

## Risk Factors Comparison 2025-03-13 to 2024-03-08 Form: 10-K

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If any of the following risks actually occur, our business, financial condition and results of operations could be materially and adversely affected and we may not be able to achieve our goals. We cannot assure you that any of the events discussed in the risk factors below will not occur. Further, the risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may ultimately materially affect our business. Summary Risk Factors The exploration, development and production of oil and natural gas involve highly regulated, high- risk activities with many uncertainties and contingencies that could adversely affect our business, financial condition, results of operations and cash flows. The risks and uncertainties described below are among the items we have identified that could materially adversely affect our business, financial condition, results of operations and cash flows. Before you invest in our common stock, you should carefully consider the risk factors referenced below and as more fully described in “**Part I**, Item 1A. “**Risk Factors**” in this Annual Report. Risks Related to Our Operations and Industry • **Attempts by the California state government to restrict the production of oil and gas could negatively impact our operations and result in decreased demand for fossil fuels.** • There are significant uncertainties with respect to obtaining permits for oil and gas activities in Kern County, where all of our California operations are located, which could impact our financial condition and results of operations. • ~~Attempts by the California state government to restrict the production of oil and gas could negatively impact our operations and result in decreased demand for fossil fuels.~~ • Our ability to be profitable and maintain our financial condition is highly dependent on commodity prices. • The conflict in Ukraine, the Israel- Hamas conflict, related price volatility and geopolitical instability could negatively impact our business. • **Our operations and financial performance may be negatively affected directly or indirectly by changes in trade policies and tariffs.** • **We may be unable to make attractive acquisitions or successfully complete acquisitions and integrate acquired businesses or assets or enter into attractive joint ventures.** • The marketability of our production is dependent upon the availability of transportation and storage facilities, most of which we do not control. • **Information technology and operational failures and cyberattacks could significantly affect our business, financial condition, results of operations and cash flows.** • **Most of our operations are in California, much of which is conducted in areas that may be at risk of damage from fire, mudslides, earthquakes or other natural disasters.** • **Operational issues and inability or unwillingness of third parties to provide sufficient facilities and services to us on commercially reasonable terms or otherwise could restrict access to commodity markets.** • **Unless we replace oil and natural gas reserves, our future reserves and production will decline.** • Our oil and gas reserves and related future net cash flows may prove to be lower than estimated. • ~~Unless we replace oil and natural gas reserves, our future reserves and production will decline.~~ • Drilling for and producing oil and natural gas involves many uncertainties and risks that are beyond our control. • We may not drill our identified sites at the times we scheduled or at all. • Competition in the oil and natural gas industry is intense. • ~~The loss of senior management~~ **We may be unable to make attractive acquisitions or** ~~technical personnel could adversely affect operations~~ **successfully complete acquisitions and integrate acquired businesses or assets or enter into attractive joint ventures.** • We are dependent on our cogeneration facilities to produce steam for our operations. • ~~Operational issues and inability or unwillingness of third parties to provide sufficient facilities and services to us on commercially reasonable terms or otherwise could restrict access to commodity markets.~~ • ~~Most of our operations are in California, much of which is conducted in areas that may be at risk of damage from fire, mudslides, earthquakes or other natural disasters.~~ • We may incur substantial losses and be subject to substantial liability claims as a result of catastrophic events. • We may be involved in legal proceedings that could result in substantial liabilities. • ~~The loss of senior management or technical personnel could adversely affect operations.~~ • ~~Information technology and operational failures and cyberattacks could significantly affect our business, financial condition, results of operations and cash flows.~~ • Increasing attention to ESG matters, including climate- related reporting obligations, may impact our operations and our business. Index to Financial Statements and Supplementary Data Risks Related to Our Financial Condition • **Our existing debt agreements have restrictive covenants that could limit our growth, financial flexibility and our ability to engage in certain activities and our lenders could reduce capital available to us for investment.** • We may not be able to **generate sufficient** use a portion of our net operating loss carryforwards and other tax attributes to reduce our future U. S. federal and state income tax obligations, which could adversely affect our cash flows **to service our indebtedness.** • Our business requires continual capital expenditures that we may be unable to fund. • ~~Inflation could adversely impact our ability to control our costs.~~ • Our hedging activities limit our ability to realize the full benefits of increases **or decreases** in commodity prices and may not fully protect us against the price **increases** ~~decreases.~~ • ~~Our existing debt agreements have restrictive covenants that~~ **Declines in commodity prices, changes in expected capital development, increases in operating costs or adverse changes in well performance may result in write- downs of the carrying amounts of our assets.** • ~~Inflation could adversely impact~~ **limit our growth, financial flexibility and our ability to control** ~~engage in certain activities and our costs~~ **lenders could reduce capital available to us for investment.** • We may not be able to **generate sufficient** use a portion of our net operating loss carryforwards and other tax attributes to reduce our future U. S. federal and state income tax obligations, which could adversely affect our cash flows **to service our indebtedness.** • ~~Declines in commodity prices, changes in expected capital development, increases in operating costs or adverse changes in well performance may result in write- downs of the carrying amounts of our assets.~~ • We have significant concentrations of credit risk with our customers. Risks Related to Regulatory Matters • Our business is highly regulated and governmental authorities can delay or deny required permits and approvals, or change the requirements governing our operations. • **Our operations are**

**subject to a series of risks arising out of the threat of climate change that could result in increased operating costs, limit the areas in which we may conduct oil and natural gas E & P activities, and reduce demand for the oil and natural gas we produce.** • Potential future legislation may generally affect the taxation of natural gas and oil exploration and development companies and may adversely affect our operations and cash flows. • Derivatives legislation and regulations could have an adverse effect on our ability to use derivative instruments to reduce the risks associated with our business. • ~~Our operations are subject to a series of risks arising out of the threat of climate change that could result in increased operating costs, limit the areas in which we may conduct oil and natural gas E & P activities, and reduce demand for the oil and natural gas we produce.~~ • The Inflation Reduction Act could accelerate the transition to a low- carbon economy and could impose new costs on our operations.

**Risks Related to our Capital Stock** • There may be circumstances in which the interests of our significant stockholders could be in conflict with the interests of our other stockholders. • ~~Our significant stockholders and their affiliates are not limited in their ability to compete with us, and the corporate opportunity provisions in the Certificate of Incorporation could enable our significant stockholders to benefit from corporate opportunities that might otherwise be available to us.~~ • Future sales of our common stock in the public market could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in us. • The payment of dividends will be at the discretion of our Board of Directors. • We may issue preferred stock, the terms of which could adversely affect the voting power or value of our common stock. • ~~We are no longer an “emerging growth company,” and are no longer able to take advantage of reduced disclosure requirements. Due to losing emerging growth company status, we expect to incur additional costs.~~ • Failure to achieve and maintain effective internal control over financial reporting in accordance with the standards of Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and share price. • Certain provisions of our Certificate of Incorporation and Bylaws may make it difficult for stockholders to change the composition of our Board of Directors and may discourage, delay or prevent a merger or acquisition. • Our Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders. The risks and uncertainties described below are among the items we have identified that could materially adversely affect our business, production, strategy, growth plans, acquisitions, hedging, reserves quantities or value, operating or capital costs, financial condition, results of operations, liquidity, cash flows, our ability to meet our capital expenditure plans and other obligations and financial commitments, and our plans to return capital. **Over the last few years, a....., Safety and Environmental Matters.**” Attempts by the California state government to restrict the production of oil and gas could negatively impact our operations and result in decreased demand for fossil fuels within the states where we operate. California, where most of our operations and assets are located **currently**, is one of the most heavily regulated states in the United States with respect to oil and gas operations. A combination of federal, state and local laws and regulations govern most aspects of our activities in California and federal, state and local agencies may assert overlapping **regulatory** authority **to regulate in these areas**. Collectively, the effect of the existing laws and regulations is to limit the number and location of our wells through restrictions on the use of our properties, limit our ability to develop certain assets and conduct certain operations, including through a restrictive and burdensome permitting and approval process, and have the effect of reducing the amount of oil and natural gas that we can produce from our wells, potentially reducing such production below levels that would otherwise be possible or economical. Additionally, the regulatory burden on the industry in the past has resulted, and in the future could result, in increased costs, and consequently has had an adverse effect upon operations, capital expenditures, earnings and our competitive position and may continue to have such effects in the future. Violations and liabilities with respect to these laws and regulations could also result in reputational damage and significant administrative, civil, or criminal penalties, remedial clean-ups, natural resource damages, permit modifications or revocations, operational interruptions or shutdowns, and other liabilities. The costs of remedying such conditions may be significant, and remediation obligations could adversely affect our financial condition, results of operations and future prospects. **The Additionally, the** California state government recently has taken several actions that could adversely impact future oil and gas production and other activities in the state. For **additional information** example: • In November 2019, **see “ Items** the State Department of Conservation issued a press release announcing four actions by CalGEM: (1 **and** ) a moratorium on approval of new high – pressure cyclic steam wells pending a study of the practice to address surface expressions experienced by certain operators; (2 **. Business** ) a review and update of **Properties — regulations- Regulation of** regarding public health **Health** and, safety **Safety** near oil and **Environmental Matters.** natural gas operations pursuant to additional duties assigned to CalGEM by the California State Legislature in 2019 (discussed above); (3) a performance audit of CalGEM’s permitting processes for issuing WST (also known as hydraulic stimulation, hydraulic fracturing or fracking) permits and project approval letters (“PALs”) for underground injection activities by the State Department of Finance; and (4) an independent review of the technical content of pending WST and PAL applications by Lawrence Livermore National Laboratory. In January 2020, CalGEM issued a formal notice to operators, including us, that they had issued restrictions imposing the previously announced moratorium to prohibit new underground oil extraction wells from using high- pressure cyclic steaming process. The moratorium on permitting for new high – pressure cyclic steam wells and restrictions on WST remains in effect. • In October 2020, the Governor of California issued an executive order that established a state goal to conserve at least 30 % of California’s land and coastal waters by 2030 and directed state agencies to implement other measures to mitigate climate change and strengthen biodiversity. At this time, we cannot predict the potential future actions that may result from this order or how such may potentially impact our operations. • In September 2022, the Governor of California signed Senate Bill No. 1279 into law, codifying an executive order previously issued by the Governor’s Office requiring the state to achieve carbon neutrality by 2045. In addition, the Governor of California previously issued an executive order that established several goals and directed several state agencies to take certain actions with respect to reducing emissions of GHGs, including, but not limited to: (1) phasing out the sale of emissions- producing vehicles; (2) developing strategies for the closure and repurposing of oil and gas facilities in California; and (3) calling on the California State Legislature to enact new laws

