

Regulatory Announcement

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TIDM EME
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Empyrean Energy PLC
 ("Empyrean" or the "Company"; Ticker: (EME))

Projects Update

AIM listed Empyrean, the oil and gas explorer and producer with assets in Germany and the USA, today announces the following general projects update:

Margarita Project, Gulf Coast Texas, USA

Production continues from three discovery wells that were drilled last year as part of the six shallow well program at Margarita. For the month of January 2008 gross production from these wells amounted to 32,104 mcf of gas and 1,121 barrels of oil. Empyrean has a 44% working interest in this project and has been receiving its share of the production proceeds.

At this stage, Empyrean has elected not to proceed with any of the Margarita deep prospects as management feel there are better risk versus reward opportunities elsewhere.

Sugarloaf Block A, Onshore Texas, USA

The TCEI JV Block A-1 Well has now had 41/2" casing run that ties the 41/2" liner in the horizontal section of the well all the way back to the surface.

An attempt to fracture stimulate the first interval has resulted in the frac sand unable to be pumped even with high pressures (12,000 psi). Initial analysis suspects poor contact between the casing holes and the reservoir, as this zone in the reservoir was trying to flow whilst it was being drilled indicating good permeability. The operator is conducting an analysis of this with a possible remedy of bringing in a higher calibre perforating gun to gain better contact with the reservoir.

Empyrean has a 7.5% working interest in this well. A further update will be given as significant developments occur.

The TCEI JV Block A-2 Well is still planned to be used to monitor the fracture stimulation of the TCEI JV Block A-1 Well, above, following which it will be completed for production testing itself.

Empyrean has a 7.5% working interest in this well. A further update will be provided as significant developments occur.

he TCEI JV Block A-3 Well has had a workover rig arrive on site and currently

there is 7' casing to a depth of 12,272', then a 61/8" open hole to Total Depth at 15,100'. This open hole section of the well was trying to flow whilst being drilled and is therefore the focus of testing operations on this well. A packer has been set at 11,507' with 27/8" tubing run back to the surface. The open hole still has 15.9+/- ppg drilling fluids in it. Present operations are the pulling of the packer at 11,507' following which the drilling fluids will be cleaned out of the open hole for an open hole flow test.

As mentioned previously, following the open hole test, fracture stimulation may be required depending upon flow rates from the open hole test.

Empyrean has a 7.5% working interest in this well. A further update will be provided as significant developments occur.

Sugarloaf Block B, Texas, USA

The Sugarloaf-1 Well is currently shut-in awaiting the results of Block A well testing before the operator concludes plans for completion and testing of the zones of interest.

Empyrean has a 6.0% working interest in this well. A further update will be provided as significant developments occur.

The Kennedy-1H Well has had 41/2" liner run from Total Depth back to the surface. The operator is awaiting the results of Block A well testing before finalizing completion and testing operations on this well.

Empyrean has an 18.0% working interest in this well. A further update will be provided as significant developments occur.

Glantal Gas Project, Germany

Empyrean has been working closely with the operator of the Glantal Gas Project, US based Pannonian International Limited, to finalise plans for a seismic program to assist in the definition of further drill targets on the massive Pfalzer Anticline.

A geophysical consultant is also being commissioned to carry out further analysis of existing seismic data that exists over the Glantal and Lautertal Prospects.

Early indications are that the future seismic program will have more focus on the Lautertal area of the Anticline.

A further update will be provided as significant developments occur.

Eagle Oil Pool Development Project, California USA

The operator, ASX Listed, Victoria Petroleum Ltd ("VicPet") has been attempting to farm down their interest in this project and attract a new locally based (USA) operator in to operate.

We are aware that the project was showcased in Houston during the last fortnight at a major US oil conference and that there has been significant interest in the project.

Empyrean currently maintains their 38.5% interest in this project and keenly awaits news of any negotiations with the operator such that a new well can be drilled on this project as early as possible.

A further update will be provided as significant developments occur.

Corporate

Empyrean currently has approximately £1.46m at bank and is still currently in credit with the operators of the Sugarloaf/ Sugarkane projects in the USA as drilling and completion costs have been estimated and paid for in advance.

The information contained in this announcement was completed and reviewed by the Technical Director of Empyrean Energy Plc, Mr Frank Brophy BSc (Hons) who has over 40 years experience as a petroleum geologist.

For further information:
Empyrean Energy plc
Tel : +44(0) 207 182 1746

Rod Venables / Cecil Jordaan
HB Corporate
Tel: +44(0) 207 510 8600

Jonathan Charles / Ed Portman
Conduit PR
Tel: +44 (0) 207 429 6611 / +44 (0) 7791 892 509

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