

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (“Agreement”) is entered into the ___ day of _____, 2021, by and between Tapstone Energy, LLC, and Tapstone Midstream, LLC, legal entities formed under the laws of Delaware, with offices located at 211 North Robinson Avenue, Suite N-1000, Oklahoma City, Oklahoma 73102, on behalf of itself and its related entities and members (collectively, “Discloser”), and _____, a legal entity formed under the laws of _____ with offices located at _____ (“Recipient”). Discloser and Recipient are sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS, Recipient has requested that it be permitted to examine certain information in the possession of Discloser regarding oil and gas properties and interests located within the areas outlined or listed on Exhibit “A” attached hereto and incorporated herein (the “Properties”) for the sole purpose of determining whether or not to pursue the opportunity of entering into an agreement with Discloser for the purchase of the Properties and for negotiating any such agreement (the “Purpose”); and

WHEREAS, in order to enable Recipient to evaluate the Properties solely for the Purpose, Discloser has agreed to furnish Recipient with certain confidential and proprietary data and information pursuant to this Agreement which may include, but is not limited to, geological and geophysical information; logs; engineering, drilling, and wellbore information and reports; cashflow forecasts; reserve studies; maps; financial and tax information and analyses; leases, licenses, concessions, permits, and contracts of all kinds; production, price, and reserves information; and agreements for production transportation, treating, processing, and marketing regarding the Properties (collectively, “Materials”).

NOW, THEREFORE, in consideration of the disclosure and divulgence of the Materials to Recipient and of the covenants herein contained, Recipient and Discloser hereby agree as follows:

1. Except as provided in Sections 2 and 3 below, Recipient as well as its affiliates and the officers, directors, employees, agents, advisors, consultants, and representatives of Recipient and its affiliates (collectively, “Representatives”) shall not, without the prior written consent of Discloser:
 - (a) Use or allow the use of the Materials or any notes, copies, summaries, analyses, studies, forecasts, or other materials, information, or conclusions derived from the inspection, examination, or evaluation of the Materials (collectively, “Derivatives”) except for the Purpose;
 - (b) Disclose or allow the disclosure to any person of all or any portion of the Materials or Derivatives (collectively, “Confidential Information”);
 - (c) Disclose or allow the disclosure to any person of any correlation existing between the Confidential Information and public information; or

- (d) Disclose or allow the disclosure to any person the fact that the Confidential Information has been made available to Recipient or that discussions or negotiations are taking place concerning the Properties or the Purpose or any of the terms, conditions, or other facts with respect thereto, including the status thereof.

As used herein, the term “person” shall be broadly interpreted to include the media, any individual, and any corporation, partnership, group, governmental unit or agency, or any other entity.

2. Notwithstanding the provisions of Section 1, Recipient may make the disclosures described therein without Discloser’s prior written consent to Recipient’s Representatives who (i) have a strict need to know for the Purpose and (ii) have agreed in writing prior to being given access to the Confidential Information to be bound by the terms of this Agreement. Recipient agrees to and shall be liable for any breach of this Agreement by any of its Representatives.
3. The obligations in Section 1 shall not apply to:
 - (a) Information which at the time of disclosure hereunder was previously developed by Recipient 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 becomes part of the public domain through no action or failure to act on the part of Recipient or its Representatives; and
 - (c) Information which at the time of disclosure hereunder was or is thereafter lawfully acquired by Recipient or its Representatives from a source other than Discloser or its Representatives, provided that Recipient and its Representatives reasonably believe, after diligent inquiry, that such source was not under an obligation of confidence with respect thereto and did not acquire such information directly or indirectly from Discloser.
4. Discloser retains all rights, titles, and interests in and to the Materials. At any time when requested in writing by Discloser, Recipient shall promptly, but in no more than five (5) business days, return to Discloser all Materials and destroy all Derivatives without retaining any copies thereof. Notwithstanding the above, Recipient may retain such electronic copies of the Confidential Information as are made by Recipient in the normal course of its routine electronic file back-up procedures provided that Recipient shall not access or use such Confidential Information and such files shall be destroyed in accordance with such procedures, but in no event later than six (6) months after Recipient’s receipt of the written request described above. Upon Discloser’s request, Recipient shall promptly provide written certification to Discloser that it has complied with the terms of this Section 4. Notwithstanding the return of the Materials or the destruction of the Derivatives, Recipient shall continue to be bound by its confidentiality and other obligations under this Agreement.
5. If Recipient or its Representatives are requested or required by oral question, written interrogatories, request for information or documents, subpoena, or similar process to disclose