prohibiting hydraulic fracturing in the state by 2024. In February 2024, CalGEM issued a proposed regulation to formally end hydraulic fracturing in the state, restricting approval of any permit applications to conduct well stimulation treatments (which includes hydraulic fracturing). We currently do not perform any hydraulic fracturing in California and our near term plans do not include the development of assets requiring hydraulic fracturing. In September 2022, the Governor of California signed into law Senate Bill No. 1137 which prohibits CalGEM from permitting any new wells, or the rework of existing wells, if the proposed new drill or rework is within 3,200 feet of certain sensitive receptors such as homes, schools or parks effective January 1, 2023. On January 6, 2023, CalGEM's emergency regulations to support implementation of Senate Bill No. 1137 were approved by the Office of Administrative Law and final regulations were published. The regulations include applicable requirements of notice to property owners and tenants regarding the work performed and offering the sampling of test water wells or surface water before and after drilling; the contents of required notices for new production facilities; the annual submission of a sensitive receptor inventory and sensitive receptor map and the contents and format of the same; and the requirements of statements where operators have determined a location not to be within a health protection zone. Additional provisions of Senate Bill No. 1137 would also require pollution controls for existing wells and facilities within the same 3,200-foot setback area. Senate Bill No. 1137 is currently stayed pending a vote of the California General Election in November 2024. We continue to assess the impacts of Senate Bill No. 1137 and CalGEM's regulations, but we currently estimate that approximately 10% of our overall proved reserves are within the setbacks established by Senate Bill No. 1137. We do not expect this law to result in any material change in our overall existing proved developed producing reserves or current production rates. In October 2023, the Governor of California signed into law AB 1167, which imposes more stringent financial assurance requirements on persons who acquire the right to operate a well or production facility in the state of California. AB 1167 requires such persons to fulfill bonding requirements in an amount determined by the state to sufficiently cover full plugging and abandonment costs, decommissioning, and site restoration of all wells and production facilities being acquired. Transfer of operatorship of a well or production facility is prohibited until the state has determined the appropriate bond amount and the bond has been filed. Upon signing AB 1167, the Governor of California called for further legislative changes to the new requirements to mitigate the potential risk of an increase in the number of orphaned wells becoming state liabilities following the implementation of the law. However, to date, no further action has been taken. To the extent the law is implemented as written, we could face increased bonding or other financial assurance related costs in connection with new acquisitions, or may find it infeasible to pursue certain acquisitions because of such costs. The clear trend in California is to impose increasingly stringent restrictions on oil and natural gas activities. We cannot predict what actions the Governor of California, the California State Legislature, or state agencies may take in the future, but we could face increased compliance costs, delays in obtaining the approvals necessary for our operations, exposure to increased liability, or other limitations as a result of future actions by these parties. Moreover, new developments resulting from the current and future actions of these parties could also materially and adversely affect our ability to operate, successfully execute drilling plans, or otherwise develop our reserves. Accordingly, recent and future actions by the Governor of California, the California State Legislature, and state agencies could materially and adversely affect our business, results of operations, and financial condition. **Over the last number of years, developments at both the California state and local levels have resulted in significant delays in the issuance of permits to drill new oil and gas wells in Kern County, where all of our California assets are located, as well as a more time- and cost- intensive permitting process.** The issuance of permits Climate Corporate Data Accountability Act and other approvals Climate-Related Financial Risk Act both impose climate-related reporting obligations including GHG emissions which could result in additional costs for compliance, restrictions on drilling and production activities by state and local agencies our or access by federal agencies are subject to environmental impact reviews under the capital, and increased litigation and reputational risk. The Governor of California Environmental Quality signed the Climate Corporate Data Accountability Act ("CCDAA-CEQA"), and / or SB 253, into law on October 7, 2023, alongside the National Environmental Policy Climate-Related Financial Risk Act ("CRFRA-NEPA"), respectively or SB 261. The requirement CCDAA requires both public and private U. S. companies that are "doing business in California" and that have a total annual revenue of \$1 billion to demonstrate compliance with CEQA is currently resulting in publicly disclose and verify, on an annual basis, Scope 1, 2 and 3 GHG emissions. The CRFRA requires the disclosure of a climate-related financial risk report (in line and the requirement to demonstrate compliance with CEQA and / the Task Force on the Climate-related Financial Disclosures recommendations or equivalent disclosure requirements under the International Sustainability Standards Board's climate-related disclosure standards) every other year for or NEPA may public and private companies that are "doing business in California" and have total annual revenue of \$500 million. Reporting under both laws would begin in 2026, though the Governor of California has directed further consideration of the implementation deadlines for each of the laws. Both laws have been challenged in federal court. Currently, we are still assessing the potential impacts of these the future laws; however, implementation may result in significant delays in additional costs to comply with these the disclosure requirements-issuance of permits to drill new wells, as well as increased costs the potential imposition of mitigation measures and restrictions on access proposed oil field operations, among other things. Before an operator can pursue drilling operations in California, they must first obtain permission to engage in oil and gas operations. Historically, we satisfied CEQA by complying with the Kern County zoning ordinance for oil and gas operations, which was supported by the Kern County Environmental Impact Report ("EIR"). However, the Kern County EIR was legally challenged in 2015 and the use of the Kern County EIR is currently stayed and has been stayed for lengths of time throughout the litigation. Most recently, the Kern County EIR was stayed in January 2023 by a California appellate court while they reviewed a November 2022 ruling by the lower court that reinstated the Kern County EIR; since that time, operators have been unable to use the Kern County EIR to demonstrate CEQA compliance to receive permits to drill new wells. In March 2024, the California appellate court delivered its opinion finding certain deficiencies in the Kern County EIR and

reliance on the EIR remains enjoined until those deficiencies are remedied. Accordingly, our ability to rely on the Kern County EIR to demonstrate CEQA compliance to obtain permits and approvals to drill new wells is constrained until Kern County is able to certify a new revised EIR that the Court deems fully complies with CEQA and favorably resolve the litigation. As a result of the litigation, from 2023 to year to date 2025, neither we nor any other operator received permits to drill new wells using the Kern County EIR to demonstrate CEQA compliance. In the meantime, to obtain permits for drilling new wells in Kern County we must demonstrate compliance with CEQA to CalGEM through means other than the Kern County EIR. The litigation impacting the Kern County EIR does not restrict the issuance of sidetrack and workover permits, and we have continued to receive the necessary permits to meet our production goals. However, in the latter part of 2023 and into 2024, we experienced some delays in the issuance of sidetrack and workover permits due to changes in CalGEM's CEQA review process. Permit cycle times improved around mid-year and since that time, CalGEM has been processing and approving permit applications on a more predictable timeline. We had all of the permits needed to support our 2024 planned activities in California, and entered 2025 with sufficient permits in hand to continue our development activities through the first part of the year. Similar to 2024, our 2025 capital program in California is production acquired from the Maepherston Acquisition. Similar to 2023, our 2024 plans assume that we will not receive permits to drill new wells and instead focus on drilling sidetracks and workovers working over existing wells. We also expect to benefit from a full year of production from the assets acquired in the Maepherston Acquisition and other bolt-on acquisitions at the end of 2023, which should help keep our production essentially flat in 2024. We currently have sufficient permits in hand that should allow us to maintain sidetrack activity activities in California through around July at least the first quarter of 2024-2025 and, plus a continuous workover campaign for approximately the first half of the year. We are in the process of obtaining the remaining permits needed to support our 2024-2025 plans in California, none of which are dependent on the Kern County EIR, while also working to obtain additional permits to support future plans. The permitting applications necessary delays could adversely impact our 2025 California plans and the inability to hold production flat secure permits (on a timely basis for or the full year at all) could adversely impact our business and results of operations in 2024-2025, none of which and beyond. If we are unable dependent on the Kern County EIR, have been submitted to CalGEM obtain the required permits and are pending approval approvals needed to conduct our operations on a timely basis or at all our financial condition, results of operations and prospects could be adversely and materially impacted. Separately, in February 2021, the Center for Biological Diversity filed suit against CalGEM alleging that its reliance on the Kern County EIR for oil and gas decisions violates CEQA, and that an independent environmental impact review in compliance with CEQA is required by CalGEM before the agency can issue oil and gas permits and approvals. Most recently, the Alameda County Superior Court ordered denied CalGEM's motion for judgment on the pleadings parties to attend a mandatory settlement conference, although the case did not settle as a result and the lawsuit remains ongoing. We cannot predict its ultimate outcome or whether it could result in changes to the requirements for demonstrating compliance with CEQA and the permitting process, even if the if the Kern County EIR is ultimately deemed sufficient and reinstated. The potential impact of this and potentially future litigation contributes to the uncertainty with respect to our disclosures ability to timely obtain the permits and approvals needed to conduct our operations. Based on our reserves as of December 31, 2024, if we are not perceived forced to change our near-term development plans because of delays in granting permits, it could result in the loss of some amount of the proved undeveloped reserves as identified in meeting applicable third-party verification of GHG emissions and climate-related criteria. Separately, enhanced climate-related disclosure requirements could lead to reputational or our December 31 other harm to our relationships with customers, 2024 reserve report regulators, investors or other stakeholders. In addition, we may also face increased litigation of the proved undeveloped reserves that expire by December 31, 2025. In addition, any changes to the CEQA compliance requirements or the other conditions and requirements for permit issuance or renewal, including the imposition of new or more stringent environmental reviews or stricter operational or monitoring requirements, or a prohibition on the issuance of new permits for oil and gas activities in Kern County or California as a whole, would have an adverse and material effect on our financial condition, results of operations and prospects. For additional information, see "Items 1 and 2. Business and Properties — Regulation of Health, Safety and Environmental Matters." Our producing properties are located primarily in California, making us vulnerable to risks associated with having arising from enhanced climate-related disclosure requirements relating to alleged damages resulting from GHG emissions from our operations concentrated in this geographic area. We operate primarily in California, which is one of the most heavily regulated statements states alleged to have been made by us or others in our industry regarding climate change risks, or in connection with any future disclosures we may make regarding reported emissions, particularly given the United States inherent complexity of multiple, overlapping GHG reporting regulations with respect to calculating oil and reporting GHG emissions gas operations. This geographic concentration disproportionately affects the success and profitability of our operations exposing us to local price fluctuations, changes in state or regional laws and regulations, political risks, limited acquisition opportunities where we have the most operating experience and infrastructure, limited storage options, drought conditions, and other regional supply and demand factors, including gathering, pipeline and transportation capacity constraints, limited potential customers, infrastructure capacity and availability of rigs, equipment, refining capacity, oil field services, supplies and labor. We discuss such specific risks to our California operations in more detail elsewhere in this section and in Part I, Items 1 and 2. "Business and Properties — Regulatory Matters" in this Annual Report. Our ability to operate profitably and maintain our business and financial condition are highly dependent on commodity prices, which historically have been very volatile and are driven by numerous factors beyond our control. If oil prices were to significantly decline for a prolonged period of time, our business, financial condition and results of operations may be materially and adversely affected. The price we receive for our oil and natural gas production heavily influences our revenue, profitability, value of our reserves, access to capital and future rate of growth, among other factors.

