Risk Factors Comparison 2024-02-26 to 2023-02-28 Form: 10-K

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Our business involves a high degree of risk. If any of the following risks, or any risk described elsewhere in this Annual Report on Form 10- K, actually occurs, our business, financial condition, results of operations or cash flows could suffer. The risks described below are not the only ones facing us. Additional risks not presently known to us or which we currently consider immaterial also may adversely affect us. Risks related to the **Arrangement The Arrangement is subject to a number of conditions which may delay the Arrangement and could result in additional expenditures of money and resources or reduce the anticipated benefits, or result in termination of the Arrangement Agreement and us having to pay a termination fee. Our obligations and the obligations of Enerplus to consummate the Arrangement are subject to the satisfaction (or waiver by all parties, to the extent permissible under applicable laws) of a number of conditions described in the Arrangement Agreement, including the approval by our shareholders of issuance of shares of the Company' s common stock to Enerplus shareholders in connection with the Arrangement, the approval and adoption of the Arrangement Agreement and the transactions contemplated therein, including the Arrangement, by the Enerplus shareholders and the approval of the Arrangement by the Court of King' s Bench of Alberta on terms consistent with the Arrangement Agreement and otherwise reasonably satisfactory to the parties. Many of the conditions to completion of the Arrangement are not within our control and we cannot predict when, or if, these conditions will be satisfied. If any of these conditions are not satisfied or waived prior to the Termination Date (as such term is defined in the Arrangement Agreement), it is possible that the Arrangement Agreement may be terminated. The Arrangement Agreement provides that, upon termination of the Arrangement Agreement under certain circumstances, we or Enerplus would be required to pay the other party a termination fee of $ 240 million and $ 127 million, respectively. Although the parties have agreed to use reasonable best efforts, subject to certain limitations, to complete the Arrangement promptly, these and other conditions may fail to be satisfied. In addition, completion of the Arrangement may take longer and could cost more than we expect. The requirements for obtaining the required clearances and approvals could delay the completion of the Arrangement for a significant period of time or prevent them from occurring. Any delay in completing the Arrangement may adversely affect the cost savings and other benefits that we expect to achieve if the Arrangement and the integration of businesses were to be completed within the expected timeframe. The Arrangement Agreement subjects us to restrictions on our business activities prior to closing the Arrangement, limits our ability to pursue alternatives to the Arrangement and may discourage other companies from making a favorable alternative transaction proposal. The Arrangement Agreement subjects us to restrictions on our business activities prior to the closing of the Arrangement. The Arrangement Agreement obligates us to generally conduct our businesses in the ordinary course until the closing and to, among other things, use our reasonable best efforts to (i) preserve substantially intact our present business organization, goodwill and assets, (ii) keep available the services of our current officers and employees and (iii) preserve our existing relationships with governmental entities and significant customers, suppliers, licensors, licensees, distributors, lessors and others having significant business dealings with us. These restrictions could prevent us from pursuing certain business opportunities that arise prior to the closing and are outside the ordinary course of business. We are subject to customary restrictions on our ability to solicit alternative acquisition proposals and to provide information to, or engage in discussions with, third parties regarding such proposals, except that we are permitted in limited circumstances prior to receiving approval from our stockholders of the issuance of new shares of Chord common stock in the Arrangement to provide information to, and engage in discussions with, a party which has made an unsolicited acquisition proposal that our Board of Directors has determined constitutes or would reasonably be expected to constitute a superior proposal. Furthermore, in limited circumstances prior to receiving stockholder approval, our Board of Directors may effect a change of its recommendation in response to an applicable intervening event if our Board of Directors determines in good faith that a failure to effect a change in recommendation would be inconsistent with our Board of Directors' fiduciary duties. The synergies attributable to the Arrangement may vary from expectations. The combined company may fail to realize the anticipated benefits and synergies expected from the Arrangement, which could adversely affect the combined company' s business, financial condition and operating results. The success of the Arrangement will depend, in significant part, on the combined company' s ability to successfully integrate the acquired business, grow the revenue of the combined company and realize the anticipated strategic benefits and synergies from the combination. Chord and Enerplus believe that the combination of the companies will provide operational and financial scale, increasing free cash flow, and enhancing the combined company' s corporate rate of return. However, achieving these goals requires, among other things, realization of the targeted cost synergies expected from the Arrangement. This growth and the anticipated benefits of the transaction may not be realized fully or at all, or may take longer to realize than expected. Actual operating, technological, strategic and revenue opportunities, if achieved at all, may be less significant than expected or may take longer to achieve than anticipated. If the combined company is not able to achieve these objectives and realize the anticipated benefits and synergies expected from the Arrangement within the anticipated timing or at all, the combined company' s business, financial condition and operating results may be adversely affected. Our shareholders and Enerplus shareholders, in each case as of immediately prior to the Arrangement, will have reduced ownership in the combined company. We anticipate issuing 0. 10125 shares of the Company' s common stock to Enerplus shareholders in exchange for each Enerplus common share, pursuant to**

