

CO2 ACTIVATION OF ABANDONED OIL WELLS

Oil is removed in three phases. The first phase is simplest. The first phase is the primary phase where the oil is simply pumped from the well. After the oil production reaches exhaustion the secondary phase is initiated to extract additional oil by injecting water. Again, after the oil production reaches exhaustion the tertiary phase is initiated to extract the remaining oil that is extremely viscous so that CO₂ or N₂ gases are injected to reduce the viscosity.

Oil viscosity is reduced dramatically with dissolving CO₂ in oil. The overall reduction of viscosity depends on the initial viscosity, where there is greater reduction for higher viscous crudes. Reducing oil viscosity increases relative permeability of oil and reduces residual oil saturation. Oil permeability is higher in CO₂ injection compared to N₂ injection. Interfacial tension and viscosity reduction, and oil swelling are mechanisms that account for oil relative permeability improvement. These cause the recovery factor of CO₂ injection to become higher than N₂ injection. Recovery factor in CO₂ injection is higher due to swelling effect of CO₂ and lower interfacial tension result in lower residual oil saturation.

Figure 1 shows a commercial CO₂ gas injection into an abandoned oil well (Tertiary Phase). Figure 2 shows the three phases of the oil well activities. The tertiary phase wherein CO₂ is injected produces oil that would have been left behind in an oil well considered abandoned. Therefore, the tertiary phase oil production is called, Enhanced Oil Recovery (EOR).

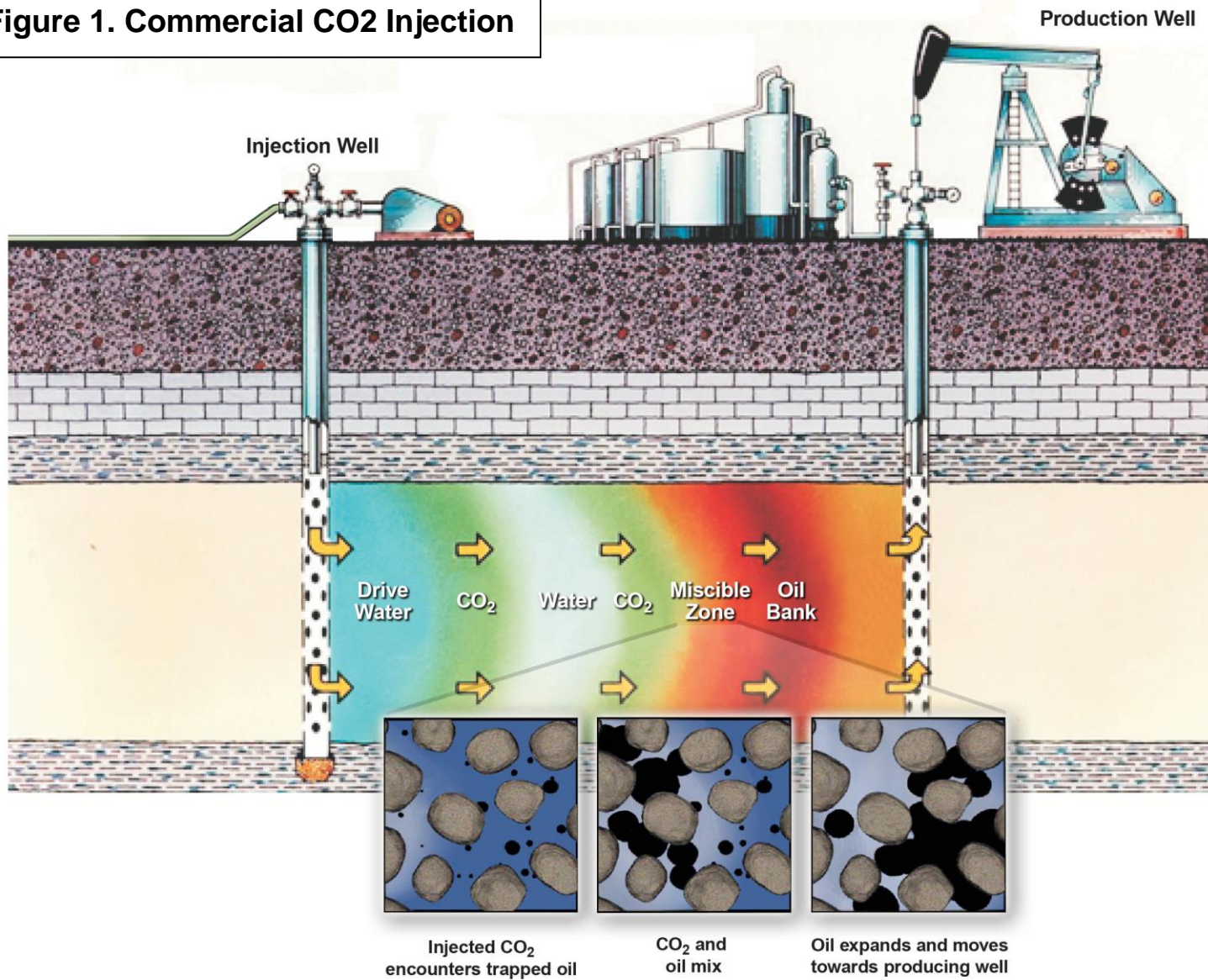
In the EEG LLC version of EOR CO₂ blocks are dropped down the existing injection borehole pipes so that the cold dry blocks of CO₂ impinge on the warm oil pool (Figure 3). The vaporizing CO₂ solid cylinders throw off vapor and propel the smaller and smaller solid cylinders through the viscous oil pool. The CO₂ gas mixes with the oil and reduces the oil viscosity so that it can be pumped again.

