MPa to inject CO<sub>2</sub>, and 0.3 times the reservoir pressure to produce saline;
- (4) Boundary condition: the lateral boundaries are defined with Dirichlet boundary conditions, and the upper boundary of the reservoir is assumed to be an impermeable boundary, as is the bottom boundary;
- (5) The temperature and pressure conditions of each layer in the model are in-depth values, and the isothermal model is used in the simulation study.

### 5.1.3 RESULTS

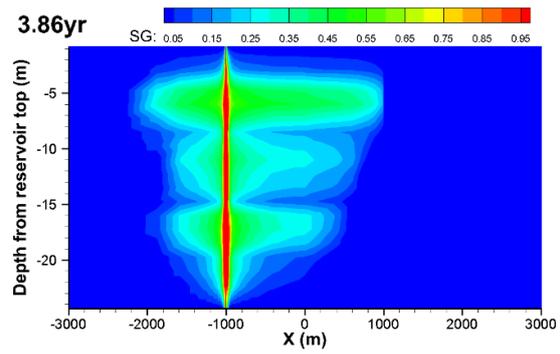
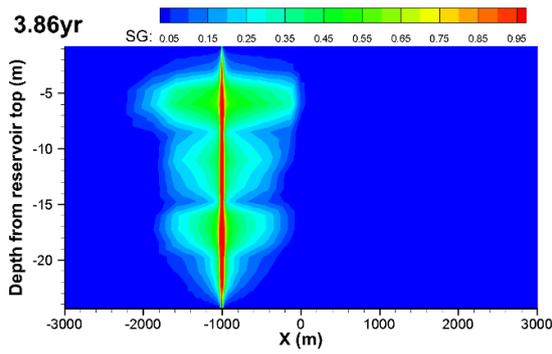
#### (1) CO<sub>2</sub> migration in reservoirs

The results show that, for the distance of 2 km between injection well and production well, there are differences in the time of CO<sub>2</sub> breakthrough to the saline production well in the three reservoirs: the 1<sup>st</sup> reservoir is 5.67 years, the 2<sup>nd</sup> reservoir is 3.86 years, and the 3<sup>rd</sup> reservoir is 3.18 years. The CO<sub>2</sub> spatial distribution by using CO<sub>2</sub> storage only and CO<sub>2</sub>-EWR, at the time of CO<sub>2</sub> breakthrough, is shown in Figure 5.2.



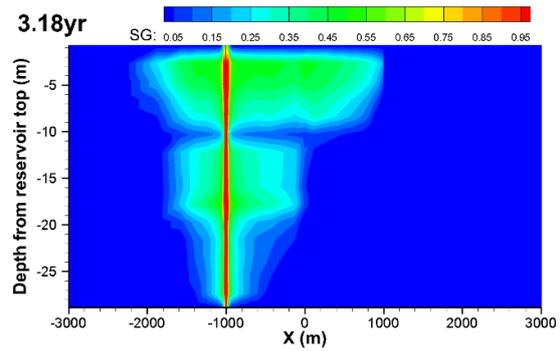
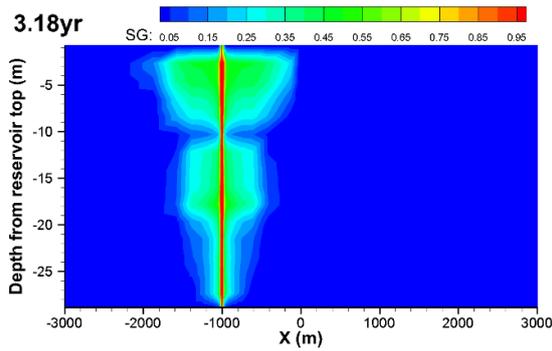
a. Only CO<sub>2</sub> storage in the 1<sup>st</sup> reservoir

b. CO<sub>2</sub>-EWR in the 1<sup>st</sup> reservoir



c. Only CO<sub>2</sub> storage in the 2<sup>nd</sup> reservoir

d. CO<sub>2</sub>-EWR in the 2<sup>nd</sup> reservoir



e. Only CO<sub>2</sub> storage in the 3<sup>rd</sup> reservoir

f. CO<sub>2</sub>-EWR in the 3<sup>rd</sup> reservoir

Figure 5.2 CO<sub>2</sub> injection rates change with time in different reservoirs

Table 5.1 Results of numerical simulation

Reservoirs		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>
CO <sub>2</sub> migration distance		900 m	950 m	980 m
Total CO <sub>2</sub> injection	Only CO <sub>2</sub> storage	1.55 Mt, and 273 kt/a	2.22 Mt, and 576 kt	2.30 Mt, and 723 kt
	CO <sub>2</sub> -EWR	2.35 Mt, and 414 kt/a	3.67 Mt, and 952 kt/a	3.71 Mt, and 1.17 Mt/a
	Enhanced efficiency	51.68%	65.33%	61.18%
Total saline production	Only saline production	4.31 Mt, and 759 kt/a	7.08 Mt, and 1.84 Mt/a	6.67 Mt, and 2.1 Mt/a
	CO <sub>2</sub> -EWR	4.61 Mt, and 812 kt/a	7.60 Mt, and 1.97 Mt/a	7.17 Mt, and 2.25 Mt/a

	Enhanced efficiency	7.00%	7.30%	7.48%
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**(2) Enhanced efficiency**

The results of enhanced efficiency of CO<sub>2</sub> storage and saline production, and the total amount of CO<sub>2</sub> injection and saline production, are shown in Table 5.1. From the simulated results we can infer that CO<sub>2</sub>-EWR could greatly improve the total amount of CO<sub>2</sub> injection and saline production.

**(1) 1<sup>st</sup> reservoir**

If using the standalone CO<sub>2</sub> geological storage technology, CO<sub>2</sub> migration distance is 900m, and the total amount of injected CO<sub>2</sub> is 1.55 million tons after 5.67 years, with an annual average injection rate of 273 kilotons per year; if using saline production technology only, the total amount of saline produced is 4.31 million tons with an annual average production rate of 759 kilotons per year.

However, if using CO<sub>2</sub>-EWR technology, when the injected CO<sub>2</sub> breaks through into the saline production well, the total amount of injected CO<sub>2</sub> is 2.35 million tons with an annual average injection rate of 414 kilotons, and the total amount of produced saline is 4.61 million tons with an annual average injection rate of 812 kilotons per year. Compared with the standalone CO<sub>2</sub> geological storage technology and saline production, the CO<sub>2</sub>-EWR technology has increased the CO<sub>2</sub> storage capacity by 51.68% and the saline production by 7%.

**(2) 2<sup>nd</sup> reservoir**

If using the standalone CO<sub>2</sub> geological storage technology, CO<sub>2</sub> migration distance is 950 m, and the total amount of injected CO<sub>2</sub> is 2.22 million tons after 3.86 years with an annual average injection rate of 576 kilotons per year; if using saline production technology only, the total amount of saline produced is 7.08 million tons with an annual average production rate of 1.84 million tons per year.

However, if using CO<sub>2</sub>-EWR technology, when the injected CO<sub>2</sub> breaks through into the saline production well, the total amount of injected CO<sub>2</sub> is 3.67 million tons with an annual average injection rate of 952 kilotons, and the total amount of produced saline is 7.60 million tons with an annual average injection rate of 1.97 million tons per year. Compared with the standalone CO<sub>2</sub> geological storage technology and saline production, the CO<sub>2</sub>-EWR technology has increased the CO<sub>2</sub> storage capacity by 65.33% and the saline production by 7.3%.

**(3) 3<sup>rd</sup> reservoir**

If using the standalone CO<sub>2</sub> geological storage technology, CO<sub>2</sub> migration distance is 980 m, and the total amount of injected CO<sub>2</sub> is 2.30 million tons after 3.18 years with an annual average injection rate of 723 kilotons per year; if using saline production technology only, the total amount of saline produced is 6.67 million tons with an annual average production rate of 2.10 million tons per year.

However, if using CO<sub>2</sub>-EWR technology, when the injected CO<sub>2</sub> breaks through into the saline production well, the total amount of injected CO<sub>2</sub> is 3.71 million tons with an annual average injection rate of 1.17 million tons and the total amount of produced saline is 7.17 million tons with an annual average injection rate of 2.25 million tons per year. Compared with the standalone CO<sub>2</sub> geological storage technology and saline production, the CO<sub>2</sub>-EWR technology has increased the CO<sub>2</sub> storage capacity by 61.18% and the saline production by 7.48%.

