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Empyrean Energy PLC - EME Dempsey 1-15 well production update
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Empyrean Energy PLC ("Empyrean" or the "Company")

Dempsey 1-15 well second zone to be placed on production pending stimulation

Empyrean Energy (EME: AIM), the oil and gas development company with interests in China, Indonesia and the United States, is pleased to announce that it has been informed by Sacgasco Limited (ASX: SGC) ("Sacgasco"), the operator of the Dempsey 1-15 well in the Sacramento Basin, onshore California, that initial flow testing of the second deepest zone of gas shows in the Dempsey 1-15 well is complete.

This zone flowed gas on 12/64 inch choke at a rate of approximately 140 mcf/d with approximately 150psi tubing pressure at the time testing concluded. No water was produced. Following the test, shut in tubing pressure rose to over 6000psi within 32 hours.

This zone is interpreted to be a significant gas discovery with high pressures but low permeability over the zone of perforations. The forward plan is to fracture stimulate this zone to improve the permeability in the vicinity of the wellbore and achieve greater connectivity to the zones immediately above and below.

Planning, design and the approval process has commenced. At this stage it is not known exactly how long the approval process will take. The well is to be placed on production to sales until the approvals are gained and the well is ready to stimulate.

As previously advised, testing is occurring from the bottom up. This zone of gas must be adequately assessed before moving up hole to the next zone of interest that exhibited significant gas shows whilst drilling.

No conclusions should be drawn as to the ultimate flow rates or commerciality of this second deepest zone until the stimulation production test and stimulation program and testing are fully completed.

Empyrean CEO Tom Kelly commented, "It is very early days in the testing of the Dempsey 1-15 well, and whilst the bottom two zones have both flowed clean dry gas with very high down hole pressures, both zones exhibit tight permeability. The pressure and potential extent of gas reservoir are significant and every effort is being made to use industry best practices in order to see if we can stimulate the second deepest zone to achieve a much better flow rate before moving up hole to test the next zones of interest."

This announcement has been reviewed by Empyrean's Technical Director, Mr Frank Brophy BSc (Hons), who has over 50 years experience as a petroleum geologist.

****ENDS****

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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 completed 3D seismic in Q3, 2017 to further mature two large oil prospects, Jade and Topaz. Processing and interpretation is underway and preliminary internal interpretation of the raw seismic data has confirmed the structural validity of the Jade and Topaz prospects and also identified a third significant target named Pearl, which is located north of Topaz. The permit is directly South East of the billion barrel+ Liuhua 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. Successful testing operations were recently completed at the Mako South-1 Well with 10.9 million cubic feet of gas flow and better than expected reservoir quality and multi Darcy permeability. The operator is currently analysing data with a view to providing a development plan.

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' and 'Alvares', and an Area of Mutual Interest (the "Dempsey Trend AMI") 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 joint venture has completed drilling of a 2,970 metre (9,747 feet) combined appraisal and exploration well; Dempsey 1-15, to evaluate this prospect. Wireline logs confirmed numerous zones for production testing.

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 is currently testing the Dempsey Prospect.

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

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