



(SUBMIT IN DUPLICATE)

TO  
MONTANA BOARD OF OIL AND GAS CONSERVATION  
2535 ST. JOHNS AVENUE  
BILLINGS, MONTANA 59102

RECEIVED

NOV 24 2020

MONTANA BOARD OF OIL AND GAS CONSERVATION - BILLINGS

REQUEST FOR TRADE SECRET EXEMPTION

1. Classification of Requesting Party

Operator  Service Company  Other – Specify \_\_\_\_\_

2. Full name of the Owner, Operator, or Service Company Calfrac Well Services Corp.

3. Address 717 17<sup>th</sup> St., Suite 1445 Denver CO 80202 303.293.2931  
(Address) (City) (State) (Zip Code) (Telephone Number)

4. 82-10-603, MCA requires that an owner, operator, or service company provide the complete disclosure of fracturing fluid. This must include the chemical compound name and the chemical abstracts service (CAS) registry number of the ingredients, including any hazardous components listed on a material safety data sheet as defined in 50-78-102, MCA, the product name, and the type of additive used. In limited situation the identity of the components of the fracturing fluid may be exempt from public disclosure as a "trade secret" under the criteria in 30-14-402, MCA.

I am requesting that the identity of a fracturing fluid component qualify for non-disclosure as a trade secret.

Chemical Family associated with the Chemical Constituent Inorganic Salt

In order to claim that the identity of the fracturing fluid component is entitled to protection as a trade secret, I understand that I must provide specific information regarding each of the questions set forth in the MBOGC Trade Secret Guidelines. I have attached separate pages setting forth information in response to the questions set forth in the Guidelines.

CERTIFICATE

I declare under penalties of perjury that this request and supporting information have been examined by me and to the best of my knowledge are true, correct and complete.



Signature

Joseph Rumler PE, Environmental Engineer

Print name and title

FOR STAFF USE ONLY:

APPROVED:  Yes  No

  
Signature

Petroleum Engineer  
Title

11/27/20  
Date

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I am requesting that the identity of a fracturing fluid component qualify for non-disclosure as a trade secret.

Chemical Family associated with the Chemical Constituent    Oxyalkylated Alcohol

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\_\_\_\_\_

Joseph Rumler PE, Environmental Engineer  
\_\_\_\_\_  
Print name and title

**FOR STAFF USE ONLY:**  
APPROVED:     Yes     No

    Petrochemical Engineer    11/27/20  
\_\_\_\_\_  
Signature    Title    Date

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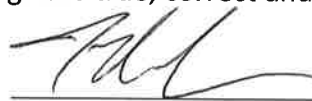
I am requesting that the identity of a fracturing fluid component qualify for non-disclosure as a trade secret.

Chemical Family associated with the Chemical Constituent Organic Sulfonic Acid Salt

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Signature

Joseph Rumler PE, Environmental Engineer

Print name and title

FOR STAFF USE ONLY:

APPROVED:  Yes  No



Signature

Petroleum Engineer

Title

11/27/20

Date



November 19, 2020

Montana Board of Oil & Gas Conservation  
2535 St. Johns Avenue  
Billings, MT 59102

**RE: Request for trade secret and confidential commercial information (CCI) protection for Calfrac Well Services Corp.'s products CalTreat™ 7330 & CalSurf™ 9750**

To Whom It May Concern:

Calfrac Well Services (Calfrac) is submitting the enclosed request for trade secret using "MBOGC Trade Secret/CCI Guidelines" regarding the chemical compound name and Chemical Abstract Services (CAS) numbers (collectively, "Chemical Identity") of certain ingredients in the clay controller and surfactant (aka CalTreat™ 7330 & CalSurf™ 9750) that Calfrac intends to use in fracturing operations in Montana.

Calfrac believes that the Chemical Identities for its CalTreat™ 7330 & CalSurf™ 9750 are entitled to protection as trade secret and CCI as the disclosure of CAS numbers and chemical compound names of certain ingredients in Calfrac's proprietary products would allow competitors to determine the ingredients of Calfrac products that would result in a loss of economic value and competitive harm to Calfrac.

Accordingly, this letter and its enclosures are submitted to request that Chemical Identity information of CalTreat™ 7330 & CalSurf™ 9750 be exempt from disclosure by the MBOGC on the basis that the information is a trade secret as defined under 30-14-402 MCA.

Attachment I hereto provides the information required to be submitted in accordance with the requirements of the MBOGC Trade Secret Guidelines, and provides the justification for the exemption from disclosure as trade secret pursuant to 82-10-603 MCA.

Attachment II hereto provides public disclosure containing the information for which we request trade secret and CCI protection.

We appreciate your consideration for this request and should you require additional information or have any questions, please do not hesitate to contact me at (303) 685-7950 or by email at [jrumler@calfrac.com](mailto:jrumler@calfrac.com).