**5.2 SINGLE WELL RESIDUAL AND DISSOLUTION TRAPPING TEST PLAN**

Considering the engineering conditions of the D7 storage site, we selected the 2<sup>nd</sup> perforated layer with better geological conditions than the other two layers, and proposed a preliminary single well residual and dissolution trapping test plan as follows:

(1) First stage:

Pull enough formation liquid and test the reservoir permeability;

Cases: pull saline 100-1,000 m<sup>3</sup>

Close the hole (until the pressure recovers);

Inject the formation liquid back into reservoirs, test pressure response.

Close the hole (until the pressure recovers);

(2) Second stage:

Inject CO<sub>2</sub> into the reservoirs, test the pressure response and reservoir injectivity;

Cases: 100t - 1,000t

Close the hole;

(3) Third stage: mass formation liquid production

Pull back the liquid including CO<sub>2</sub> and saline, to test the pressure response and tracers, CO<sub>2</sub> and water quality.

Cases: about 2 times the amount of CO<sub>2</sub> injection.

Final disposal.

In our research, we used the TOUGH2/ECO2N computer program to study the prefeasibility of CO<sub>2</sub>-EWR.

## 5.2.1 SIMULATION MODEL

### (1) Geometric model

In the upscaling model, the 2<sup>nd</sup> perforated layer is 18.5 m thick, extending homogeneously in horizontal direction. In the vertical direction, there are 18 layers; in the horizontal direction, there are 50 grids within the range of 10 km. The final geological model is shown in Figure 5.3 (A).

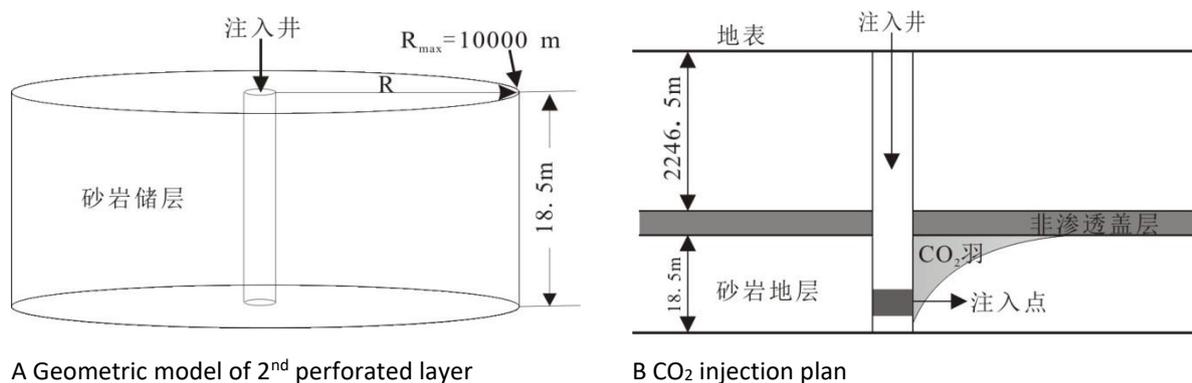


Fig. 5.3 Conceptual model of single well test simulation

### (2) Key parameters of the reservoir

Based on the geology of the D7 well storage site, we upscaled the 2<sup>nd</sup> perforated layer, which is homogenous in the horizontal direction, and the key parameters are shown in Table 5.2.

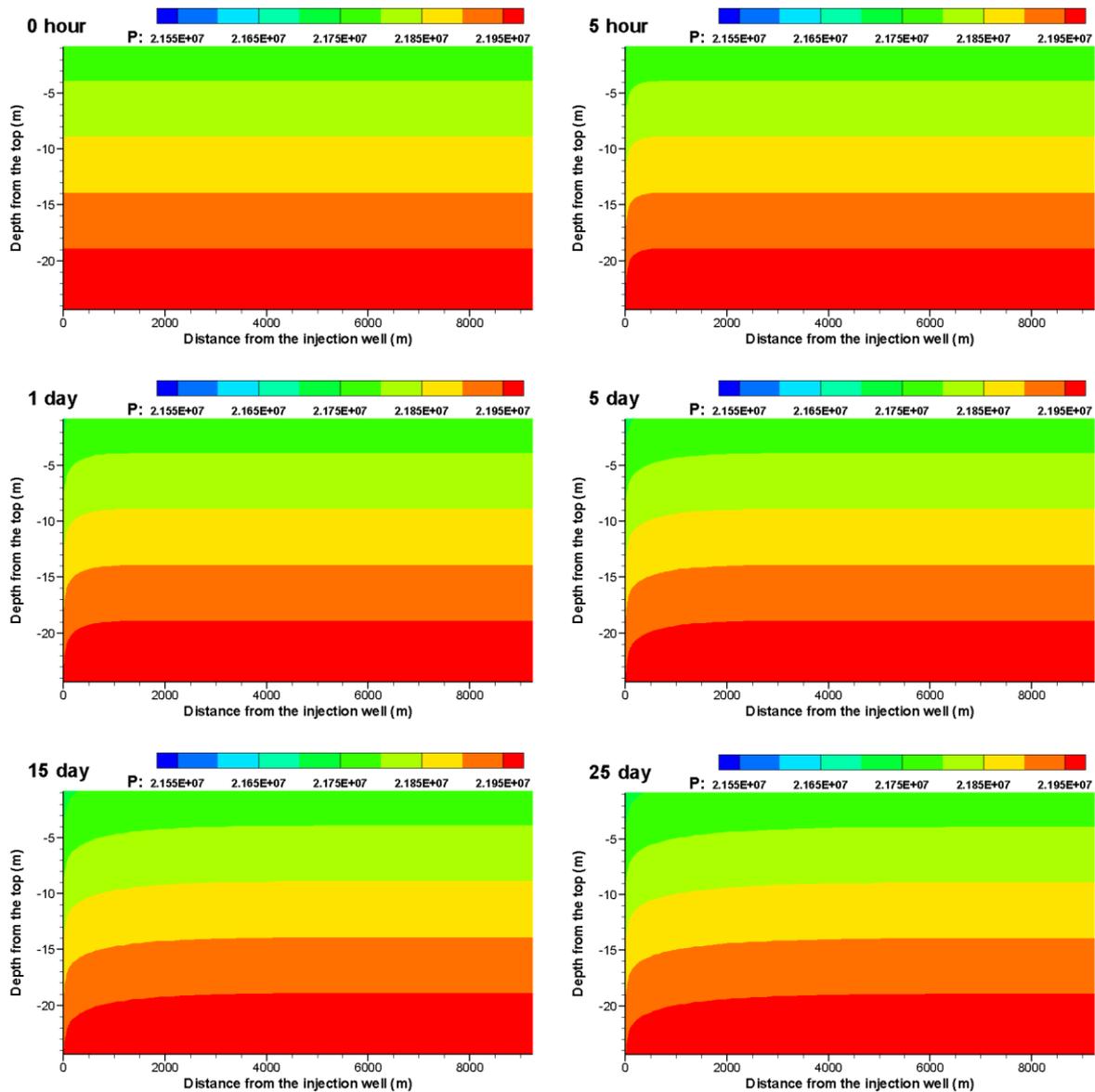
**Table 5.2 Key parameters of the reservoir**

