

(SUBMIT IN DUPLICATE)

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

**REQUEST FOR TRADE SECRET EXEMPTION**

- 1. Classification of Requesting Party  
 Operator     Service Company     Other – Specify Manufacturer
- 2. Full name of the Owner, Operator, or Service Company Select Chemistry, LLC.
- 3. Address 1515 West Sam Houston PKWY North, Suite 100, Houston, TX 77043  
(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.

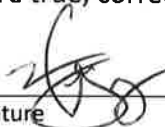
I am requesting that the identity of a fracturing fluid component qualify for non-disclosure as a trade secret.

Chemical Family associated with the Chemical Constituent CalVisc 6630

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 \_\_\_\_\_  
 Heath Grizzle, Director of Analytical Services  
 Print name and title \_\_\_\_\_

**FOR STAFF USE ONLY:**

APPROVED:  Yes     No

 \_\_\_\_\_ Administrator \_\_\_\_\_ 3/29/24  
 Signature Title Date

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 a friction reducer product 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 a friction reducer product 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?* To make the above determinations, Calfrac used the CAS numbers of the substances in this product to search the Groundwater Protection Council (GWPC) FracFocus database and reviewed multiple entries per page of results. As previously mentioned, Calfrac found all the CAS numbers associated with various product usages. Calfrac reviewed compositions of other known friction reducers and found that the products contain the hazardous components for which trade secret protection is sought. However, their use in CalVisc™ 6630 or with this combination of ingredients has not been identified. Calfrac then performed a combined literature search using the CAS number and the term "friction reducer". Even though documents existed with the combination search terms for the hazardous trade secret components, there was no public document that identified "friction reducer" with the CAS number for which confidentiality is sought. Calfrac was not able to locate any documentation that mentions all ingredients together for any purpose.
  
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 the Calfrac 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, CalVisc™ 6630 contains components that would not normally be considered or expected as part of a commercial friction reducer 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.*



- If the proprietary Chemical Identity information were disclosed, then it would not be difficult for Calfrac 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.



Attachment II

**REDACTED** Chemical Information for CalVisc™ 6630

CalVisc™ 6630		
COMPONENT NAME	CAS#	CONCENTRATION
Information provided directly from Vendor to MBOGC		

**PUBLIC REDACTED GUIDELINE RESPONSE VERSION**

**CALFRAC WELL SERVICES**

**CALVISC 6630**

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1. **To your knowledge, has the identity of the ingredient, its concentration, or both as appropriate, been publicly disclosed:**
  - a. **Pursuant to any federal or state law or regulation**
  - b. **In professional trade publications?**
  - c. **Through any other media or publications available to the public or your competing oil and gas operators, or service companies.**

CALVISC 6630 is an anionic friction reducer product, the disclosure of which would cause competitive harm to CalFrac []. Specifically, such disclosure would permit competitors to determine the precise chemical identity and composition of this proprietary product. The product has been reviewed carefully to ensure that only the components that represent trade secret components are protected. To CalFrac's [] knowledge, the confidential information (including the chemical name and CAS number) do not appear in any public source. In addition, this information has not been previously disclosed on the FracFocus database by CalFrac or, to CalFrac's knowledge, any other third party.

Specifically, the identity of the confidential information and its use in CALVISC 6630 has not been publicly disclosed to our knowledge: (i) pursuant to any federal, state, or local law or regulation; (ii) in any professional trade publication; or (iii) through any other media or publications available to the public or CalFrac's competitors.

**In responding to these questions, you must take steps that are reasonable and appropriate under the circumstances to determine the knowledge of relevant individuals within the company. You must provide a description of the investigation you undertook to respond to these questions.**

Steps have been taken that are reasonable and appropriate under the circumstances to determine the knowledge of relevant individuals within the company. These steps include consultation with relevant individuals in the product team that are involved in the development of these types of additives.