However, the price we receive for our oil and natural gas production depends on numerous factors beyond our control, including not limited to, the following: • overall domestic and global political and economic conditions, including the imposition of tariffs or trade or other economic sanctions, political instability or armed conflict, including the ongoing conflict in Ukraine and the Israel- Hamas conflict, ~~rising~~ inflation levels and government efforts to reduce inflation or a prolonged recession; • changes in global supply and demand for oil and natural gas, including changes in demand resulting from general and specific economic conditions relating to the business cycle and other factors; • the actions of OPEC and / or OPEC ; • the price and quantity of imports of foreign oil and natural gas; • the level of global oil and natural gas E & P activity; • the level of global oil and natural gas inventories; • weather conditions; • domestic and foreign governmental legislative efforts, executive actions and regulations, including environmental regulations, climate change regulations and taxation; • the effect of energy conservation efforts; • stockholder activism or activities by non- governmental organizations to limit certain sources of capital for the energy sector or restrict the exploration, development and production of oil and gas; • technological advances affecting energy consumption; and • the price and availability of alternative fuels. Historically, the markets for oil and natural gas have been extremely volatile and will likely continue to be volatile in the future. Oil and natural gas are commodities and, therefore, their prices are subject to wide fluctuations in response to relatively minor changes in supply and demand. Global economic growth drives demand for energy from all sources, including fossil fuels. When the U. S. and global economies experience weakness, demand for energy will decline with accompanying declines in commodity prices; similarly, when growth in global energy production outstrips demand, the excess supply results in commodity price declines. Concerns over global economic conditions, energy costs, geopolitical issues, such as the ongoing conflict in Ukraine and the Israel- Hamas conflict, inflation, the availability and cost of credit and slow economic growth in the United States have in the past contributed to significantly reduced economic activity and diminished expectations for the global economy. If the economic climate in the United States or abroad deteriorate, worldwide demand for petroleum products could further diminish, which could impact the price at which oil, natural gas and NGLs from our properties are sold, affect our level of operations and ultimately materially adversely impact our results of operations, financial condition and free cash flow. Additionally, although the California market generally receives Brent- influenced pricing, California oil prices are determined ultimately by local supply and demand dynamics. Refer to Item 7 — “Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Business Environment and Market Conditions. ”

**Historically, the waxy nature of oil in Utah limited sales to the Salt Lake City market. However, the recent success of a tight oil play in the basin has increased supply and put downward pressure on physical oil prices in the Salt Lake City market. Given these circumstances, we are endeavoring to sell our crude to markets outside of the basin where transportation options to other markets are available, though comparatively expensive.** Past declines in pricing, and any declines that may occur in the future, can be expected to adversely affect our business, financial condition and results of operations. Such declines adversely affect well and reserve economics and may reduce the amount of oil and natural gas that we can produce economically, resulting in deferral or cancellation of planned drilling and related activities until such time, if ever, as economic conditions improve sufficiently to support such operations. Any extended decline in oil or natural gas prices may materially and adversely affect our future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures. Global geopolitical tensions and related price volatility and geopolitical instability could negatively impact our business. In late February 2022, Russia launched significant military action against Ukraine. The conflict has caused, and could intensify, volatility in the prices of natural gas, oil and NGLs, and the extent and duration of the military action, sanctions and resulting market disruptions have been significant and could continue to have a substantial impact on the global economy and our business for an unknown period of time. There is evidence that the increase in crude oil prices during the first half of calendar year 2022 was partially due to the impact of the conflict between Russia and Ukraine on the global commodity and financial markets, and in response to economic and trade sanctions that certain countries have imposed on Russia. Alternatively, a cessation of the hostilities between Russia and Ukraine as a result of a negotiated withdrawal or otherwise could cause commodity prices to decline, which would reduce the revenues we receive for our oil and gas production. Additionally, on October 7, 2023, Hamas, a U. S. designated terrorist organization, launched a series of coordinated attacks from the Gaza Strip onto Israel. On October 8, 2023, Israel formally declared war on Hamas, and the armed conflict is ongoing as of the date of this filing. Hostilities between Israel and Hamas could escalate and involve surrounding countries in the Middle East. Although the length, impact and outcome of the military conflicts between Ukraine and Russia and between Israel and Hamas are highly unpredictable, these conflicts could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability and other material and adverse effects on macroeconomic conditions. It is not possible at this time to predict or determine the ultimate consequence of these regional conflicts. Any such volatility and disruptions may also magnify the impact of the other risks described in this “ Risk Factors ” section. **The marketability of our production is dependent upon transportation and storage facilities and in recent years, the United States increased tariffs for certain goods, which triggered other facilities, most nations to also increase tariffs on certain** of which we do not control, and the **their availability goods. In recent weeks, the current administration has made many announcements regarding tariffs and the extent and duration of such tariffs remain uncertain** transportation and storage capabilities. If **maintained** we are unable to access such facilities on commercially reasonable terms, our operations would likely be interrupted, our production **the newly announced tariffs and the potential escalation of trade disputes** could **pose a risk to** be curtailed, and our revenues reduced, among other adverse consequences. The marketing of oil, natural gas and NGLs production depends in large part on the availability, proximity and capacity of trucks, pipelines and storage facilities, gas gathering systems and other transportation, processing and refining facilities, as well as the existence of adequate markets. Storage and transportation capacity for our production is limited and may become unavailable on commercially reasonable terms or **our** at all **business and also directly impact our operating expenses**. For example, storage and transportation capacity became scarce during the second quarter of 2020 due **United States**

recently announced 25 % tariffs on imported steel which are likely to lead to the unprecedented dual impact of a severe global oil demand decline coupled with a substantial increase in supply. As traditional tanks filled, large quantities of oil were being stored in offshore tankers around the world, including off the coast of California. Where storage was available, such as offshore tankers, storage costs increased sharply. The potential risk remains..... technical and personnel resources than we do. We may be unable to make attractive acquisitions or successfully integrate acquired businesses or assets or enter into attractive joint ventures, and any inability to do so may disrupt our business and hinder our ability to grow. There is no guarantee we will be able to identify or complete attractive acquisitions. In July 2023, we announced the Macpherson Acquisition, which closed in September 2023, and we completed the acquisition of a small, highly synergistic additional working interest in Kern County, California in December 2023. Our capital expenditure budget for 2024-2025 does not allocate any specific amounts for new acquisitions of oil and natural gas properties. If we make additional acquisitions, we would need to use cash flows, seek additional capital, or reallocate funds from other budgeted uses, all of which are subject to uncertainties discussed in this section. Competition may also increase the cost of, or cause us to refrain from, completing acquisitions. Our debt arrangements impose certain limitations on our ability to enter into mergers or combination transactions and to incur certain indebtedness. See “ — Our existing debt agreements have restrictive covenants that could limit our growth, financial flexibility and our ability to engage in certain activities. ” In addition, the success of completed acquisitions will depend on our ability to integrate effectively the acquired business into our existing operations, may involve unforeseen difficulties and may require a disproportionate amount of our managerial and financial resources. We may be unable to successfully integrate the business acquired in the Macpherson Acquisition or realize the anticipated benefits of the Macpherson Acquisition. The combination marketability of our production two independent businesses is complex, costly, dependent upon transportation and storage facilities time consuming, and other facilities, most of which we do not have been and will be required to devote management attention and resources to integrating Macpherson Energy’s business practices and operations into ours. Potential difficulties that we may encounter as part of the integration process include the following: • our inability to successfully combine the business of Macpherson Energy in a manner that permits us to achieve, on a timely basis or at all, the enhanced revenue opportunities and cost savings and other benefits anticipated to result from the Macpherson Acquisition; • complexities associated with managing the combined businesses, including difficulty addressing possible differences in operational philosophies and the challenge of integrating complex systems, technology, networks and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies; • the assumption of contractual obligations with less favorable or more restrictive terms; and • potential unknown liabilities and unforeseen increased expenses or delays associated with the acquisition. In addition, we and Macpherson Energy have previously operated independently. It is possible that the integration process could result in: • diversion of the attention of our management; and • the disruption of, or the loss of momentum in, our ongoing businesses or inconsistencies in standards, controls, control, procedures and policies. Any of these -- the availability issues could adversely affect our ability to maintain relationships with customers, suppliers, employees and other constituencies or achieve the anticipated benefits of the Macpherson Acquisition, or could reduce..... terms, or be unable to replace such transportation contracts, we may be unable to realize the cost offset currently received. Our ability to benefit from these facilities is also affected by our ability to consistently generate surplus electricity and storage capabilities fluctuations in commodity prices. Furthermore, market fluctuations in electricity prices and regulatory changes in California could adversely affect the economics of our cogeneration facilities and any corresponding increase in the price of steam could significantly impact our operating costs. If we were are unable to find new or replacement steam sources,..... This geographic concentration disproportionately affects the success access and profitability of our operations exposing us to local price fluctuations, changes in state or regional laws and regulations, political risks, limited acquisition opportunities where we have the most operating experience and infrastructure, limited storage options, drought conditions, and other regional supply and demand factors, including gathering, pipeline and transportation capacity constraints, limited potential customers, infrastructure capacity and availability of rigs, equipment, oil field services, supplies and labor. We discuss such specific risks to our California operations in..... of operations. In addition, our facilities would be difficult to replace and would..... provide sufficient facilities and services to us on commercially reasonable terms, or our otherwise operations would likely be interrupted, our production could restrict access to be curtailed, and our revenues reduced, among other adverse consequences. The marketing of oil, natural gas and NGLs production depends in large part on the availability, proximity and capacity of trucks, pipelines and storage facilities, gas gathering systems and other transportation, processing and refining facilities, as well as the existence of adequate markets. Storage and transportation capacity for the commodities we produce. Our ability to market our production is limited of oil, gas and may become NGLs depends on a number of factors, including the proximity of production fields to pipelines, refineries and terminal facilities, competition for capacity on such facilities, damage, shutdowns and turnarounds at such facilities and their ability to gather, transport or process our production. If these facilities are unavailable to us on commercially reasonable terms or otherwise at all. For example, storage and transportation capacity became scarce during the second quarter of 2020 due to the unprecedented dual impact of a severe global oil demand decline coupled with a substantial increase in supply. As traditional tanks filled, large quantities of oil were being stored in offshore tankers around the world, including off the coast of California. Where storage was available, such as offshore tankers, storage costs increased sharply. The potential risk remains that storage for oil may be unavailable and our existing capacity may be insufficient to support planned production rates in the event of another deterioration in demand or a supply surge or both. Moreover, if the imbalance between supply and demand and the related shortage of storage capacity worsen, the prices we receive for our production could deteriorate and could potentially even become negative. Additionally, if we were unable to obtain the needed storage capacity, we could be forced to shut in a significant amount of our California production, which could have a material adverse effect on our financial condition, liquidity and operational results. If we are forced to shut in production, we would incur additional costs to bring the