Key parameters	Value	Other parameters	Value
Thickness (m)	18.5	<b>1. Relative permeability model</b>	
Permeability ( $\times 10^{-3} \mu\text{m}^2$ )	Heterogenous	Liquid (van Genuchten, 1980):	
Porosity (%)	Heterogenous	$k_{rl} = \sqrt{S^*} \left\{ 1 - (1 - [S^*]^{1/m})^m \right\}^2$	$S^* = (S_l - S_{lr}) / (1 - S_{lr})$
Pore compression coefficient ( $\text{Pa}^{-1}$ )	$4.5 \times 10^{-10}$	$S_{lr}$ : Residual water saturation	$S_{lr} = 0.30$
Rock density ( $\text{kg}/\text{m}^3$ )	2600	m: index	m=0.457
Coefficient of heat conduction ( $\text{W}/\text{m } ^\circ\text{C}$ )	2.51	Gas (Corey, 1954):	
Specific heat of rock ( $\text{J}/\text{kg } ^\circ\text{C}$ )	920	$k_{rg} = (1 - \hat{S})^2 (1 - \hat{S}^2)$	$\hat{S} = (S_l - S_{lr}) / (S_l - S_{lr} - S_{gr})$
Temperature ( $^\circ\text{C}$ )	63	$S_{gr}$ : Residual gas saturation	$S_{gr} = 0.05$
Pressure (kPa)	Reservoir hydrostatic pressure	<b>2. Capillary pressure van Genuchten (1980):</b>	
Salinity (wt.-%)	4.3	$P_{cap} = -P_0 ([S^*]^{-1/m} - 1)^{1-m}$	$S^* = (S_l - S_{lr}) / (1 - S_{lr})$
		$S_{lr}$ : Residual water saturation	$S_{lr} = 0$
		m: index	m=0.457
		$P_0$ : Capillary entry pressure	$P_0 = 19.61 \text{ kPa}$

## 5.2.2 RESULTS

### (1) First stage

**The first stage (case):** saline pull of 1,000 m<sup>3</sup> for 25 days with constant flow (40m<sup>3</sup>/d). The pressure change characteristics in the reservoir during the saline pull are shown in Figure 5.4.



**Figure 5.4** The pressure change during the saline production with constant flow

During the pressure recovery stage, the pressure recovered to its original pressure 150 days after saline production stopped. The pressure change characteristics are shown in Figure 5.5.

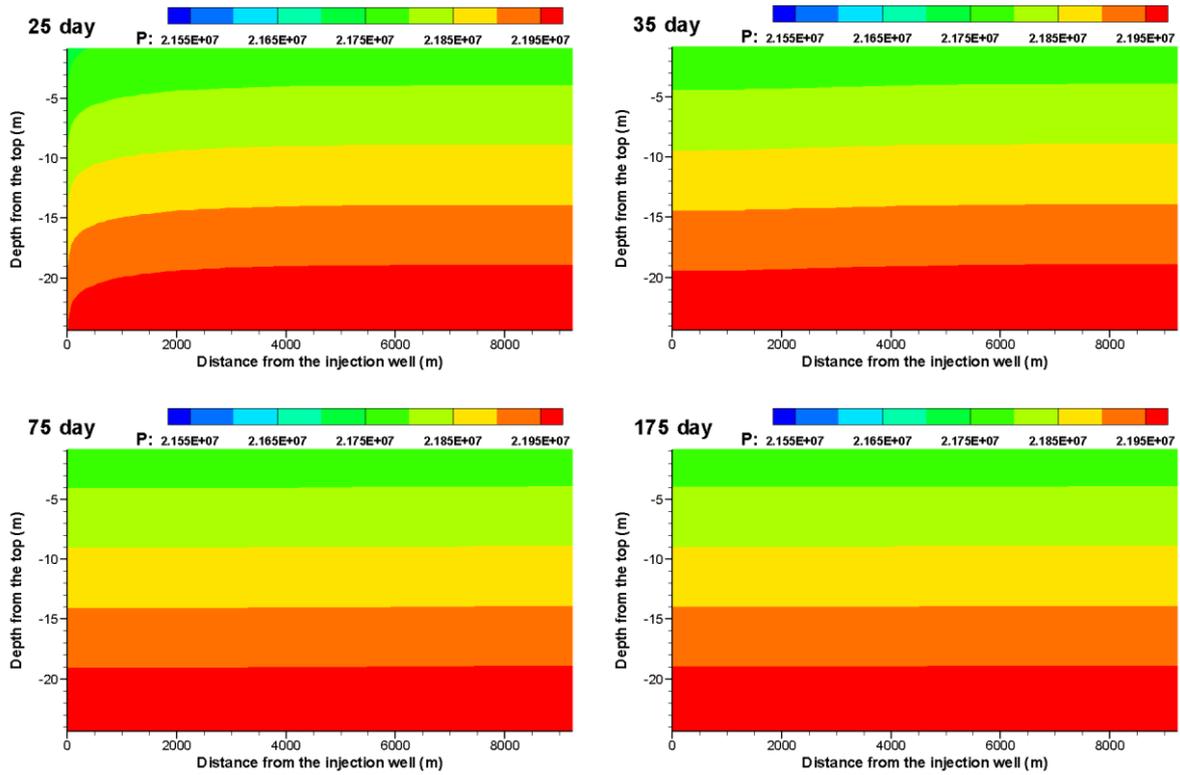
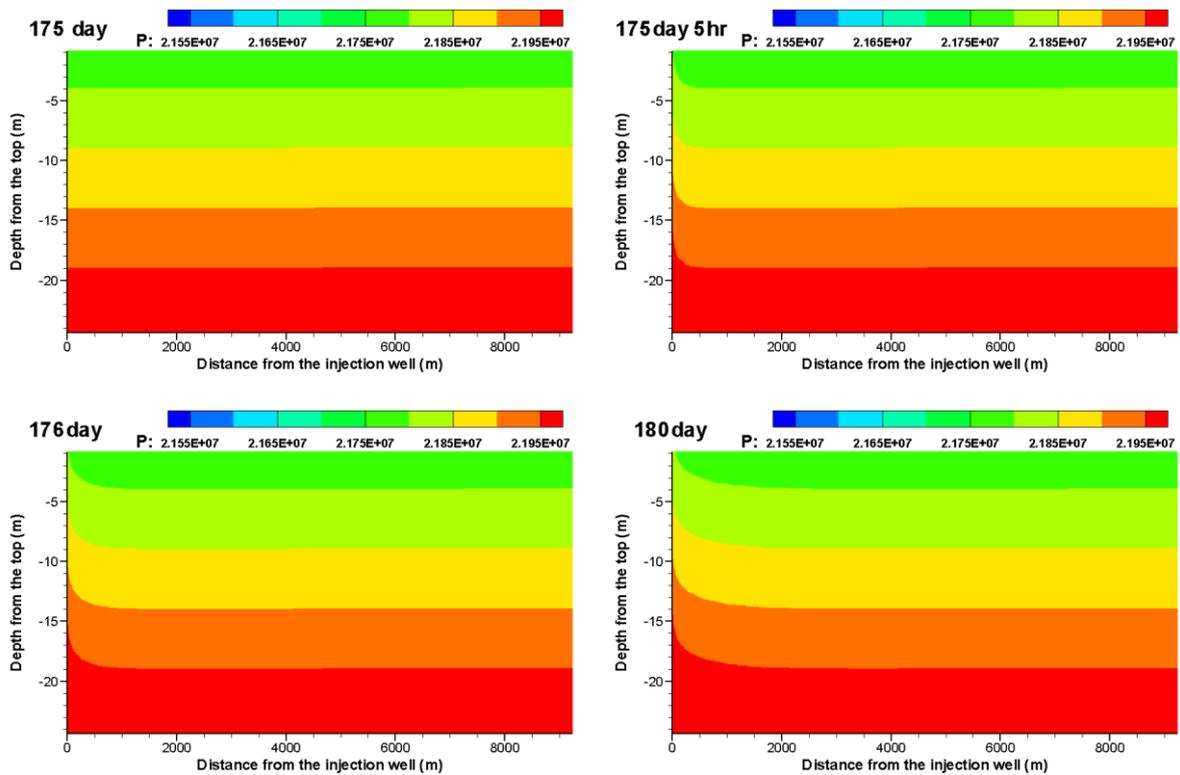


Figure 5.5 The pressure change characteristics after stopping the saline production

Saline push of  $1,000 \text{ m}^3$  for 25 days with constant flow ( $40 \text{ m}^3/\text{d}$ ). The pressure change characteristic during the saline push are shown in Figure 5.6.



