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Division of Professional Affairs of the American
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DPA / SIPES

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

This Agreement is between _____ (“Offeror”) and _____ (“Receiver”) with offices at _____, its principals, employees, and affiliates and sets forth the understanding and agreement between the parties hereto. Receiver hereby acknowledges receipt of materials and geologic/geophysical information regarding the prospects (the “Prospect”) presented by Offeror or its designee, on acreage located within the geographical area set forth below and on Exhibit “A” attached, if any.

1. The Geographical Area. As used in this Agreement, the geographical area on which the Prospect is located (“Geographical Area”) is agreed to mean the following:

EXHIBIT “A” ☐ IS or ☐ IS NOT ATTACHED HERETO.

2. Proprietary and Confidential Information. Receiver hereby agrees to keep all such information and materials, and the presentations accompanying them, confidential. Furthermore, as of the date hereof, Receiver agrees to not disclose the content or deliver copies of any such information or material to any third parties without the written consent of Offeror.

3. Restrictions on Competition. For the period of _____ (____) years (the Non-compete Period) after the date on which this agreement is signed, Receiver, its principals, employees and/or affiliates agree that, except as allowed by subsequent written agreement between Receiver and Offeror, Receiver, its principals, employees, and affiliates shall neither acquire any oil and/or gas interest(s), either actual or beneficial, in the Geographic Area, nor circumvent Offeror regarding the revealed subject matter hereof with the third parties introduced hereby who own or are involved with properties within the Geographic Area.

4. Remedies for Breach of this Agreement. Receiver agrees that should Receiver, its principals, employees and/or affiliates acquire, in violation hereof, any such interest in the Geographic Area within the Non-compete Period, then, on an interest-by-interest basis, Offeror shall have the option to:

- (a) Acquire and/or purchase any or all of the Geographic Area interest(s), in the aggregate, at Receiver’s cost, with no additional royalty burdens attached thereto over and above the original burdens when acquired by Receiver or its acquiring party; or,
- (b) Be assigned a _____ (____) overriding royalty interest and paid an amount equal to _____ Hundred Dollars (\$____) per each net mineral acre acquired, earned or purchased, or,
- (c) Be assigned, or receive transfer of 100% of any bonus, commission or retained interest coming into possession of Receiver through the subject interest.



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Should Receiver, its principals, employees and/or affiliates acquire an interest within the Non-compete Period, then Receiver shall immediately give Offeror written notice of such acquisition with all pertinent information regarding terms and costs, and Offeror shall have thirty (30) calendar days there from to make the elections set out above. Should Receiver not give written notice to Offeror within that time frame, then Offeror shall also be entitled to exercise that option above at whatever time Offeror becomes aware of such event occurring.

Upon the exercise of Offeror's option hereunder to acquire any interest(s) contemplated hereunder, or accept a portion of an interest, Receiver shall assign and/or transfer said interest(s) to Offeror by conveyance in form and substance mutually agreeable between the parties to this agreement, promptly after Offeror's election.

5. Binding Effect on Receiver and Others. The provisions of this Agreement shall not apply to acquisition of a third party by Receiver wherein the properties herein contemplated amount to less than 10% of the total properties of the acquired third party.

6. Miscellaneous. The following are also agreed to by Offeror and Receiver:

(a) THIS AGREEMENT AND THE RELATIONSHIP THEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF _____ WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PROVISION;

(b) The Prospect is offered subject to prior sale; and

(c) This Agreement is not intended to and does not create a partnership, joint venture or any other business combination between Receiver and Offeror.

(d) This agreement shall terminate _____ () years following the end of the Non-compete Period, except that Paragraph 4 above shall survive termination of this Agreement.

AGREED TO AND ACCEPTED THIS _____ DAY OF _____, 20____.

RECEIVER: _____

By: _____ Title: _____

OFFERER: _____

By: _____ Title: _____