the Arrangement Agreement. Following the completion of the Arrangement, it is anticipated that persons who were shareholders of Chord and Enerplus immediately prior to the Arrangement will own approximately 67 % and 33 % of the combined company, respectively, on a fully diluted basis. As a result, our current shareholders and Enerplus' current shareholders will have less influence on the policies of the combined company than they currently have on our policies and the polices of Enerplus, respectively. The market price of our common stock may decline if large amounts of our common stock are sold following the Arrangement and may be affected by factors different from those that historically have affected or currently affect the market price of our common stock. The market price of our common stock may fluctuate significantly following completion of the Arrangement and holders of our common stock could lose some or all of the value of their investment. If the Arrangement is consummated, we will issue shares of our common stock to former Enerplus shareholders. The Arrangement Agreement contains no restrictions on the ability of former Enerplus shareholders to sell or otherwise dispose of such shares following completion of the Arrangement. Former Enerplus shareholders may decide not to hold the shares of our common stock that they receive in the Arrangement, and our historic stockholders may decide to reduce their investment in Chord as a result of the changes to our investment profile as a result of the Arrangement. These sales of our common stock (or the perception that these sales may occur) could have the effect of depressing the market price for our common stock. In addition, our financial position after completion of the Arrangement may differ from our financial position before the completion of the Arrangement, and the results of our operations and cash flows after the completion of the Arrangement may be affected by factors different from those currently affecting our financial position or results of operations and cash flows, all of which could adversely affect the market price of our common stock. Accordingly, the market price and performance of our common stock is likely to be different from the performance of our common stock prior to the Arrangement. Furthermore, the stock market has experienced significant price and volume fluctuations in recent times which, if they continue to occur, could have a material adverse effect on the market for, or liquidity of, our common stock, regardless of our actual operating performance. Litigation relating to the Arrangement could result in an injunction preventing the completion of the Arrangement and / or substantial costs to Chord and Enerplus. Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into acquisition, merger or other business combination agreements. Even if such a lawsuit is without merit, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on Chord' s and Enerplus' respective liquidity and financial condition. Lawsuits that may be brought against Chord, Enerplus or their respective directors could also seek, among other things, injunctive relief or other equitable relief, including a request to rescind parts of the Arrangement Agreement already implemented and to otherwise enjoin the parties from consummating the Arrangement. One of the conditions to the closing of the Arrangement is that no injunction by any court or other tribunal of competent jurisdiction has been entered and continues to be in effect and no law has been adopted or is effective, in either case that prohibits or makes illegal the closing of the Arrangement. Consequently, if a plaintiff is successful in obtaining an injunction prohibiting completion of the Arrangement, that injunction may delay or prevent the Arrangement from being completed within the expected timeframe or at all, which may adversely affect Chord' s and Enerplus' respective business, financial position and results of operations. There can be no assurance that any of the defendants will be successful in the outcome of any pending or any potential future lawsuits. The defense or settlement of any lawsuit or claim that remains unresolved at the time the Arrangment is completed may adversely affect Chord' s or Enerplus' business, financial condition, results of operations and cash flows. Risks related to the oil and gas industry and our business **Global geopolitical tensions may create heightened volatility in oil, NGL and natural gas prices and could adversely affect our business, financial condition and results of operations. On February 24, 2022, Russian military forces commenced a military operation in Ukraine, and the sustained conflict and disruption in the region that has occurred since this date is expected to continue. 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. Although a temporary truce was brokered by Qatar on November 24, 2023, hostilities resumed on December 1, 2023, and the armed conflict is ongoing as of the date of this filing. More recently, Iranian- backed Houthi rebels have conducted several attacks against commercial shipping in the Red Sea, and on January 2, 2024, a senior Hamas leader was killed in a drone strike in Beirut, the capital of Lebanon. Hostilities could continue to escalate and spread into Lebanon and across the Middle East. Although the length, impact and outcome of the military conflicts between Russia and Ukraine and between Hamas and Israel 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. These conflicts and their broader impacts could have a lasting impact on the short- and long- term operations and financial condition of our business and the global economy. Adverse developments affecting the financial markets, such as the bank failures, the Federal Reserve' s decision to increase interest rates and the potential for further increases or an extended period of elevated interest rates, as well as the potential for a U. S. government shutdown due to failure to enact debt ceiling legislation, could adversely affect our current and projected business operations, financial condition, results of operations and liquidity. Events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems. On March 10, 2023, Silicon Valley Bank was**

closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. Similarly, on March 8, 2023, Silvergate Capital Corporation announced its intent to wind down and liquidate Silvergate Bank, and on March 12, 2023, Signature Bank was swept into receivership. Although we do not have any funds deposited with these banks, we regularly maintain domestic cash deposits in FDIC- insured banks, which exceed the FDIC insurance limits. The failure of a bank, or events involving limited liquidity, defaults, non- performance or other adverse conditions in the financial markets impacting the financial institutions with which we conduct business, or concerns or rumors about such events, may lead to disruptions in access to our bank deposits, impair the ability of the banks participating in our current or future credit agreements from honoring their commitments to us or otherwise adversely impact our liquidity and financial performance. There can be no assurance that our deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U. S. or applicable foreign government, or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions or by acquisition in the event of a failure or liquidity crisis. Disruptions to the broader economy and financial markets, including the Federal Reserve' s actions with respect to interest rates and the timing of any anticipated decrease in rates, as well as the potential for a U. S. government shutdown relating to budget deadlines, may also reduce our ability to access capital or result in such capital being available on less favorable terms. Higher interest rates or costs and tighter financial and operating covenants may make it more difficult to acquire financing on acceptable terms or at all. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors, could have material adverse impacts on our liquidity, financial condition, results of operations and cash flows. A substantial or extended decline in commodity prices, for crude oil and, to a lesser extent, NGLs and natural gas, may adversely affect our business, financial condition or results of operations and our ability to meet our capital expenditure obligations and financial commitments. The prices we receive for our crude oil and, to a lesser extent, NGLs and natural gas, heavily influence our revenue, profitability, cash flow from operations, access to capital and future rate of growth. Crude oil, NGLs and natural gas are commodities ~~and~~ , **and** therefore, their prices are subject to wide fluctuations in response to relatively minor changes in supply and demand. Historically, the markets for crude oil, NGLs and natural gas have been volatile, and these markets will likely continue to be volatile in the future. The prices we receive for our production, and the levels of our production, depend on numerous factors beyond our control. These factors include the following: • worldwide and regional economic and political conditions impacting the global supply and demand for crude oil, NGLs and natural gas; • the actions **by the members** of **OPEC with respect to oil production levels and announcements of potential changes in such levels, including the ability of the** OPEC countries ~~, including Russia~~ **to agree on and comply with supply limitations** ; • the price and quantity of imports of foreign crude oil, NGLs and natural gas; • political conditions in or affecting other crude oil, NGL and natural gas producing countries, including the current conflicts in and among the Middle East and conditions in South America, China, India and Russia; • the level of global exploration and production; • the level of global crude oil, NGL and natural gas inventories; • events that impact global market demand, including impacts from wars, such as the ongoing ~~conflict~~ **conflicts** between Russia and Ukraine ~~, conflicts~~ **and between Hamas and Israel** and global health epidemics and concerns such as the COVID- 19 pandemic; • localized supply and demand fundamentals and regional, domestic and international transportation availability; • weather conditions and natural disasters; • domestic and foreign governmental laws, regulations and policies, including, among others, the IRA, environmental requirements and the discouragement of the use of fuels that emit GHGs and encouragement of the use of alternative energy sources; • speculation as to future commodity prices and the speculative trading of crude oil, NGL and natural gas futures contracts; • changing consumer or market preferences, stockholder activism or activities by non- governmental organizations to limit certain sources of funding for the energy sector or restrict the exploration, development and production of crude oil, NGLs and natural gas and related infrastructure; • price and availability of competitors' supplies of crude oil, NGLs and natural gas; • technological advances affecting energy consumption; and • the price and availability of alternative fuels. Substantially all of our crude oil and natural gas production is sold to purchasers under short- term (less than 12- month) contracts at market- based prices, and our NGL production is sold to purchasers under long- term (more than 12- month) contracts at market- based prices. Low crude oil, NGL and natural gas prices will reduce our cash flows, borrowing ability, the present value of our reserves and our ability to develop future reserves. See below " Risks related to our financial position — Our exploration, development and exploitation projects require substantial capital expenditures. We may be unable to obtain needed capital or financing on satisfactory terms, which could lead to expiration of our leases or a decline in our estimated net crude oil, NGL and natural gas reserves. " Low crude oil, NGL and natural gas prices may also reduce the amount of crude oil, NGLs and natural gas that we can produce economically and may affect our proved reserves. See also " Our estimated net proved reserves are based on many assumptions that may turn out to be inaccurate. Any significant inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves " below. The ability or willingness of OPEC to set and maintain production levels has a significant impact on oil prices. OPEC is an intergovernmental organization that seeks to manage the price and supply of oil on the global energy market. Actions or inaction of OPEC members have a significant impact on global oil supply and pricing. For example, OPEC nations have previously agreed to take measures, including production cuts and increases, in an effort to achieve certain global supply or demand targets or to achieve certain crude oil price outcomes. There can be no assurance that OPEC members will continue to agree to future production cuts, moderating future production or other actions to support and stabilize oil prices, and they may take actions that have the effect of reducing oil prices. Uncertainty regarding future actions to be taken by OPEC members could lead to increased volatility in the price of oil, which could adversely affect our business, financial condition, results of operations and cash flows. Drilling for and producing crude oil and natural gas are high- risk activities with many uncertainties that could adversely affect our business, financial condition or results of operations. We use some of the latest available horizontal drilling and completion techniques, which involve risk and uncertainty in their application. Our future financial condition and results of operations will depend on the success of our exploitation, exploration, development and production activities. Our crude oil and natural gas E & P activities are subject to numerous risks beyond our control, including the risk that drilling will not result in commercially viable crude oil, NGL or natural gas production. Our decisions to purchase, explore, develop or otherwise exploit drilling locations or properties will depend in part on the evaluation of data obtained through