



Editorial Opportunity

Interviewee: **Tim Rynott, CEO Four Corners Helium, LLC**

Q. Thank you for taking 10 minutes with gasworld today. What have we interrupted in your schedule?

Ha, ask me that again in 10 minutes. It will have changed completely.

Q. Why don't you start off by telling us a little bit about Four Corners Helium and how it got to where it is today?

As the saying goes - location, location, location. I live in the Four Corners area – the ‘Saudi Arabia of Helium’ (quoting Jason Demers), so I could smell the helium from my office - if it had a smell.

Leaping from the starting blocks included using strategic equity participation to capture a cash crop of top talent, while avoiding Private Equity, followed by months of intense literature review, mapping millions of acres, studying the competitions playground, pursuing non-BLM Industry friendly leasing areas and finally, finding investors who bring both money and technical expertise.

Then it was drill baby, drill.

Q. What's your take on helium developments over the last year?

There's been a shift towards non-hydrocarbon-based helium exploration, where the chance for a major discovery leap considerably. Go big or go home, right?

Until just recently, the vast majority of all the helium was discovered by accident during oil and gas exploration. Hugoton Field being the best example. Have you looked at the bottom hole pressure of Hugoton lately?

The two most common non-hydrocarbon gas reservoirs with associated helium typically contain large volumes of CO₂ and Nitrogen. The nitrogen can be vented, and besides enhanced oil recovery (EOR) projects, CO₂ uses are expanding every day. High recovery factors associated with virgin pressures in deeper reservoirs have robust economics even with modest helium concentrations. For North America, non-hydrocarbon-based helium exploration could be helium's future.

Secondly, the snail's pace of organic reserve growth is disconcerting (although data mining is also problematic). After multiple years of activity by multiple Operators, it's estimated Canada is currently kicking out a modest 150-175,000 cubic feet/day of new helium



Editorial Opportunity

production. Augmenting this, Canadian Operators Global, Avanti, Royal, and First Helium issued 2022 press releases indicating (cumulative) flow testing of 140-150,000 cubic feet of helium/day, with Global Helium accounting for ~50% of that number. Canada's southern neighbor has new helium production in NW New Mexico from NTEC's 12A well (~30,000 cubic feet of helium/day), while Wesco is gaining steam bringing their helium discovery near Moab, Utah online. Several other helium Operators are in the mix, with results pending.

Considering the recent smattering of North American discoveries are only averaging 30-35,000 cubic feet of helium/day/well (at best) - the math is easy: the drill bit better get grinding to make up for the BLM's looming loss of 2,000,000⁺ cubic feet of helium/day. Not to mention the 2-4% in increasing demand.

Q. In March 2021, Four Corners Helium formed an exclusive partnership with Grand Gulf Energy. Can you tell us more about this partnership and how it came about?

James Allchurch, a Perth based multi-generational preeminent entrepreneur, with tentacles not only in helium, but also oil, natural gas, copper, and lithium, made a smart move by hiring Denver-based Dave Seneshen, a highly connected helium geochemist. Dave's cupid arrow found its target, and the rest is history. Two strangers from opposite ends of the planet, jumping head long into a fledgling high-risk, albeit high return venture. With a highly complex sub-salt exploratory well under our belt, and ~30,000 acres of seismically-driven, surgically leased helium real-estate in SE Utah in a mere 16 months - I'd say we beat the odds.

Key to the groups success was a brilliantly orchestrated reverse merger moving our partnership onto the Australian Stock Exchange (ASX:GGE, OTCQB:GRGUF) last September. A second capital raise this past April secured an additional \$11MM AUD before costs, fully funding the present well plus staging the first development well. The technical staff at GGE, headed up by Dane Lance (Petroleum Engineer) and Keith Martens (dual Geologist/Geophysicist) are top pros who regularly teach us Yanks a thing or two about the nuances of successful exploration.

