

22-01-061

(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 Chemical Manufacturer
- 2. Full name of the Owner, Operator, or Service Company Innospec Oilfield Services
- 3. Address 2600 Technology Forest Blvd The Woodlands Texas 77381 713-936-4340
(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 HiRate™ 690

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, Dir of Product Reg Compliance
Print name and title

FOR STAFF USE ONLY:

APPROVED: Yes No

[Signature] Administrator 9/20/22
Signature Title Date

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, does the ingredient identity for which you seek confidentiality protection and its use in an additive of the type at issue in your request (e.g., surfactant, biocide, breaker) appear in any public source? In answering this question, please describe the following:**

Innospec Oilfield Services (IOS) has not released the chemical composition for HiRate™ 690 to any public source. To the best of our knowledge, and in the context of its use in conjunction with HiRate™ 690, the underlying ingredient identities we are requesting trade secret approval comprising HiRate™ 690 does not appear in any public source.

- a. Has the identity of the ingredient (including the chemical compound name and CAS number) and its use in an additive of the type at issue in your request (e.g., surfactant, biocide, breaker) been previously disclosed via the FracFocus database by you or, to your knowledge, anyone else?**

IOS has not disclosed the specified ingredients for HiRate™ 690 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.

- b. Has the identity of the ingredient and its use in an additive of the type at issue in your request (e.g., surfactant, biocide, breaker) been publicly disclosed by you or, to your knowledge, anyone else.**

- i. Pursuant to any federal, state, or local law or regulation?**

IOS has not disclosed the ingredient identity for HiRate™ 690 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 HiRate™ 690, the underlying ingredient identity has not been previously disclosed pursuant to any federal, state or local law or regulation.

- ii. In professional trade publications?**

IOS has not disclosed the ingredient identity for HiRate™ 690 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 HiRate™ 690, the underlying ingredient identity has not been previously disclosed in any professional trade publication.

- iii. Through any other media or publications available to the public or your competitors?**

IOS has not disclosed the ingredient identity for HiRate™ 690 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 HiRate™ 690, 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 (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.**

IOS maintains the composition information as confidential business information by providing limited internal access 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 a segregated 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 regulatory body (federal, state, tribal, or local) determined that 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 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 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. Also provide any description of the efforts undertaken in developing the product you believe is relevant.**

Disclosure of the trade secret components of the Product would cause loss of our competitive advantage, as it would enable other companies (competitors and others) to take advantage of our substantial investment in innovation, development, and testing of the product, without allowing or providing IOS a mechanism to recover its investment costs. As with many manufacturing businesses, competitors seek to discover the confidential information, including trade secrets, of their competitors to determine how to gain a competitive advantage. Enabling IOS's trade secret information regarding the Product to be available to our competitors whose own information is not available to us, will place IOSF at a distinct competitive disadvantage. Maintaining the trade secret status of this Product's information trade secret is therefore of economic value to IOS. Disclosure of this trade secret information would significantly harm IOS.

HiRate™ 690 is a friction reducer for Oil & Gas applications in an inverse emulsion form which provides superior performance when compared to competitive products. It is composed of 2-Propenoic acid polymer with acrylamide, sodium salt which is the base polymer and component which when hydrated in the frac fluid allows the user to pump more fluid at faster rates with less surface pressure than would be possible without the addition of this product. Water provides the internal phase of the emulsion and is the medium where the polymer is suspended until used. Distillate (petroleum), hydrotreated light is the external phase of the emulsion. The proprietary surfactant components act in a synergistic manner to ensure stability of the emulsion while in storage. They provide the superior performance as a friction reducer in hydraulic fracturing

operations when compared to competitive products. These products in the ratios present are critical for achieving both superior product performance and best cost for the user.

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 use of the "systems approach" format would not adequately protect your proprietary interest.**

IOS has made every effort to ensure the protection of this confidential information, include trade secrets, from disclosure to the public. While the trade secret ingredients in the Product may be suitable for a "systems approach" involving lists of chemicals, and in fact may already be included on one or more such list, the fact that these specific ingredients are used in a friction reducer product, and in a specific ratio in this Product, as in Attachment 2, reveal to competitors enough information to enable a trained person to identify the acceptable concentration range to achieve the key performance criteria of the Product. IOS 's competitors (in the US. and elsewhere) would be able to replicate the IOS technologies and commercialize the technologies and Product, to the financial detriment of IOS. Additionally, IOS 's significant investment in resources and time to develop the product and underlying technology would be lost if this trade secret information entered the public domain.

Attachment 2
IOS Additive Products To be Used in Montana

NOTE: REDACTED VERSION

Available to Public				
Additive Product	Product Type	Main Ingredient	CAS Number	Max %
HiRate™ 690	Friction Reducer	Water	7732-18-5	40
		Distillates (petroleum), hydrotreated light	64742-47-8	30
		Alcohols, C11,-14-iso-,C13-rich, ethoxylated	60911-36-5	<5
		Proprietary Polyacrylamide	Proprietary	35
		Surfactant blend	Proprietary	<2
		Proprietary	Proprietary	<3
		Acrylamide (as residual)	79-06-1	< 0.09