

SENATE FILE NO. SF0157

Hydraulic fracturing disclosure requirements.

Sponsored by: Senator(s) Esquibel, F.

A BILL

for

1 AN ACT relating to oil and gas; requiring the disclosure
2 of 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.

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

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

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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:

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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:

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

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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:

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15 (I) Fluid identified by additive type;

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

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

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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;

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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;

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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;

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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

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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.

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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.

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13 (c) The environmental quality council, through the
14 department of environmental quality, water quality
15 division, shall promulgate rules and regulations requiring
16 the owner or operator of a pad from which multiple wells
17 are drilled to provide analysis of the chemical components
18 of all potable groundwater aquifers through which their
19 wells pass prior to the completion of the wells, provided:

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21 (i) Testing shall be done on every new well or
22 new pad from which multiple wells are drilled provided that
23 all of the potable groundwater aquifers through which a
24 well will pass are tested;

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2 (ii) Testing shall be conducted in a manner
3 consistent with accepted standards for groundwater testing
4 and monitoring; and

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6 (iii) Groundwater chemical component data
7 collected shall be of sufficient quality and quantity to
8 provide a scientifically defensible record of the ambient
9 groundwater quality in a defined geographic area prior to
10 the completion of a well.

11

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

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22 (i) Public disclosure will preclude an economic
23 advantage or an opportunity to obtain an economic advantage
24 to the operator or service company claiming the trade

1 secret over those who do not know or use the hydraulic
2 fracturing treatment; and

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

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

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22 (f) Only the following persons may challenge a claim
23 of entitlement to treatment of information as a trade
24 secret protection under subsection (c) of this section:

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2 (i) The landowner on whose property the
3 hydraulically fractured well is located;

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

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

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12 (iv) Any person who can prove by a preponderance
13 of the evidence a direct effect from the hydraulic
14 fracturing treatment in question.

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

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19 **30-5-101. Definitions.**

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21 (a) As used in this act unless the context otherwise
22 requires:

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

7
8 (xii) "Hydraulic fracturing treatment" means
9 mixing and injecting pressurized liquids, water, proppant
10 and any added chemicals into a well to achieve hydraulic
11 fracturing;

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

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18 **Section 3.** This act shall apply to all oil and gas
19 wells permitted, but not completed on or after April 1,
20 2013.

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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.

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6

(END)