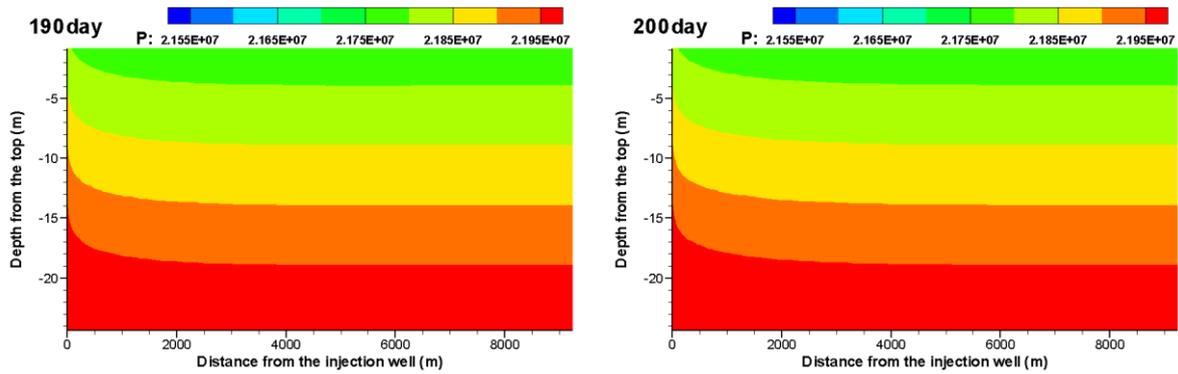


Figure 5.6 The pressure change characteristics during the saline push

100 days after the saline push stopped, the pressure recovered to its original pressure. The pressure change characteristics are shown in Figure 5.7.

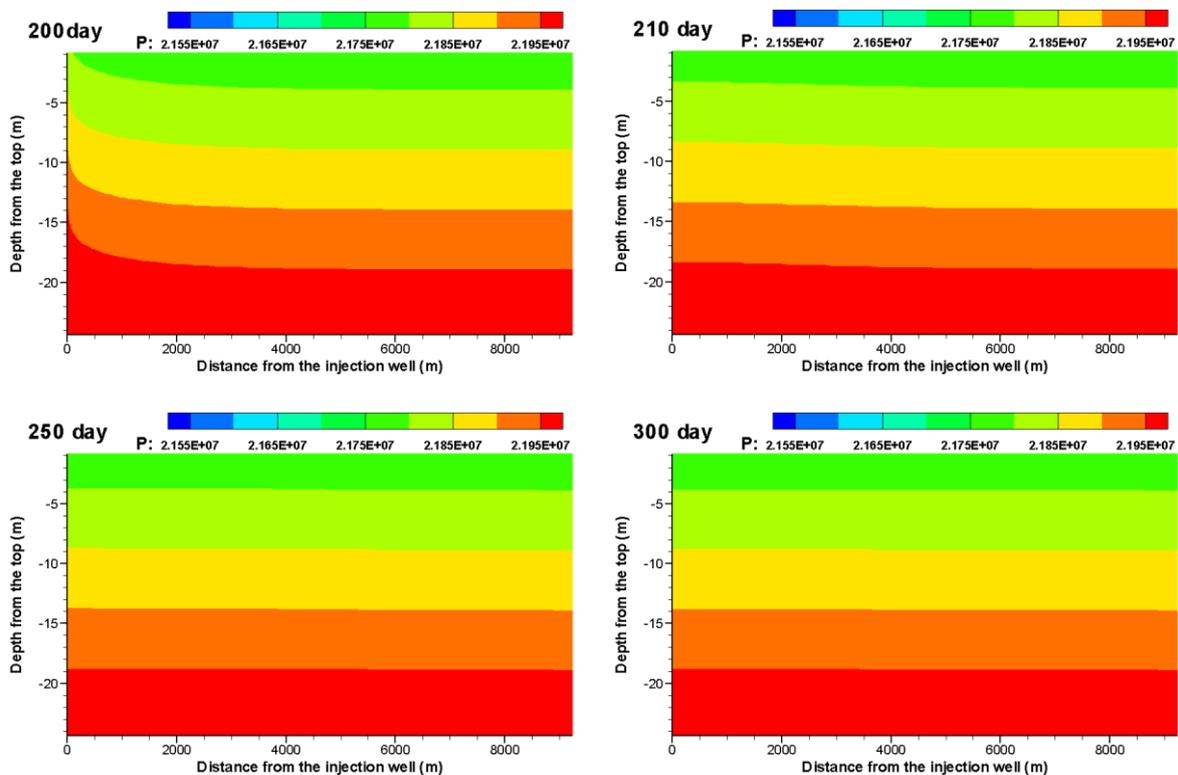


Figure 5.7 The pressure change characteristics after saline push stopped

## (2) Second stage

**The second stage (case):** CO<sub>2</sub> injection of 1,000 t for 25 days with constant flow (40 t/d). The pressure change characteristics in the reservoir during the CO<sub>2</sub> injection are shown in Figure 5.8, and the CO<sub>2</sub> saturation is shown in Figure 5.9.

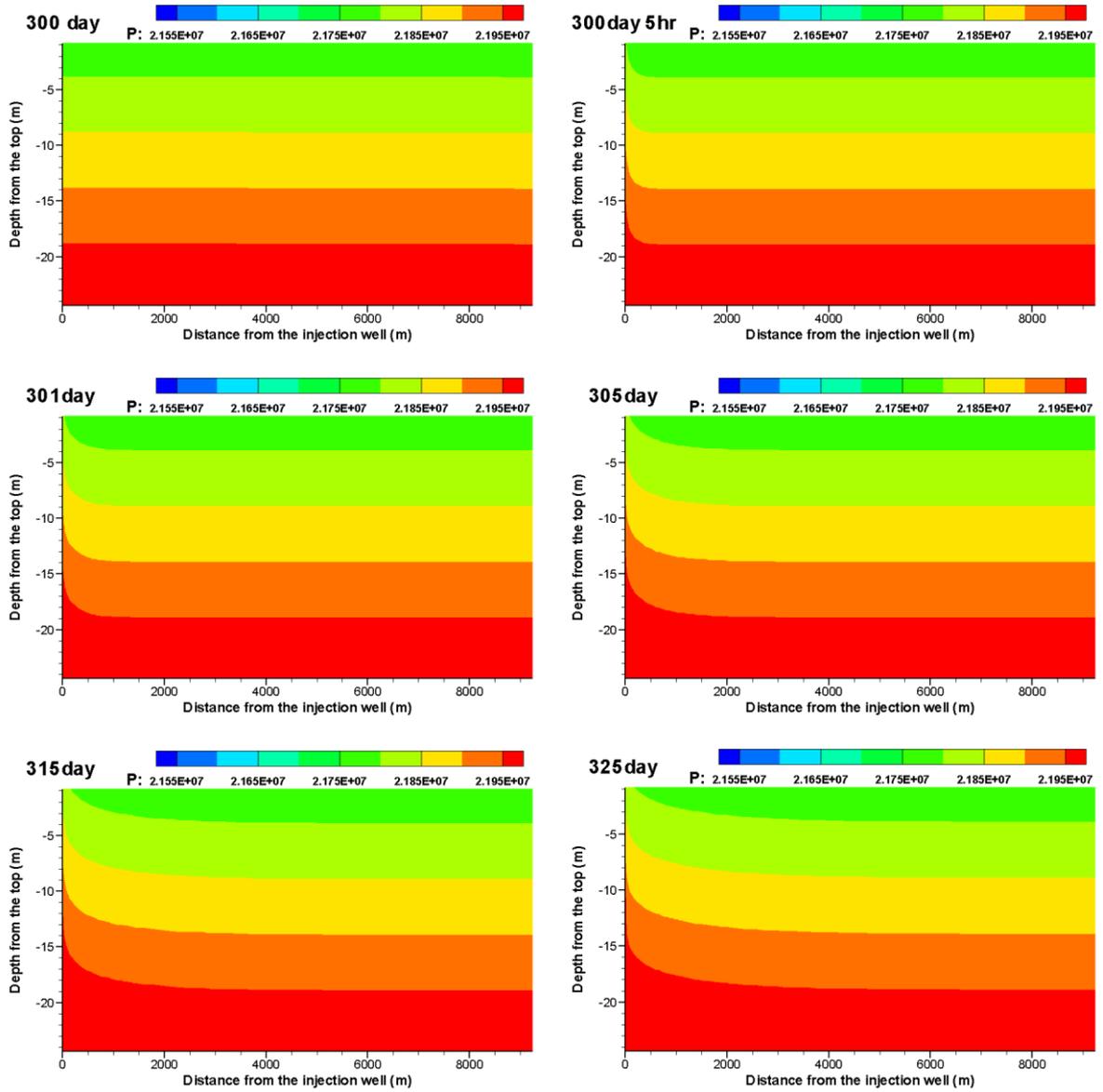
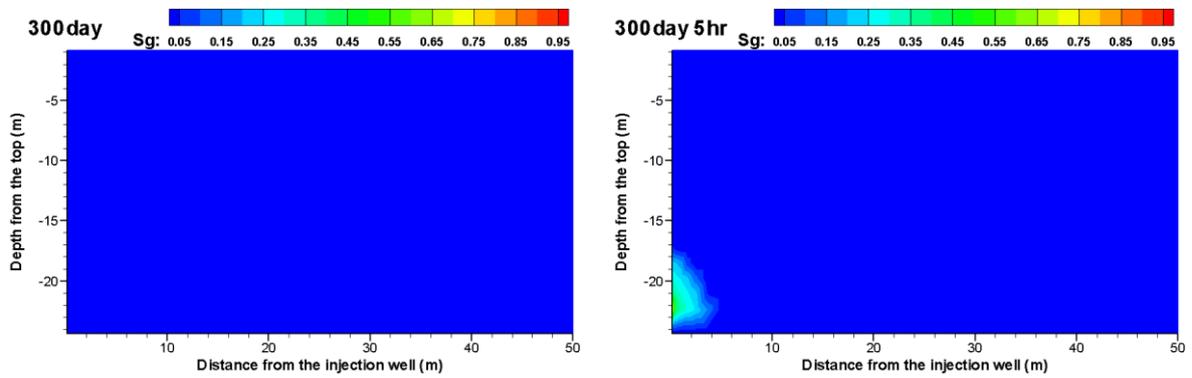