Q. Can you provide us with an update on the Red Helium Project?

With 100% of the key leases in our grasp, and any potential competition locked out of the area's critical midstream infrastructure, it's exciting to be able to announce that our Mississippian aged exploratory test (Jesse 1A) in SE Utah is attempting to be completed as of this writing. Encouragement is high, with helium concentrations ranging from 0.9 to 1% (50% higher than Exxon's Mississippian Helium Field in Wyoming), while CO2 concentrations are lower than anticipated, providing a boost to the overall economics.



Editorial Opportunity

In terms of rock properties, we have analogous reservoir characteristics to Air Products' prodigious helium field 15 miles due east (Doe Canyon), which has proven to be the largest helium discovery in North America in decades. And because our seismic-driven surgically leased acreage covers an area two to three times larger than Doe Canyon, we see our endeavors potentially providing helium security to North America for decades to come. Stay tuned!

Q. What does this project mean for the North American helium market?

These are truly historical times with Tier 1 industrial gas companies declaring Force Majeure's in parts of the country and inducing helium rationing to industries critical to our sustenance (Kornbluth, 2022). Once we have proven production with the potential for significant running room, we hope this news spread quickly, and provides at least short-term psychological relief to the market.

In the intermediate term, a gas gathering agreement with Paradox Resources' Lisbon processing plant 25 miles north of our project area allows for a relative fast ramp to commercialization. Hopefully no later than 3Q2022. The Lisbon purification plant has capacity for 500,000 cubic feet per day of 99.989% gaseous helium, while the liquefaction plant can handle 600,000 cubic feet per day of high purity 99.9995% helium. The latter being critical for the burgeoning semi-conductor and space industries.

Upon the Lisbon plant reaching full capacity through a potential aggressive drilling campaign, long term goals could envision a stand-alone processing plant being required. The combination of the two plants would create a commanding centralized hub for helium distribution throughout the country.

Q. What are some of the company's other focuses right now?

FCH has been working diligently with the Ute Mountain Utes in southwest Colorado to develop their helium resource. Like their Navajo neighbors, the UMU lands are blessed with high helium concentrations, but have the added advantage of superior rock qualities for robust flow rates. Through helium exploration on their tribal lands, we hope to augment their financial livelihood, while at the same time respecting their lands as if they were our own. We plan to use solar for our electrical needs while also researching a sophisticated water filtering system for converting produced waters to waters allocated to the Tribes drought-stricken agricultural lands. If all goes well, the drill bit could break ground by 2Q2023.

Longer term, the Texas Panhandle has caught our attention, as well as southeast Colorado where Mark Germinario and Durrell Johnson are trying hard to make a difference in the helium world.



Editorial Opportunity

Q. Can new North American helium sources ensure the US does not become a net importer by 2030?

It basically comes to lifting costs. Consider this - before the Permian Basin exploded, there were no North American oil fields that could compete with most of the OPEC countries on a dollar-for-dollar basis, including transportation costs. Who's to say Russia, Qatar, or Algeria couldn't do the same for helium - volatility aside.

ExxonMobil's LaBarge Field in Southwest Wyoming is the 800# gorilla of wildcards. They currently produce ~20% of the global helium supply, but the majority is shipped overseas. Other than a planned \$400MM CCUS expansion commencing in 2025, nothing relating to helium expansion has been announced from this notoriously slow-moving monolith. Could they throw North America a helium lifeboat down the road? Maybe. Could the 5% H₂S in their field curb this enthusiasm? Maybe.

Then there is good ol' fashioned free-market capitalism. Could a cadre of hard working, risk relishing, failure hating optimists pave the way for helium self-sufficiency? Based on our initial drilling results, my answer is you betcha.

Q. What do you have planned for the rest of the year?

A quote from iconic American poet Mary Oliver comes to mind: *"Tell me, what is it you plan to do with your one wild and precious life?"*

Purpose fires passion, and passion fires purpose, making our plans easier. The rest of this year and beyond will be devoted to bringing helium supplies into the grid as fast as humanly possible, while attempting to ensure helium will NEVER be imported into the United States from volatile foreign sources. A blessed state of mind. Thanks Mary.

And thanks to **gasworld** for providing me this flattering opportunity to discuss HELIUM.

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Editorial Opportunity