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Empyrean Energy PLC - EME Commercial Gas Flows From Dempsey
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Empyrean Energy PLC ("Empyrean" or the "Company")

Commercial Gas Flows From Dempsey

- **Test rate of 1 million cubic feet gas per day from a field level Kione Sandstone interval;**
- **Zone 4 testing preparations have commenced;**
- **Commercial production and cash flow can be fast-tracked due to connected infrastructure**

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 flow-testing of the Dempsey 1-15 well from the field level Kione Zone has produced a commercial gas flow rate of 1 million cubic feet of gas (1,000 Mcf/day). Empyrean has a 30% working interest in the Dempsey 1-15 well. The flow rate is very encouraging as it is water free natural gas flowing through a 12/64" choke with flowing tubing pressure of 1140 PSI, and surface shut-in pressure exceeding 1300 PSI.

Operational considerations meant that perforating the Kione Zone ahead of Zone 4 would deliver significant benefits for the perforating of Zone 4 sands. Zone 4 testing preparations are underway. After testing Zone 4 Sacgasco plans to combine production from all flowing tested

zones in the Dempsey 1-15 well; and anticipates very early cash flow due to the gas sales infrastructure that is connected to the Dempsey well.

Sagasco previously announced four gas saturated sand intervals at the field production level at Dempsey. The tested zone referred to above is just one of those reported zones. Other intervals may be perforated at a future date, should piping configurations allow. Options for testing of various other intervals in the Dempsey Well bore are being maintained.

It is anticipated that a flow rate from all combined zones will be announced by the operator in due course.

Empyrean CEO Tom Kelly commented, "A commercial gas flow from this particular Kione sand is positive news for the Dempsey Well and the JV partners. With preparations underway to test Zone 4 and adding any resulting gas flows together with flows from all zones tested to date, Dempsey is shaping up to provide the JV with early cash flow. Infrastructure connected to the well will expedite the timeframe from discovery to gas sales and cashflow. The JV is retaining plenty of flexibility with regards to future testing and production alternatives."

****ENDS****

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The information contained in this announcement was completed and reviewed by the Company's Executive Director, Mr Gajendra (Gaz) Bisht, who has over 28 years' experience as a petroleum geoscientist.

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.emyreanenergy.com

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