associated wells back online. While production is shut in, we would likely incur additional costs and operating expenses to, among other things, maintain the health of the reservoirs, meet contractual obligations and protect our interests, without the associated revenue. Additionally, depending on the duration of the shut-in, and whether we have also shut in steam injection for the associated reservoirs rather than incur those costs, the wells may not, initially or at all, come back online at similar rates to those at the time of shut-in. Depending on the duration of the steam injection shut-in time, and the resulting inefficiency and economics of restoring the reservoir to its energetic and heated state, our proved reserve estimates could be decreased and there could be potential additional impairments and associated charges to our earnings. A reduction in our reserves could also result in a reduction to our borrowing base under the 2021-2024 Revolver RBL Facility and our liquidity. The ultimate significance of the impact of any production disruptions, including the extent of the adverse impact on our financial and operational results, will be dictated by the length of time that such disruptions continue, which will in turn depend on how long storage remains filled and unavailable to us because of legal costs, which is largely unpredictable diversion of the attention of management and based on other personnel and other factors outside of our control. In addition to, resolution of one or more such proceedings could result in liability, loss of contractual or other rights constraints we may face due to storage capacity shortages, penalties or sanctions, the volume of oil and natural gas well as judgments that we can produce is subject to limitations resulting from pipeline interruptions due to scheduled and unscheduled maintenance, consent decrees excessive pressure, and physical damage to the gathering, transportation, storage, processing, fractionation, refining or orders requiring export facilities that we utilize. The curtailments arising from these and similar circumstances may last from a change in few days to several months or longer and business practices. Accruals for such liability, penalties or sanctions in many cases, we may be insufficient provided only limited, and judgments and estimates if any, advance notice as to when these circumstances will arise determine accruals or range of losses related to legal and other their proceedings could change materially duration. Any such shut-in or curtailment, or any inability to obtain favorable terms for delivery of the oil and natural gas produced from one period to the next. The loss of senior management or our technical personnel fields, could would adversely affect our financial condition and results and of operations. In October 2024, Phillips 66 announced that it plans to close its Wilmington refinery in Los Angeles in late 2025. We sold approximately 15 % depend on, and could be deprived of, the services of our senior management and technical personnel California production to this refinery in 2024. We Following the closure of the Phillips 66 refinery, we expect California to have approximately 1.5 million bpd of remaining refining capacity which is over five times the amount of crude oil produced in California. As a result, we do not currently expect maintain, nor do we plan to obtain, any insurance against the loss of services of any of Phillips 66 closure to negatively impact our price realizations, however, if these there individuals were significant other refinery closures, that could have an adverse impact on our ability to market our crude production. We rely on electronic information systems and networks to communicate, control and manage our operations and prepare our financial management and reporting information. User access and security of our sites and systems are critical elements of our operations, as are cloud security and protection against cybersecurity incidents. Without accurate data from and access to these systems and networks, our ability to communicate, control and manage our business could be adversely affected. We face various cybersecurity threats, including attempts to gain unauthorized access to sensitive information, or render data, or systems unusable. We also face threats to the security of our facilities, third-party facilities and operational technology and infrastructure, such as processing plants and pipelines. We are also susceptible to threats from malicious threats and advanced nation state threat actors. We have experienced cybersecurity incidents but have not suffered any material adverse impacts to our business and operations as a result of such incidents. Our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our information, facilities and infrastructure may result in increased capital and operating costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches or other incidents from occurring. If a security breach were to occur, it could lead to losses of sensitive information, critical infrastructure or capabilities essential to our operations, misdirected wire transfers, an inability to settle transactions or maintain operations, disruptions in operations or other adverse events. If we were to experience an attack and our security measures failed, the potential consequences to our business and the communities in which we operate could be significant and could harm our reputation and lead to financial losses from remedial actions, loss of business or potential liability, including regulatory enforcement, violation of privacy or securities laws and regulations, and individual or class action claims. The energy industry has become increasingly dependent on digital technologies to conduct day-to-day operations, and the use of mobile communication devices has rapidly increased. Industrial control systems such as supervisory control and data acquisition (“ SCADA ”) systems now control large-scale processes that can include multiple sites across long distances. The Company’s technologies, systems, networks, including its SCADA system, and those of its business partners may become the target of cyberattacks cyber-attacks or security breaches. In addition, the frequency and magnitude of cyberattacks cyber-attacks is increasing and attackers have become more sophisticated. Cyberattacks Cyber-attacks are similarly evolving and include without limitation use of malicious software, surveillance, credential stuffing, spear phishing, social engineering, use of deepfakes (i. e., highly realistic synthetic media generated by artificial intelligence), attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. We may be unable to anticipate, detect or prevent future attacks, particularly as the methodologies used by

attackers change frequently or are not recognized until deployed. We may also be unable to investigate or remediate incidents as attackers are increasingly using techniques and tools designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. ~~which we operate.~~ For example, utilities have begun to suspend electric services to avoid wildfires during windy periods in California, a business disruption risk that is not insured. We may be unable to obtain, or may elect not to obtain, insurance for certain risks if we believe that the cost of available insurance is excessive relative to the risks presented. Like many oil and natural gas companies, we are from time to time involved in various legal and other proceedings, such as title, royalty or contractual disputes, regulatory compliance matters and personal injury or property damage matters, in the ordinary course of our business. Such legal proceedings are inherently uncertain and their results cannot be predicted. Regardless of the outcome, such **proceedings** increasing attention to environmental, social and governance (“ESG”) matters may impact our business. Increasing attention to, and social expectations on companies to address, climate change and other environmental and social impacts, investor and societal explanations regarding voluntary **or mandatory** ESG disclosures, and increased consumer demand for alternative forms of energy may result in increased costs, reduced demand for our products, reduced profits, increased investigations and litigation, and negative impacts on our stock price and access to capital ~~markets~~. Increasing attention to climate change and environmental conservation, for example, may result in demand shifts for oil and natural gas products and additional governmental investigations and private litigation against us. To the extent that societal pressures or political or other factors are involved, it is possible that such liability could be imposed without regard to our causation of or contribution to the asserted damage, or to other mitigating factors. While we may participate in various voluntary frameworks and certification programs to improve the ESG profile of our operations and products, we cannot guarantee that such participation or certification will have the intended results on our or our products’ ESG profile. Moreover, while we may create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures will be based on **expectations and assumptions or hypothetical scenarios** ~~expectations and assumptions~~ that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions **or hypothetical scenarios** are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established ~~single~~ approach to identifying, measuring and reporting on many ESG matters. Additionally, while we may also announce various voluntary ESG targets in the near future, such targets are **often** aspirational. We may not be able to meet such targets in the manner or on such a timeline as initially contemplated, including, but not limited to as a result of unforeseen costs, **unanticipated changes in societal behavior**, or technical difficulties associated with achieving such results. To the extent we do meet such targets, ~~it they~~ may be achieved through various contractual arrangements, including the purchase of various credits or offsets ~~that may be deemed to mitigate our ESG impact instead of actual changes in our ESG performance.~~ ~~We~~ However, we cannot guarantee that there will be sufficient offsets available for purchase given the ~~increased~~ demand from numerous businesses implementing net zero goals, or that, notwithstanding our reliance on any reputable third - party registries, that the offsets we do purchase will successfully achieve the emissions reductions they represent. **Some of these arrangements may receive scrutiny from certain constituencies who criticize the methodology of offsets or do not believe offsets should be utilized to neutralize GHG emissions**. Also, despite these aspirational goals, we may receive pressure from investors, lenders, or other groups to adopt more aggressive climate or other ESG- related goals, but we cannot guarantee that we will be able to **pursue or** implement such goals because of potential costs or technical or operational obstacles. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings may lead to increased negative investor sentiment toward us or our customers and to the diversion of investment, ~~to other industries which could have a negative impact on our stock price and / or our access to and costs of capital.~~ Moreover, to the extent ESG matters negatively impact our reputation, we may not be able to compete as effectively or recruit or retain employees, which may adversely affect our operations. **Certain Public-public** statements with respect to ESG matters, such as emissions reduction goals, other environmental targets, or other commitments addressing certain social ~~issues or~~ **conclusion initiatives**, are becoming increasingly subject to heightened scrutiny from public and governmental authorities. **For example, the SEC has recently taken enforcement action against companies for ESG- related misconduct, including alleged to the risk of potential** “greenwashing,” i. e. , misleading information or false claims overstating potential ESG benefits ~~-For example, in March 2021, the SEC established the Climate and ESG Task Force in the Division of Enforcement to identify and address potential ESG- related misconduct, including greenwashing.~~ Certain non- governmental organizations and other private actors have also filed lawsuits under various securities and consumer protection laws alleging that certain ESG statements, goals, or standards were misleading, false or otherwise deceptive. **Certain social and inclusion initiatives are the subject of scrutiny by both those calling for the continued advancement of such policies, as well as those who believe they should be curbed, including government actors, and the complex regulatory and legal frameworks applicable to such initiatives. More recent political developments could mean that the Company faces increasing criticism or litigation risks from certain “ anti- ESG ” parties including various government agencies. Such sentiment may focus on the Company’ s environmental or social or inclusion initiatives which anti- ESG proponents may assert as unlawful, political or polarizing in nature or are alleged to violate laws based, in part, on changing priorities of, or interpretations by, federal agencies or state governments. Consideration of ESG- related factors in the Company’ s decision- making could be subject to increasing scrutiny and objection from such anti- ESG parties. As a result, we the Company may face be subject to pressure from the media or through other means, such as governmental investigations, enforcement actions, or other proceedings, all of which could adversely affect our reputation, business, financial performance, market access and growth. Accordingly, there may be increased costs related to review, implementation, and management of such policies, as well as compliance and** litigation risks ~~based both on positions from private parties and governmental authorities related to~~