geophysical and geological analyses, production data and engineering studies, the results of which are often inconclusive or subject to varying interpretations. For a discussion of the uncertainty involved in these processes, see " Our estimated net proved reserves are based on many assumptions that may turn out to be inaccurate. Any significant inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves " below. Our cost of drilling, completing and operating wells is often uncertain before drilling commences. Overruns in planned expenditures are common risks that can make a particular project uneconomical. Further, many factors may curtail, delay or cancel our scheduled drilling projects, including the following: • shortages of or delays in obtaining equipment and qualified personnel; • facility or equipment malfunctions and / or failure; • unexpected operational events, including accidents; • pressure or irregularities in geological formations; • adverse weather or climatic conditions, such as blizzards, ice storms, wildfires, floods and prolonged drought conditions; • reductions in crude oil, NGL and natural gas prices; • inflation in exploration and drilling costs; • disruptions in our supply chain for raw materials, chemicals and equipment; • delays imposed by or resulting from compliance with regulatory requirements, including permits; • proximity to and capacity of transportation facilities; • contractual disputes; • title problems; and • limitations in the market for crude oil, NGLs and natural gas. Our operations involve utilizing the latest drilling and completion techniques as developed by us and our service providers in order to maximize cumulative recoveries and therefore generate the highest possible returns. Risks that we face while drilling include, but are not limited to, the following: • spacing of wells to maximize production rates and recoverable reserves; • landing the wellbore in the desired drilling zone; • staying in the desired drilling zone while drilling horizontally through the formation; • running the casing the entire length of the wellbore; and • the ability to run tools and other equipment consistently through the horizontal wellbore. Risks that we face while completing our wells include, but are not limited to, the following: • the ability to fracture stimulate the planned number of stages; • the ability to run tools the entire length of the wellbore during completion operations; • the ability to successfully clean out the wellbore after completion of the final fracture stimulation stage; and • protecting nearby producing wells from the impact of fracture stimulation. Ultimately, the success of these drilling and completion techniques can only be evaluated over time as more wells are drilled and production profiles are established over a sufficiently long time period. If our drilling results are less than anticipated or we are unable to execute our drilling program because of capital constraints, lease expirations, access to gathering systems and limited takeaway capacity or otherwise, and / or crude oil, NGL and natural gas prices decline, the return on our investment for certain projects may not be as attractive as we anticipate. Further, as a result of any of these developments, we could incur material write- downs of our oil and gas properties **,** and the value of our undeveloped acreage could decline in the future. Our estimated net proved reserves are based on many assumptions that may turn out to be inaccurate. Any significant inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves. The process of estimating crude oil and natural gas reserves is complex. It requires interpretations of available technical data and many assumptions, including assumptions relating to current and future economic conditions and commodity prices. Any significant inaccuracies in these interpretations or assumptions could materially affect the estimated quantities and present value of reserves shown in this Annual Report on Form 10- K. See " Item 1. Business — Exploration and Production Operations " and " Item 8. Financial Statements and Supplementary Data — Note ~~26~~ **24** — Supplemental Oil and Gas Reserve Information — Unaudited " for additional information about our estimated crude oil and natural gas reserves and the PV- 10 and Standardized Measure as of December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ . In order to prepare our estimates, we must project production rates and the timing of development expenditures. We must also analyze available geological, geophysical, production and engineering data. The extent, quality and reliability of this data can vary. The process also requires economic assumptions about matters such as crude oil and natural gas prices, drilling and operating expenses, capital expenditures, taxes and availability of funds. Although the reserve information contained herein is reviewed by our independent reserve engineers, estimates of crude oil, NGL and natural gas reserves are inherently imprecise. Actual future production, crude oil, NGL and natural gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable oil and natural gas reserves will vary from our estimates. Any significant variance could materially affect the estimated quantities and present value of reserves shown in this Annual Report on Form 10- K. In addition, we may adjust estimates of net proved reserves to reflect production history, results of exploration and development, prevailing crude oil and natural gas prices and other factors, many of which are beyond our control. Due to the limited production history of our undeveloped acreage, the estimates of future production associated with such properties may be subject to greater variance to actual production than would be the case with properties having a longer production history. You should not assume that the present value of future net revenues from our estimated net proved reserves is the current market value of our estimated net crude oil and natural gas reserves. In accordance with SEC requirements, we based the estimated discounted future net revenues from our estimated net proved reserves on the unweighted arithmetic average of the first- day- of- the- month price for the preceding 12 months without giving effect to derivative transactions. Actual future net revenues from our oil and gas properties will be affected by factors such as: • actual prices we receive for crude oil, NGLs and natural gas; • actual cost of development and production expenditures; • the amount and timing of actual production; and • changes in governmental regulations or taxation. The timing of both our production and our incurrence of expenses in connection with the development and production of oil and gas properties will affect the timing and amount of actual future net revenues from estimated net proved reserves, and thus their actual present value. In addition, the 10 % discount factor we use when calculating discounted future net revenues may not be the most appropriate discount factor based on interest rates in effect from time to time and risks associated with us or the oil and natural **gas** industry in general. Actual future prices and costs may differ materially from those used in the present value estimates included in this Annual