Figure 4 shows how this EOR process fits in with the patented suite of EEG LLC processes.

Figure 5 shows the state of development of the EEG LLC E.O.R. system. The reason for the rating is the degree of difficulty in obtaining a site for a Demonstration Test.

Figure 6 shows the ratings based upon the same difficulty...obtain a site for a Demonstration Test. In order to increase the possibility for obtaining access to an existing site we need a site where the dry ice cylinders can be easily dropped down the injection hole. The results at the production hole will then become evident.

Figure 1. Commercial CO₂ Injection



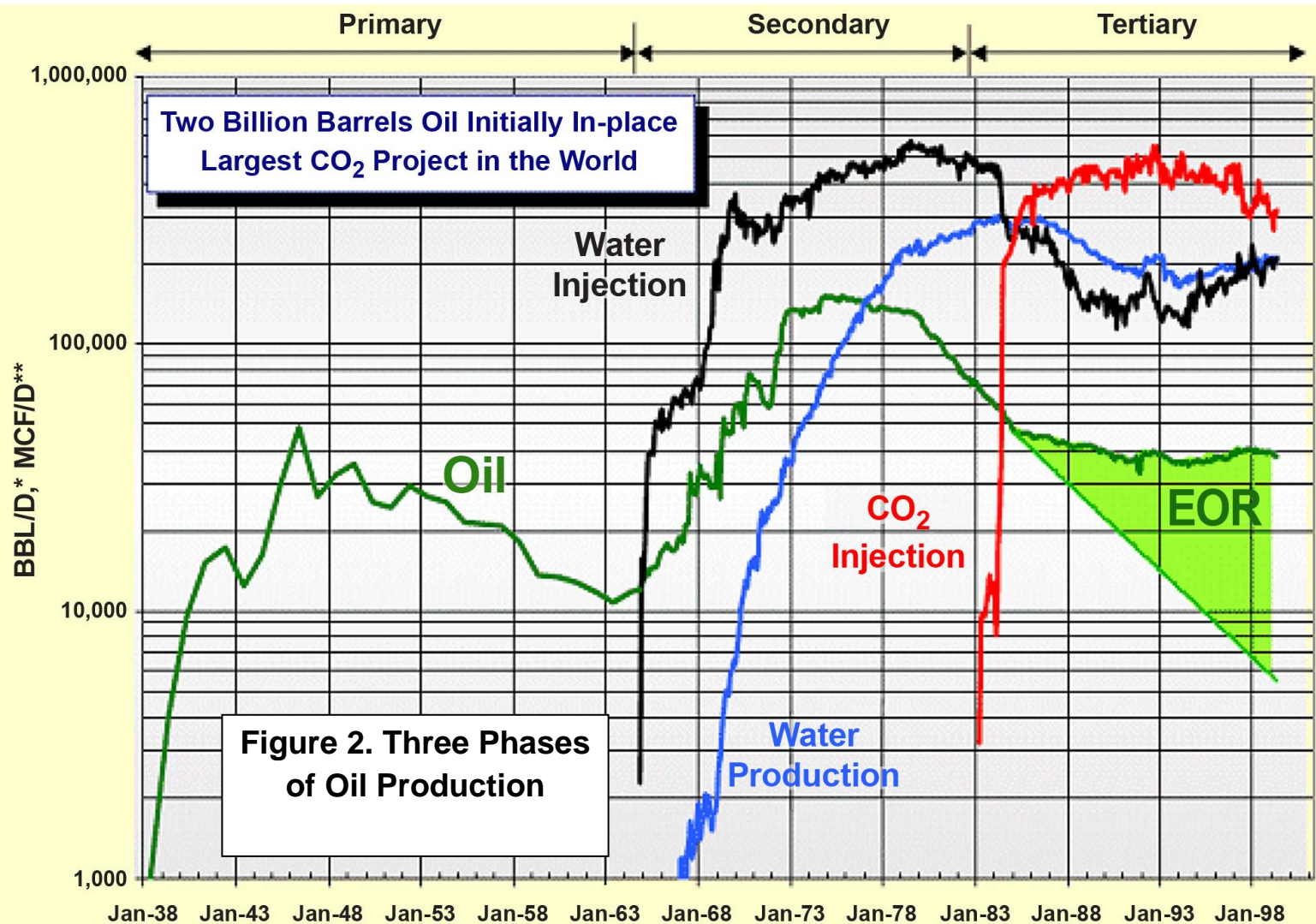
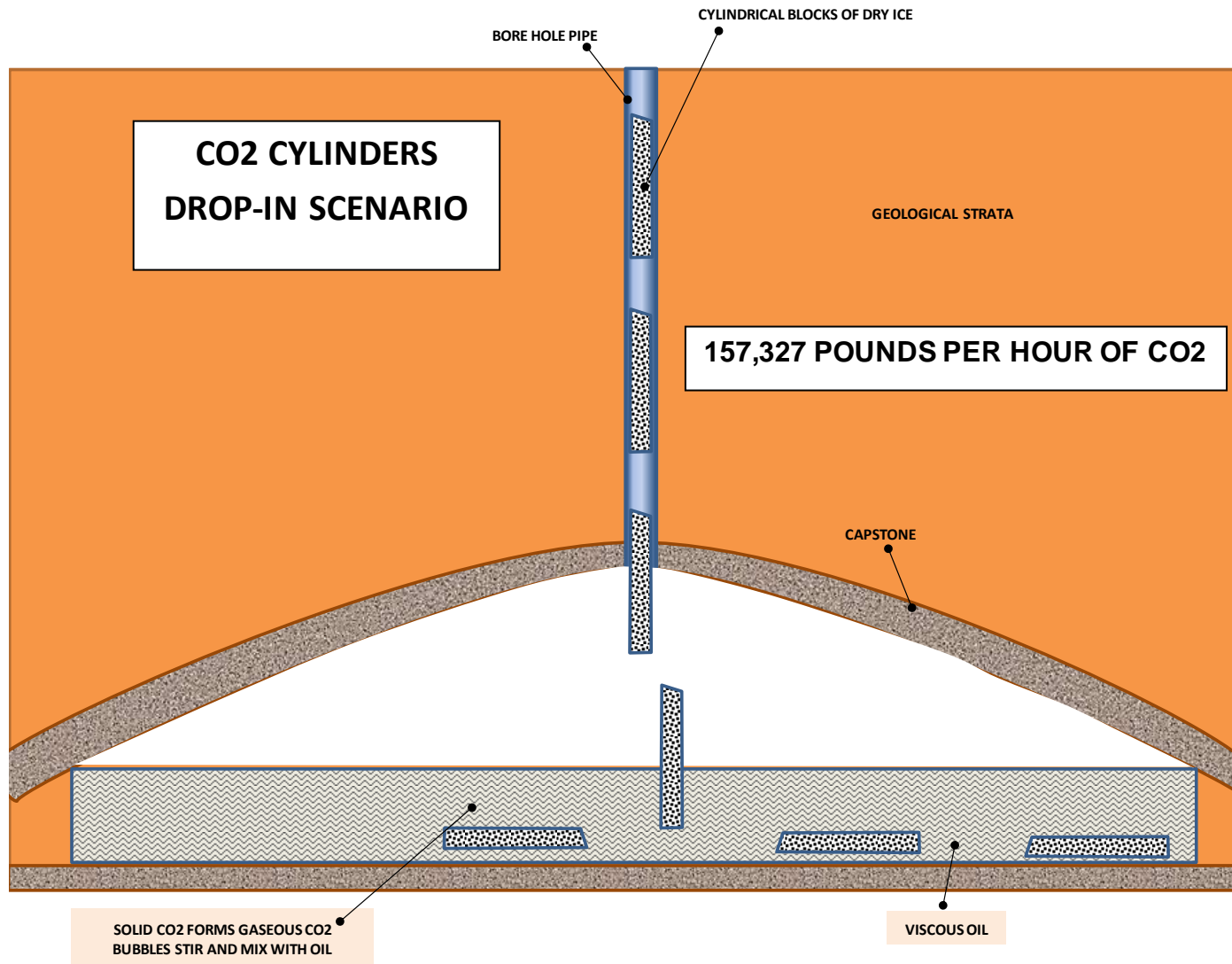


