

Empire receives 'world-class' Carpentaria-1 lab results

BEETALOO Basin trailblazer Empire Energy has received the core results from its Carpentaria-1 well, confirming Middle Velkerri Shale targets in its EP187 have world-class rock characteristics, possibly even better than some US shale basins.



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The frontier Northern Territory shale play has attracted international attention, which the Territory government hopes will turn into investment in the vast gas and liquids-rich Beetaloo and McArthur basins.

ASX listed Empire drilled its first well, Carpentaria-1, within its Beetaloo acreage last year. The relatively low-cost well yielded exciting results, hitting liquid-rich gas.

Empire sent core samples to WD Von Gonten & Co for lab analysis. This has confirmed that hydrocarbon saturation, non-clay component and total organic carbon all compare favourably to US shale basins.

It also said the estimated thermal maturity levels suggest a strong chance for liquids-rich gas production, particularly in the shallower zones.

Empire said the target formation thicknesses measured in Carpentaria-1 were large compared to the major US shale plays and comparable to the Velkerri target shale thickness in the Tanumbirini-1 well drilled by Santos next door.

Managing director Alex Underwood said the results reinforce the company's view that the Velkerri Shale has world-class potential and "could replicate the transformative positive impact the shale gas industry has had on the US economy and its energy position."

The analysis focussed on the Middle Velkerri A, Intra A/B, B and C shales, the zones Empire pegs as having the best potential for commercial gas and liquids flows.

Empire said a wider array of tests were done to allow its technical team to better understand the gas and liquid hydrocarbon content of the core samples and the corresponding rock properties. Its team is continuing to analyse the results and build them into a geotechnical model of the Middle Velkerri Shale within EP187.

Meanwhile, the company said it had engaged Netherland, Sewell & Associates to generate an updated independent prospective resource estimate for EP187 including all of the results.

The company plans to frac the discovery well in the coming weeks with flow testing to be conducted in the second quarter.

"The principal goal of our upcoming fracture stimulation and flow testing program will be to flow hydrocarbons to surface, to measure which of the four target zones is likely to be the best producer and the individual gas versus liquid hydrocarbon composition," Underwood said.

He noted the US shale experience shows every basin is unique, requiring developed approaches to drilling and completion and design, and expected this to be the case for the Beetaloo, given its geological age.

"To assist we are calling in the expertise of world-leading technical and operational experts to help us build our understanding of the resource in-house," he said.

Interest in Empire's discovery has rocketed since it published its results to date. The company has fielded calls from global petrochemical companies looking to sign offtake agreements for liquids including ethane and propane as feedstock for new plants in Darwin.

Empire said if it went down that route, it would look to sell heavier end hydrocarbons into the Asian spot market through Darwin.

The company noted it planned to reach production in a matter of years. It could reach first sales gas before 2025.

Empire's share price is up 5.8% trading at 36c



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