

## CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (hereafter called "Agreement") is made and entered into this \_\_\_\_ day of September, 2015, ("Effective Date") by and between Delaware Basin Express, LLC on behalf of itself and its affiliated entities, 1201 Lake Robbins Drive, The Woodlands, Texas 77380, hereinafter referred to as "DBE", and \_\_\_\_\_, hereinafter referred to as \_\_\_\_\_

1. **Definitions:**

- a. **"Disclosing Party"** means a Party to this Agreement providing Information to the other Party to this Agreement.
- b. **"Recipient"** means a Party to this Agreement receiving Information from the other Party to this Agreement.
- c. **"Party"** means a party to this Agreement.
- d. **"Parties"** means DBE and \_\_\_\_\_
- e. **"Person"** shall be interpreted broadly to include, without limitation corporations or other legal entities, trusts, groups, partnerships, governmental authority or individual.
- f. **"Representatives"** means directors, officers, employees, lenders, agents, financial advisors, consultants, contractors, attorneys and accountants of a Party or its Affiliate.
- g. **"Information"** means all information, tangible or intangible and in whatever form or medium, disclosed by Disclosing Party or any of Disclosing Party's Affiliates or Representatives concerning any asset, business, business opportunity, operations, activities, interests or other matters relating to the Possible Transaction either before, on, or after the Effective Date of this Agreement, together with all information generated by Recipient, or by Recipient's Affiliates or Representatives which contains, reflects or is derived from the Disclosing Party's Information; specifically including, but not limited to, geological and geophysical data, production or throughput reports, models, capacities, analyses, compilations, estimates of reserves, notes, summaries, interpretations, data, studies, reports, contractual and financial information and other data in whatever form or medium maintained, whether oral, written, documentary, electronic, computer storage or otherwise. The Information will include proprietary Information and may include Information licensed from third parties (hereafter called "Speculative Information").
- h. **"Affiliate and/or Affiliates"** means any corporation or legal entity which controls a Party, or is controlled by a Party, or which is controlled by an entity which controls a Party. "Control", as used in this definition, means the ownership directly or indirectly of ten (10) percent or more of the voting rights in a corporation or other legal entity.

2. **Description of Possible Transaction.** Recipient has expressed an interest in reviewing the Disclosing Party's Information in order to facilitate Recipient's independent evaluation of a possible business arrangement with Disclosing Party including, but not limited to, midstream projects, located in the Delaware Basin, including a gas residue pipeline in located in Reeves, Loving and Ward Counties Texas ("Possible Transaction"). Disclosing Party has agreed to disclose to Recipient the Disclosing Party's Information subject to the terms of this Agreement. Each Party shall bear its own costs of evaluation.

3. **Restrictions on Use of Information.** In consideration of the disclosure of Disclosing Party's Information, Recipient, its Representatives and Affiliates shall, with respect to Disclosing Party's Information:

- a. treat the Information as confidential, using the same care in storage and handling thereof as normally used for its own proprietary information to prevent theft, unauthorized copying or disclosure;
- b. not use the Information, directly or indirectly, for any purpose other than in connection with evaluating same for the purpose of the Possible Transaction;
- c. not disclose Information to any Person except as provided in Paragraphs 4 and 5 hereof;
- d. not make copies or allow copies to be made of the Information except as required to evaluate the Possible Transaction and, upon request, shall promptly destroy or return all Information to Disclosing Party. In the event the Possible Transaction is not consummated, Recipient shall promptly destroy or return all Information to Disclosing Party. In the event Recipient prepares any analysis, compilation, study, or other documents ( collectively, the" analysis") for Recipient's internal use that reflect the Information, the analysis shall be held in strict confidence to the same extent as the Information and Recipient its Representatives and Affiliates shall promptly destroy the analysis, in the event the Possible Transaction is not consummated. Recipient, its Representatives and Affiliates agree, upon request by Disclosing Party, to acknowledge in writing its compliance with the provisions of this provision 3(d);
- e. not disclose and will direct its Representatives and Affiliates not to disclose that Recipient has received Information from Disclosing Party regarding the Possible Transaction, or that evaluations and due diligence activities are taking place concerning a Possible Transaction, including terms, conditions or other facts regarding the Possible Transaction; and
- f. not remove any Information from the location of a presentation or remove any Information reviewed in a data room provided by Disclosing Party, except as Disclosing Party may specifically authorize in writing.

