

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS AGREEMENT is entered into by and between *Interested Party* (“Company”), and Boyd & McWilliams Investments, LLC, (“Seller”).

WHEREAS, Seller has agreed to furnish Company certain confidential and proprietary data and information including geological and geophysical information, logs, reports, studies, maps, analysis, leases, lease data, contracts and opinions (“Material”) to enable Company to evaluate the various properties more fully described on Exhibit “1” (“Subject Properties”).

NOW THEREFORE, in consideration of the disclosure and divulgence of the Material to Company and of the promises and covenants herein contained, it is hereby agreed as follows:

1. Seller shall provide Material to Company for examination by Company or by its agents, advisors, consultants or representatives (collectively “Representatives”) and Company may disclose the Material only to Representatives who have a need to examine such Material and who have agreed to be bound by the terms of this Agreement prior to being given access to the Material.
2. Company agrees that (i) the Confidential Information will be **solely** for the purpose of evaluating a possible transaction with Seller (“Purpose”), and (ii) the Confidential Information will not be used in any way directly or indirectly to compete with Seller or used in any other way directly or indirectly detrimental to Seller, its successors and assignees. The parties hereto acknowledge that the Company and its Representatives may retain mental impressions of the Material and that such persons may, now or in the future, be working on other projects, whether or not related to the Subject Properties. Consequently, notwithstanding anything in this Agreement, the parties hereto agree that such persons shall not be precluded from working on such other projects because of the retained mental impressions of the Material, and the parties further agree that Company’s review of the Material will not preclude any oil and gas operation or activity by it subsequent to the review hereunder in any area that was subject to the review or any other areas.
3. Company and/or Representatives shall not (a) use or allow the use of any portion of the Material or any notes, summaries, analysis, studies, forecasts or other material, information or conclusions derived from the inspection, examination or evaluation of the Material (all collectively called Confidential Information) except for evaluation purposes; (b) disclose or allow the disclosure to others of all or any portion of the Confidential Information except to its Representatives in accordance with Section 1 above; (c) disclose or allow the disclosure to others of the existence, terms, status of negotiations of any transaction or contemplated transaction; and (d) disclose any correlation existing between the Confidential Information with public information except for the Purpose and then only to its Representatives in accordance with Section 1 above.
4. Company and its Representatives are aware that any disclosure of Confidential Information made or permitted by Company in violation of the Agreement will seriously and adversely affect the interests of Seller, so Company and its Representatives agree that this Agreement is intended to operate and inure to the benefit of Seller.
5. Seller retains all rights in and to the Material and any other Confidential Information.
6. At any time after the Purpose no longer exists and when requested by Seller in writing, Company shall promptly return or deliver to Seller all Material and other Confidential Information furnished by Seller to Company and Representatives without retaining copies thereof. Company will not be required to destroy electronic files kept in retention or back-up procedures but shall remain subject to the confidentiality obligations set forth in this agreement.
7. Company’s obligation under Sections 1-5 above shall not apply to, and the term “Material” shall not include, (a) information which at the time of disclosure hereunder was previously developed by

Company or its Representatives and already in their possession; (b) information which at the time of disclosure hereunder was in the public domain or which thereafter became part of the public domain through no action or failure to act on the part of Company or its Representatives; (c) information which at the time of disclosure hereunder was or is thereafter lawfully acquired by Company or its Representatives from a source other than Seller, provided such source was not under an obligation of confidence with respect thereto and did not acquire such information directly or indirectly from Seller; or (d) any information that can be reasonably demonstrated to have been independently developed by Company or its Representatives without aid of the Material.