Figure 5.8 The pressure change characteristics during the CO<sub>2</sub> injection



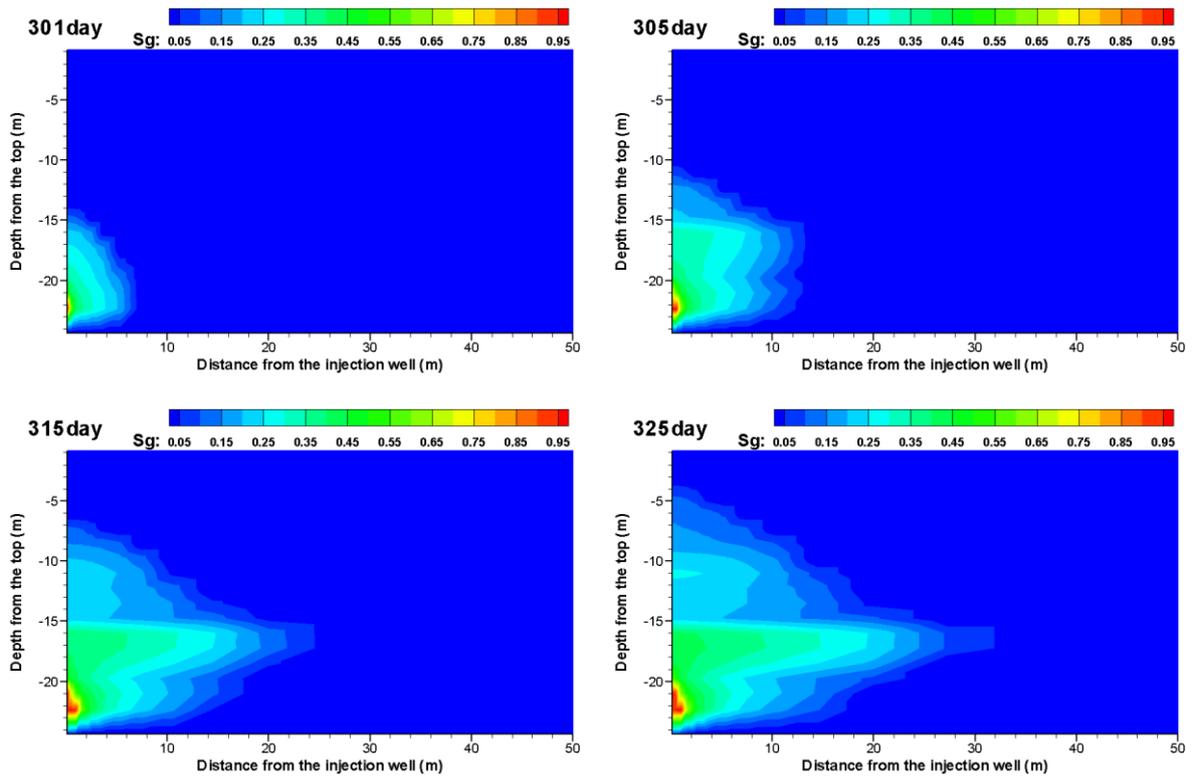
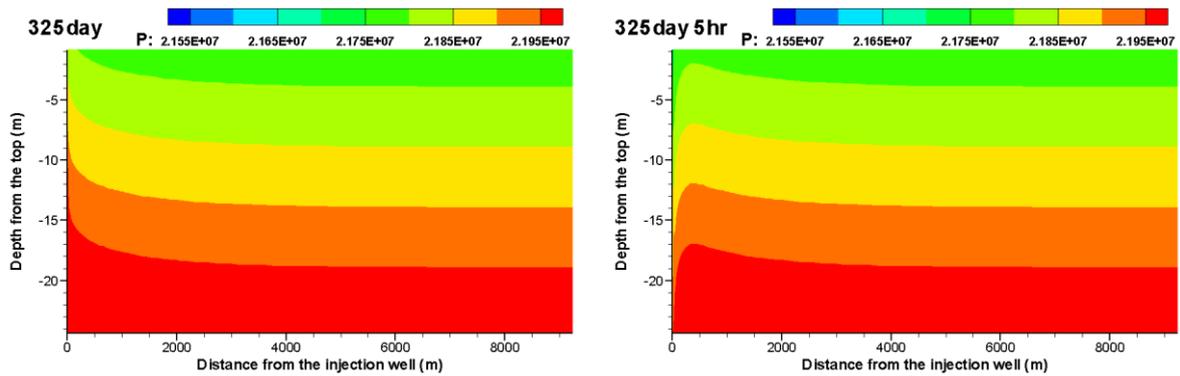


Figure 5.9 The CO<sub>2</sub> saturation during the CO<sub>2</sub> injection

### (3) Third stage

The third stage (case): CO<sub>2</sub> and saline mixed liquid pull of 2,000 t for 25 days with constant flow (80m<sup>3</sup>/d). The pressure change characteristics during the mixed liquid pull are shown in Figure 5.10, and the CO<sub>2</sub> saturation is shown in Figure 5.11.