Recipient has no obligations with regard to any Disclosing Party's Information which, other than by breach of this Agreement is: (a) already in its possession without restriction on disclosure; (b) developed by Recipient without use of the Information; or (c) in or subsequently comes into, the public domain through no fault of Recipient. Information disclosed under this Agreement shall not be deemed to be within the foregoing exceptions merely because such Information is embraced by more general information in the public domain or in Recipient's possession.

4. **Limited Disclosure of Information.** Subject to restrictions set forth herein, Recipient may disclose Disclosing Party's Information to Representatives and/or Affiliates of Recipient to the extent they need same to evaluate the Possible Transaction. Recipient shall require every Person to whom such Information is disclosed and who is not a director, officer or employee of Recipient to agree in writing to keep confidential and not disclose such Information to any unauthorized Person and be bound by the terms of this Agreement to the same extent as if such person was a party hereto. Recipient shall also limit access to the Disclosing Party's Information to those of its Representatives and Affiliates who have a need to review such data for the purpose stated herein and who are legally bound to hold such Information Confidential. Recipient accepts responsibility for any breach of this Agreement by Recipient and/or any of

Recipient's Representatives or Affiliates, and shall bear the burden of proof that any limited disclosure is permitted by this Agreement.

5. **Required Disclosure of Information.** If Recipient or any Representative or Affiliate of Recipient to whom Recipient has directly or indirectly transmitted Disclosing Party's Information shall be requested or required to disclose same by law, order, decree, regulation or rule (including without limitation, those of any regulatory agency, securities commission or stock exchange) or if any Person seeks to legally compel (by interrogatories, document requests, subpoena or otherwise) Recipient or any Representative or Affiliate of Recipient to whom Recipient has directly or indirectly transmitted Information to disclose any Information, Recipient shall provide Disclosing Party prompt written notice, so that Disclosing Party may, in its sole discretion: (a) seek a protective order or other remedy (including participation in any proceeding to which Recipient or any Representative or Affiliate of Recipient is a party), or (b) with respect to such disclosure, allow a limited waiver of compliance with this Agreement. Recipient, its Affiliates and Representatives shall, at Disclosing Party's cost, consult and cooperate with Disclosing Party to the extent reasonably feasible with respect to the timing, manner and content of any such disclosure and any action Disclosing Party may wish to take to prevent or limit such disclosure. If, in the absence of the protective order or other remedy or the receipt of a written waiver by the Disclosing Party with respect to such specific disclosure, Recipient or any of Recipient's Representatives or Affiliates are nonetheless, in the written opinion of outside legal counsel (to which Disclosing Party shall be a named beneficiary), legally compelled to disclose Disclosing Party's Information to any tribunal, Recipient or Recipient's Representatives or Affiliates may, without liability hereunder, disclose to such tribunal only that portion of the Information which such counsel advises Recipient it is legally required to disclose, provided that Recipient uses reasonable efforts to preserve the confidentiality of the Information, including, without limitation, by cooperating with the Disclosing Party at Disclosing Party's cost to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Information. Notwithstanding the foregoing, nothing in this provision 5 is intended to permit or authorize any disclosure by Recipient or any Affiliate or Representative of Recipient of any of Disclosing Party's Information to the extent that the request or requirement for such disclosure arises or results from or is attributable to any voluntary action occurring after the Effective Date by Recipient or any Affiliate or Representative of Recipient.

6. **Remedies.** No failure or delay by Disclosing Party in exercising any of its rights or pursuing any remedies available to Disclosing Party hereunder or at law or in equity shall in any way constitute a waiver or prohibition of such rights and remedies in the event of a breach of this Agreement or any agreement entered into in furtherance hereof. Equitable relief shall not be exclusive of other remedies to which Disclosing Party is entitled at law or in equity. Recipient will be liable to Disclosing Party, its Representatives and Affiliates for costs, expenses and damages (including but not limited to reasonable attorney's fees and court costs) associated with claims to the extent caused by the unauthorized disclosure or use of the Disclosing Party's Information or breach of this Agreement by Recipient, its Representatives and/or Affiliates. Recipient acknowledges that its breach of this Confidentiality Agreement would irreparably harm Disclosing Party and agrees that money damages would not be a sufficient remedy for its breach. In addition to all other remedies, Disclosing Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach. Recipient further agrees to waive any requirement that Disclosing Party secure or post a bond in connection with such remedy. **NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, RESULTING FROM OR ARISING OUT OF UNAUTHORIZED DISCLOSURE OR USE OF THE INFORMATION OR BREACH OF THIS AGREEMENT.**

