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REPORT

**OFFSHORE OIL ACTIVITY
CHINA**

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OCTOBER 1975

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CHINA

ABSTRACT

1. China is actively engaged in offshore oil exploration, drilling, and production. This report summarizes the offshore oil activity and describes the major types of equipment observed on photography of June 1975. The report contains a location map and seven photographs.

INTRODUCTION

2. China has been engaged in offshore oil exploration at least since December 1969 when the first offshore platform was observed 10 nautical miles (nm) southwest of Tang-ku in the Po Hai (Gulf of Chili).¹ At present, two jack-up exploration drill platforms; (a location of one was undetermined) probable submersible, mobile, fixed-leg platform; and six-fixed leg drill/production platforms are in the Po Hai. The Kan-tan (Prospector) No 1, a catamaran exploration drill ship, also has been operating in the Yellow Sea (Figure 1).

BASIC DESCRIPTION

Exploration

3. The Chinese offshore oil exploration effort appears to be concentrated in the Po Hai. Exploratory wells have been drilled from the two jack-up drill platforms and the probable submersible, mobile, fixed-leg platform at several locations in the gulf. The most extensively explored area is probably the southwest portion of the gulf near the onshore Ta-kang and Sheng-li oil fields. On [REDACTED] one jack-up drill platform was observed at 38-36-10N 117-44-29E, in the southwest portion of the gulf (Figure 2). On the same date, a seismic survey vessel was operating in the same area (Figure 3). These sightings indicate that exploration is continuing. The location of China's other jack-up platform was undetermined, [REDACTED]

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4. The probable submersible, mobile, fixed-leg drill platform was observed [REDACTED] at 38-39-10N 118-33-00E, where it had capsized and was partially submerged (Figure 4). This platform was last seen upright and supporting a drill derrick at the same location in April 1974. [REDACTED] the Tien-chin Harbor Affairs Bureau issued a navigational hazards warning stating that an offshore oil-drilling platform had broken loose from its moorings and sunk in the Po Hai at 38-39-25N 118-32-47E with [REDACTED] of the platform protruding from the water.² This was probably the capsized platform observed [REDACTED]

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5. In the past, some of the permanent fixed-leg platforms have been dismantled and moved to new drilling locations; however, this is an extremely time-consuming method of oil exploration. Since no operation to salvage the capsized platform has been detected, the two jack-up platforms are now the only known mobile exploratory platforms in the Po Hai.

6. China's other known offshore oil exploration effort is on the continental shelf in the Yellow Sea. [REDACTED] the catamaran exploration drill ship, Kan-tan (Prospector) No 1, was observed in the Yellow Sea at 35-38-38N 122-40-33E (Figure 5). A hydrographic chart shows that the twin-hull drill ship was anchored over a small sea mound, the top of which is at a depth of 11 fathoms (66 feet). The surrounding sea floor depth averages 30 fathoms. An offshore resupply vessel, a Gromovoy ATA, and a 105-foot AG/AKL were secured alongside the catamaran.

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7. The Kan-tan No 1 was first seen under construction at Shang-hai Naval Base Chen-chia Tsui [REDACTED] The ship was externally complete [REDACTED]

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[REDACTED] the Shang-hai Maritime Authorities authorized a closure area 3 nm in radius from 33-53N 122-34E. The authorization may have been followed by drilling operations in the closure area since the Chinese press announced the successful completion of a deepwater oil exploration well in the southern Yellow Sea in late December 1974.⁴ The lack of photographic coverage of the closure area, however, has precluded confirmation of this claim.

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8. [REDACTED] Shang-hai authorities advised that a closure area would be established within a 3-nm radius of 35-39-03N 122-40-22E during the period [REDACTED]. This restricted area, 180 nm north of the May 1974 area, contained the catamaran drill ship when [REDACTED]. The observation of the drill ship in this area indicates that China is now capable of investigating potential oil deposits over wide areas of her continental shelf.

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Production and Drilling

9. China's first offshore production platform is in the Po Hai, 26 nm south of Tang-ku at 38-33-06N 117-49-20E (Figure 6). [REDACTED] the platform appeared operational. It was originally a fixed-leg drill platform when first observed in January 1972 in the Po Hai. Between January 1972 and January 1975 the platform deck was expanded to more than twice its original size. Sometime [REDACTED], the drill derrick was removed and six POL storage tanks were installed on the platform. In addition, another fixed-leg platform, probably housing the crew quarters and a transshipment facility, was constructed. It was connected to the existing platform by an elevated pipeline.

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10. Another fixed-leg platform at 38-36-33N 117-48-22E, approximately 5 nm northwest of the production platform, has a small POL tank on its deck. No drill derrick has been observed on this platform since it was first identified in January 1972. Two other fixed-leg drill/production platforms are within 2 nm northeast and southwest of the production platform. These were the only fixed-leg platforms with drill derricks observed [REDACTED]. One of these at 38-33-37N 117-49-06E, 0.5 nm southwest of the production platform, has a helicopter landing pad attached to it (Figure 7). This platform is larger than the other fixed-leg platforms and was first observed in November 1974. [REDACTED] a drill derrick was installed. This platform's large size, sophistication, and proximity to the production platform suggests that the Chinese believe that the wells drilled from it will be productive. Should this occur, it would become the second offshore production platform in China. The other platform with a drill derrick is at 38-34-18N 117-52-10E, 2 nm northeast of the production platform.

