

Regulatory Story

[Go to market news section](#)



Empyrean Energy PLC - EME Operations Update for 1+ Tcf Dempsey Gas Well
Released 07:47 20-Jul-2017



RNS Number : 6025L
Empyrean Energy PLC
20 July 2017

This announcement contains inside information

Empyrean Energy PLC / Index: AIM / Epic: EME / Sector: Oil & Gas

20 July 2017

Empyrean Energy PLC ("Empyrean" or the "Company")

Operations Update for 1+ Tcf Dempsey Natural Gas Well

- **Surface conductor in place ready for the Dempsey 1-15 well**
- **Drilling rig mobilization underway**

Empyrean, the oil and gas development company with interests in China, Indonesia and the United States, is pleased to announce that it has been advised by Sacgasco Limited ("Sacgasco") (ASX:SGC), the operator of the Company's Sacramento Basin assets onshore California, that installation of the surface conductor for the Dempsey 1-15 Appraisal and Exploration Project is now complete.

Empyrean will have a 30% Working Interest in the Dempsey 1-15 well. The Company refers shareholders and interested parties to the announcement made by Sacgasco earlier today on ASX which can be found at <http://www.sacgasco.com/wp-content/uploads/2017/07/Dempsey-Surface-Conductor-Installed.pdf> and which includes photos of the drilling and cementing operations for the conductor and also shows the proximity of the JV owned gas metering station to the drill pad.

The well is currently on track to spud later this month.

Participants in the Dempsey 1-15 gas well will be:

Empyrean Energy Plc 30% (AIM: EME)

Sacgasco Limited 50% (ASX : SGC)

Pancontinental 10% (ASX : PCL)

Xstate Resources Limited 10% (ASX : XST)

Further announcements will be made in due course.

Tom Kelly, Empyrean CEO, commented: "Empyrean is delighted with the progress being made on the ground in preparation for drilling the very high potential impact 1+ Tcf Dempsey 1-15 gas well. This very exciting well comes fresh off the back of our recent exploration success at the Mako well in Indonesia. Our gas metering station is in very close proximity to the drilling location and paves the way for any gas discovered at Dempsey to be connected to existing infrastructure for early cash flow both quickly and cheaply. "

****ENDS****

For further information:

Empyrean Energy plc

Tom Kelly

Tel: +61 8 9481 0389

Cenkos Securities plc

Neil McDonald

Tel: +44 (0) 131 220 9771

Beth McKiernan

Tel: +44 (0) 131 220 9778

Nick Tulloch

Tel: +44 (0) 131 220 9772

St Brides Partners Ltd

Lottie Brocklehurst

Tel: +44 (0) 20 7236 1177

Olivia Vita

Tel: +44 (0) 20 7236 1177

The information contained in this announcement was completed and reviewed by the Company's Technical Director, Mr Frank Brophy, who has over 40 years' experience as a petroleum geologist.

Notes to Editors

About Empyrean Energy Plc (LON: EME)

Empyrean is a London AIM listed oil and gas explorer with three potentially high impact new projects. Empyrean has a 1800km² offshore oil permit located in the Pearl River Mouth Basin, China where it has commenced 3D seismic Q2, 2017 to further mature two large oil prospects, Jade and Topaz. The permit is directly South East of the billion barrel+ Lihua Oil Field operated by CNOOC and two recent discoveries to the permits West and South further enhance the merit of Jade and Topaz. Empyrean is operator and holds 100% of the exploration rights through to commercial discovery where CNOOC have a back-in right to 51%.

Empyrean also has a 10% interest in West Natuna Exploration Limited that holds 100% of the Duyung PSC in offshore Indonesia and is targeting the Mako Shallow Gas Discovery that has an independently verified 2C and 3C gas resource of between 430-650 Bcf recoverable gas. Empyrean recently participated in drilling the Mako South-1 well which has recorded better than expected flow rates, porosity, permeability and gas saturation in the target Intra Muda Formation. A stabilised flow rate of 10.9 million cubic feet of gas per day with multi Darcy permeability and excellent reservoir characteristics was recorded.

Empyrean also has a joint venture with ASX listed Sacgasco Limited on a suite of projects in the Sacramento Basin, onshore California, USA. The package includes two mature, multi-Tcf gas prospects, 'Dempsey' (Empyrean earning 30%) and 'Alvares' (Empyrean earning 25%) and an Area of Mutual Interest (the "Dempsey Trend AMI")(Empyrean earning 30%) that includes at least three already identified, large Dempsey-style follow up prospects. Dempsey is a large structure mapped with 3D seismic and interpreted by Sacgasco to have the potential to hold a prospective resource of over 1 Tcf of gas in up to seven stacked target reservoirs. The Company plans to commence a 3,200 metre (~10,500 feet) combined appraisal and exploration well, Dempsey-1, in Q3 2017 to evaluate this prospect.

Aside from compelling technical merit, the Dempsey-1 well location sits next to existing gas metering and surface infrastructure that is owned by the joint venture. This will allow for any gas discovery to be tested and connected into the local pipeline at relatively low cost and in an accelerated timeframe. This early potential for short-term cash flow in the event of a commercial discovery would be significant for the joint venture and for the state of California where gas demand is high and approximately 90% of consumption is imported from other states. Gas produced in the Sacramento Basin currently prices at a 10-15% premium to Henry Hub Gas Prices. The joint venture will be drilling and testing the Dempsey Prospect, a 1 Tcf gas target in Q3, 2017.

Alvares is a large structure mapped with 2D seismic and interpreted by Sacgasco to hold prospective resources of over 2 Tcf estimated potential recoverable gas. A well drilled by American Hunter Exploration Limited in 1982 for deeper oil intersected 5,000ft of gas shows. No valid flow test was conducted due to equipment limitations and the deeper oil target failing. However minor gas flows to surface were recorded even with these limitations. The possibility of using the existing well bore to sidetrack and get a valid flow test, thus reducing costs will be examined.

The Dempsey Trend AMI is an Area of Mutual Interest extending to approximately 250,000 acres and containing the Dempsey prospect (described above) as well as at least three other, Dempsey-style prospects which have been identified on existing seismic.

www.empyreanenergy.com

About Sacgasco Limited (ASX: SGC)

Sacgasco Limited (ASX: SGC) is an Australian-based energy company focused on conventional gas exploration in the Sacramento Basin, onshore California. SGC has an extensive portfolio of gas

prospects at both exploration and appraisal stages, including multi-Tcf opportunities. The Company is targeting gas supply to the local Californian gas market and burgeoning LNG market in North America. SGC is of the view that the size of the prospects in California have the potential to supply both the domestic Californian gas market and export LNG markets.

www.sacgasco.com

This information is provided by RNS
The company news service from the London Stock Exchange

END

UPDLIFSRDFIIFID

CLOSE

Sponsored Financial Content		dianomi™
<ul style="list-style-type: none"> ■ Telstra - right time to buy more? What telcos to buy now Fat Prophets ■ Crunch time for Australian banks? Loftus Peak 	<ul style="list-style-type: none"> ■ Fine Art is a proven alternative asset generating low risk income Art Index ■ How to save on tax and make a profit together as a family through SMSF ESUPERFUND 	

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

©2014 London Stock Exchange plc. All rights reserved

s Update for 1+ Tcf Dempsey Gas Well - RNS