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## GSA opens bids for sale of federal helium assets

By Phil Kornbluth on Jan 26, 2024 | [PO](#)

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Despite last ditch efforts by the Compressed Gas Association to postpone the General Services Administration's long-awaited auction of the Federal helium assets, the GSA proceeded with the bid opening as planned at 2 PM CST on January 25.

While there was considerable interest in the auction result, there was minimal participation in the auction.

There were two lots offered for sale:

**Lot #1** consisted of 1 billion standard cubic feet of crude helium.

**Lot #2** consisted of the real property assets, including the Cliffside Gas Field Facility, the Bureau of Land Management's 423 mile long crude helium pipeline, the Satanta, Kansas Maintenance Station, 800 million standard cubic feet of crude helium, 23 natural gas wells, plus the native natural gas and crude helium remaining in the Cliffside Field.

The only bidder for Lot #1 was Messer LLC, with a bid of \$21m, equivalent to \$21 per thousand cubic feet of crude helium.

There were two bidders for Lot #2. Messer LLC, who has been the successful contract operator of the Crude Helium Enrichment Unit (CHEU) since April 2022, bid \$353,350,000. The second bid, from Lazarus Energy Holdings, was \$30,100,000.

Completion of the auction puts the ball back in the GSA's court. Presumably, they will commence a fairly lengthy process of vetting Messer's capabilities before finalising the sale of Lot #2. Messer's track record as the operator of the CHEU bodes well for the success of their bid.

Messer's bid for Lot #1 is far below the recent market value of crude helium and I believe there is a good chance that it will be rejected.

There is also the possibility of renewed legal action to prevent the sale. A previous effort by Air Products to secure an injunction to postpone the auction was rejected by a Texas district court.

In any case, completion of the auction will have no immediate impact on the supply of helium.

### About the author

*Phil Kornbluth is President of Kornbluth Helium Consulting LLC and member of Gasworld's Editorial Advisory Board. Phil has worked in the Helium Business for the last 41 years, including stints running the global businesses of both BOC Gases and the Matheson subsidiary of Nippon Sanso Holdings. Phil can be reached at +1 (908) 745-9779 or email: [Phil@KornbluthHeliumConsulting.com](mailto:Phil@KornbluthHeliumConsulting.com).*