
China and Chevron to jointly develop gas field in Sichuan

Monday, 09 Nov, 2009

RIA Novosti reported that China national oil and gas corporation CNPC, and US oil major Chevron have signed an agreement to jointly develop a gas field in the southwestern Chinese province Sichuan.

The new joint venture will become China's largest onshore exploration venture with the participation of a foreign company. Under the terms of the deal, CNPC will hold a 51% stake in the venture while 49% will go to Chevron.

The field is located in the Chuandongbei area which covers nearly 2,000 square kilometers and has an estimated reserve of 141.6 million cubic meters of gas.

According to the report "That almost doubles China's 2008 annual gas output."

The two companies announced plans to jointly develop gas fields two years ago, but the deal required permission from local authorities, which was issued on October 29th.

Last year, Chevron said it planned to build two sour gas plants with a throughput capacity of 740 million cubic feet of natural gas per day jointly with CNPC.

(Sourced from RIA Novosti)

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