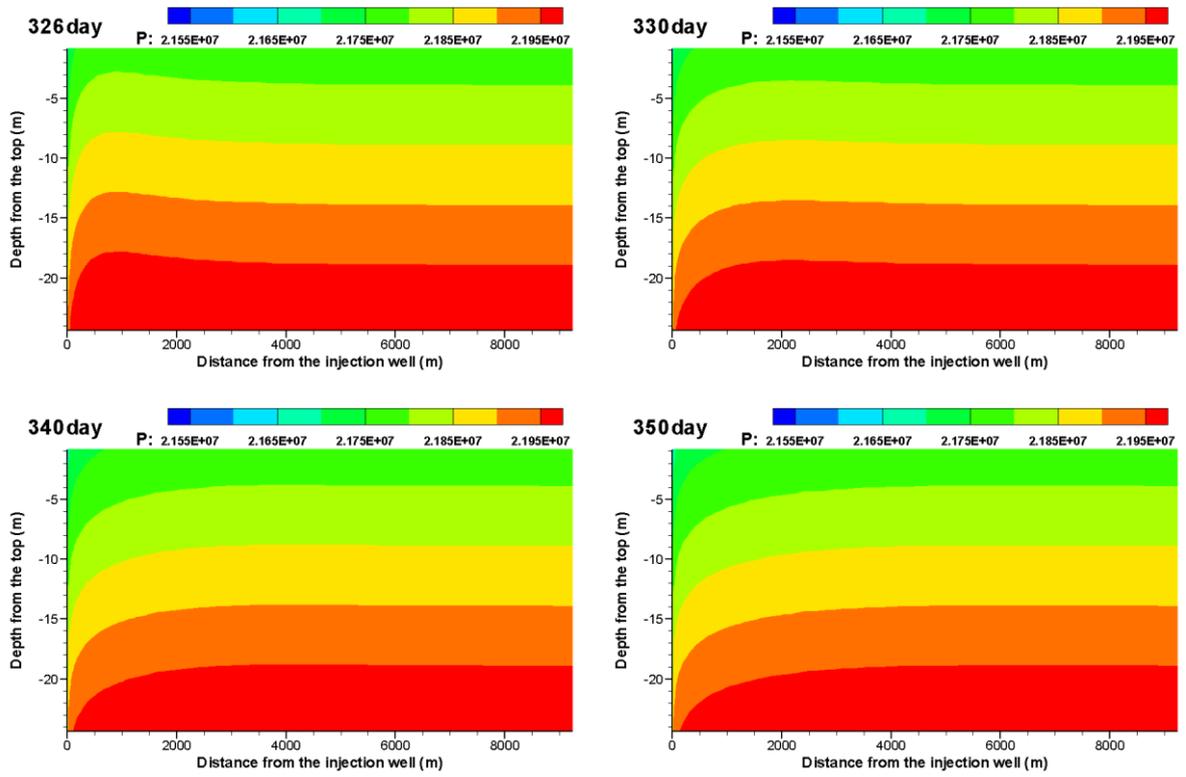
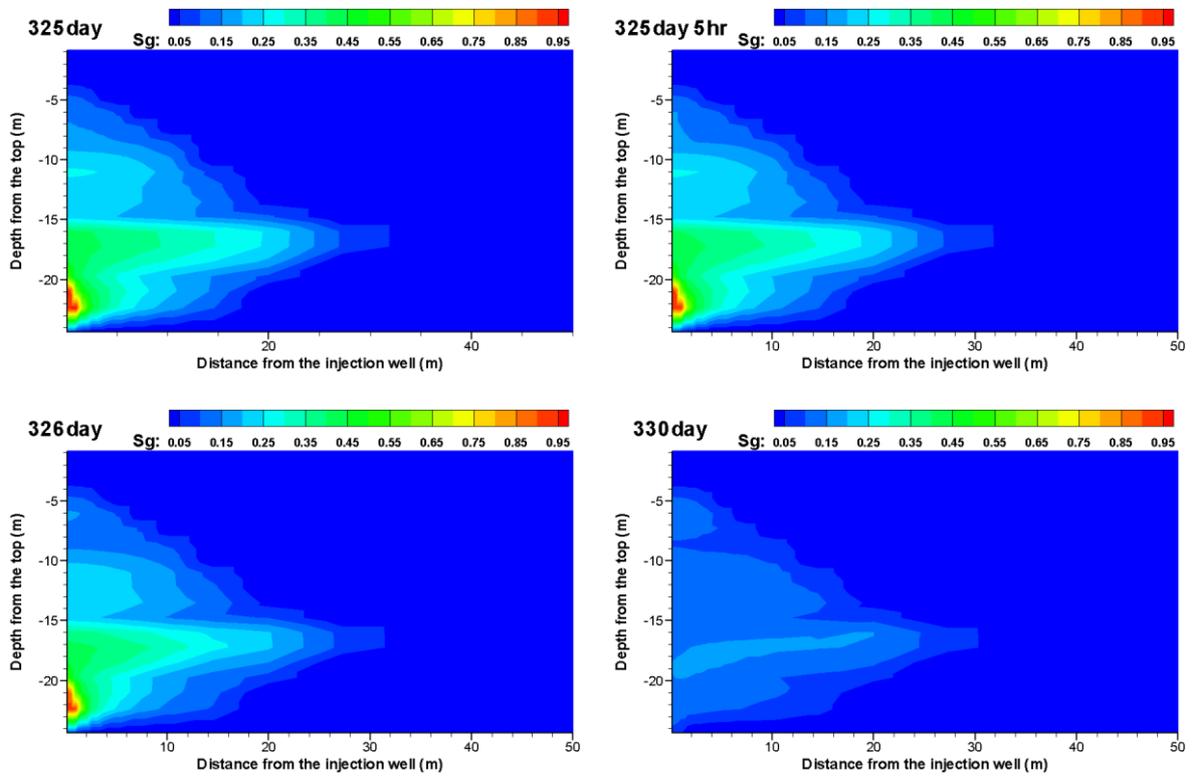
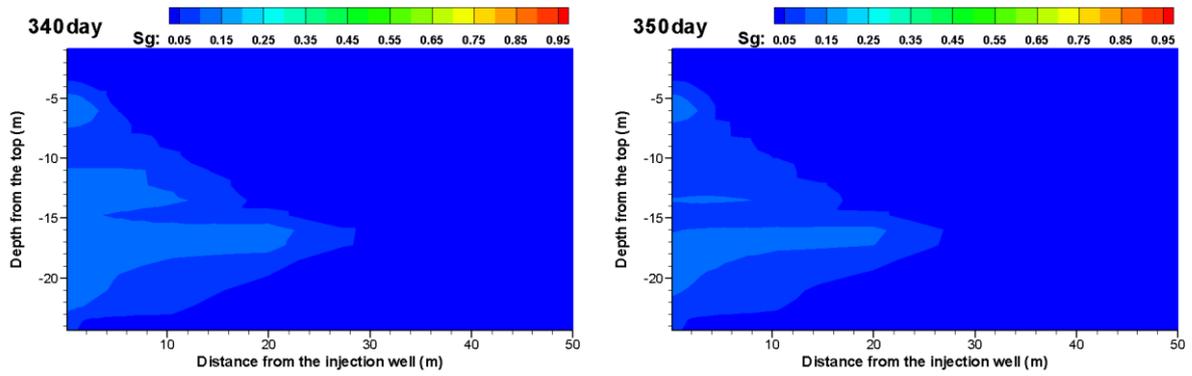


Figure 5.10 The pressure change characteristics during the mixed liquid pull

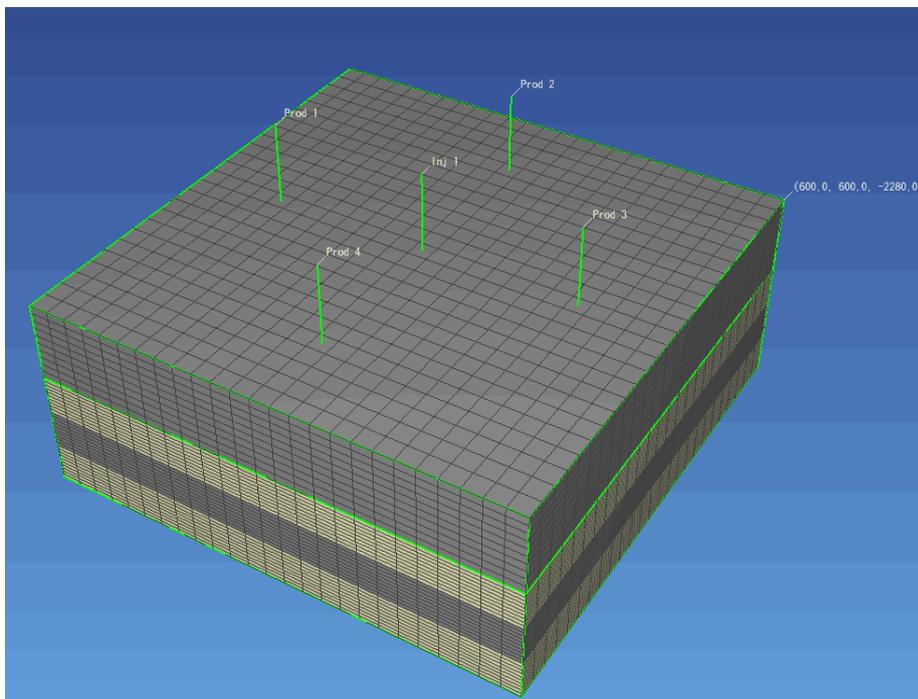




**Figure 5.11 The CO<sub>2</sub> saturation during the mixed liquid pull**

However, the study purposes of the single well test are very limited, and the test results are very difficult to explain. The simulation of the next stage single well test is still ongoing, to optimise the process and clarify the study purposes.