our ESG efforts. In addition, any alleged claims of greenwashing against us or others in our industry may lead to further negative sentiment and diversion of investments. Additionally, we could face increasing costs as **do or do not take, or work** we **do or do not perform** attempt to comply with and navigate further ESG-related focus and scrutiny. Such ESG matters may also impact our customers or suppliers, which may adversely impact our business, financial condition, or **defined below**) provided under the 2024 Term Loan. Our ability to make scheduled payments on or to refinance our debt obligations, including the 2024 2021 Term Loan and **RBL Facility, the 2024 2022 Revolver ABL Facility and our 2026 Notes**, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and certain financial, business and other factors that may be beyond our control. If oil and natural gas prices remain at low levels for an extended period of time or further deteriorate, **or interest rates materially increase**, our cash flows from operating activities may be insufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. In the absence of sufficient cash flows and capital resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet debt service and other obligations. The **2024 2021 Term Loan and RBL Facility, the 2024 2022 Revolver ABL Facility and our 2026 Notes** currently restrict our ability to dispose of assets and our use of the proceeds from any such disposition. We may not be able to consummate dispositions, and the proceeds of any such disposition may not be adequate to meet any debt service obligations then due. **Our industry is capital intensive. We evaluate the impairment of our oil and natural gas properties whenever events or changes in circumstances indicate that the** results of operations. We currently have substantial U. S. federal and state net operating loss (“NOL”) carryforwards and U. S. federal general business credits. Our ability to use these tax attributes to reduce our future U. S. federal and state income tax obligations depends on many factors, including our future taxable income, which cannot be assured. In addition, our ability to use NOL carryforwards and other tax attributes may be subject to significant limitations under Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended (the “Code”). Under those sections of the Code, if a corporation undergoes an “ownership change” (as defined in Section 382 of the Code), the corporation’s ability to use its pre-change NOL carryforwards and other tax attributes may be substantially limited. Determining the limitations under Section 382 of the Code is technical and highly complex. A corporation generally will experience an ownership change if one or more stockholders (or groups of stockholders) who are each deemed to own at least 5 % of the corporation’s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. We may in the future undergo an ownership change under Section 382 of the Code. If an ownership change occurs, our ability to use our NOL carryforwards and other tax attributes to reduce our future U. S. federal and state income tax obligations may be materially limited, which could adversely affect our cash flows. **Our industry. Additionally, in July 2024, the California Governor signed a bill that limits the use of California NOLs for a period of time, and we determined there** is capital intensive **no current impact to the carrying value of and ability to ultimately utilize our California NOLs**. **We. The legislation suspended the use of the California NOL deduction for corporate taxpayers with a California net income or modified adjusted gross income of \$ 1 million or more for tax years beginning on or after January 1, 2024 and before January 1, 2027. This legislation could** have a 2024 capital expenditure budget for E & P operations, CJWS and corporate activities between \$ 95 to \$ 110 million. **The actual amount and timing of our future capital expenditures may differ materially from our..... our capital expenditures, which would negatively impact our ability to grow production. Current..... the administrative agent of, or two - to - thirds of the lenders under,..... ability to make scheduled payments on or** **our** to refinance our debt obligations, including,..... or changes in circumstances indicate that **the** carrying value may not be recoverable. **Based on specific market factors and ability** circumstances at the time of prospective impairment reviews, and the continuing evaluation of development plans, production data, economics and other factors, we may be required to **utilize** write down the carrying value of our **California NOLs** properties. A write down constitutes a non-cash charge to earnings. We have significant concentrations of credit risk with our customers and the inability of one or more of our customers to meet their obligations or the loss of any one of our major oil and natural gas purchasers may have a material adverse effect on our business, financial condition, results of operations and cash flows. We have significant concentrations of credit risk with the purchasers of our oil and natural gas. For the year ended December 31, **2023 2024**, sales to PBF Holding, Chevron and Phillips 66 accounted for approximately **41-30 %**, **20-28 %** and 10 %, respectively, of our sales. This concentration may impact our overall credit risk because our customers may be similarly affected by changes in economic conditions or commodity price fluctuations. We do not require our customers to post collateral. If the purchasers of our oil and natural gas become insolvent, we may be unable to collect amounts owed to us. Also, if we were to lose any one of our major customers, the loss could cause us to cease or delay both production and sale of our oil and natural gas in the area supplying that customer. Due to the terms of supply agreements with our customers, we may not know that a customer is unable to make payment to us until almost two months after production has been delivered. We do not require our customers to post collateral to protect our ability to be paid. Our business is highly regulated and governmental authorities can delay or deny permits and approvals or change the requirements governing our operations, including the permitting approval process for oil and gas exploration, extraction, operations and production activities; well stimulation and other enhanced production techniques; and fluid injection or disposal activities, any of which could increase costs, restrict operations and delay our implementation of, or cause us to change, our business strategy and plans. Like other companies in the oil and gas industry, our operations are subject to a wide range of complex and stringent federal, state and local laws and regulations. Federal, state and local agencies may assert overlapping authority to regulate in these areas. See “Items 1 and 2. Business and Properties — Regulation of Health, Safety and Environmental Matters” for a description of laws and regulations that affect our business. Collectively, the effect of the existing laws and regulations is to limit the number and location of our wells through restrictions on the use of our properties, limit our ability to develop certain assets and conduct certain operations, including through a restrictive and burdensome permitting and approval process, and have the effect of reducing the amount of oil and natural gas that we can produce from our wells, potentially reducing such production below levels that would otherwise be possible or economical. To operate in

compliance with these laws and regulations, we must obtain and maintain permits, approvals and certificates from federal, state and local government authorities for a variety of activities including siting, drilling, completion, fluid injection and disposal, stimulation, operation, maintenance, transportation, marketing, site remediation, decommissioning, abandonment and water recycling and reuse. These permits are generally subject to protest, appeal or litigation, which could in certain cases delay or halt projects, production of wells and other operations. Additionally, the regulatory burden on the industry increases our costs and consequently may have an adverse effect upon capital expenditures, earnings or competitive position. Failure to comply may result in the assessment of administrative, civil and criminal fines and penalties and liability for noncompliance, costs of corrective action, cleanup or restoration, compensation for personal injury, property damage or other losses, and the imposition of injunctive or declaratory relief restricting or limiting our operations. California, where most of our assets are located, is one of the most heavily regulated states in the United States with respect to oil and gas operations, and our operations are subject to numerous and stringent state, local and other laws and regulations that could delay or otherwise adversely impact our operations. The jurisdiction, duties and enforcement authority of various state agencies have significantly increased with respect to oil and natural gas activities in recent years, and these state agencies as well as certain cities and counties have significantly revised their regulations, regulatory interpretations and data collection and reporting requirements and have indicated plans to issue additional regulations of certain oil and natural gas activities in 2024-2025. Moreover, certain of these laws and regulations may apply retroactively and may impose strict or joint and several liability on us for events or conditions over which we and our predecessors had no control, without regard to fault, legality of the original activities, or ownership or control by third parties. Violations and liabilities with respect to these laws and regulations could result in significant administrative, civil, or criminal penalties, remedial clean-ups, natural resource damages, permit modifications or revocations, operational interruptions or shutdowns and other liabilities. The costs of remedying such conditions may be significant, and remediation obligations could adversely affect our financial condition, results of operations and prospects. In California, we are also increasingly impacted by policies designed to curtail the production and use of fossil fuels. For example, in September 2020, the Governor of California issued an executive order that seeks to reduce both the supply of and demand for fossil fuels in the state. The executive order established several goals and directed several state agencies to take certain actions with respect to reducing emissions of GHGs, including, but not limited to: phasing out the sale of vehicles with internal combustion engines; developing strategies for the closure and repurposing of oil and gas facilities in California; and calling on the California State Legislature to enact new laws prohibiting hydraulic fracturing in the state by 2024 (which CalGEM formally proposed in February 2024 and went into effect in October 2024). The executive order also directed CalGEM to finish its review of public health and safety concerns from the impacts of oil extraction activities and propose significantly strengthened regulations. At this time, we cannot predict how implementation of these actions and proposals may impact our operations. For additional information, see “Items 1 and 2. Business and Properties — Regulation of Health, Safety and Environmental Matters” and “— Risks Related to Our Operations and Industry — There are significant uncertainties with respect to obtaining permits for oil and gas activities in Kern County, where all of our California operations are located, which could adversely and materially impact our financial condition and results of operations” and “— Risks Related to Our Operations and Industry — Attempts by the California state government to restrict the production of oil and gas could negatively impact our operations and result in decreased demand for fossil fuels within the states where we operate.” Our operations may also be adversely affected by seasonal or permanent restrictions on drilling activities imposed under the Endangered Species Act or similar state laws designed to protect various wildlife, such as the Greater Sage Grouse. Such restrictions may limit our ability to operate in protected areas and can intensify competition for drilling rigs, oilfield equipment, services, supplies and qualified personnel, which may lead to periodic shortages when drilling is allowed. Permanent restrictions imposed to protect threatened or endangered species or their habitat could prohibit drilling in certain areas or require the implementation of expensive mitigation measures. Our customers, including refineries and utilities, and the businesses that transport our products to customers are also highly regulated. For example, federal and state agencies have subjected or, proposed subjecting, more gas and liquid gathering lines, pipelines and storage facilities to regulations that have increased business costs and otherwise affect affected the demand, volatility and other aspects of the price we pay for fuel gas. Certain municipalities have enacted restrictions on the installation of natural gas appliances and infrastructure in new residential or commercial construction, which could affect the retail natural gas market for our utility customers and the demand and prices we receive for the natural gas we produce. Costs of compliance may increase, and operational delays or restrictions may occur, as existing laws and regulations are revised or reinterpreted, or as new laws and regulations become applicable to our operations, each of which has occurred in the past. For example, our costs have recently begun to increase due to new fluid injection regulations, data requirements for permitting, and idle well decommissioning regulations. In addition, we may experience delays, as we have in the past, due to insufficient internal processes and personnel resource constraints at regulatory agencies that impede their ability to process permits in a timely manner that aligns with our production projects. Government authorities and other organizations continue to study health, safety and environmental aspects of oil and natural gas operations, including those related to air, soil and water quality, ground movement or seismicity and natural resources. Government authorities have also adopted, proposed, or are otherwise considering new or more stringent requirements for permitting, well construction and public disclosure or environmental review of, or restrictions on, oil and natural gas operations. For example, there has been increased scrutiny with respect to hydraulic fracturing over the years by various state and federal agencies, which scrutiny has extended to oil and gas E & P activities more generally. This has resulted in more stringent regulation with respect to air emissions from oil and gas operations, restrictions on water discharges and calls to remove exemptions for certain oil and gas wastes from federal hazardous waste laws and regulations, amongst other restrictions. Separately, as another example, the scope of the federal Clean Water Act (the “CWA”) has been subject to substantial uncertainty in recent years, which has the potential to increase permitting burdens. The U. S. Environmental Protection Agency (“EPA”) and the U. S. Army Corps of Engineers (“Corps”) under the Obama, Trump and Biden Administrations administrations have pursued multiple rulemakings