7. **Warranty Disclaimer.** RECIPIENT ACKNOWLEDGES AND ACCEPTS THE INHERENT RISK IN ACQUISITION, PROCESSING AND INTERPRETATION OF GEOLOGICAL, GEOPHYSICAL, COMMERCIAL, INTERPRETATIVE AND OTHER DATA OF ALL KINDS. DISCLOSING PARTY REPRESENTS THAT IT HAS THE RIGHT TO DISCLOSE THE INFORMATION. DISCLOSING PARTY 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 OR AGREEMENTS (WHEN AND IF THE SAME IS OR ARE FULLY EXECUTED AND DELIVERED) SHALL HAVE LEGAL EFFECT. WITHOUT LIMITING ANY OBLIGATION THAT DISCLOSING PARTY MAY EXPRESSLY UNDERTAKE IN A DEFINITIVE AGREEMENT OR AGREEMENTS REGARDING THE POSSIBLE TRANSACTION, NEITHER DISCLOSING PARTY NOR ITS REPRESENTATIVES OR AFFILIATES SHALL BE LIABLE TO RECIPIENT OR ANY OTHER PERSONS IN CONTRACT, TORT, SECURITIES LAWS OR OTHERWISE AS A RESULT OF THE POSSIBLE TRANSACTION AND/OR USE OF THE INFORMATION, ERRORS THEREIN OR OMISSIONS THEREFROM, BY RECIPIENT OR THOSE IN PRIVITY WITH OR RELATED TO RECIPIENT. RECIPIENT AGREES THAT NEITHER RECIPIENT NOR ITS AFFILIATES AND/OR REPRESENTATIVES SHALL RELY UPON THE INFORMATION, IT IS DISCLOSED 'AS IS, WHERE IS', WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, AND IT AND/OR THEY SHALL SATISFY ITSELF AND/OR THEMSELVES AS TO ITS ACCURACY AND COMPLETENESS, AND THAT RECIPIENT SHALL MAKE INDEPENDENT VERIFICATION THEREOF.

8. **Relationship and No Obligation.** It is not the intention of the Parties and nothing contained in this Agreement, nor any subsequent course of conduct, shall be deemed or construed to create the relationship of partnership, association, principal and agent, joint venture or other binding business arrangement or relationship, other than the specific terms of this Agreement itself, between the Parties. This Agreement and the disclosure of Information hereunder shall create no obligation on the part of either Party to enter into any further or subsequent agreement with the other Party. Unless and until a definitive agreement or agreements has or have been fully executed and delivered, no contract or agreement providing for a 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 specially agreed to herein. For purposes of this Agreement, the term "definitive agreement or agreements" means a definitive written agreement or agreements executed by the Parties or their respective Affiliates and/or Representatives with respect to the Possible Transaction, but does not include an executed letter of intent, exchanges of other correspondence electronically or otherwise, negotiations between the Parties, exchanges of drafts or documents relating to a Possible Transaction or any other preliminary written agreement or offer, unless specifically so designated in writing and executed by both Parties.

9. **Entire Agreement and Amendments.** This Agreement comprises the full and complete agreement of the Parties with respect to disclosure of Information and replaces and supersedes all prior communications, understandings and agreements between the Parties, whether written or oral, express or implied relating to the Information and the subject matter of this Agreement. Notwithstanding the preceding sentence, this Agreement shall not supersede any written agreement under which either Disclosing Party or its Affiliates or Representatives have heretofore provided evaluation materials, Information, or a portion of the Information to Recipient, its Affiliates or Representatives and Recipient's obligations under any such prior written agreement shall remain in full force and effect and shall not be superseded by, but shall be cumulative of and in addition to the obligations of Recipient and its Affiliates and Representatives under this Agreement. Any purported future modification or amendment hereto shall

be binding on the Parties only if it is in writing, is executed by an authorized representative of the Parties and expressly refers to this Agreement.