Figure 2. Three Phases of Oil Production

* BBL/D = barrels per day
 ** MCF/D = thousand cubic feet of gas per day

**Figure 3. EEG LLC
Tertiary Stage
Procedure**

CONTINUOUS DROP IN OF CO2 CYLINDERS
DENSE CYLINDERS SINK TO BOTTOM OF MATURE OIL POOL
RAPID WARMING OF SOLID CO2 RESULTS IN VIGOROUS RELEASE OF CO2 BUBBLES
CO2 RAPIDLY AND FORCIBLY MIGRATES THROUGHOUT OIL POOL



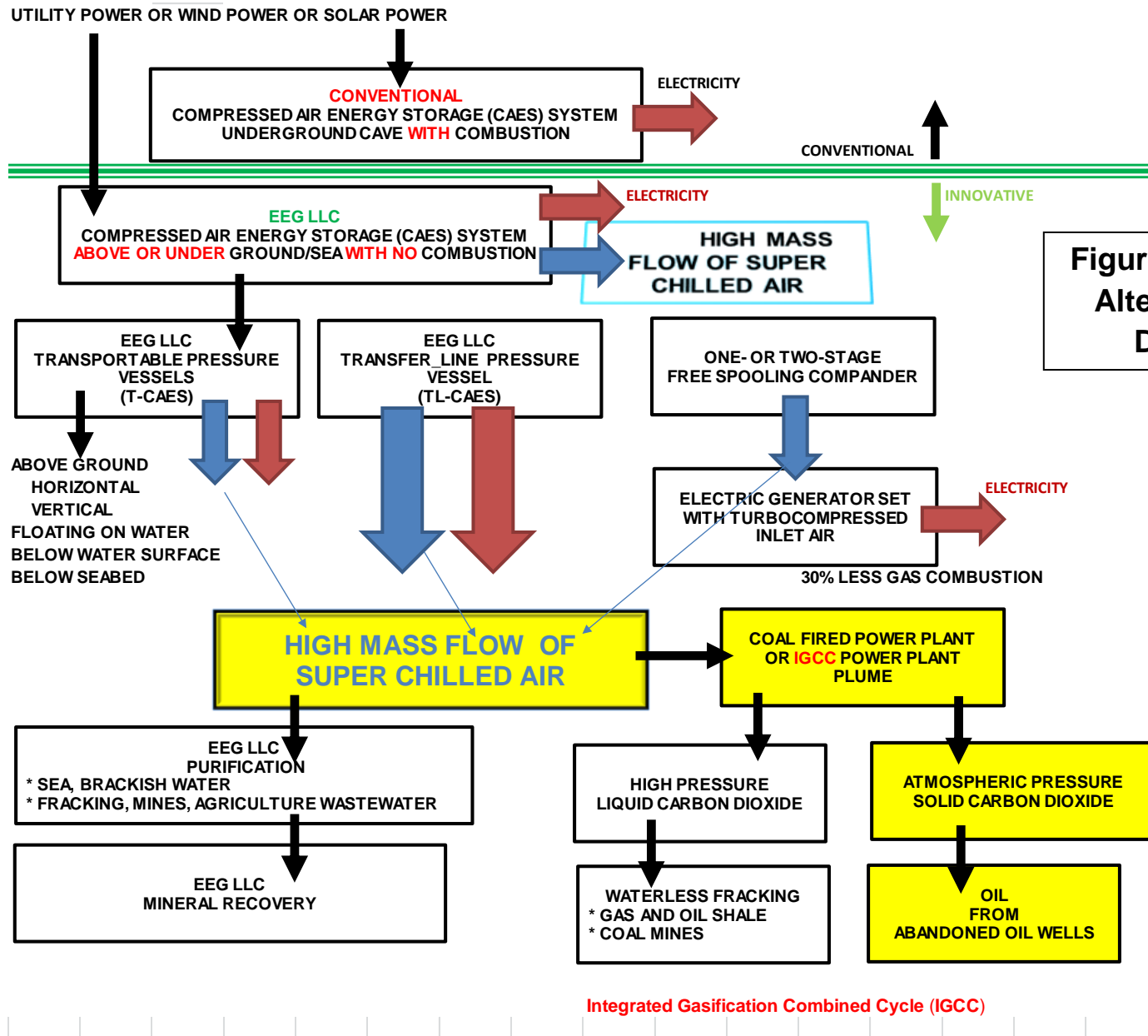


Figure 4. Sequence of Alternate Energies Development

COMPANDER
AND GEN-SET FOR
HIGH RISE BUILDINGS
HVAC AND
EMERGENCY
ELECTRICAL POWER

COMMERCIALY
AVAILABLE

TRANSPORTABLE
COMPRESSED AIR ENERGY
STORAGE (T-CAES) SYSTEM
ON LAND, FLOATING ON
WATER SURFACE, UNDER
WATER, UNDER SEABED