Report on Form 10- K. Any significant future price changes will have a material effect on the quantity and present value of our estimated net proved reserves. If crude oil, NGL and natural gas prices decline, or for an extended period of time remain at depressed levels, we may be required to take write- downs of the carrying values of our oil and gas properties. We review our proved oil and gas properties for impairment whenever events and circumstances indicate that a decline in the recoverability of their carrying value may have occurred. In addition, we assess our unproved properties periodically for impairment on a ~~property~~ - **prospect** - by- ~~property~~ - **prospect** basis based on remaining lease terms, drilling results or future plans to develop acreage. Based on specific market factors and 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 write down the carrying value of our oil and gas properties, which may result in a decrease in the amount available under ~~the~~ **our revolving** ~~Credit~~ **credit** ~~Facility~~ **facility** . ~~During the period from January 1, 2020 through November 19, 2020 (Predecessor), we recorded impairment charges of $ 4. 4 billion to reduce the carrying value of our proved oil and gas properties to their estimated fair values. There were no impairment charges to our oil and gas properties during the period from November 20, 2020 through December 31, 2020 (Successor) or for the years ended December 31, 2021 (Successor) or 2022 (Successor)~~ . The unavailability or high cost of additional drilling rigs, equipment, supplies, personnel and oilfield services or the unavailability of sufficient transportation for our production could adversely affect our ability to execute our exploration and development plans within our budget and on a timely basis. Our industry is cyclical ~~and~~ , **and** from time to time, there is a shortage of drilling rigs, equipment, supplies or qualified personnel. During these periods, the costs of rigs, equipment, supplies and personnel are substantially greater **,** and their availability to us may be limited. Additionally, these services may not be available on commercially reasonable terms. Shortages or the high cost of drilling rigs, equipment, supplies, personnel or oilfield services or the unavailability of sufficient transportation for our production could delay or adversely affect our development and exploration operations or cause us to incur significant expenditures that are not provided for in our capital plan, which could have a material adverse effect on our business, financial condition or results of operations. Additionally, compliance with new or emerging legal requirements that affect midstream operations in North Dakota or Montana may reduce the availability of transportation for our production. For example, the NDIC adopted regulations in 2013 that impose more rigorous pipeline development standards on midstream operators, some of whom we rely on to construct and operate pipeline infrastructure to transport the crude oil, NGLs and natural gas we produce. Substantially all of our producing properties and operations are located in the Williston Basin ~~,~~ making us vulnerable to risks associated with operating in a concentrated geographic area. Our producing properties are geographically concentrated in the Williston Basin in northwestern North Dakota and northeastern Montana. As a result, we may be disproportionately exposed to the impact of economics in the Williston Basin or delays or interruptions of production from those wells caused by transportation capacity constraints, curtailment of production, availability of equipment, facilities, personnel or services, significant governmental regulation, natural disasters, adverse weather conditions, plant closures for scheduled maintenance or interruption of transportation of crude oil, NGLs or natural gas produced from the wells in those areas. In addition, the effect of fluctuations on supply and demand may become more pronounced within specific geographic crude oil **-** and natural gas **-** producing areas such as the Williston Basin, which may cause these conditions to occur with greater frequency or magnify the effect of these conditions. Our crude oil, NGLs and natural gas are sold in a limited number of geographic markets **,** and each has a generally fixed amount of storage and processing capacity. As a result, if such markets become oversupplied with crude oil, NGLs and / or natural gas, it could have a material negative effect on the prices we receive for our products and therefore an adverse effect on our financial condition and results of operations. Variances in quality may also cause differences in the value received for our products. Due to the concentrated nature of our portfolio of properties, a number of our properties could experience any of the same conditions at the same time, resulting in a relatively greater impact on our results of operations than they might have on other companies that have a more diversified portfolio of properties. The impact of regional economics or delays or interruptions of production in an area could have a material adverse effect on our financial condition and results of operations. Our operations on the Fort Berthold Indian Reservation of the Three Affiliated Tribes in North Dakota are subject to various federal, state, local and tribal regulations and laws, any of which may increase our costs and have an adverse impact on our ability to effectively conduct our operations. Various federal agencies within the U. S. Department of the Interior (the " Department of the Interior "), particularly the BIA and the Office of Natural Resource Revenue, along with the Three Affiliated Tribes of the Fort Berthold Indian Reservation (" MHA Nation "), promulgate and enforce regulations pertaining to operations on the Fort Berthold Indian Reservation. In addition, the MHA Nation is a sovereign nation having the right to enforce laws and regulations independent from federal, state and local statutes and regulations. These tribal laws and regulations include various taxes, fees, approvals and other conditions that apply to lessees, operators and contractors conducting operations on the Fort Berthold Indian Reservation. Lessees and operators conducting operations on tribal lands may be subject to the MHA Nation' s court system. On February 4, 2022, the Department of the Interior issued an official opinion stating that the minerals beneath the Missouri River riverbed located on the Fort Berthold Indian Reservation belong to the MHA Nation and not the state of North Dakota, overturning a 2020 Trump- agency decision