Confidential Information, Recipient shall promptly notify Discloser of such request, requirement, or proceeding in order to afford Discloser an opportunity to seek a protective order or other assurance that the Confidential Information will not be disclosed or disseminated by the recipient(s) thereof. Upon Discloser's request, Recipient shall cooperate with Discloser to seek and obtain such a protective order or other assurance. If Discloser is unable to obtain or does not seek such a protective order or other assurance, then Recipient may disclose such portions of the Confidential Information that Recipient or its Representatives are advised by their counsel they are legally compelled to disclose under pain or liability for contempt, censure, or penalty.

6. This Agreement shall not be construed or implied to and nothing herein shall obligate Discloser to (i) furnish any specific information or type of information to Recipient or its Representatives or (ii) enter into any type of further agreement with Recipient. Discloser may reject any and all bids for the Properties and may change the transaction procedures at any time. There shall be no binding agreement between Discloser and Recipient for a transaction related to the Properties unless and until a final definitive agreement for the transaction has been fully signed by both Discloser and Recipient.
7. Discloser represents and warrants that it has the right to disclose the Materials to Recipient hereunder. RECIPIENT ACKNOWLEDGES (i) THE INHERENT RISK OF ERROR IN THE ACQUISITION, PROCESSING, AND INTERPRETATION OF GEOLOGICAL AND GEOPHYSICAL DATA AND INTERPRETIVE DATA OF ALL KINDS, (ii) THAT DISCLOSER HAS ENDEAVORED TO INCLUDE IN THE MATERIALS THOSE ITEMS WHICH DISCLOSER BELIEVES TO BE RELIABLE AND RELEVANT FOR THE PURPOSE, AND (iii) THAT DISCLOSER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE ACCURACY, QUALITY, OR COMPLETENESS OF THE MATERIALS. RECIPIENT AGREES THAT NEITHER DISCLOSER NOR ITS REPRESENTATIVES SHALL BE LIABLE TO RECIPIENT OR ANY OTHER PERSONS IN CONTRACT, TORT, OR OTHERWISE RESULTING FROM USE OF OR RELIANCE UPON THE MATERIALS BY RECIPIENT OR ITS REPRESENTATIVES. RECIPIENT ALSO AGREES THAT ONLY THOSE SPECIFIC REPRESENTATIONS AND WARRANTIES WHICH MAY BE MADE TO RECIPIENT OR ITS REPRESENTATIVES BY DISCLOSER IN A DEFINITIVE AGREEMENT COVERING THE TRANSACTION CONTEMPLATED HEREBY (WHEN AND IF THE SAME IS MADE) SHALL HAVE LEGAL EFFECT.
8. Recipient shall not, and shall ensure that none of its affiliates shall, for a period of one (1) year after the date of this Agreement, directly solicit for hire any of the officers or employees of Discloser or any of its affiliates with whom Recipient came into contact with by way of this Agreement or the potential transaction hereunder. This provision shall not apply to officers or employees of Discloser who respond to standard job postings, advertisements or other general recruitment methods. The covenants in this Section 8 are considered fair and reasonable by the Parties.

