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Empyrean Energy PLC - EME Drilling Contract Signed for 1Tcf+ Dempsey Well
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Empyrean Energy PLC ("Empyrean" or the "Company")

Drilling Contract Signed for 1Tcf+ Dempsey Well, onshore California

Empyrean, 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 ("the Well") in the Sacramento Basin, onshore California, that a drilling contract has been signed with Paul Graham Drilling of Rio Vista, California ("Paul Graham"). Empyrean has a 30% interest in the Well, which is targeting a 1Tcf+ prospect within an already producing gas unit. Drilling operations are on track to commence in the coming weeks.

Dempsey Prospect

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 Dempsey 1-15 well will be drilled by the Paul Graham "Rig 9" to a planned Total Depth of 10,500ft. "Rig 9" is a high capability rig with a depth rating of up to 16,500ft. For further information on "Rig 9" and to view photographs please click on the following link: <http://www.paulgrahamdrilling.com/RIG9-pg.html>.

Aside from the compelling technical merit, the Dempsey 1-15 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.

Tom Kelly, Empyrean CEO, commented:

"With the permit secured and the drilling contract signed we are excited for Dempsey 1-15 to be spud in the very near future as we look to prove up a substantial 1Tcf+ prospect. The Well is strategically located within a gas unit from which Saggasco is already producing and selling gas and so in the case of a discovery there would be an almost immediate tie-in to a 20mmcf/gpd meter station. With this in mind, we look forward to providing further updates on Dempsey 1-15 in the coming weeks."

****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+ 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. Empyrean is currently participating in drilling the Mako South-1 well which is planned to take

core and run a full suite of modern logs. Testing has completed and confirmed a large gas discovery with excellent reservoir characteristics including multi Darcy permeability and a stabilised flow rate of 10.9 million cubic feet of gas per day.

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 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

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