that gave the state of North Dakota ownership. One or more of these factors may increase our costs of doing business on the Fort Berthold Indian Reservation and may have an adverse impact on our ability to effectively transport products within the Fort Berthold Indian Reservation or to conduct our operations on such lands. We depend upon a limited number of midstream providers for a large portion of our midstream services, and our failure to obtain and maintain access to the necessary infrastructure from these providers to successfully deliver crude oil, natural gas and NGLs to market may adversely affect our earnings, cash flows and results of operations. Our delivery of oil, NGLs and natural gas depends upon the availability, proximity and capacity of pipelines, other transportation facilities and gathering and processing facilities primarily owned by a limited number of midstream service providers. The capacity of transmission, gathering and processing facilities may be insufficient to accommodate potential production from existing and new wells, which may result in substantial discounts in the prices we receive for our oil, NGLs and natural gas or result in the shut- in of producing wells or the delay or discontinuance of development plans for properties. Our ability to secure access to pipeline infrastructure on favorable economic terms could affect our competitive position. In addition, midstream service providers could change or impose more stringent specifications on the quality of our production they are willing to accept, including the gravity and ~~sulphur~~ **sulfur** content of our crude oil and the Btu content of our natural gas. If the total mix of product fails to meet the applicable product quality specification, these midstream service providers may refuse to accept all or a part of the production we deliver, or we may be required to deliver production to meet such quality specifications that yields a lower realized price ~~. Historically our ownership interest in and control of OMP allowed us to exercise significant control over the development of midstream infrastructure to service a portion of our operations. However, as a result of the OMP Merger, we no longer control those operations and facilities and are dependent on a limited number of midstream providers for these services~~ . Access to midstream assets may be unavailable due to market conditions or mechanical or other reasons. A lack of access to needed infrastructure, or an extended interruption of access to or service from our or a midstream provider' s pipelines and facilities for any reason, including vandalism, sabotage or cyber- attacks on such pipelines and facilities or service interruptions, could result in adverse consequences to us, such as delays in producing and selling our crude oil, NGLs and natural gas. Our dependence on midstream service providers for transmission, gathering and processing services makes us dependent on them in order to get our crude oil, NGLs and natural gas to market. To the extent these services are delayed or unavailable, we would be unable to realize revenue from wells served by such facilities until suitable arrangements are made to market our production. Our failure to obtain these services on acceptable terms could materially harm our business. Legal and regulatory challenges to transportation may impact our ability to move volume. The impact of pending and future legal proceedings on the systems, pipelines and facilities that we rely on can affect our ability to market our products and have a negative impact on realized pricing. In July 2020, the operator of DAPL was ordered by a U. S. District court to halt oil flow and empty the pipeline within 30 days while an environmental impact study (" EIS ") is completed. Also, in July 2020, the U. S. Court of Appeals for the District of Columbia Circuit issued a temporary administrative stay while the court considers the merits of a longer- term emergency stay order through the appeals process. On January 26, 2021, the U. S. Court of Appeals for the District of Columbia Circuit upheld the U. S. District court' s ruling that an EIS is needed and also reaffirmed its earlier decision which allows DAPL to operate through the EIS process. The owners of DAPL appealed the lower court decision to the U. S. Supreme Court in September 2021; however, the appeal was rejected on February 22, 2022. The Corps **released its draft** ~~continues to conduct the~~ EIS **on September 8** , **2023,** ~~a draft of~~ which **it made** ~~is estimated to be completed and~~ available for public comments ~~in the Spring~~ **. The Corps initially established a deadline** of **November 13,** 2023 ~~. Once~~ **for public comments and, on October 31, 2023,** the **deadline for public comments was extended to December 13, 2023. The Corps did not identify a preferred alternative among the five actions analyzed (including granting the requested easement with conditions as originally issued) in the draft** EIS **. Three of the five alternative actions considered would require the abandonment, removal or reroute of the segment of DAPL at issue. A final EIS and formal decision by the Corps** is ~~completed~~ **expected in spring or summer 2024; however** , **we cannot guarantee when** the Corps **may ultimately complete these actions** ~~will determine whether DAPL is safe to operate or must be shut down~~ . We regularly use DAPL in addition to other outlets to market our crude oil to end markets. Our risk is not concentrated at DAPL as we have alternative outlets to sell our crude oil production using multiple modes of transportation. In the event DAPL were to cease operating, we would anticipate Williston Basin crude oil prices to weaken materially before improving as the market adapts to rail transportation. A portion of our crude oil and NGL production is transported to market centers by rail. Potential crude oil or NGL train derailments or crashes as well as state or federal restrictions on the vapor pressure of crude oil transported by, or loaded on or unloaded from, railcars could also impact our ability to market and deliver our products and cause significant fluctuations in our realized prices due to tighter safety regulations imposed on crude- by- rail transportation and interruptions in service. See " Item 1. Business — Regulation — Regulation of transportation and sales of crude oil " for more information about the regulations relating to the transport of crude oil by rail. Limited takeaway capacity can result in significant discounts to our realized prices. The crude oil business environment has historically been characterized by periods when crude oil production has surpassed local transportation and refining capacity, resulting in substantial discounts in the price received for crude oil versus prices quoted for NYMEX West Texas Intermediate (" NYMEX WTI ") crude oil. In the past, there have been periods when this discount has substantially increased due