TRANSFER LINE (PIPELINE)
COMPRESSED AIR ENERGY
STORAGE (TL-CAES)
SYSTEM

IN DEVELOPMENT

LIQUID NITROGEN DEWAR
AND
THREE DESK-TOP
FREEZE CRYSTALLIZATION
SPRAY CHAMBERS

COMPANDER AND
FULL SCALE FREEZE
CRYSTALLIZATION SPRAY
CHAMBER

COMPANDER AND
FULL SCALE FREEZE
CRYSTALLIZATION SPRAY
CHAMBER AND GEN-SET

TL-CAES SYSTEM AND
FULL SCALE
FREEZE CRYSTALLIZATION
SPRAY CHAMBER

TL-CAES SYSTEM AND
FULL SCALE
FREEZE CRYSTALLIZATION
SPRAY CHAMBER AND
THERMAL ENERGY
STORAGE

TL-CAES SYSTEM AND
FULL SCALE
FREEZE CRYSTALLIZATION
SPRAY CHAMBER AND
MINERAL RECOVERY

IN NEAR-TERM
RESEARCH

CO2 REMOVAL
AND CAPTURE
FROM COAL-
FIRED
POWERPLANTS

WATERLESS
FRACKING
OR
HIGH PRESSURE
LIQUID CO2
FRACKING

ENHANCED OIL
RECOVERY FROM
ABANDONED OIL
WELLS USING
SOLID CO2
BLOCKS

IN RESEARCH

COMPANDER

**Figure 5. EEG LLC
Alternate Energy
Herein**

SEE PATENT TITLE ON LIST OF PATENT NUMBERS	APPLICATION	STAGE OF DEVELOPMENT	INITIAL INVESTMENT	TIME SCALE	NUMBER OF SITES	MAGNITUDE OF RETURN PER SITE
12	COMPANDER AND GEN-SET FOR HIGH RISE BUILDINGS HVAC AND EMERGENCY ELECTRICAL POWER	EACH COMPONENT IS AVAILABLE OFF-THE SHELF EXCEPT FOR CENTRIFUGE DOUBLE-ELBOW-DUCT	VERY SMALL	PRESENT	VERY LARGE	EXTREMELY LARGE
1, 3, 4, 11, 13, 16, 17	TRANSPORTABLE COMPRESSED AIR ENERGY STORAGE (T-CAES) SYSTEM ON LAND, FLOATING ON WATER SURFACE, UNDER WATER, UNDER SEABED	EACH COMPONENT IS AVAILABLE OFF-THE SHELF	MEDIUM	PRESENT	LARGE	MEDIUM
2	TRANSFER LINE (PIPELINE) COMPRESSED AIR ENERGY STORAGE (TL-CAES) SYSTEM	EACH COMPONENT IS AVAILABLE OFF-THE SHELF	LARGE	PRESENT	MEDIUM	MEDIUM
18	LIQUID NITROGEN DEWAR AND THREE DESK-TOP FREEZE CRYSTALLIZATION SPRAY CHAMBERS	SIMPLE SOLUTES (HIGH CERTAINTY) COMPLEX SOLUTES (LESS CERTAIN) TOXIC SOLUTES (LEGAL ISSUES)	SMALL	MONTHS	MEDIUM	LARGE
18	COMPANDER AND FULL SCALE FREEZE CRYSTALLIZATION SPRAY CHAMBER	ISOLATION PERFORMANCE DEPENDENT ON 3 DESK-TOP CHAMBER TESTS	VERY SMALL	MONTHS	ONE	EXTREMELY LARGE
6, 7	TL-CAES SYSTEM AND FULL SCALE FREEZE CRYSTALLIZATION SPRAY CHAMBER	VALIDATE SEPARATION EFFICIENCY OF WASTEWATER DROPLETS OVER SHORT RESIDENCE TIME AND WITH EXTREME TEMPERATURE DIFFERENCES	LARGE	MONTHS	ONE	EXTREMELY LARGE
5, 7	TL-CAES SYSTEM AND FULL SCALE FREEZE CRYSTALLIZATION SPRAY CHAMBER AND THERMAL ENERGY STORAGE	SITE WHERE THERMAL ENERGY STORAGE WATER TANKS ALREADY IN USE	LARGE	MONTHS	VERY LARGE	MEDIUM
8	TL-CAES SYSTEM AND FULL SCALE FREEZE CRYSTALLIZATION SPRAY CHAMBER AND MINERAL RECOVERY	VALIDATE SEPARATION EFFICIENCY OF BULK WASTEWATER OVER SHORT RESIDENCE TIME AND WITH EXTREME TEMPERATURE DIFFERENCES	VERY LARGE	SEVERAL YEARS	LARGE	LARGE
9	CO2 REMOVAL AND CAPTURE FROM COAL-FIRED POWERPLANTS	CURRENT TECHNOLOGY OF HEAT EXCHANGERS	LARGE	MONTHS	MEDIUM	LARGE
10, 14	WATERLESS FRACKING OR HIGH PRESSURE LIQUID CO2 FRACKING	EXTEND SHALE/COAL STRATA LABORATORY DATA TO FIELD	VERY VERY LARGE	MANY YEARS	VERY LARGE	EXTREMELY LARGE
15	ENHANCED OIL RECOVERY FROM ABANDONED OIL WELLS USING SOLID CO2 BLOCKS	EXTEND LABORATORY DATA TO FIELD	VERY VERY LARGE	MANY MANY YEARS	MEDIUM	SMALL

**Figure 6.
Ratings of the
EEG LLC
Processes**