Respectfully,  
Calfrac Well Services Corporation

*On behalf of Calfrac*

Joseph Rumler, PE  
Environmental Engineer

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Attachment I – Justification for Trade Secret

1. *To your knowledge, has the identity of the ingredient, its concentration, or both, as appropriate, been publicly disclosed:*

- i. *Pursuant to any federal, state, or local law or regulation?* The identity of the ingredients, their combinations, and their use in clay controller and surfactant products has not been publicly disclosed by Calfrac or, to Calfrac's knowledge, anyone else, pursuant to any federal, state, or local law or regulation.
- ii. *In professional trade publications?* The identity of the ingredients and their collective use in clay controller and surfactant products has not been publicly disclosed by Calfrac or, to Calfrac's knowledge, anyone else, in professional trade publications.
- iii. *Through any other media or publications available to the public or your competitors?* In order to make the above determinations, Calfrac used the CAS numbers of the substances in this product to search the FracFocus database, and reviewed multiple entries per page of results. As previously mentioned, Calfrac found all of the CAS numbers associated with various product usages. Calfrac reviewed compositions of other known clay controller and surfactant products, and found that the products contain the hazardous components for which trade secret protection is sought. However, their use in CalTreat™ 7330 & CalSurf™ 9750 or with this combination of ingredients has not been identified. Calfrac then performed a combined literature search using the CAS numbers and the terms "clay controller" and "surfactant." Even though documents existed with the combination search terms for the hazardous trade secret components, there was no public document that identified "clay controller" and "surfactant" with the CAS numbers for which confidentiality is sought. Calfrac was not able to locate any documentation that mentions all ingredients together for any purpose.

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2. *To what extent is the identity of the ingredient (including its use in the additive) known within the company and what steps have you taken to safeguard the information? Please describe in detail how this information is housed in your company and what steps your employees, officers, agents, and directors take to prevent disclosure of the information to parties outside of your company.*

- Calfrac has in place numerous safeguards and controls to protect the confidentiality of its product formulations including, but not limited to, safe storage locations for information on proprietary products; marking all hard copies of records containing proprietary Chemical Identity information as confidential and trade secret; limiting access to proprietary Chemical Identity information internally on a need-to-know basis only; and requiring confidentiality agreements when disclosing the proprietary Chemical Identity information or product samples to third-parties. Electronic copies of records containing proprietary Chemical Identity information are protected and maintained on a secure internal network. Employees provided with access to proprietary Chemical Identity information are informed of the value and importance of protecting it. In addition to the Confidential Information and Inventions

Agreement signed by all employees, employees with access or exposure to proprietary Chemical Identity information are required to sign an acknowledgement of confidentiality.

3. *Has any other regulatory body (federal, state, tribal, or local) determined the ingredient identity (including its use in the additive) is not entitled to protection from public disclosure as a trade secret or confidential commercial information? If so, provide a copy of the agency's determination, along with any explanation as to why the Commission should not make a similar determination. Provide any other information concerning prior requests for confidentiality and/or regulatory body determinations you believe is relevant to the Commission's determination.*
- No regulatory body (federal, state, tribal, or local) has determined that Calfrac's trade secret or confidential information is not protected from public disclosure. These products have been used throughout Calfrac's United States operations and have been provided protection from disclosure throughout those jurisdictions.
4. *How is the identity of the ingredient commercially valuable to the company? In answering this question, please describe why the use of the ingredient in the type of additive is not common knowledge in the industry, including any novel or unusual aspects of the chemical or the use of the chemical in this application.*
- Calfrac has expended a significant amount of effort and money to develop the proprietary product and it is the result of years of extensive research, development testing and oilfield application to customers' wells. Developing products requires an understanding of the geology, the physics of temperatures and pressures and the chemistry of the stimulation fluids. Calfrac devotes significant research and development resources to understand geology, physics of temperatures and pressures, fluid systems for unique geological formations and to develop new and innovative products to more effectively stimulate reservoirs to increase production of oil and gas.
  - For example, CalTreat™ 7330 & CalSurf™ 9750 contain components that would not normally be considered or expected as part of a commercial clay controller and surfactant formulation. However, the product has proven to be highly successful over many years of commercial use, providing Calfrac with superior operations and technical differentiation. Hence Calfrac feels that dissemination of this commercially valuable knowhow would be highly detrimental to its interest, therefore an application for trade secret protection is requested.
  - If the Chemical Identities of this product were to be available to our competitors or customers, then they could replicate our products and Calfrac would lose its competitive advantage in Montana and throughout the world gained through considerable expense and research.
5. *Describe the ease or difficulty with which the formula for the additive product could be determined from public disclosure of the ingredient identity. Specifically, explain why the use of the "systems approach" format would not adequately protect your proprietary interest.*

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- If the proprietary Chemical Identity information were disclosed, then it would not be difficult for Calfrac's competitors to "reverse engineer" and determine the proprietary formula of the product.
- There are a limited number of active ingredients and the revealing proprietary Chemical Identity information, even when presented in a systems approach format, would provide others with the active ingredients in the products allowing others to engineer our product for sale and/or use, and thereby, undermining Calfrac competitive advantage. Further, a systems approach may undermine our ability to patent such formulas.

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Attachment II

**REDACTED** Chemical Information for CalTreat™ 7330 & CalSurf™ 9750

CalTreat™ 7330		
COMPONENT NAME	CAS#	CONCENTRATION (%)
Inorganic Salt	PROPRIETARY	PROPRIETARY
Water	7732-18-5	PROPRIETARY

CalSurf™ 9750		
COMPONENT NAME	CAS#	CONCENTRATION (%)
Alkyl Sultaine	PROPRIETARY	PROPRIETARY
Ethylene Glycol	107-21-1	PROPRIETARY
Methanol	67-56-1	PROPRIETARY
Organic Sulfonic Acid Salt	PROPRIETARY	PROPRIETARY
Oxyalkylated Alcohol	PROPRIETARY	PROPRIETARY
Sodium Chloride	7647-14-5	PROPRIETARY
Water	7732-18-5	PROPRIETARY

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