2. **To what extent is the identity of the ingredient, concentrations, or both, as appropriate, are known within the company. 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 your company.**

The exact chemical identity of the product CALVISC 6630 are treated as a trade secret, and care has taken (and continues to take) appropriate and required steps designed to ensure that no unauthorized disclosure of such information is made. Internally, employees have been trained on the importance of protecting the company's confidential information and trade secrets. Further, information about the chemical composition of all products are maintained [ ]. Only employees who need to know such information are permitted access to this information. In the event that such information must be disclosed externally, for example to satisfy applicable regulatory requirements, it is disclosed pursuant to an executed Non-Disclosure Agreement. We understand that our customers similarly treat such information with the highest degree of confidentiality.

- 3. Has any other federal or state entity determined that the ingredient, concentrations, or both, as appropriate, is not entitled to protections from public disclosure? If so provide a copy of the agency's determination, along with any explanation as to why the Board should not make a similar determination. Provide any other information concerning prior requests for confidentiality and/or regulatory body determinations you believe are relevant to the Board's determination:**

No other federal, state, tribal or local regulatory body has determined that the confidential information (including its use in the product CALVISC 6630) is not entitled to protection from public disclosure or trade secret or confidential commercial information. To CalFrac's knowledge, the trade secret components do not require full disclosure under any applicable Federal laws. The OSHA Hazard Communication Standard (29 CFR 1910.1200) requires manufacturers to disclose on the SDS any hazardous components present at greater than 1.0% and for carcinogenic components at levels above 0.1%. [ ].

- 4. How is the identity of the ingredient, concentrations, or both, as appropriate, commercially valuable to the owner, operator, or service company? In answering this question, please describe why the ingredient, concentrations, or both, as appropriate, is not common knowledge in the industry, including any novel or unusual aspects of the ingredient in this application.**

CalFrac is able to maintain its position and share of the market via the development of unique specialized products and services not offered by competitors.

[ ]

CALVISC 6630 is an anionic emulsion polymer consisting of the monomers acrylic acid and acrylamide, combined with various surfactants, oils, and water. [ ].

Since every water condition has unique characteristics, a universal friction reducer is not possible and more niche friction reducers result. CALVISC 6630 would be considered a niche friction reducer based on its unique specialized characteristics and performance in specific water chemistry and conditions.

Disclosure of the trade secret components of Product CALVISC 6630 would negatively impact CalFrac’s competitive advantage in the marketplace, and would allow competitors to unfairly benefit from the substantial investment of money, corporate resources, ingenuity, and product development.

5. Describe the ease or difficulty with which the complete composition of the fracturing fluid, including the identity, concentrations, or both, as appropriate could be determined from public disclosure. Specifically, explain why use of the “systems approach” format would not adequately protect your proprietary interest.

Appropriate measures have been taken to protect its confidential identity of CalVISC 6630 from public disclosure. The use of a “systems approach” would not adequately protect the confidentiality of the product formula in this instance. A trained person skilled in the art of product development for these types of chemical technologies could easily decipher which components are associated with the product CALVISC 6630. A “systems approach” to disclosure would also give a trained person an acceptable concentration range to achieve the key performance requirements. A review of such public information would permit CalFrac’s competitors to replicate this product and to commercialize them.

**Public: Product Composition CALVISC 6630**

Chemical Identity	CAS Number
Water	7732-18-5
Distillates (Petroleum), Hydrotreated Light	64742-47-8
Poly(acrylamide-co-sodium acrylate)	25085-02-3
Sodium Chloride	7647-14-5
Sorbitan Monooleate	1338-43-8
Polyethylene Glycol Monooleate	9004-96-0
Alcohol C9-C11, Ethoxylated	68439-46-3
Phenolic Resin	Proprietary
Petroleum naptha, heavy aromatic	64742-94-5
Napthalene	91-20-3
Potassium hydroxide	1310-58-3
Acid 1	Proprietary
Acid 2	Proprietary
Acid 3	Proprietary