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11. Additional fixed-leg platforms were observed 12 nm east-northeast and 29 nm east-southeast of the production platform. The one at 38-35-42N 118-04-01E (to the east-northeast) appeared to be abandoned with the deck cleared of sheds and other work facilities. The other at 38-26-20N 118-26-01E was probably under construction. This platform was not at this location [REDACTED].

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Storage

12. Since offshore oil production has been established, oil must be transported to shore for refining. Currently, no pipeline or pipeline construction has been observed leading offshore from either the Ta-kang or the Sheng-li oilfields. However, a new oil transshipment facility at Tang-ku Port Facility Hsin-chiang [REDACTED] appeared to be operational [REDACTED] (Figure 8). Two coastal tankers and an oil barge were alongside the quay. [REDACTED] the facility was still under construction with the final segment of pipeline, connecting the quay with the storage facility, incomplete. This facility may provide the necessary onshore storage for oil produced offshore.

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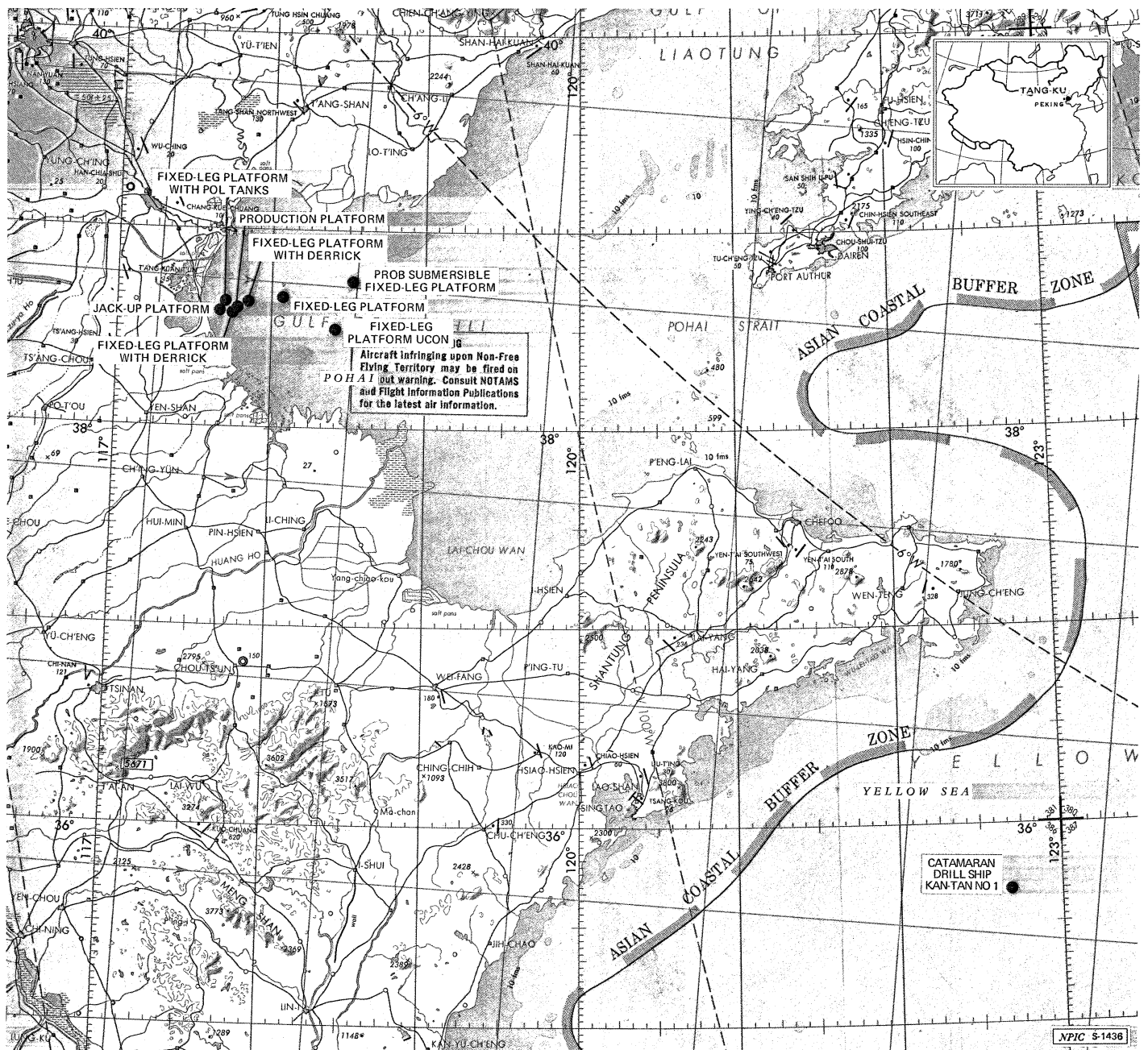


FIGURE 1. LOCATIONS OF OFFSHORE OIL ACTIVITY, CHINA, JUNE 1975

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REFERENCE DATA

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DOCUMENTS

1. IAS. [REDACTED], DDI/IAR-75501, *Oil Fields and Refineries in the Po-hai Bay Area, China* (TOP SECRET RUFF)

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4. FBIS. PRC, 31 Dec 74 (UNCLASSIFIED)

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MAPS OR CHARTS

DMAHC. LORAN "A" Navigation Chart N.O. 94032 (formerly H.O./BC5493), scale 1:864,700 (UNCLASSIFIED)

DMAAC. Jet Navigation Chart, Series JNC, Sheet 25N, ed 2, scale 1:2,000,000 (UNCLASSIFIED)

REQUIREMENT

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