

# Two Companies Seek Trade Secret Status for Fracking Fluids in Wyoming

*Disclosure is the rule, anything else is a rare exception, state official says*

**Marie C. Baca, Reuters, 11-2-10**

Two chemical manufacturers are seeking an exemption from new rules in Wyoming that require public disclosure of the chemicals used in hydraulic fracturing, a controversial natural gas drilling process suspected of polluting groundwater.

ChemEOR, based in Covina, Calif., and CESI Chemical Inc., based in Marlow, Okla., have asked the Wyoming Oil and Gas Conservation Commission to grant their fracturing fluids trade secret status, according to state oil and gas supervisor Tom Doll. The designation would still require the companies to share their formulas with the state but would exempt them from making the information available to the public.

"Disclosure is the rule," Doll said. "Anything else is a rare exception, and one we will look at very, very closely."

Doll said most companies that have approached him over the past month have said they are willing to give their chemical information to both the agency and the public.

The new rules, which went into effect Sept. 15, require drilling companies to tell regulators which chemicals they plan to use in each well before the well is approved. Companies must also disclose the concentrations of the chemicals they used once the operation is complete. The list of chemicals and concentrations is available to the public on the Wyoming Oil and Gas Conservation Commission website.

If a company claims that certain information is a trade secret, the commission or state courts would review the request and, if approved, the relevant information would be withheld from the public.

Chemical and drilling companies have long argued that their products are safe and that sharing their proprietary information, as the Wyoming law now requires, would harm the industry.

"We're not doing this because it's a personal interest," said Patrick Shuler, vice president of technology and development at ChemEOR, which is a subsidiary of Flotek Industries Inc. "We're trying to keep our people gainfully employed, and that means maintaining our trade secrets and our competitive advantage."

CESI Chemical did not respond to requests for comment.

Environmentalists and researchers say that if the Wyoming law is implemented as promised, it could create the most comprehensive data yet for studying the relationship between hydraulic fracturing and water contamination.

"If disclosure hurts the industry, then that's a problem with the industry," said Deb Thomas, an organizer with the Powder River Basin Resource Council, a Wyoming environmental group. "We shouldn't be protecting these companies at the expense of the public."

While the new law makes it difficult for companies to keep the chemicals they use secret, there is a loophole that allows them to delay the disclosure. Under Wyoming law, companies can keep information about their

"first, exploratory" well -- also known as a "wildcat well" -- confidential for six months. The new law maintains this provision.

This loophole dates back to earlier gas drilling legislation, Doll said, and is meant to allow companies to maintain their competitive advantage while they determine the viability of a new drilling area. Once the company files a completion report or the six months expires, the information is no longer confidential.

Drilling companies can ask for an additional six-month confidentiality extension, but Doll has been reluctant to do that. He said he is currently reviewing some 200 wells that were given confidential status before the new guidelines went into effect.