Disclosing Composition of Hydraulic Fracturing Fluids

This SSL draft is based on Texas law. According to a Texas legislative bill analysis, hydraulic fracturing, commonly called “fracking,” is a natural gas drilling method in which a well is drilled vertically more than a mile deep and then extended horizontally into a targeted rock formation. Fracturing fluids, consisting of water, sand, and chemical additives, are pumped at extremely high pressure down the wellbore. The fracturing fluids flow through perforated sections of the wellbore and into the surrounding formation, fracturing the rock and injecting sand into the cracks to hold them open. This process is repeated multiple times to reach maximum areas of the wellbore. The water pressure then is reduced and fluids are returned up the wellbore for disposal or for treatment and reuse, leaving the sand in place to prop open the cracks and allow the gas to flow and be collected at the surface.

This Act requires operators of wells undergoing hydraulic fracturing treatment to complete and post a form on a Hydraulic Fracturing Chemical Registry website of the Ground Water Protection Council and the Interstate Oil and Gas Compact Commission disclosing the total volume of water used in the hydraulic fracturing treatment and each chemical ingredient used in it. The Act addresses how some of that information can be protected from disclosure as trade secrets, and how people can challenge designating such information as trade secrets.

Submitted as:
Texas
HB No. 3328 (Enrolled version)
Status: Enacted into law in 2011.

Suggested State Legislation

(Title, enacting clause, etc.)

Section 1. [Short Title.] This Act shall be cited as “An Act Relating to the Disclosure of the Composition of Hydraulic Fracturing Fluids Used in Hydraulic Fracturing Treatments.”

Section 2. [Disclosure of Composition of Hydraulic Fracturing Fluids.] (a) The [commission] by rule shall:

(1) require an operator of a well on which a hydraulic fracturing treatment is performed to:

(A) complete the form posted on the hydraulic fracturing chemical registry Internet website of the Ground Water Protection Council and the Interstate Oil and Gas Compact Commission with regard to the well;

(B) include in the form completed under Paragraph (A):

(i) the total volume of water used in the hydraulic fracturing treatment;

and

(ii) each chemical ingredient that is subject to the requirements of 29 C.F.R. Section 1910.1200(g)(2), as provided by a service company or chemical supplier or by the operator, if the operator provides its own chemical ingredients;

(C) post the completed form described by Paragraph (A) on the website described by that paragraph or, if the website is discontinued or permanently inoperable, post the completed form on another publicly accessible Internet website specified by the [commission];
(D) submit the completed form described by Paragraph (A) to the [commission] with the well completion report for the well; and

(E) in addition to the completed form specified in Paragraph (D), provide to the [commission] a list, to be made available on a publicly accessible website, of all other chemical ingredients not listed on the completed form that were intentionally included and used for the purpose of creating a hydraulic fracturing treatment for the well. The [commission] rule shall ensure that an operator, service company, or supplier is not responsible for disclosing ingredients that:

(i) were not purposely added to the hydraulic fracturing treatment;

(ii) occur incidentally or are otherwise unintentionally present in the treatment; or

(iii) in the case of the operator, are not disclosed to the operator by a service company or supplier. The [commission] rule shall not require that the ingredients be identified based on the additive in which they are found or that the concentration of such ingredients be provided;

(2) require a service company that performs a hydraulic fracturing treatment on a well or a supplier of an additive used in a hydraulic fracturing treatment on a well to provide the operator of the well with the information necessary for the operator to comply with Subdivision (1);

(3) prescribe a process by which an entity required to comply with Subdivision (1) or (2) may withhold and declare certain information as a trade secret for purposes of [insert citation], including the identity and amount of the chemical ingredient used in a hydraulic fracturing treatment;

(4) require a person who desires to challenge a claim of entitlement to trade secret protection under Subdivision (3) to file the challenge not later than the [second anniversary] of the date the relevant well completion report is filed with the [commission];

(5) limit the people who may challenge a claim of entitlement to trade secret protection under Subdivision (3) to:

(A) the landowner on whose property the relevant well is located;

(B) a landowner who owns property adjacent to property described by Paragraph (A); or

(C) a department or agency of this state with jurisdiction over a matter to which the claimed trade secret is relevant;

(6) require, in the event of a trade secret challenge, that the [commission] promptly notify the service company performing the hydraulic fracturing treatment on the relevant well, the supplier of the additive or chemical ingredient for which the trade secret claim is made, or any other owner of the trade secret being challenged and provide the owner an opportunity to substantiate its trade secret claim; and

(7) prescribe a process, consistent with 29 C.F.R. Section 1910.1200, for an entity described by Subdivision (1) or (2) to provide information, including information that is a trade secret as defined by Appendix D to 29 C.F.R. Section 1910.1200, to a health professional or emergency responder who needs the information in accordance with Subsection (i) of that section.

(b) The protection and challenge of trade secrets under this section is governed by [insert citation].

(c) This Act applies only to a hydraulic fracturing treatment performed on a well for which an initial drilling permit is issued on or after the date the initial rules adopted by the [commission] to implement this Act take effect. A hydraulic fracturing treatment performed on a well for which an initial drilling permit is issued before the date the initial rules take effect is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.
Section 3. [Severability.] [Insert severability clause.]

Section 4. [Repealer.] [Insert repealer clause.]

Section 5. [Effective Date.] [Insert effective date.]