since 2015 in an attempt to determine the scope of the term “ Waters of the United States ” ( “ WOTUS ” ), and, in several instances, federal courts have vacated these rulemakings. **Most recently** In December 2022, **following legal action** on the EPA and Corps released a **January 2023** final **rule, the U. S.** revised definition of WOTUS founded upon a pre-2015 definition and including updates to incorporate existing Supreme Court ’ s decisions – **decision** and agency guidance. The new rule was officially published on January 18, 2023, to be effective on March 20, 2023. However, the new rule was challenged and is currently enjoined in 27 states. Moreover, in May 2023, the Supreme Court released its opinion in Sackett v. EPA, which involved issues relating to the legal tests used to determine whether wetlands are WOTUS. The Sackett decision invalidated certain parts of the January 2023 rule and **the enactment of** significantly narrowed its scope, resulting in a **subsequent** revised rule being issued in September 2023. However, due to the injunction of the January 2023 rule, the implementation of the September 2023 rule, currently varies by state. In the **implementation of the definition of WOTUS is split based on jurisdiction. The rule is enjoined in** 27 states subject to the injunction, the agencies are interpreting the definition of WOTUS consistent with the pre-2015 regulatory regime and **being implemented in** the changes made by the Sackett decision, which utilizes the “ continuous surface connection ” test to determine if wetlands qualify as WOTUS. In the remaining 23 states, **Additionally, the incoming Trump administration may seek to take additional action with respect to the these regulations** agencies are implementing the September 2023 rule, **though** which did not define the **substance** term “ continuous surface connection. ” Therefore, some uncertainty remains as to how broadly the September 2023 rule and the Sackett decision will **timing of such action cannot** be **predicted** interpreted by the agencies. To the extent implementation of the final rule, results of the litigation, or any action further expands the scope of the CWA ’ s jurisdiction in areas where we operate, we could face increased costs and delays with respect to obtaining dredge and fill activity permits in wetland areas, which could materially impact our operations in the San Joaquin **basin-Basin** and other areas. Such requirements or associated litigation could result in potentially significant added costs to comply, delay or curtail our exploration, development, fluid injection and disposal or production activities, and preclude us from drilling, completing or stimulating wells, which could have an adverse effect on our expected production, other operations and financial condition. Changes to elected or appointed officials or their priorities and policies could result in different approaches to the regulation of the oil and natural gas industry. We cannot predict the actions the Governor of California or the California **State legislature-Legislature** may take with respect to the regulation of our business, the oil and natural gas industry or the state ’ s economic, fiscal or environmental policies, nor can we predict what actions may be taken in states or at the federal level with respect to environmental laws and policies, including those that may directly or indirectly impact our operations. The threat of climate change continues to attract considerable attention in the United States and in foreign countries. Numerous proposals have been made and could continue to be made at the international, national, regional and state levels of government to monitor and limit existing emissions of GHGs, as well as to restrict or eliminate such future emissions. As a result, our oil and natural gas E & P operations are subject to a series of regulatory, political, litigation, and financial risks associated with the production and processing of fossil fuels and emission of GHGs. In the United States, no comprehensive climate change legislation has been implemented at the federal level. However, with the U.S. Supreme Court finding that GHG emissions constitute a pollutant under the **Clean Air Act (the “ CAA ”)**, the EPA has adopted rules that, among other things, **establish-established** construction and operating permit reviews for GHG emissions from certain large stationary sources, **require-required** the monitoring and annual reporting of GHG emissions from certain petroleum and natural gas system sources in the United States, and together with the **U.S. Department of Transportation (“ DOT ”)**, **implement-implemented** GHG emissions limits on vehicles manufactured for operation in the United States. **The However, from time to time, certain administrations have taken actions to repeal or revise such climate-related actions. For example, the** regulation of methane from oil and gas facilities has been subject to uncertainty in recent years but, in December 2023, the EPA finalized more stringent methane rules for new, modified, and reconstructed facilities, known as “ **OOOOb** ”, as well as standards for existing sources for the first time ever, known as “ **OOOOc** ”. Under the final rules, states have two years to prepare and submit their plans to impose methane emissions controls on existing sources. The presumptive standards established under the final rule are generally the same for both new and existing sources and include enhanced leak detection survey requirements using optical gas imaging and other advanced monitoring to encourage the deployment of innovative technologies to detect and reduce methane emissions, reduction of emissions by 95 % through capture and control systems, zero- emission requirements for certain devices, and the establishment of a “ super emitter ” response program that would allow third parties to make reports to EPA of larger methane emission events, triggering certain investigation and repair requirements. **It is likely The rules have been subject to legal challenge, however and in February 2025, that the D.C. Circuit Court granted the EPA ’ s motion to hold the cases in abeyance while the agency reviews the final rule rules and its requirements will be subject. While the Trump administration may take action to legal-repeal or modify the final rules, we cannot predict the substance or timing of such challenges – changes, if any.** Moreover, compliance with the new rules may **effect-affect** the amount we owe under the **Inflation Reduction Act (“ IRA ”)**, signed into law on August 16, 2022, which imposes a fee on the emissions of methane from certain sources in the oil and natural gas sector. However, compliance with the EPA ’ s methane rule would exempt an otherwise covered facility from the requirement to pay the fee. For additional information, please see “ — The Inflation Reduction Act could accelerate the transition to a low-carbon economy and could impose new costs on our operations. ” The requirements of the EPA ’ s final methane rules and, as applicable, the IRA ’ s methane emissions fee, could increase our operating costs and accelerate the transition away from oil and gas, which could adversely affect our business and results of operations. Moreover, failure to comply with these requirements could result in the imposition of substantial fines and penalties, as well as costly injunctive relief. Additionally, various states and groups of states have adopted or are considering adopting legislation, regulations or other regulatory initiatives that are focused on such areas as GHG cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of GHG emissions, such as methane. For example, California, through the **California Air Resources Board (“ CARB ”)** has implemented a

