

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (hereinafter referred to as the “**Agreement**”), entered into this ____ day of _____, 2019, (the “**Effective Date**”) by and between **Siltstone Resources, LLC and all of its affiliates**, all of which are corporations organized and existing under the laws of Delaware (collectively, “**Siltstone**”) and _____, a company organized and existing under the laws of _____ (the “**Receiving Party**”). Siltstone and the Receiving Party may also be referred to herein individually as a “**Party**” or collectively as the “**Parties.**” The term of this Agreement is two years from the Effective Date.

1. In connection with the evaluation and possible business transaction, acquisition, financing, or exchange (a “**Potential Transaction**”) by the Receiving Party of some or all of Siltstone’s oil and gas assets, including mineral and royalty assets, located in Ohio, West Virginia, and/or Pennsylvania (the “**Properties**”), Siltstone is willing, in accordance with the terms and conditions of this Agreement, to disclose (either through itself or its representatives) on a non-exclusive basis to the Receiving Party (or its representatives) certain confidential information relating to Siltstone and/or the Properties. As used herein, the term “**Confidential Information**” shall mean (i) all information relating to Siltstone or the Properties disclosed by Siltstone or its representatives to the Receiving Party or its representatives (whether by written, oral, electronic or other means), which may include, but is not limited to, geological and geophysical data, maps, models, interpretations and forecasts, technical designs, marketing arrangements and development plans, and commercial, contractual, and financial information, (ii) any notes, summaries, interpretations, interpolations, synthesis, or other material derived from or generated in connection with the inspection or evaluation of the information included in the preceding clause (i), regardless of the manner maintained, recorded or documented, and (iii) the fact that negotiations and/or discussions are taking place regarding a Potential Transaction or that information has been provided by Siltstone relating to the Properties. Confidential Information may also include data licensed from, or otherwise subject to agreements with, third parties (such third party data is referred to collectively as “**Speculative Data**”) which may impose various restrictions and limitations on Siltstone’s ability to show, display, divulge or otherwise disclose the Speculative Data to Receiving Party. As used herein, the term “**Confidential Information**” shall not include information which:
 - a. is already known by the Receiving Party as of the date of disclosure hereunder;
 - b. at the time of disclosure hereunder was in the public domain or, subsequent to disclosure hereunder, becomes a part of the public domain through no action or failure to act, whether directly or indirectly, on the part of the Receiving Party or its Representatives (as defined below); or

- c. subsequent to disclosure hereunder, is lawfully acquired by the Receiving Party or its Representatives from a source other than Siltstone or its representatives, provided such source was not under an obligation of confidence with respect thereto.
2. In consideration of the disclosure referred to in Paragraph 1 hereof, the Receiving Party agrees that the Confidential Information shall be kept strictly confidential and shall not be sold, traded, published or otherwise disclosed to anyone in any manner whatsoever, including by means of photocopy, reproduction or electronic media, without Siltstone's prior written consent, except as provided in this Agreement. Furthermore, the Receiving Party shall only use or permit the use of the Confidential Information to evaluate the Properties and any Potential Transaction. With regard to Speculative Data, Receiving Party agrees that: (a) it will only view the Speculative Data for the sole purpose of verifying Siltstone's interpretation of the Speculative Data and shall not make any drawings, sketches, notes or any other physical manifestation of the Speculative Data; and (b) it shall not use Speculative Data to make regional interpretations; and (c) under no circumstances will Receiving Party be allowed to utilize Speculative Data to derive, develop or deduce its own interpretation unless Receiving Party has first obtained a license from the third party owner of such Speculative Data.
3. The Receiving Party shall not disclose the Confidential Information without Siltstone's prior written consent except that Confidential Information may be disclosed to such of the following persons ("**Representatives**") to the extent that they have a clear need to know in order to evaluate the Properties or any Potential Transaction:
 - a. any Affiliated Company of Receiving Party, where (i) "**Affiliated Company**" means any company or legal entity which controls, or is controlled by, or which is controlled by an entity which controls, a Party and (ii) "**Control**" means the ownership directly or indirectly of fifty (50) percent or more of the voting rights in a company or other legal entity;
 - b. employees, officers, and directors of the Receiving Party or any of its Affiliated Companies;
 - c. any attorney, accountant, consultant, or other agent retained by the Receiving Party or any of its Affiliated Companies; or
 - d. any bank or other financial institution or entity funding or proposing to fund any Potential Transaction or the Receiving Party's participation in the Properties, including any consultant retained by such bank or other financial institution or entity.

Prior to making any disclosures to persons under subparagraphs (c) or (d) above, however, the Receiving Party shall advise each such person of the terms of this Agreement and shall obtain from such person a written undertaking of confidentiality. The Receiving Party shall be responsible to Siltstone for any breach of the terms of this Agreement by any of its Representatives as though such breach was committed by the Receiving Party.