9. No failure or delay by Discloser 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.
10. The Parties may not assign any rights under this Agreement, without the prior written consent of the other Party, and any such attempted assignment without such prior written consent shall be null and void. Notwithstanding the above, Discloser may, without the written consent of Recipient, assign its rights, in whole or in part, to any affiliate or to a successful purchaser(s) of the Properties and such assignees shall be entitled to enforce this Agreement as if they were the Discloser.
11. For a period of one (1) year from the date of this Agreement, Recipient and its Representatives shall not acquire (or caused to be acquired for their benefit by use of a broker or otherwise), directly or indirectly, any lease, farmin, pooled interest, top lease, lease extension or lease option (or any other similar instrument or agreement) on any mineral or leasehold interest within a governmental section or within 1/2 mile thereof in which Discloser currently owns a lease within the areas outlined or listed on Exhibit "A" attached hereto; provided, however, (i) if any such rights in the area shown on Exhibit "A" are acquired by merger, acquisition of stock or acquisition of a broader asset package then such acquisition shall be free of the restrictions of this paragraph, and (ii) if any such acquisition of rights in the area shown on Exhibit "A" is within a governmental section that Recipient currently owns oil and gas rights then such acquisition shall be free of the restrictions of this paragraph. If Recipient acquires any rights in violation of this paragraph, it shall have the duty to immediately notify Discloser in writing, and Discloser shall have the right to acquire such interest from Recipient, or Recipient shall, at the written request of Discloser, release such interest of record.
12. This Agreement shall terminate one (1) year from the date hereof.
13. This Agreement shall be binding upon each Party and their respective successors and permitted assigns.
14. Except as otherwise provided herein, all notices that are required or may be given pursuant to this Agreement shall be sufficient in all respects if given in writing and delivered personally, by facsimile, or by recognized courier service, as follows:

If to Discloser: Tapstone Energy, LLC
 211 North Robinson Avenue, Suite N-1000
 Oklahoma City, Oklahoma 73102
 Attention: General Counsel
 Telephone: 405-702-1611

If to Recipient: _____

 Attention: _____
 Telephone: _____

Notice given by facsimile shall be followed up with delivery via a recognized courier service.

15. Without prejudice to any rights or remedies that Discloser or any of its affiliates may have, Recipient acknowledges and agrees that neither damages nor an account of profits would be an adequate remedy for any breach by Recipient or its Representatives of the provisions of this Agreement and that, accordingly, Discloser shall be entitled to seek equitable relief including, but not limited to, injunctive relief and specific performance, without proof of actual damages, for any breach or anticipated or threatened breach of this Agreement. Recipient shall reimburse Discloser for any costs incurred including, but not limited to, attorneys' fees, costs of court, witness fees and expenses, claims, demands or liabilities arising directly or indirectly out of any such breach or anticipated or threatened breach.
16. The invalidity of any one or more provisions of this Agreement shall not affect the validity of this Agreement as a whole, and in case of any such invalidity, this Agreement shall be construed as if the invalid provision had not been included herein.
17. This Agreement may be executed in multiple counterparts, each of which taken together shall constitute one Agreement. This Agreement shall be effective when it has been executed and delivered by both Parties.
18. No modifications or amendments to this Agreement shall be binding on the Parties unless and until such modifications or amendments are executed in writing by an authorized representative of each Party.
19. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Oklahoma, without giving effect to principles of conflict of law. The Parties agree to submit to the exclusive jurisdiction of the United States District Court for the Western District of Oklahoma and of any Oklahoma State Court sitting in the City of Oklahoma City for purposes of all legal proceedings arising out of or relating to this Agreement or the obligations contemplated hereby, and agree that such courts shall be the exclusive forum resolving any dispute or controversy under or with respect to this Agreement. The Parties hereby irrevocably waive any objection which they may now or hereafter have to the laying of the venue or any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

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

DISCLOSER:

RECIPIENT:

Tapstone Energy, LLC

By: _____
Name: Robert P. Costello
Title: General Counsel & VP-Land

By: _____
Name: _____
Title: _____

Tapstone Midstream, LLC

By: _____
Name: Robert P. Costello
Title: General Counsel & VP-Land

Exhibit "A"