In addition, our Team and Eastern Junggar Oilfield (under Xinjiang Oilfield) are planning to start a multi-well test of CO<sub>2</sub>-EWR in the Eastern Junggar Basin, including one injection well and four oil production wells (the saline content of produced liquid reaches more than 90%, which may be good for CO<sub>2</sub>-EWR research). The purpose of this pilot project is to construct a project framework of long-term CO<sub>2</sub> geological storage research, similar to the CO<sub>2</sub>CRC Otway Project.



**Figure 5.12 Injection well and oil production wells of Cai 9 block**



## 6. ECONOMIC FEASIBILITY ANALYSIS AND RISK ASSESSMENT

### 6.1 PRELIMINARY ECONOMIC ANALYSIS

The recommended demonstration site has good geological conditions and the reservoir has good permeability and porosity. The desalinated deep salt water is transported to nearby water demand areas or factories depending on the water quality. The salt water desalination treatment adopts RO technology.

The design target of CO<sub>2</sub>-EWR is to inject CO<sub>2</sub> at 1 Mt/a for 30 years. The constraints are the following:

- (1) To prevent the risk of leakage of the caprock, the maximum pressure of the saline aquifer must be less than 1.5 times the original formation pressure;
- (2) The fluid passing through the wellbore to the bottom must reach supercritical state;
- (3) The temperature and pressure in the reservoir during the whole process of CO<sub>2</sub> flooding must always ensure that the CO<sub>2</sub> is in a supercritical state and that phase transition is prevented.
- (4) For the 30 year project period, CO<sub>2</sub> must not move to the salt water production well.

**Table 6.1 The schematic design of the CO<sub>2</sub>-EWR demonstration project**

CO <sub>2</sub> compression	CO <sub>2</sub> pipeline transportation	CO <sub>2</sub> -EWR	Extracted water desalination
0.10 MPa to pipe inlet pressure (12 MPa), 5-stage compression and one-stage pump	Dense CO <sub>2</sub> pipeline, 12 Mpa of inlet pressure	Injection wells with water production well (or pressure control well), storage parameters shown in Table 6.2	RO technology

**Table 6.2 Basic technical parameters of CO<sub>2</sub>-EWR storage**

Storage scale	1 Mt /yr
Project period	30 years
Reservoir depth	2100 m
Sand thickness	300 m
Horizontal permeability (Kh)	150 mD
The number of injection wells and production wells	1 injection well, 1 production well
The number of new wells	2
Injection rate	3424.66 t/d

CO<sub>2</sub> saline aquifer storage costs are primarily divided into capital cost and operation and management (O&M) costs. The capital cost of storage mainly includes the costs of field investigation and site evaluation, well drilling, injection equipment and monitoring equipment.

Field investigation and site evaluation: the basic geological conditions of the primary storage site and a certain range within the surrounding area need be evaluated. The key points of evaluation are formation characteristics, faults and attitude of stratum. The methods include 2D and 3D seismic survey and drilling, etc, of which the cost is mainly construction cost and data interpretation fees.

Well drilling: includes injection wells, production wells, and monitoring and pressure control wells. It is very important to calculate the number of wells to be drilled because of the high cost. The construction cost consists of well drilling, well completion, logging, and well cementation cost, as well as some monitoring costs.

Injection equipment cost: mainly includes the costs of workshop building, electrical service, power distribution lines, injection pipeline and well site connection, etc.

O&M cost mainly includes: normal daily expenses (O&M<sub>daily</sub>), consumables (O&M<sub>cons</sub>), surface equipment maintenance (O&M<sub>sur</sub>), subsurface maintenance (O&M<sub>subsur</sub>), monitoring cost, and CO<sub>2</sub> pressure boost, etc.

The cost of brine treatment includes desalination costs and the income from selling desalinated brine to industry. This paper takes no account of the desalinated brine transportation cost. Due to the limited geological data, the saltwater production temperature and TDS is still uncertain. The desalination cost is temporarily calculated at 1.5 USD/t CO<sub>2</sub> (IAEA, 2013).

The basic cost evaluation parameters of this Project are shown in Table 6.3, and the cost outcomes are shown in Table 6.4.

**Table 6.3 Basic cost evaluation parameters**

Storage scale (Mt /yr)	1
Project period (year)	30
Discount rate (%)	0.1
Electricity price (USD /kW.h)	0.083
Industrial water price (USD /t water)	0.54
Desalination price (USD /t CO <sub>2</sub> )	1.5

**Table 6.4 Storage cost outcomes**

Cost structure	Unit	Value
1 Saline aquifer storage		
<b>1.1 Capital cost</b>	<b>10<sup>4</sup> USD</b>	<b>2779.33</b>
1.1.1 Site screening and evaluation	10 <sup>4</sup> USD	1153.85
1.1.2 Equipment cost	10 <sup>4</sup> USD	19.02
1.1.3 Drilling cost	10 <sup>4</sup> USD	1537.23
1.1.4 Monitoring equipment cost	10 <sup>4</sup> USD	69.23
<b>1.2 Operation &amp; Management cost</b>	<b>10<sup>4</sup> USD/yr</b>	<b>96.22</b>
1.2.1 O&M <sub>daily</sub>	10 <sup>4</sup> USD/yr	10.00
1.2.2 O&M <sub>cons</sub>	10 <sup>4</sup> USD/yr	1.54

1.2.3 O&M <sub>sur</sub>	10 <sup>4</sup> USD/yr	7.61
1.2.4 O&M <sub>subsur</sub>	10 <sup>4</sup> USD/yr	1.85
1.2.5 CO <sub>2</sub> compressure	10 <sup>4</sup> USD/yr	64.46
1.2.6 Monitoring cost	10 <sup>4</sup> USD/yr	10.77
<b>1.3 Total storage cost</b>	<b>10<sup>4</sup> USD</b>	<b>5666.06</b>
1.4 Annual levelised capital cost	10 <sup>4</sup> USD/yr	294.83
1.5 Annual total cost	10 <sup>4</sup> USD/yr	391.05
1.6 Storage levelised cost	USD/t CO <sub>2</sub>	3.91
<b>2 Desalination treatment</b>	<b>10<sup>4</sup> USD</b>	<b>68.15</b>
2.1 Desalination cost	10 <sup>4</sup> USD	150.00
2.2 Income from desalinated brine sale	10 <sup>4</sup> USD	81.85
2.3 Desalination levelised cost	USD/t CO <sub>2</sub>	1.50
<b>3 Comprehensive levelised cost of storage and desalination</b>	<b>USD/t CO<sub>2</sub></b>	<b>5.41</b>
4 CO <sub>2</sub> compression levelised cost	USD/t CO <sub>2</sub>	12.50
5 CO <sub>2</sub> pipeline transportation levelised cost	USD/t CO <sub>2</sub>	1.97
<b>6 Total levelised cost</b>	<b>USD/t CO<sub>2</sub></b>	<b>19.88</b>

Note: The cost calculation does not include other fixed assets and pre-project investments, such as compensation, road and infrastructure, environmental assessment, safety evaluation, etc.

## 6.2 THE STORAGE RISK ASSESSMENT

An overall risk and cross-risk assessment of the Project has been performed, based on the environmental risk assessment guidelines of the Ministry of Environmental Protection and the classification criteria of Hnottavange -Telleen (GHG Underground).