10. **Choice of Law.** THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED UNDER THE LAWS OF THE STATE OF TEXAS (EXCLUDING ANY CHOICE OF LAW PROVISION WHICH WOULD REFER TO THE LAWS OF ANOTHER STATE). THE VENUE FOR RESOLVING ANY DISPUTE ARISING UNDER OR FROM THIS AGREEMENT SHALL BE THE COURTS OF MONTGOMERY COUNTY, TEXAS, AS MAY BE SUBJECT TO FINAL APPEAL.

11. **Economic Risk.** Each Party acknowledges that (i) it is able to bear the economic risk of any investment it might decide to make with respect to the Possible Transaction, (ii) it is capable of evaluating the merits and risks of investments in oil and gas properties, (iii) it will be making the investment with respect to such Possible Transaction for its own account and not with a view to the distribution or sale thereof, and (iv) it is acting solely for its own account in evaluating a possible business arrangement with respect to the Possible Transaction.

12. **Prospectus Disclaimer.** This document is not, and should not be considered as, a prospectus or other offer to sell a security or an interest in oil and gas properties.

13. **Facsimile Transmission.** The facsimile transmission and receipt of any signed original document, and transmission or retransmission and receipt of any signed facsimile transmission, shall be the same as delivery of an original. At the request of either Party, the Parties hereto will confirm facsimile transmitted signatures by signing an original document for delivery between them.

14. **Counterpart Execution.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

15. **Term.** The duties and obligations of each Party under this Agreement are deemed to have commenced as of the Effective Date and shall remain in effect until the earlier of the following dates: (a) one (1) year(s) from the Effective Date; or (b) the date the contemplated Possible Transaction is completed between DBM and/or its Affiliates or Representatives, as applicable, and RRM and/or its Affiliates and Representatives, as applicable. Provided however, termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of a breach of, or failure to comply with this Agreement occurring prior to such termination (including the continuation thereof after such termination) or (ii) release, impair or affect the covenants and agreements contained in this Agreement which shall survive such termination and continue in full force and effect. As to Speculative Information, this Agreement shall continue for (a) the time periods specified in the relevant license agreement(s) between Disclosing Party and the owner of the Speculative Information which time period is normally perpetual or (b) until such time as Recipient licenses said Speculative Information from the owner thereof.

16. **Withdrawal of Possible Transaction.** All leases, lands, commercial matters, and related business opportunities shown by Disclosing Party hereunder are subject to withdrawal or prior sales, at Disclosing Party's sole discretion, and nothing herein shall obligate Disclosing Party to provide notice to Recipient with respect to any such withdrawal or sale, nor is there any express or implied agreement or understanding of exclusive dealing between the Parties, other than the obligations set out specifically herein. Nothing contained herein is intended to confer upon Recipient any rights whatsoever to Disclosing Party's interest in the leases, lands, commercial matters and related business opportunities, if any, identified in this Agreement but is intended only to govern the rights and obligations of the respective Parties concerning the Information.

17. **Prohibited Contacts.** Neither Party nor its Representatives or Affiliates will initiate or arrange, directly or indirectly, or maintain contact with the other Party or Representatives of the other Party except with the express prior written permission of the Representative of the other Party identified in provision 19 of this Agreement. Any such permission granted may be revoked at any time.

18. **Successors and Assigns.** This Agreement shall be binding upon the Parties, their respective successors and assigns and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

19. **Notices.** Notices shall be effective when received. Identification of Representatives and addresses of the Parties for notice purposes are as follows:

Delaware Basin Express, LLC: 1201 Lake Robbins Drive  
The Woodlands, Texas 77380  
Attn: Lance Riley  
Phone: 832-636-7104  
Email: lance.riley@anadarko.com  
Fax: 832-636-5635

Company Name: \_\_\_\_\_  
Contact Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

20. **Assignment.** This Agreement and the obligations set forth hereunder shall not be assigned in whole or in part by either Party or any of such Party's Representatives or Affiliates.

21. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

22. **Waiver.** No waiver by any Party shall be effective unless in writing and any such waiver shall only affect the matter, and the occurrence thereof, specifically identified therein and shall not extend to any other matter or occurrence.

If each Party is in agreement with the foregoing terms as a basis upon which the other Party will provide you with the Information, please acknowledge such agreement by executing a copy of this letter in the space provided below and returning a copy to the other Party at the letterhead address.

Delaware Basin Express, LLC

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_