cap and trade program for GHG emissions that sets a statewide maximum limit on covered GHG emissions, and this cap declines annually to reach 40 % below 1990 levels by 2030. Covered entities must either reduce their GHG emissions or purchase allowances to account for such emissions. Separately, California has implemented **Low Carbon Fuel Standard** (the “LCFS”) and associated tradable credits that require a progressively lower carbon intensity of the state’s fuel supply than baseline gasoline and diesel fuels. Recently, CARB ~~proposed~~ **finalized** amendments to the LCFS program to include increasing 2030 carbon intensity targets from 20 % to 30 % and extending carbon intensity reduction targets to 90 % by 2045. **The final rulemaking package was submitted to the Office of Administrative Law on January 3, 2025, but on February 18, 2025, the Office of Administrative Law issued a Notice of Disapproval citing clarity and incorrect procedure as grounds for its disapproval. CARB may resubmit the finalized amendments within 120 days of receipt of the disapproval decision after resolving the identified issues.** CARB has also promulgated regulations regarding monitoring, leak detection, repair and reporting of methane emissions from both existing and new oil and gas production facilities. In addition to the various actions described requiring California to achieve total economy-wide carbon neutrality by 2045, California has separately adopted a law requiring the use of 100 % zero-carbon electricity within the state by 2045. Additionally, the Governor of California requested that the CARB analyze pathways to phase out oil extraction across the state by no later than 2045; however, **the CARB’s 2022 Final Scoping Plan (the “2022 Final Scoping Plan”)**, the blueprint for the state’s carbon neutrality goals, determined such a phase out was not feasible because of continued projected demand for fossil fuels in the transportation sector notwithstanding significant projected decreases in demand for fossil fuels for such uses by 2045. Notwithstanding this, CARB will continue to assess opportunities for phase down in its next five-year scoping plan. The 2022 Final Scoping Plan also outlines a plan to phase out natural gas use in buildings, amongst other carbon emission reduction matters. We cannot predict how these various laws, regulations and orders may ultimately affect our operations. However, these initiatives could result in decreased demand for the oil, natural gas and NGLs that we produce, or otherwise restrict or prohibit our operations altogether in California, and therefore adversely affect our revenues and results of operations. **California residents, as a whole, are highly focused on climate change matters, particularly as certain physical and economic impacts, such as the inability to secure reasonably priced insurance, becomes a heightened issue. As a result, California politicians have taken, and are expected to continue to take, steps that may make it more difficult or costly for traditional energy companies to operate in the state. For example, California has, similar to other states, attempted to introduce legislation creating a “climate superfund” whereby the state has recourse to recover financial damages from companies for the impacts of climate change. New York and Vermont have recently passed such laws and, although the legislation proposed in California has not meaningfully advanced at this stage, climate superfund laws which target larger oil and gas companies could negatively impact our business and financial condition.** At the international level, **in 2021, the United Nations-sponsored “States formally rejoined the Paris Agreement”, which requires member states/nations to individually determine and submit non-binding GHG emissions reduction targets goals every five years after 2020. However, although the United States had withdrawn from the Paris Agreement, following an executive order signed by President Biden on his first day in office, January 20, 2025, President Trump signed an Executive Order once again withdrawing the United States rejoining from the Paris Agreement in February 2021. Additionally in April 2021, the Executive Order withdraws the United States established a goal of reducing economy-wide net GHG emissions 50–52% below 2005 levels from any other commitments made under the United Nations Framework Convention on Climate Change and revokes any purported financial commitment made by 2030. Additionally, at the 26th Conference of the Parties (“COP26”) in Glasgow in November 2021, the United States and pursuant to the same. It is unclear what participation European Union jointly announced the launch of the Global Methane Pledge, if an any initiative committing to a collective goal of reducing global methane emissions by at least 30% from 2020 levels by 2030, including “all feasible reductions” in the energy sector. The following year, the United States also announced will have in future United Nations climate conjunction with the European Union and other partner countries that it would develop standards for monitoring and reporting methane emissions to help create a market for low methane-intensity gas related efforts. At COP28, Notwithstanding these actions, hosted by some states, including California, have, through the United States Climate Alliance Arab Emirates in December 2023, parties signed onto an indicated a continued commitment to the goal of the Paris agreement Agreement to transition “away from fossil fuels in energy systems in a just, orderly, and equitable manner” and increase renewable energy capacity so as to achieve net zero by 2050, although no timeline for doing so was set. The full impact of these actions recent developments is uncertain at this time and it is unclear what additional initiatives may be adopted or implemented that may have adverse effects upon our operations.** Governmental, scientific, and public concern over the threat of climate change arising from GHG emissions has resulted in increasing political risks in the United States, including climate change related pledges made by certain candidates for public office. **These Prior federal actions** have included **bans on new promises to pursue actions to limit emissions and curtail the production of oil and gas, such as through banning new leases for production of minerals on public lands federal properties. On January 20, 2021, calls 2021, President Biden issued an executive order calling for increased more stringent regulation of methane emissions from the oil and gas sector. Subsequently, on January 27, 2021, President Biden issued an executive order that calls for substantial action on climate change, including, among other things, the increased use of zero-emissions emission vehicles by the federal government, restrictions on pipeline and LNG export infrastructure the elimination of subsidies provided to the fossil fuel industry, and increased emphasis on climate-related risk across agencies and economic sectors. The Biden Administration has also called for restrictions on leasing on federal land, including the Department of Interior’s publication of a report in November 2021 recommending various changes to the federal leasing program, though any such changes would require Congressional action; for more information, see “Regulatory Matters — Restrictions on Oil and Gas Developments on Federal Lands.” Our operations involve the use of hydraulic fracturing activities and we also have operations on federal lands under the jurisdiction of the BLM within the Department of the Interior (the “DOI”). Other actions that could be pursued by President Biden may**

include more restrictive requirements for the establishment of pipeline infrastructure or the permitting of LNG export facilities, as well as other GHG emissions limitations for oil and gas facilities. Litigation risks are also increasing, as a number of parties have sought to bring suit against oil and natural gas companies in state or federal court, alleging, among other things, that such companies created public nuisances by producing fuels that contributed to global warming effects, such as rising sea levels, and therefore are responsible for roadway and infrastructure damages as a result, or alleging that the companies have been aware of the adverse effects of climate change for some time but withheld material information from their investors or customers by failing to adequately disclose those impacts. There is also a growing trend of parties suing public companies for “greenwashing,” which is where a company makes unsubstantiated statements designed to mislead consumers or shareholders into thinking that the company’s products or practices are more environmentally friendly than they are. There have also recently been increasing financial risks for fossil fuel producers as certain shareholders currently invested in fossil-fuel energy companies concerned about the potential effects of climate change may elect in the future to shift some or all of their investments into non-energy related sectors. Institutional lenders who provide financing to fossil-fuel energy companies also have become more attentive to sustainable lending practices and some of them may elect not to provide funding for fossil fuel energy companies. Additionally, for example, in October 2023, the SEC, Federal Reserve, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corp. released a finalized rule that established a framework set of principles guiding financial institutions with \$100 billion or more in assets the reporting of climate risks, targets, and metrics. However, the future of the rule is uncertain at this time given that its implementation has been stayed pending the outcome of legal challenges. Moreover, on February 11, 2025, SEC Acting Chairman Mark T. Uyeda requested that the U.S. Court of Appeals for the Eighth Circuit not schedule arguments in the case while the SEC reconsiders the final rule. While the SEC may, under the new presidential administration, seek to repeal or otherwise modify the rules, we cannot predict whether the effects of actions such as this, such limitation of investments in and financings for or fossil fuel energy companies could result in the restriction, delay or cancellation of drilling programs or development or production activities. Additionally, in March 2022, the SEC released a proposed rule that would establish a framework for the reporting of climate risks, targets, and metrics. We cannot predict the final form and substance of the rule and its requirements, timings. For more information, see “Regulatory Matters — Regulation of Climate-Related Disclosures in Public Filings, Increasing the Potential for Enforcement if the SEC were to allege an issuer’s climate disclosures are misleading, deceptive or deficient.” Such agency action could increase the potential for private litigation. The adoption and implementation of new or more stringent international, federal or state legislation, regulations or other regulatory initiatives that impose more stringent standards for GHG emissions from oil and natural gas producers such as ourselves or otherwise restrict the areas in which we may produce oil and natural gas or generate GHG emissions could result in increased costs of compliance or costs of consuming, and thereby reduce demand for or erode value for, the oil and natural gas that we produce. Additionally, political, litigation, and financial risks may result in our restricting or canceling oil and natural gas production activities, incurring liability for infrastructure damages as a result of climatic changes, or impairing our ability to continue to operate in an economic manner. Moreover, climate change may also result in various physical risks, such as the increased frequency or intensity of extreme weather events or changes in meteorological and hydrological patterns, that could adversely impact our operations, as well as those of our operators and their supply chains. Such physical risks may result in damage to our facilities or otherwise adversely impact our operations, such as if we become subject to water use curtailments in response to drought, or demand for our products, such as to the extent warmer winters reduce the demand for energy for heating purposes. Such physical risks may also impact our supply chain or infrastructure on which we rely to produce or transport our products. One or more of these developments could have a material adverse effect on our business, financial condition and results of operation. In past years, federal and state level legislation has been proposed that would, if enacted into law, make significant changes to tax laws, including to certain key U. S. federal and state income tax provisions currently available to natural gas and oil exploration and development companies. Such proposed legislation has included, but has not been limited to, (i) eliminating the immediate deduction for intangible drilling and development costs, (ii) repealing the percentage depletion allowance for oil and natural gas properties, (iii) extending the amortization period for certain geological and geophysical expenditures, (iv) eliminating certain other tax deductions and relief previously available to oil and natural gas companies, and (v) increasing the U. S. federal income tax rate applicable to corporations (such as us). It is unclear whether these or similar changes will be enacted and, if enacted, how soon any such changes could take effect. The passage of any legislation as a result of these proposals and other similar changes in U. S. federal income tax laws could adversely affect our operations and cash flows. Additionally, in California, there have been proposals for new taxes on profits that might have a negative impact on us. Although the proposals have not become law, campaigns by various special interest groups could lead to future additional oil and natural gas severance or other taxes. The imposition of such taxes could significantly reduce our profit margins and cash flow and otherwise significantly increase our costs. The Dodd-Frank Act, enacted in 2010, establishes federal oversight and regulation of the over-the-counter (“OTC”) derivatives market and entities, like us, that participate in that market. Rules and regulations applicable to OTC derivatives transactions, and these rules, may affect both the size of positions that we may hold and the ability or willingness of counterparties to trade opposite us, potentially increasing costs for transactions. Moreover, such changes could materially reduce our hedging opportunities which could adversely affect our revenues and cash flow during periods of low commodity prices. While many Dodd-Frank Act regulations are already in effect, the rulemaking and implementation process is ongoing, and the ultimate effect of the adopted rules and regulations and any future rules and regulations on our business remains uncertain. In

