19-001-002

(SUBMIT IN DUPLICATE) 82-10-604, MCA

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

RECEIVED
SEP 05 2019
MONTANA BOARD OF OIL & GAS CONSERVATION • BILLINGS

REQUEST FOR TRADE SECRET EXEMPTION

1. Classification of Requesting Party
   ☐ Operator ☐ Service Company ☒ Other – Specify Chemical Manufacturer

2. Full name of the Owner, Operator, or Service Company Innospec Oilfield Services

3. Address 2600 Technology Forest Blvd, (Address) The Woodlands (City) Texas (State) 713-997-8363 (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 VisLink 200

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.

Juanita V Mercure
Signature

Juanita V. Mercure, Sr. Regulatory Specialist
Print name and title

FOR STAFF USE ONLY:

APPROVED: ☒ Yes ☐ Date) Petroleum Engineer 9/5/19

Attachment 1
Publicly Available Trade Secret Justification

To demonstrate that the information for which confidentiality is sought constitutes trade secrets or confidential commercial information, you must respond to the following questions and provide the information specified and any supporting documentation (such as previous confidentiality determinations):

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

   Innospec Oilfield Services (IOFS) has not released the chemical composition for VisLink 200 to any public source. To the best of our knowledge, and in the context of its use in conjunction with VisLink 200, the underlying ingredient identities comprising VisLink 200 does not appear in any public source. IOFS has not disclosed the ingredients or their concentrations of the ingredients for VisLink 200 via the FracFocus database. To the best of our knowledge the full chemical composition has not been previously disclosed via the FracFocus database by anyone else.

   a. **Pursuant to any federal or state law or regulation?**

      IOFS has not disclosed the ingredient identity for VisLink 200 pursuant to any federal, state or local law or regulation. To the best of our knowledge, and in the context of its use in conjunction with VisLink 200, the underlying ingredient identity has not been previously disclosed pursuant to any federal, state or local law or regulation.

   b. **In professional trade publications?**

      IOFS has not disclosed the ingredient identity for VisLink 200 has not been previously disclosed in any professional trade publication. To the best of our knowledge, and in the context of its use in conjunction with VisLink 200, the underlying ingredient identity has not been previously disclosed in any professional trade publication.

   c. **Through any other media or publications available to the public or your competing oil and gas operators, or service companies?**

      IOFS has not disclosed the ingredient identity for VisLink 200 has not been previously disclosed through any other media or publications available to the public or competitors. To the best of our knowledge, and in the context of its use in conjunction with VisLink 200, the underlying ingredient identity has not been previously disclosed through any other media or publications available to the public or competitors.

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 of your company.**

   IOFS maintains the composition information as confidential business information by providing

limited internal access thereto and requiring employment or confidentiality agreements for anyone to whom the information is disclosed. The composition information is stored in a password-protected database on an internal server with limited employee access. Access to this information is granted strictly on a need-to-know basis. Otherwise, only the product trade names and information included in the SDS sheets and/or listed in the Available to Public non-confidential disclosure.

3. **Has any other federal or state entity determined that the ingredient, concentrations, or both, as appropriate, is not entitled to protection 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 is relevant to the Board's determination.**

   No other regulatory body (federal, state, tribal or local) determined that the ingredient identity is not entitled to protection from public disclosure as trade secret or confidential commercial information. Instances in which the information may be known by outside parties are strictly limited to situations in which disclosure is required by law. These include disclosures in circumstances consistent with the OSHA hazard communication standard (in which case disclosure is required in order to address a medical emergency or other medical situation) or circumstances consistent with EPA reporting regulations (in which case disclosure is required in the event of an environmental release).

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.**

   IOFS has invested considerable time, money, and effort in the research and development of subject fracture performance product component. Public disclosure of the composition of VisLink 200 could damage the commercial advantage IOFS realizes from maintaining confidentiality. The composition of the proprietary blend derives economic value from not being generally known and readily ascertainable by competitors who could garner economic value from the disclosure of the blend's chemical composition. The VisLink 200 when mixed with the other fracturing fluid components generates a viscous gel. The uniqueness of the product is its ability to perform even with abnormally low amounts of the other components commonly used in the fracturing fluid. This means abnormally low amounts of gelling agents, buffers and gel degrading substances. This advantage both reduces the cost of the fluid and the environmental impact of the fluid. Because less chemical is needed at the well-site, it also reduces the amount of freight carried to the well location. Because of the unique nature of the product, coupled with the company's investment in the development of the technology, we deem the product confidential and propriety allowing us to maintain a commercial advantage.

   The two chemicals help the active chemical to perform the actual work in the fracturing fluid and the unusual characteristic of enhancing the viscosity of an unusually low polymer solution. This product facilitates the fracturing fluid water to cross-link the gelling agent and control the dissolving rate when added to water and provides a stable suspension.

5. **Describe the ease or difficulty with which the complete composition of the fracturing fluid, including the ingredient 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.**

Public disclosure of the components for VisLink 200 would provide a clear and direct path for competitors to understand and replicate our product. This composition is new and unique in well stimulation, but including the identity of each component or combination among a large list of chemicals under a "system approach" disclosure would provide our customer with knowledge of the primary active ingredients in the product. The components identified above have never been publically linked to stimulation surfactant products in combination and can provide valuable information. The systems approach is a useful tool in safeguarding proprietary information, but including components in Attachment 4 of this document eliminates the benefit of that style of disclosure by disclosing ingredients in a time when the frac fluids used are leaner and more efficient with less chemicals being used in the frac fluid. With fewer chemicals it is significantly easier to identify chemical compositions. For this reason, the composition merits treatment as a trade secret.

Attachment 2

IOFS Additive Products To be Used in Montana

NOTE: REDACTED VERSION

Available to Public				
Additive Product	**Product Type**	**Main Ingredient**	**CAS Number**	**Max %**
VisLink 200	Crosslinker	Light hydrotreated petroleum distillates	64742-47-8	80
		Inorganic Borates	12280-03-4	40
		Propylene carbonate	108-32-7	5
		Organophilic Clay	Proprietary	Proprietary
		Proprietary Surfactant	Proprietary	Proprietary