

PUBLIC REDACTED GUIDELINE RESPONSE VERSION**RECEIVED****ROCKWATER ENERGY SOLUTIONS****JAN - 8 2019****S-333-A****MONTANA BOARD OF OIL &
GAS CONSERVATION • BILLINGS**

1. Public Disclosure: Rockwater's Product S-333-A is a proprietary scale inhibitor product, the disclosure of which would cause competitive harm to Rockwater. Specifically, such disclosure would permit competitors to determine the precise chemical identity and composition of this proprietary product. Rockwater has carefully reviewed this product to ensure that only the components that represent trade secret components are protected. To Rockwater'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 Rockwater or, to Rockwater's knowledge, any other third party.

The identity of the confidential information and its use in Product S-333-A has not been publicly disclosed by Rockwater or, to Rockwater's knowledge, anyone else: (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 Rockwater's competitors. []

2. Safeguarding Steps: Rockwater has treated the exact chemical identity of its Product S-333-A as a trade secret, and has taken (and continues to take) appropriate and required steps designed to ensure that no unauthorized disclosure of such information is made. Internally, Rockwater employees have been trained on the importance of protecting the company's confidential information and trade secrets. Further, information about the chemical composition of Rockwater's products is maintained []. Only employees who need to know such information are permitted access to this information. When such information must be disclosed externally, for example to complete a Safety Data Sheet (SDS) or 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. Other Regulatory Review: No other federal, state, tribal or local regulatory body has determined that the confidential information (including its use in Product S-333-A) is not entitled to protection from public disclosure or trade secret or confidential commercial information. To Rockwater'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 0.1%. []
4. Commercial Value: In the process of developing S-333-A, the [] phosphonate not disclosed on the safety data sheet in S-333-A work synergistically with the disclosed & undisclosed components on the safety data sheet when applied to various water conditions in order to help the [] and the product to work as intended []. Since every water condition has unique

characteristics, a universal chemical treatment is not possible and more niche products result. [] Through the selection of raw materials, specific blend ratios, subsequent lab and field testing and commercialization we have generated core, proprietary chemistries that provide superior, cost-effective results for our clients. These novel chemistries provide a competitive edge for our group and helps to support further development to meet client and regulatory requirements. Disclosure of the trade secret components of Product S-333-A would negatively impact Rockwater's competitive advantage in the marketplace, and would allow competitors to unfairly benefit from Rockwater's substantial investment of money, corporate resources, ingenuity, and product development. Development of a critical component of a production chemical requires a detailed knowledge of the product's properties, its interaction with other components of the same fluid and the formation being treated, as well as the safety and environmental factors attendant to such fluid. In carrying out its own development activities, Rockwater employs highly skilled and specialized personnel and has expended considerable sums of money to design and construct proper manufacturing facilities and processes. Rockwater has also benefited from years of selling this product and "lessons learned" from its loyal customers. These efforts have yielded a proprietary composition for Product S-333-A that is both novel and unknown to the general industry. Disclosure of this information would unduly harm Rockwater's business and adversely impact the competitive advantage it has spent years to develop and cultivate.

5. Systems Approach: Rockwater has gone to appropriate lengths to protect its confidential information 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 Product S-333-A. 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 Rockwater's competitors to replicate Rockwater's technologies and to commercialize them, eliminating the value of Rockwater's commercial investment and providing a disincentive for future investment.

RECEIVED

JAN - 8 2019

MONTANA BOARD OF OIL &
GAS CONSERVATION • BILLINGS

TABLE TWO – PUBLIC VERSIONProduct Name: S-333-A

Acetic Acid	64-19-7	15-40%
Methanol	67-56-1	10-30%
PROPRIETARY	PROPRIETARY	1-10%
NONYLPHENOL POLYETHYLENE GLYCOL ETHER	127087-87-0	1-10%

REDACTED VERSION

In the process of developing S-333-A, the [] phosphonate not disclosed on the safety data sheet in S-333-A work synergistically with the disclosed & undisclosed components on the safety data sheet when applied to various water conditions in order to help the [] and the product to work as intended []. Since every water condition has unique characteristics, a universal chemical treatment is not possible and more niche products result. [] Through the selection of raw materials, specific blend ratios, subsequent lab and field testing and commercialization we have generated core, proprietary chemistries that provide superior, cost-effective results for our clients. These novel chemistries provide a competitive edge for our group and helps to support further development to meet client and regulatory requirements. The prime use of S-333-A is as a scale inhibitor. Rockwater has also benefited from years of selling this product and “lessons learned” from its loyal customers. These efforts have yielded a proprietary composition for Product S-333-A that is both novel and unknown to the general industry. Disclosure of this information would unduly harm Rockwater’s business and adversely impact the competitive advantage it has spent years to develop and cultivate.