addition, the European Union and other non- U. S. jurisdictions are implementing regulations with respect to the derivatives market. To the extent we transact with counterparties in foreign jurisdictions or counterparties with other businesses that subject them to regulation in foreign jurisdictions, we may become subject to, or otherwise be affected by, such regulations. Even though certain of the European Union implementing regulations have become effective, the ultimate effect on our business of the European Union implementing regulations (including future implementing rules and regulations) remains uncertain. **The threat of climate change continues to..... financial condition and results of operation.** In August 2022, President Biden signed the IRA into law. The IRA contains hundreds of billions of dollars in incentives for the development of renewable energy, clean hydrogen, clean fuels, electric vehicles and supporting infrastructure and CCS, amongst other provisions. In addition, the IRA imposes the first ever federal fee on the emission of GHGs through a methane emissions charge. The IRA amends the Clean Air Act to impose a fee on the emission of methane from sources required to report their GHG emissions to the EPA, including those sources in the onshore petroleum and natural gas production categories. The **annual methane emissions charge began would start** in calendar year 2024 at \$ 900 per ton of methane, **increase-increased** to \$ 1, 200 in 2025, and **will** be set at \$ 1, 500 for 2026 and each year thereafter. Calculation of the fee is based on certain thresholds established in the IRA. In addition, the multiple incentives offered for various clean energy industries referenced above could further accelerate the transition of the economy away from fossil fuels towards lower- or zero- carbon emission alternatives. Relatedly, **in November on January 12, 2024, the EPA released-finalized a proposed** rule implementing the requirements of the IRA methane emissions fee; namely, to impose and collect an annual charge on methane emissions that exceed specified waste emissions thresholds from facilities reporting more than 25, 000 metric tons of carbon dioxide equivalent of greenhouse gases per year pursuant to the petroleum and natural gas system source category requirements of the agency’ s Greenhouse Gas Reporting Rule, **which limits the use of netting and other exemptions available under the IRA for reducing the methane fee**. **The We cannot predict whether, how, or when the new administration might take action to revise or repeal the methane charge rule. Additionally, Congress may take actions to repeal or revise the IRA 2022, including with respect to the methane emissions charge, which timing or outcome similarly cannot be predicted. To the extent that the** methane charges and various incentives for clean energy industries **are implemented as originally promulgated, this** could decrease demand for crude oil and natural gas, increase our compliance and operating costs and consequently materially and adversely affect our business and results of operations. A large portion of our common stock is beneficially owned by a relatively small number of stockholders. Circumstances may arise in which these stockholders may have an interest in pursuing or preventing acquisitions, divestitures, hostile takeovers or other transactions, including the payment of dividends or the issuance of additional equity or debt, that, in their judgment, could enhance their investment in us or in another company in which they invest. Such transactions might adversely affect us or other holders of our common stock. In addition, our significant concentration of share ownership may adversely affect the trading price of our common stock because investors may perceive disadvantages in owning shares in companies with significant stockholder concentrations. ~~Our governing documents provide that our stockholders and their affiliates are not restricted from owning assets or engaging in businesses that compete directly or indirectly with us. In particular, subject to the limitations of applicable law, the Certificate of Incorporation, among other things: • permits stockholders to make investments in competing businesses; and • provides that if one of our directors who is also an employee, officer or director of a stockholder (a “Dual Role Person”), becomes aware of a potential business opportunity, transaction or other matter, they will have no duty to communicate or offer that opportunity to us. A Dual Role Person may become aware, from time to time, of certain business opportunities (such as acquisition opportunities) and may direct such opportunities to other businesses in which our stockholders have invested, in which case we may not become aware of, or otherwise have the ability to pursue, such opportunity. Further, such businesses may choose to compete with us for these opportunities, possibly causing these opportunities to be unavailable to us or causing them to be more expensive for us to pursue.~~ A large portion of our common stock is beneficially owned by a relatively small number of stockholders. We cannot predict when or whether they will sell their shares of common stock. Future sales, or concerns about them, may put downward pressure on the market price of our common stock. We may sell or otherwise issue additional shares of common stock or securities convertible into shares of our common stock. Our Certificate of Incorporation provides for authorized capital stock consisting of 750, 000, 000 shares of common stock and 250, 000, 000 shares of preferred stock. For more information, see Exhibit 4. 4 to this Annual Report. The issuance of any securities for acquisitions, financing, upon conversion or exercise of convertible securities, or otherwise may result in a reduction of the book value and market price of our outstanding common stock. If we issue any such additional securities, the issuance will cause a reduction in the proportionate ownership and voting power of all current stockholders. We cannot predict the size of any future issuances of our common stock or securities convertible into common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our common stock. On March 1, 2022, the Board of Directors approved the Berry Corporation ~~2022~~(bry) **2022** Omnibus Incentive Plan (the “ 2022 Omnibus Plan ”), which was subsequently approved by stockholders on May 25, 2022. Shares of our common stock are reserved for issuance as equity- based awards to employees, directors and certain other persons under the 2022 Omnibus Plan. We have filed a registration statement with the SEC on Form S- 8 providing for the registration of shares of our common stock issued or reserved for issuance under the 2022 Omnibus Plan. Subject to the satisfaction of vesting conditions, the expiration of certain lock- up agreements and the requirements of Rule 144, shares registered under the registration statement on Form S- 8 may be made available for resale immediately in the public market without restriction. Investors may experience dilution in the value of their investment upon the exercise of any equity awards that may be granted or issued pursuant to the 2022 Omnibus Plan in the future. The 2022 Omnibus Plan authorized the issuance of 2, 950, 000 shares of common stock, which amount consists of 2, 300, 000 shares of common stock newly reserved under the 2022 Omnibus Plan and 650, 000 shares of common stock remaining available under the Second Amended and

Restated Berry Petroleum Corporation 2017 Omnibus Incentive Plan (the “2017 Omnibus Plan”). The maximum number of shares remaining that may be issued pursuant to the 2022 Omnibus Plan is 2,631,076, 250,590 as of December 31, 2023-2024. On March 13, 2025, we established the ATM Program pursuant to which we may offer and sell common stock having an aggregate offering price of up to \$ 50 million from time to time to or through the Sales Agents (as defined herein). The sale of shares through the ATM Program could put downward pressure on the market price of our common stock. We review the allocations of our Free Cash Flow from time to time based on then existing conditions and circumstances, including our earnings, financial condition, restrictions in financing agreements, business conditions and other factors. In January 2023-2022, we introduced a structured shareholder return model to guide our allocation of Free Cash Flow, which most recently provided as follows: (a) 80 % primarily in the form of debt repurchases, stock repurchases, strategic growth, and acquisitions of producing bolt- on assets; and (b) 20 % in the form of variable dividends. However, in October 2024, in anticipation of entering into the 2024 Term Loan, we transitioned away from our previously established shareholder return model to a capital allocation approach that prioritizes debt reduction in alignment with the covenants contained in the 2024 Term Loan and facilitates our operating strategy while enabling investment in development opportunities. Accordingly, we suspended the quarterly variable dividend and reduced the quarterly fixed dividend to \$ 0. 03 per share. In 2024, we paid total dividends of \$ 0. 97-58 per share, in the form of regular fixed dividends of \$ 0. 42-39 per share and variable dividends of \$ 0. 55-19 per share. In February-March 2024-2025, our Board of Directors approved a fixed cash dividend of \$ 0. 42-03 per share, and a variable cash dividend of \$ 0. 14 per share based on the results of the fourth quarter of 2023, each of which is expected to be paid in March-April 2024-2025. There is no certainty that we will generate Adjusted Free Cash Flow, nor is the Board of Directors obligated to make any dividends and any dividends are subject to the restrictions in our debt documents as described below. The payment and amount of future dividend payments, if any, are subject to declaration by our Board of Directors. Such payments will depend on various factors, including actual results of operations, liquidity and financial condition, net cash provided by operating activities, restrictions imposed by applicable law, our taxable income, and other factors our Board of Directors deems relevant. Additionally, covenants contained in our 2021-2024 RBL Facility, Term Loan and 2022-2024 Revolver ABL Facility and the indenture governing our 2026 Notes could limit the payment of dividends. We are under no obligation to make dividend payments on our common stock and cannot be certain when such payments may resume in the future. Our Certificate of Incorporation authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as our Board of Directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of our common stock. Due to our emerging growth company status expiring on December 31, 2023, we have incurred and expect to incur additional costs and demands will be placed upon management in connection with complying with non-emerging growth company requirements. Additionally, our internal control over financial reporting is now required to meet all of the standards required by Section 404 of the Sarbanes-Oxley Act. Failure to achieve and maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and share price. As an emerging growth company, we benefited from certain temporary exemptions from various reporting requirements. On December 31, 2023, our emerging growth company status expired due to reaching the fifth anniversary of our IPO. This transition from emerging growth company status requires us to, among other things, allow our independent registered public accounting firm to attest to the effectiveness of our internal controls as required by Section 404 (b) of the Sarbanes-Oxley Act in this Annual Report. In addition, as an emerging growth company we had elected under the JOBS Act to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. As a result of our emerging growth company status expiring as of December 31-2023, we are no longer eligible to delay adoption of such new or revised accounting pronouncements applicable to public companies. In addition to some immaterial expenses, mainly for our independent registered public accounting firm to attest to the effectiveness of our internal controls over financial reporting, our management may need to devote significant time and efforts to implement and comply with the additional standards, rules and regulations that will apply to us losing our emerging growth company status, which may divert such time from the day-to-day conduct of our business operations. Also, due to the complexity and logistical difficulty of implementing the standards, rules and regulations that apply to non-emerging growth companies, such as Section 404 (b) of the Sarbanes-Oxley Act, on an accelerated timeframe, the risk of our non-compliance with such standards, rules and regulations or of significant deficiencies or material weaknesses in our internal controls over financial reporting is increased. Effective internal controls are necessary for us to provide reliable financial reports, safeguard our assets, and prevent fraud. If we cannot provide reliable financial reports, safeguard our assets or prevent fraud, our reputation and operating results could be harmed. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. We may encounter problems or delays in completing the implementation of effective internal controls. Further, failure to achieve and maintain an effective internal control environment could have a material adverse effect on our business and share price and could limit our ability to report our financial results accurately and timely. Certain provisions of our Certificate of Incorporation and Bylaws may make it difficult for stockholders to change the composition of our Board of Directors and may discourage, delay or prevent a merger or acquisition that some stockholders may consider beneficial. Certain provisions of our Certificate of Incorporation and Bylaws may have the effect of delaying or preventing changes in control if our Board of Directors determines that such changes in control are not in the best interests of us and our stockholders. For more

information see Exhibit 4. 4 to this Annual Report. For example, our Certificate of Incorporation and Bylaws include provisions that (i) authorize our Board to issue “ blank check ” preferred stock and to determine the price and other terms, including preferences and voting rights, of those shares without stockholder approval and (ii) establish advance notice procedures for nominating directors or presenting matters at stockholder meetings. These provisions could enable the Board of Directors to delay or prevent a transaction that some, or a majority, of the stockholders may believe to be in their best interests and, in that case, may discourage or prevent attempts to remove and replace incumbent directors. These provisions may also discourage or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors, which is responsible for appointing the members of our management. Our Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents. Our Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against us, our directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law, our Certificate of Incorporation or our Bylaws or (iv) any action asserting a claim against us, our directors, officers or employees that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having subject matter jurisdiction and personal jurisdiction over the indispensable parties named as defendants therein. This choice of forum provision may limit a stockholder’ s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our Certificate of Incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions. **67**