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## **Affirmation for Trade Secret Claim Entitlement**

**The identity of the Chemical Constituents in respect of which trade secret categorization is being sought is information that is not known outside Flotek Chemistry's organization and that are protected within and outside the organization by confidentiality agreements.** The formulations and identity of the Chemical Constituents that are the subject of these applications (the "Trade Secret Constituents") are not publically disclosed and give Flotek Chemistry a competitive advantage over our competitors. The identity of the Trade Secret Constituents are not disclosed by Flotek Chemistry to any parties outside the company without the protection afforded by a binding confidentiality agreement with individuals who have taken reasonable measures to protect the confidentiality of such information and intend to continue to be bound by it (other than potentially to members of a local emergency planning committee, an officer or employee of the United States or a State or local government, or an employee of such person). Furthermore, Flotek Chemistry follows stringent protocols to ensure that the identity of the Trade Secret Constituents is stored securely and accessed internally only by employees on a need-to-know basis who are bound by confidentiality agreements respecting the non-disclosure of such information and who understand the implications of such obligations. As a result of the measures taken by Flotek Chemistry to protect the identity of the Trade Secret Constituents, it would be very difficult for Flotek Chemistry's competitors to lawfully identify such constituents.

**The Trade Secret Constituents are not required to be disclosed or otherwise made available to the public under any other Federal or State law.** Although there are some government entities with disclosure legislation, we have received exception to the disclosure of such information under the comparable regulations.

**Disclosure of the Trade Secret Constituents is likely to cause substantial harm to our competitive position.** Flotek Chemistry's proprietary chemical products are attributable to decades of experience in the specialty chemical oilfield industry and differentiate us from our peers. Like our peers, Flotek Chemistry spends significant research and development funds developing our products in an effort to respond to the ever changing demands and requirements of our customers. The development of a new product requires a significant outlay of human and monetary capital, with substantial research and development and quality control costs. Exposing Flotek Chemistry's trade secrets to competing companies by identifying all Chemical Constituents and formulations in certain of our chemical products would severely prejudice Flotek Chemistry's operations as it would aid such competitors in identifying the formulation of such products that Flotek Chemistry has invested significant time and resources to develop in order to offer industry leading specialty chemical products. Flotek Chemistry has been judicious in selecting what Chemical Constituents it will seek trade secret protection for, bearing in mind the requirements of subsection (a)(2) of 42 C.F.R. § 11042.

**The chemical identity of Trade Secret Constituents is not readily discoverable through reverse engineering.** Absent the disclosure of the entire formulation, the chemical identity and formulations of the Trade Secret Constituents is not readily discoverable through reverse engineering. However, if Flotek Chemistry was required to disclose all Chemical Constituents and formulations for certain of its trade secret chemical products our peers would be provided an opportunity to recreate such products without any associated requirement to invest their own time and resources. As a result, they could reproduce these products and offer them to our customers without having to recoup the substantial associated research and development costs. This would not only negatively affect Flotek Chemistry's operations in the State of Colorado, but could potentially have severe negative consequences for the balance of our U.S. and international operations.