4. The Receiving Party shall acquire no proprietary interest in or right to the Confidential Information, and Siltstone may demand the return thereof at any time upon giving written notice to the Receiving Party. Within thirty (30) days of receipt of such notice, the Receiving Party shall return all original Confidential Information and shall destroy or cause to be destroyed all copies and reproductions (in whatever form, including, without limitation, electronic media) in its or its Representatives' possession. Upon request by Siltstone, the Receiving Party shall promptly furnish to Siltstone a written statement signed by a senior officer of the Receiving Party certifying compliance by its and its Representatives with the provisions of this paragraph 4.
5. If the Receiving Party or any of its Representatives is required to disclose any Confidential Information by law, order, decree, regulation or rule of any applicable governmental authority (including, without limitation, those of any regulatory agency, securities commission, or stock exchange) or if any person seeks to legally compel (by oral questions, interrogatories, request for information or documents, subpoena, or similar process) the Receiving Party or any of its Representatives to disclose any Confidential Information, the Receiving Party shall promptly provide Siltstone with written notice of such requirement in order to afford Siltstone an opportunity to seek an appropriate protective order(s). The Receiving Party and its Representatives agree to cooperate with any reasonable request of Siltstone in its efforts to secure such protective order(s) and Siltstone shall reimburse the Receiving Party and its Representatives for any reasonable cost incurred by same in complying with any Siltstone request in connection therewith. However, if Siltstone is unable to obtain or does not seek such protective order and the Receiving Party or its Representatives, in the opinion of their counsel, are compelled to disclose any Confidential Information under pain of liability for contempt, censure or penalty, disclosure of such information may be made without liability hereunder, provided that the Receiving Party and its Representatives shall use all reasonable efforts to preserve the confidentiality of the Information.
6. Siltstone hereby represents and warrants that it has the right and authority to disclose the Confidential Information to the Receiving Party as contemplated hereby. **SILTSTONE, HOWEVER, MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE QUALITY, ACCURACY AND COMPLETENESS OF THE CONFIDENTIAL INFORMATION DISCLOSED HEREUNDER, AND THE RECEIVING PARTY (ON BEHALF OF ITSELF AND ITS REPRESENTATIVES) EXPRESSLY ACKNOWLEDGES THE INHERENT RISK OF ERROR IN**

THE ACQUISITION, PROCESSING AND INTERPRETATION OF GEOLOGICAL AND GEOPHYSICAL, AS WELL AS OTHER TECHNICAL, DATA. SILTSTONE, ITS AFFILIATED COMPANIES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS SHALL HAVE NO LIABILITY WHATSOEVER WITH RESPECT TO THE USE OF OR RELIANCE UPON THE CONFIDENTIAL INFORMATION BY THE RECEIVING PARTY (OR ITS REPRESENTATIVES).

7. The Parties agree that Siltstone would be irreparably injured and is entitled to seek equitable relief (including without limitation, the granting of injunctive relief in Siltstone's favor) without the necessity of posting bond or other security, if the Receiving Party or any person to whom the Receiving Party discloses Confidential Information breaches the terms of this Agreement. Equitable relief will not be exclusive of other remedies to which Siltstone may be entitled at law or in equity.
8. This Agreement shall be governed by and interpreted in accordance with the laws of Texas excluding any choice of law rules which would refer the matter to the law of another jurisdiction, and the Parties hereby submit to the exclusive jurisdiction of the State and Federal Courts sitting in Harris County, Texas with respect to any matter relating to this Agreement.
9. It is not the intention of the Parties and nothing contained in this Agreement shall be deemed or construed to create the relationship of partnership, association, principal and agent or joint venture between the Parties. This Agreement and the disclosure of Confidential Information hereunder shall create no obligation on the part of Siltstone to enter into any further agreement with the Receiving Party. Unless and until a definitive agreement has been fully executed and delivered, no contract or agreement providing for a Potential Transaction between the Parties shall be deemed to exist and neither Party will be under any legal obligation of any kind whatsoever with respect to such transaction by virtue of this or any written or oral expression thereof, except, in the case of this Agreement, for the matters specifically agreed to herein. For purposes of this Agreement, the term "definitive agreement" means a definitive written agreement with respect to the Potential Transaction, but does not include an executed letter of intent, negotiations between the Parties, exchanges of drafts or documents relating to a Potential Transaction or any other preliminary written agreement or offer, unless specifically so designated in writing and executed by both Parties.
10. No amendments, changes or modifications to this Agreement shall be valid except if the same are in writing and signed by a duly authorized representative of each of the Parties hereto.
11. If a Party initiates litigation or other proceedings to enforce the terms of this Agreement, the Party prevailing in such litigation or proceeding is entitled to

- recover its reasonable attorneys' fees (including court costs) in connection with such litigation or proceedings.
12. This Agreement comprises the full and complete agreement of the Parties hereto with respect to the disclosure of the Confidential Information and supersedes and cancels all prior communications, understandings, and agreements between the Parties hereto relating to the Confidential Information, whether written, oral, expressed, or implied.
 13. This Agreement may only be assigned by the Receiving Party with the written authorization of Siltstone. Any attempted assignment without the prior written consent of Siltstone shall be null and void. Without limiting the foregoing, this Agreement shall bind and inure to the benefit of the Parties and their respective successors and assigns.
 14. In the event any provision of the Agreement is held to be void or unenforceable, then any such provision shall be deemed to be deleted as of the date hereof, and the remainder of this Agreement shall remain in full force and effect.
 15. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Facsimile, PDF, or other electronic signatures shall be deemed original for all purposes.
 16. Notices may be sent via U.S. Mail, courier, or via electronic transmission to the Parties at the addresses set forth on the signature page hereto.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have caused this Agreement to be executed on the date first written above.

ON BEHALF OF SILTSTONE RESOURCES,
LLC and all its affiliates

By: _____

Name: Michael Faust

Title: Authorized Member

Notice Address:

SILTSTONE RESOURCES, LLC and affiliates

Attn: Michael Faust

Email: michael.faust@siltstone.com

1800 Smith Street, Suite 2000

Houston, Texas 77002

Telephone: 713.375.9200

EXHIBIT A
Properties

Accepted and Agreed:

RECEIVING PARTY:

By: _____

Name:

Title:

Notice Address:

Telephone:

Facsimile: _____