

Potential of Beetaloo attracts huge interest

GARY SHIPWAY



Empire Energy's Alex Underwood at the site of the Carpentaria-1 well in the Beetaloo Basin in the Northern Territory. Picture: Supplied

JUNIOR oil and gas producer and explorer Empire Energy says the presence of liquid hydrocarbons in gas from its Beetaloo Basin Carpentaria-1 well is attracting inquiries from major petrochemical manufacturers who are investigating the potential development of gas manufacturing operations in Darwin.

Empire is working on strategies to be first operator to sell commercial volumes of Beetaloo Basin liquids rich gas into the Australian market.

It has been speaking to major Australian pipeline infrastructure operators regarding opportunities to transport large volumes of gas from EP187 to the East Coast and Darwin.

Empire Energy managing director Alex Underwood said 2020 has been a breakout year for Empire marked by substantial drilling success.

"We drilled our first Beetaloo Basin well, Carpentaria-1, which intersected the thickest interval of Middle Velkerri Shale of any well drilled in the basin to date, with the highest liquids to gas ratio," Mr Underwood said.

He said Empire is now planning for appraisal stimulation and flow testing to start at the beginning of next year's dry season.

"Multiple operators across the basin have confirmed their intention to drill, fracture stimulate and flow test wells in 2021 also targeting the Velkerri Shale," Mr Underwood said.

"The world-class potential of the Beetaloo is well recognised with billions of dollars of pipeline construction to connect the basin to the undersupplied East Coast and Darwin in advanced planning.

"Empire is closely involved in these infrastructure buildout discussions and has already started discussions with potential offtake customers.

"We are focused on continuing to build the value of our resources over the year ahead."

Empire has submitted an Environment Management Plan ("EMP") for hydraulic stimulation of the vertical Carpentaria-1 well and the drilling and hydraulic stimulation of a horizontal section from the Carpentaria-1 well bore targeting the Middle Velkerri Shale.

The EMP has been accepted by the Northern Territory Department of Environment, Parks and Water Security (DEPWS) for final assessment with approval expected in the first quarter of next year.

Mr Underwood said Empire's multistage vertical hydraulic stimulation of Carpentaria-1 will be run over the most promising liquids rich gas intervals of the Velkerri Formation.

He said data analysis to select these intervals is now being conducted in readiness for the start of next year's field operations.

Empire has been one of the most active operators in the Beetaloo Basin in 2020, drilling one of the two wells in the basin (the other being Origin's Kyalla-117 fracture stimulated well which was recently drilled and is currently carrying out flow testing operations).

A material ramp-up in activities is expected in 2021, with at least five wells to be drilled and flow tested including the flow testing of Carpentaria-1 which Empire drilled this year. Successful flow testing by other operators would have a material impact on the profile of the Beetaloo Basin accelerating it through the current appraisal phase.