to the production of crude oil in the area increasing to a point that it temporarily surpasses the available pipeline transportation, rail transportation and refining capacity in the area. Expansions of both rail and pipeline facilities have reduced the prior constraint on crude oil transportation out of the Williston Basin and improved basin differentials received at the lease. See " Part II, Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations " for information about our realized crude oil prices and average price differentials relative to NYMEX WTI for the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ . Additionally, the refining capacity in the U. S. Gulf Coast is insufficient to refine all of the light sweet crude oil being produced in the United States. The United States imports heavy crude oil and exports light crude oil to utilize the U. S. Gulf Coast refineries that have more heavy refining capacity. If light sweet crude oil production remains at current levels or continues to increase, demand for our light crude oil production could result in widening price discounts to the world crude oil prices and potential shut- in or reduction of production due to a lack of sufficient markets despite the lift on prior restrictions on the exporting of crude oil and natural gas from the United States. The development of our PUD reserves may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our undeveloped reserves may not be ultimately developed or produced. Approximately ~~23~~ **29** % of our estimated net proved reserves were classified as PUD as of December 31, ~~2022~~ **2023** . Development of these reserves may take longer and require higher levels of capital expenditures than we currently anticipate. The future development of our PUD reserves is dependent on future commodity prices, costs and economic assumptions that align with our internal forecasts as well as access to liquidity sources, such as capital markets, ~~the~~ **our revolving** ~~Credit~~ **credit** ~~Facility~~ **facility** and derivative contracts. Delays in the development of our reserves or increases in costs to drill and develop such reserves will reduce the PV- 10 of our estimated PUD reserves and future net revenues estimated for such reserves and may result in some projects becoming uneconomic. In addition, delays in the development of reserves could cause us to have to reclassify our proved reserves as unproved reserves. Unless we replace our crude oil, NGL and natural gas reserves, our reserves and production will decline, which could adversely affect our business, financial condition and results of operations. Unless we conduct successful development, exploitation and exploration activities or acquire properties containing proved reserves, our estimated net proved reserves will decline as those reserves are produced. Producing oil and natural gas reservoirs generally are characterized by declining production rates that vary depending upon reservoir characteristics and other factors. Our future crude oil, NGL and natural gas reserves and production, and therefore our cash flows and income, are highly dependent on our success in efficiently developing and exploiting our current reserves and economically finding or acquiring additional recoverable reserves. We may not be able to develop, exploit, find or acquire additional reserves to replace our current and future production at acceptable costs. If we are unable to replace our current and future production, the value of our reserves will decrease, and our business, financial condition and results of operations could be adversely affected. Our business is subject to operating risks that could result in substantial losses or liability claims, and we may not be insured for, or our insurance may be inadequate to protect us against these risks. We are not insured against all risks. Losses and liabilities arising from uninsured and underinsured events could materially and adversely affect our business, financial condition or results of operations. Our E & P activities are subject to all the operating risks associated with drilling for and producing crude oil and natural gas, including the possibility of: • environmental hazards, such as natural gas leaks, crude oil and produced water spills, pipeline and tank ruptures, encountering naturally occurring radioactive materials and unauthorized discharges of brine, well stimulation and completion fluids, toxic gas, such as hydrogen sulfide, or other pollutants into the environment; • abnormally pressured formations; • shortages of, or delays in, obtaining water for hydraulic fracturing activities; • supply chain disruptions which could delay or halt our development projects; • mechanical difficulties, such as stuck oilfield drilling and service tools and casing failure; • personal injuries and death; and • natural disasters. Any of these risks could adversely affect our ability to conduct operations or result in substantial losses to us as a result of: • injury or loss of life; • damage to and destruction of property, natural resources and equipment; • pollution and other environmental damage; • regulatory investigations and penalties; • suspension of our operations; and • repair and remediation costs. Insurance against all operational risk is not available to us. We are not fully insured against all risks, including development and completion risks that are generally not recoverable from third parties or insurance. In addition, pollution and environmental risks generally are not fully insurable. Also, we may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the risks presented. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on our business, financial condition and results of operations. Drilling locations are scheduled to be drilled over several years and may not yield crude oil, NGLs or natural gas in commercially viable quantities. Our drilling locations are in various stages of evaluation, ranging from a location which is ready to drill to a location that will require substantial additional interpretation. There is no way to predict in advance of drilling and testing whether any particular location will yield crude oil or natural gas in sufficient quantities to recover drilling or completion costs or to be economically viable. The use of technologies and the study of producing fields in the same area will not enable us to know conclusively prior to drilling whether crude oil or natural gas will be present or, if present, whether crude oil, NGLs or natural gas will be present in sufficient quantities to be economically viable. Even if sufficient amounts of crude oil, NGLs or natural gas exist, we may damage the potentially productive hydrocarbon bearing formation or experience mechanical difficulties while drilling or completing the well, resulting in a reduction in production from the well or abandonment of the well. If we drill additional wells that we identify as dry holes in our current and future drilling