

SENATE FILE NO. SF0060

Hydraulic fracturing disclosure requirements.

Sponsored by: Senator(s) Esquibel, F.

A BILL

for

1 AN ACT relating to oil and gas; requiring the disclosure of
2 hydraulic fracturing fluids used in the hydraulic
3 fracturing process; providing for the classification of a
4 hydraulic fracturing treatment as a trade secret as
5 specified; granting rulemaking authority; specifying
6 applicability; and providing for an effective date.

7

8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.** W.S. 30-5-129 is created to read:

11

12 **30-5-129. Disclosure of hydraulic fracturing**
13 **treatment fluid.**

14

15 (a) In addition to all other requirements of this
16 act, the commission shall:

17

1 (i) Prior to issuing a permit to drill an oil
2 and gas well, require an operator of a well on which a
3 hydraulic fracturing treatment is to be performed to
4 provide information in a format as prescribed by the
5 commission with regard to the well, including:

6

7 (A) The total volume of water expected to
8 be used in the hydraulic fracturing treatment; and

9

10 (B) The chemical additives and compounds of
11 each chemical ingredient to be mixed and injected into the
12 well for each stage of the hydraulic fracturing program,
13 including:

14

15 (I) Fluid identified by additive type;

16

17 (II) The chemical compound name and
18 chemical abstracts service (CAS) number for each additive
19 used;

20

21 (III) The proposed rate or
22 concentration of each chemical ingredient during each stage
23 of the hydraulic fracturing treatment program.

24

1 (ii) Prohibit the injection of volatile organic
2 compounds or hazardous substances into groundwater and into
3 any well when the health, safety and welfare of the public
4 will be adversely affected by the injection of volatile
5 organic compounds or hazardous substances;

6

7 (iii) Require the owner or operator of a well
8 receiving a hydraulic fracturing treatment to provide upon
9 the completion of the well a list of all chemical
10 ingredients injected into the well and the amount of each
11 chemical injected;

12

13 (iv) Require the owner or operator of the well,
14 prior to the injection of hydraulic fracturing treatment
15 fluid, to perform a suitable mechanical integrity test of
16 the casing or of the casing-tubing annulus or other
17 mechanical integrity tests as prescribed by rules and
18 regulations of the commission;

19

20 (v) Require the owner or operator of the well to
21 provide the commission with the geological names,
22 geological description and depth of the formation into
23 which hydraulic fracturing treatment fluids are to be
24 injected; and

1

2 (vi) Require the owner or operator of the well
3 to provide any additional information concerning the
4 hydraulic fracturing treatment the commission finds is
5 necessary to protect the public and the resource.

6

7 (b) The commission shall require a service company
8 that performs hydraulic fracturing treatment on a well or a
9 supplier of an additive used in a hydraulic fracturing
10 treatment to provide the owner or operator of the well with
11 the information necessary to comply with this section.

12

13 (c) Subject to this subsection, information provided
14 pursuant to this section shall be made available to the
15 public. The commission shall by rule prescribe a process
16 by which an entity required to comply with this section may
17 declare certain information as a trade secret, including
18 the identity and amount of the chemical ingredients used in
19 a hydraulic fracturing treatment. The commission shall
20 only withhold public disclosure of the chemical components
21 of a hydraulic fracturing treatment upon a finding by clear
22 and convincing evidence that:

23

1 (i) Public disclosure will preclude an economic
2 advantage or an opportunity to obtain an economic advantage
3 to the operator or service company claiming the trade
4 secret over those who do not know or use the hydraulic
5 fracturing treatment; and

6

7 (ii) Treatment of the hydraulic fracturing
8 treatment as a trade secret will not adversely affect the
9 health, welfare and safety of the citizens of Wyoming.

10

11 (d) Owners, operators and service companies claiming
12 an entitlement to treatment of information as a trade
13 secret shall disclose the chemical components of a
14 hydraulic fracturing treatment to the commission as
15 specified in this section. The commission shall treat such
16 a hydraulic fracturing treatment as confidential as
17 provided by W.S. 16-4-203(d)(v) until the commission finds
18 that the hydraulic fracturing treatment is not a protected
19 trade secret. The commission shall disclose the chemical
20 components of a hydraulic fracturing treatment in cases
21 where immediate disclosure of the hydraulic fracturing
22 treatment is necessary to protect human life, safety and
23 welfare.

24

1 (e) Only the following persons may challenge a claim
2 of entitlement to treatment of information as a trade
3 secret protection under subsection (c) of this section:

4

5 (i) The landowner on whose property the
6 hydraulically fractured well is located;

7

8 (ii) A landowner who owns property adjacent to
9 property where the relevant well is located;

10

11 (iii) A department or agency of the state with
12 jurisdiction over a matter to which the claimed trade
13 secret is relevant; and

14

15 (iv) Any person who can prove by a preponderance
16 of the evidence a direct effect from the hydraulic
17 fracturing treatment in question.

18

19 **Section 2.** W.S. 30-5-101(a) by creating new
20 paragraphs (xi) through (xiii) is amended to read:

21

22 **30-5-101. Definitions.**

23

1 (a) As used in this act unless the context otherwise
2 requires:

3
4 (xi) "Hydraulic fracturing" means the process of
5 directing pressurized liquids, containing water, proppant
6 and any added chemicals, to penetrate tight sand, shale or
7 coal formations that involve high rate, extended back flow
8 to expel fracture fluids and sand during completions and
9 well workovers;

10
11 (xii) "Hydraulic fracturing treatment" means
12 mixing and injecting pressurized liquids, water, proppant
13 and any added chemicals into a well to achieve hydraulic
14 fracturing;

15
16 (xiii) "Proppant" means a material, such as
17 grains of sand, ceramic or other particulates, which are
18 added to a hydraulic fracturing treatment to prevent the
19 fractures created by the treatment from closing.

20
21 **Section 3.** This act shall apply to all oil and gas
22 wells permitted, but not completed on or before April 1,
23 2012.

24

1 **Section 4.** This act is effective immediately upon
2 completion of all acts necessary for a bill to become law
3 as provided by Article 4, Section 8 of the Wyoming
4 Constitution.

5

6

(END)