22-04-001

(SUBMIT IN DUPLICATE)

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

RECEIVED
FEB 15 2022
MONTANA BOARD OF OIL & GAS CONSERVATION • BILLINGS

REQUEST FOR TRADE SECRET EXEMPTION

1. Classification of Requesting Party
   ☐ Operator ☐ Service Company ☑ Other – Specify MANUFACTURER/SUPPLIER

2. Full name of the Owner, Operator, or Service Company ROCKWATER ENERGY SOLUTIONS

3. Address 1515 W. SAM HOUSTON PKWY SUITE 100 HOUSTON TEXAS 77043 7139862558
   (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 RESIN

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 J. Greg Darby

Print name and title J. GREG DARBY

FOR STAFF USE ONLY:

APPROVED: ☒ Yes ☐ No

Signature Petroleum Engineer 2/17/22
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 ALCOHOL

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J. Greg Darby
Signature

J. GREG DARBY
Print name and title

FOR STAFF USE ONLY:

APPROVED: ☒ Yes ☐ No

Signature | Petroleum Engineer (Title) | 2/17/22 (Date)

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   Chemical Family associated with the Chemical Constituent ACID

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CERTIFICATE

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J. Greg Darby
Signature

J. GREG DARBY
Print name and title

FOR STAFF USE ONLY:

APPROVED: ☒ Yes ☐ No

Signature | Petroleum Engineer (Title) | 2/17/22 (Date)

PUBLIC REDACTED GUIDELINE RESPONSE VERSION

ROCKWATER ENERGY SOLUTIONS

FRAQ SLIQ PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC)

1. Public Disclosure: Rockwater's Product FRAQ SLIQ PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC) is a proprietary friction reducer 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 FRAQ SLIQ PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC) 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 FRAQ SLIQ PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC) 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 FRAQ SLIQ PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC)) 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: Fraq Sliq PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC) is an emulsion polymer consisting of the monomers acrylic acid and acrylamide [] combined with various surfactants, oils, and water. [] In the process of developing FRAQ SLIQ PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC), the surfactant [] mixture [] in FRAQ SLIQ PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC) works synergistically with the primary surfactant [] in order to help the emulsion product invert []. When applied to various water conditions, the product will work as intended []. Since every water condition has unique characteristics, a universal friction reducer is not possible and more niche friction reducers result. PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC) would be considered a niche friction reducer based on its unique specialized performance in specific water chemistry and conditions.

[]

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 FRAQ SLIQ PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC) 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 FRAQ SLIQ PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC) 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 FRAQ SLIQ PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC). 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.

Table Two – Public Version

Product Name: FRAQ SLIQ PFR-325 (INCLUDING RELEVANT AKA'S SUCH AS FRP-4HE FROM LIBERTY FRAC)

Polyethylene glycol 400 Monooleate	9004-96-0
Alcohol	Confidential
Resin	Confidential
Acid	Confidential
Sorbitan Monooleate	1338-43-8
Oil	64742-47-8
Water	7732-18-5
Polyacrylamide	9003-05-8
Sodium Chloride	7647-14-5

1. Public Redacted Version

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