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Venezuela Develops Bitumen Reserves As Substitute For Oil In Electricity Generation

by Barbara Khol

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The world's largest deposits of extra-heavy crude and bitumen 1.2 trillion barrels are located in the Orinoco region, under the plains of northeast Venezuela. With current technology, largely steam injection, about 22%, or 270 billion barrels, can be recovered. The field then is equal to slightly more than one-quarter of the world's proven oil reserves. During the past five years, the state-run oil company, Petroleos de Venezuela (PDVSA) developed a bitumen and water emulsion, labeled "liquid coal," and patented under the name Orimulsion. It is liquid and easy to handle like oil but priced like coal. A PDVSA marketing subsidiary, Bitumenes Orinco S.A. (BITOR), began marketing Orimulsion this year. BITOR corporate director Carlos San Borregales told the New York Times that output will increase from 6,000 barrels per day in 1990 (largely for tests) to 700,000 bpd in 1996. After power plant modification, the fuel can be burned as an alternative to coal or to the international standby, Heavy Fuel No. 6. The most expensive part of the modification is adding scrubbers to smokestacks to remove sulphur, which causes acid rain, from emissions. The sulphur content of Orimulsion's bitumen base is 3.8%. (Coal's sulphur content ranges from 1 to 8%.) Once boilers, pipes and pumps have been modified, a plant can switch back and forth in the same day between Orimulsion and heavy fuel oil. Depending on contracts, Orimulsion is sold at \$8 to \$9.50 a ton, or about \$1.10 to \$1.30 per barrel. As of mid-October, heavy fuel oil was selling for about \$19 a barrel, up from \$10 a barrel at the end of July. After test-burning 1.1 million barrels of the fuel, the New Brunswick Power Company (Canada) is negotiating a 20-year supply contract with BITOR. (Basic data from New York Times, 10/15/90)

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