Hydraulic fracturing disclosure requirements.

Sponsored by: Senator(s) Esquibel, F.

A BILL

for

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

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

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


(a) In addition to all other requirements of this act, the commission shall:
(i) Prior to issuing a permit to drill an oil and gas well, require an operator of a well on which a hydraulic fracturing treatment is to be performed to provide information in a format as prescribed by the commission with regard to the well, including:

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

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

(I) Fluid identified by additive type;

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

(III) The proposed rate or concentration of each chemical ingredient during each stage of the hydraulic fracturing treatment program.
(ii) Prohibit the injection of volatile organic compounds or hazardous substances into groundwater and into any well when the health, safety and welfare of the public will be adversely affected by the injection of volatile organic compounds or hazardous substances;

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

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

(v) Require the owner or operator of the well to provide the commission with the geological names, geological description and depth of the formation into which hydraulic fracturing treatment fluids are to be injected; and
(vi) Require the owner or operator of the well to provide any additional information concerning the hydraulic fracturing treatment the commission finds is necessary to protect the public and the resource.

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

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

(i) Testing shall be done on every new well or new pad from which multiple wells are drilled provided that all of the potable groundwater aquifers through which a well will pass are tested;
(ii) Testing shall be conducted in a manner consistent with accepted standards for groundwater testing and monitoring; and

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

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

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

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

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

(f) Only the following persons may challenge a claim of entitlement to treatment of information as a trade secret protection under subsection (c) of this section:
(i) The landowner on whose property the hydraulically fractured well is located;

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

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

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

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


(a) As used in this act unless the context otherwise requires:
(xi) "Hydraulic fracturing" means the process of directing pressurized liquids, containing water, proppant and any added chemicals, to penetrate tight sand, shale or coal formations that involve high rate, extended back flow to expel fracture fluids and sand during completions and well workovers;

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

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

Section 3. This act shall apply to all oil and gas wells permitted, but not completed on or after April 1, 2013.
Section 4. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.