**Figure 6.5 Overall risk and cross-risk assessment of the demonstration project**

Reference number	Risk	Whole project (W), Capture (C), Transportation (T) or Storage (S)	Political, Economic or Technical	Start-up				Operation			Closure	Post-Closure	CO <sub>2</sub> -EWR risk			Notes
				Opportunity	Planning	Engineering	Construction	Capture	Transportation	Injection			Consequences (1~5)	Likelihood (1~5)	Controllability (1-5)	
1	Legal uncertainties (including pore space ownership)	W	Political	X	X	X	X	X	X	X	X	X	1	1	4	No oilfields on the storage site; no ownership problem.
2	Uncertain cost or regulations for integrated project, e.g. plugging	W	Political								X		2	4	2	Domestic CCUS related laws and regulations are not complete.

	and abandonment (closure/post closure)															
3	Public engagement (public opposition, risk communication, public disclosure of data, etc.)	W	Political	X	X	X	X	X	X	X			1	2	3	Low population density.
4	Project permits not obtained	W	Political	X	X	X	X	X	X	X	X		1	1	1	No precedent for demonstration projects to be licensed in China.
5	Lack of financial driver e.g.,	W	Economic			X	X	X	X	X			3	4	3	Large CO <sub>2</sub> price fluctuation

	CO <sub>2</sub> price/credit, benefit (oil or other products)															affects project operation.
6	Insufficient project financial resources-cost of capital	W	Economic	X	X								4	3	3	Increasing financing channels and seeking financial support can effectively reduce risks.
7	Unexpected construction or operational cost changes	S	Economic			X	X	X	X	X	X		2	3	2	
8	Uncertainty in CO <sub>2</sub> supply	W	Economic					X	X	X			2	3	3	The other emission sources are relatively far away.

9	Lack of emissions accounting	W	Economic, Political			X	X	X	X	X			1	3	1	Very low impact on this project.
10	Technology scale-up	W	Technical			X	X	X	X	X			2	3	1	Lack of experiences of similar projects.
11	Lack of knowledge /qualified resources for operating the unit	W	Technical	X	X	X	X	X	X	X		X	3	4	5	The right team and enhancing training could reduce this risk.
12	Project impacts on environment	W	Technical				X	X	X	X	X	X	3	2	4	It is mainly the pollution of groundwater, and it has good controllability under the premise of complete environmental assessment.
13	External natural	W	Technical					X	X	X	X	X	1	2	3	Limited impact.

	impacts on project															
14	External man-made impacts on project	W	Technical					X	X	X	X	X	2	3	4	It mainly affects the pipeline and surface facilities. Enhancing communication , increasing warning signs, and regularly checking could reduce the risk.
15	Site planning uncertain, conflict with other usage rights	W	Technical				X	X	X	X			3	1	5	The business entity and the holder of the site usage rights are the same.
16	Accidental or intentional interruption or	C↔T↔S	Technical					X	X	X			1	3	3	The chemical plant as a CO <sub>2</sub> emission source is stable.

	intermittency of CO <sub>2</sub> supply, CO <sub>2</sub> intake or transportation															
17	Shared infrastructure by multiple projects (uncertain ownership, performance or lack of coordination)	C↔T↔S	Technical					X	X	X			2	1	5	No public facilities.
18	Using existing facilities (especially pipeline: knowledge of conditions,	C↔T↔S	Technical		X	X	X		X	X			2	3	5	Most facilities should be newly built.

	obligation to other users, CO <sub>2</sub> or material specifications, uncertain timing)															
19	Unintended phase change	C↔T↔S	Technical						X			1	5	4		The surface is relatively flat, and the possible phase transition occurs in the pressure relief process, with minimal consequences.
20	CO <sub>2</sub> out of specifications: source gas composition is not as expected CO <sub>2</sub>	C→T→S	Technical					X				3	3	3		Good controllability.

21	Mismatched component performance (capacity, resource, flexibility, efficiency, well integrity, usage life)	$C \leftrightarrow T \rightleftharpoons S$	Technical					X	X	X			3	3	4	Good controllability.
22	Lower capture efficiency due to the upstream plant flexible operation	$C \rightarrow T \rightarrow S$	Technical							X			2	2	3	Large potential storage capacity in this site.
23	Insufficient storage resource	$S \rightarrow T \rightarrow C$	Technical							X	X	X	3	3	4	

24	Reservoir does not perform as predicted (injectivity reduction, storage resource, geomechanical stability, containment)	$S \rightarrow T \rightarrow C$	Technical	X	X	X	X			X		X	3	3	3	More reservoir data can be obtained in the next stage, which could improve model precision.
25	Model uncertainties regarding the storage performance (capacity/injectivity/containment)	$S \rightarrow T \rightarrow C$	Technical					X	X	X			4	3	5	Knowledge sharing can improve the deficiency of this aspect, and the controllability is very high.
26	Lack of maintenance	$C \rightarrow T \rightarrow S$	Technical					X	X	X			2	2	4	Taking appropriate



## 7. CONCLUSIONS

(1) The CO<sub>2</sub> emission sources in the Junggar Basin are mainly concentrated in the Urumqi, Shihezi and Kuitun regions. The carbon emissions of a total number of 54 sources in the Basin amount to 132.22 Mt. Power plants account for over 50% both in quantity and annual emissions share – there are as many as 32 plants with total emissions of 67.51 Mt/a. There are 5 cement plants in this region, with emissions of 28.05 Mt/a, and 12 chemical plants, including coal chemical and petrochemical plants, with emissions of about 22.13 Mt/a.

(2) In China, the Junggar Basin has the greatest potential for CCS development, as it has significant carbon emissions together with deep saline aquifers having good geology for CO<sub>2</sub> geological storage or CO<sub>2</sub>-EWR. By using the formula proposed by USDOE and other authoritative papers, we evaluated the potential of CO<sub>2</sub> geological utilisation and storage in the Junggar Basin. The results show that the potential of CO<sub>2</sub> storage by using CO<sub>2</sub>-EWR or deep saline aquifer CO<sub>2</sub> storage technologies is greatest (about  $480.27 \times 10^8$ - $1640.93 \times 10^8$ t ( $960.55 \times 10^8$ t average expected)) because of the large area of the Basin, thick saline aquifers and suitable geological security conditions. The potential of CO<sub>2</sub> storage by using other technologies is much lower, for example, the potential by using CO<sub>2</sub>-EOR is just  $1.48 \times 10^8$ t, while the potential of depleted oil field CO<sub>2</sub> storage is  $13.45 \times 10^8$ t. However, both of these figures are more credible than CO<sub>2</sub>-EWR or deep saline aquifers CO<sub>2</sub> storage, because of the extent of geological surveying and data support.

(3) The source-sink matching results are very good for CO<sub>2</sub>-EWR or standalone CO<sub>2</sub> geological storage in the Junggar Basin. All CO<sub>2</sub> sources could be matched to suitable storage targets within 50 kilometers. Furthermore, Western Junggar Basin is suitable for CO<sub>2</sub>-EOR demonstration projects, while Eastern Junggar Basin is suitable for CO<sub>2</sub>-EWR demonstration projects.

(4) Funded by the CAGS and China Geological Survey (CGS) project “Geological Survey of CO<sub>2</sub> Geological Storage in the Junggar and Other Typical Basins”, we completed outcrops geological surveys, 2D seismic exploration and downhole reservoir testing for reservoir characterisation of CO<sub>2</sub>-EWR, and ultimately three perforated layers were selected for next stage study. Based on the geological data, we built a 3D static geological model of the storage site by using PETREL software, and we inferred that the total volume of rock is  $3.2551 \times 10^{10}$  m<sup>3</sup>, while the total volume of pores is  $4.327 \times 10^9$  m<sup>3</sup>, which could be regarded as the total theoretical groundwater resources volume. Furthermore, we evaluated the capacity of CO<sub>2</sub> storage by using the formula proposed by USDOE (2007), which is 71.97 Mt at a P50 level.

(5) In order to study the enhanced efficiency of CO<sub>2</sub> storage and saline production in the D7 well, we built a homogenous horizontal 3D geological model for numerical simulation covering 20 km × 20 km. From the geology of reservoirs and the numerical simulation results, we concluded that CO<sub>2</sub>-EWR technology could greatly improve the efficiency and total amount of CO<sub>2</sub> storage and saline production. In the D7 well storage site, the sandstone layer at the depth of 2,246.5 - 2,265 m is the best reservoir for the next stage push-pull test.

(6) The recommended emission source for CO<sub>2</sub>-EWR demonstration is Guanghui New Energy Co., Ltd and the storage site is located at Suosuoquan Depression in the Eastern Junggar Basin. According to the preliminary economic analysis, the fixed capital cost is  $2,779.33 \times 10^4$  USD, Operation and Management cost is  $96.22 \times 10^4$  USD/yr, and the comprehensive levelised cost of storage and desalination is 5.41 USD/t CO<sub>2</sub>.

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