



Helium Extraction Act of 2017 aims to ease the path to new US sources

By Phil Kornbluth | 22 June 2017

The Energy and Resources Sub-committee of the House Committee on Natural Resources held a hearing in Washington, DC on 21st June to hear testimony on a discussion draft of the Helium Extraction Act of 2017.

The purpose of this proposed act is to amend the Mineral Leasing Act to provide that extraction of helium from gas produced under a Federal mineral lease shall maintain the lease as if the helium were oil and gas. Under current law, companies can lose mineral leases after a decade if they are not using them to produce either oil or natural gas.

The Helium Extraction Act would correct an anachronism in the existing law, in that, when originally enacted, the Mineral Leasing Act did not contemplate a time when it would be economically viable to extract helium from gas that does not also contain commercially recoverable hydrocarbons. With increased interest in recovering helium from domestic sources, the Helium Extraction Act of 2017 would remove an obstacle to extracting helium from Federal land, particularly in the Southwestern United States, where high helium concentrations are present in some deposits of non-hydrocarbon gas.

Passage of the Helium Extraction Act would directly benefit companies like IACX Energy, Tacitus Ventures Corporation and other companies that are actively engaged in developing helium production projects on Federal lands in the Southwestern US. Indirect beneficiaries would include helium refiners/marketers in need of new North American capacity or additional crude helium feedgas for their existing plants.

During the hearing, supportive testimony was given by **Dr. Stuart Brown**, Professor, Department of Physics and Astronomy from the University of California, Los Angeles, **Jason Demers**, President of Tacitus Ventures Corporation, **Walter L. Nelson**, Vice-President and General Manager, Air Products Helium Inc. and **Tim Spisak**, Senior Advisor for Minerals and Realty Management, US Department of the Interior.

[Air Products suggests change in law to stabilise helium market](#)

Demers, in his testimony, stated that, "Since helium is often found in its highest concentrations within... gas deposits that are regarded as non-commercial from a hydrocarbon perspective, there is...a compelling case for enabling the development of helium resources to be decoupled from their historical regulatory treatment with hydrocarbons, thereby encouraging private sector investment in the development of helium resources which are commercially viable on their own merits."

Air Products' Nelson, in his testimony, added comments on several broader helium-related topics. Nelson addressed the potential impact of the Qatar blockade on world helium markets, and expressed concerns related to the future operation of the Crude Helium Enrichment Unit (operated by the Bureau of Land Management to increase the purity of crude helium delivered to helium refiners from the Federal stockpile) and the continued maintenance of the government's crude helium storage capability after the planned privatisation of the BLM Pipeline and Storage System in 2021.

As currently drafted, the Helium Extraction Act of 2017 is a simple piece of legislation that should receive strong bipartisan support. However, there is always the possibility that the legislation could be bogged down by attempts to broaden the legislation to address other, more complex, helium-related issues that could be more controversial.

About the author

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