8. If Company or its Representatives or anyone to whom confidential information is transmitted are requested or required by any court or legislature or administrative body (by oral question, written interrogatories, request for information or documents, subpoena or similar process) to disclose Confidential Information, Company shall at Seller's costs seek an appropriate protective order and shall immediately notify Seller of such request, requirement or proceeding. If Company is unable to obtain such protective order and Company or its Representatives are, in the opinion of their counsel, compelled to disclose Confidential Information under pain or liability for contempt, censure or penalty or otherwise obligated by applicable laws to disclose the information, then disclosure of such information may be made.
9. This Agreement shall not be construed or implied to and nothing herein shall (i) obligate Seller to furnish any specific information or type of information to Company or its Representatives; or (ii) in any manner constitute a representation or warranty, express or implied, by Seller of any kind concerning the Material including the quality, correctness, accuracy, completeness, and fitness for the Purpose and Seller disclaims any and all liability. Seller represents and warrants that it has the right to possess and disclose the Material under the terms and conditions of this Agreement, and that doing so shall not violate the legal rights of, or its contractual obligations to, any third party.

COMPANY ACKNOWLEDGES THE INHERENT RISK IN ACQUISITION, PROCESSING AND INTERPRETATION OF GEOLOGICAL AND GEOPHYSICAL DATA AND INTERPRETATIVE DATA OF ALL KINDS. EXCEPT AS SET FORTH IN THIS SECTION 9, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO ACCURACY, QUALITY OR COMPLETENESS OF THE INFORMATION, AND ONLY SPECIFIC REPRESENTATIONS AND WARRANTIES MADE IN A DEFINITIVE AGREEMENT (WHEN AND IF THE SAME IS EXECUTED) SHALL HAVE LEGAL EFFECT. NEITHER SELLER NOR ITS REPRESENTATIVES SHALL BE LIABLE TO COMPANY OR ANY OTHER PERSONS IN CONTRACT, TORT, SECURITIES LAWS OR OTHERWISE AS A RESULT OF THE TRANSACTION AND/OR USE OF THE INFORMATION BY COMPANY OR THOSE IN PRIVACY WITH COMPANY, EXCEPT UNDER REPRESENTATIONS AND WARRANTIES, IF ANY, IN A DEFINITIVE AGREEMENT. COMPANY AGREES THAT IT SHALL NOT RELY UPON THE INFORMATION WITHOUT SATISFYING ITSELF AS TO ITS ACCURACY AND COMPLETENESS AND COMPANY SHOULD MAKE INDEPENDENT VERIFICATION THEREOF.

10. No failure or delay by Seller in exercising any right, power, privilege or remedy hereunder shall be a waiver thereof or preclude the exercise of any other or future right, power, privilege or remedy.
11. Company and its Representatives shall not assign their rights and obligations under this Agreement without the prior written consent of Seller and any such attempted assignment without the prior written consent of Seller shall be null and void.
12. The confidentiality obligations under this Agreement shall terminate for Information specific to a property the earlier of: (i) the closing of a transaction, if any, between Seller and Company for that particular property or (ii) 1 year from the date set forth below. This Agreement shall be binding upon Company, its successors and assigns.

13. Company acknowledges that remedies at law may be inadequate to protect Seller against breach of this Agreement. Company hereby agrees that Seller may be entitled to equitable relief, including injunction and specific performance, without proof of actual damages, from any breach or anticipated or threatened breach of this Agreement. Any liability of Company or its Representatives for damages occasioned by the breach of this Agreement shall be joint and several. Notwithstanding anything to the contrary in this Agreement, neither Seller nor the Company shall be entitled to special, punitive, indirect, or consequential damages in connection with this Agreement and the matters contemplated hereby, and each of Seller and Company expressly waives any right to special, punitive, indirect, or consequential damages in connection with this Agreement and the matters contemplated hereby (other than rights for reimbursement, if any, by the other Party for special, punitive, indirect or consequential damages incurred by such Party or any of its affiliates to third parties for matters relating to this Agreement).
14. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO PRINCIPALS OF CONFLICT OF LAW. FORUM AND VENUE WILL BE IN MIDLAND COUNTY.

IN WITNESS WHEREOF, this Agreement is signed on this the ____ day of April, 2015.

Boyd & McWilliams Investments, LLC
Seller

Interested Party
Company

By: _____

By: _____

Title: _____

Title: _____