locations, our drilling success rate may decline and materially harm our business. We cannot assure you that the analogies we draw from available data from other wells, more fully explored locations or producing fields will be applicable to our drilling locations. Further, initial production rates reported by us or other operators in the Williston Basin may not be indicative of future or long- term production rates. In sum, the cost of drilling, completing and operating any well is often uncertain, and new wells may not be productive. Our potential drilling locations are scheduled to be drilled over several years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling. Our management has identified and scheduled drilling locations as an estimation of our future multi- year drilling activities on our existing acreage. These potential drilling locations, including those without PUD reserves, represent a significant part of our execution strategy. Our ability to drill and develop these locations is subject to a number of uncertainties, including the availability of capital, seasonal conditions, regulatory approvals, crude oil, NGL and natural gas prices, costs and drilling results. In addition, we may not be able to raise the substantial amount of capital that would be necessary to drill a substantial portion of our potential drilling locations. See also " Risks related to our financial position — Our exploration, development and exploitation projects require substantial capital expenditures. We may be unable to obtain needed capital or financing on satisfactory terms, which could lead to expiration of our leases or a decline in our estimated net crude oil, NGL and natural gas reserves. " Because of these uncertainties, we do not know if the numerous potential drilling locations we have identified will ever be drilled or if we will be able to produce crude oil, NGLs or natural gas from these or any other potential drilling locations. Pursuant to existing SEC rules and guidance, subject to limited exceptions, PUD reserves may only be booked if they relate to wells scheduled to be drilled within five years of the date of booking. These rules and guidance may limit our potential to book additional PUD reserves as we pursue our drilling program. Certain of our undeveloped leasehold acreage is subject to leases that will expire over the next several years unless production is established on units containing the acreage, the primary term is extended through continuous drilling provisions or the leases are renewed. Failure to drill sufficient wells in order to hold acreage will result in a substantial lease renewal cost, or if renewal is not feasible, loss of our lease and prospective drilling opportunities. As of December 31, ~~2022~~ **2023** , approximately **all** ~~99 %~~ of our total net acreage in the Williston Basin was held by production. The leases for our net acreage not held by production will expire at the end of their primary term unless production is established in paying quantities under the units containing these leases, the leases are held beyond their primary terms under continuous drilling provisions or the leases are renewed. In the Williston Basin, our acreage must be drilled before lease expiration, generally within three to five years, in order to hold the acreage by production. Unless production is established within the spacing units covering the undeveloped acres on which some of the locations are identified, the leases for such acreage will expire. As of December 31, ~~2022~~ **2023** , we had an aggregate of ~~321~~ **1, 296** net acres expiring in ~~2023~~ **2024** , **632** ~~1, 934~~ net acres expiring in ~~2024~~ **2025** and ~~405~~ **2, 087** net acres expiring in ~~2025~~ **2026** in the Williston Basin. The cost to renew such leases may increase significantly and we may not be able to renew such leases on commercially reasonable terms or at all. In addition, on certain portions of our acreage, third- party leases become immediately effective if our leases expire. Our ability to drill and develop these locations depends on a number of uncertainties, including crude oil, NGL and natural gas prices, the availability and cost of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, gathering system and pipeline transportation constraints, access to and availability of water sourcing and distribution systems, regulatory approvals and other factors. As such, our actual drilling activities may materially differ from our current expectations, which could adversely affect our business ~~. During the period from January 1, 2020 through November 19, 2020 (Predecessor), we recorded non- cash impairment charges of $ 401. 1 million on our unproved properties due to expiring leases, periodic assessments and drilling plan uncertainty on certain acreage of our unproved properties~~ . We did not record any impairment charges on unproved properties during the years ended December 31, **2023,** 2022 and 2021 ~~(Successor) or the period from November 20, 2020 through December 31, 2020 (Successor)~~ . We are not the operator of all of our drilling locations, and, therefore, we may not be able to control the timing of exploration or development efforts, associated costs, or the rate of production of any non- operated assets. We may enter into arrangements with respect to existing or future drilling locations that result in a greater proportion of our locations being operated by others. As a result, we may have limited ability to exercise influence over the operations of the drilling locations operated by our partners. Dependence on the operator could prevent us from realizing our target returns for those locations. The success and timing of exploration and development activities operated by our partners will depend on a number of factors that will be largely outside of our control, including: • the timing and amount of capital expenditures; • the operator' s expertise and financial resources; • approval of other participants in drilling wells; • selection of technology; and • the rate of production of reserves, if any. This limited ability to exercise control over the operations of some of our drilling locations may cause a material adverse effect on our results of operations and financial condition. Our operations are subject to federal, state and local laws and regulations related to environmental and natural resources protection and occupational health and safety which may expose us to significant costs and liabilities and **may** result in increased costs and additional operating restrictions or delays. Our operations are subject to stringent federal, tribal, regional, state and local laws and regulations governing occupational health and safety, the discharge of materials into the environment or otherwise relating to environmental protection. These laws and regulations may impose numerous obligations that are applicable to our operations and services. The trend of more expansive and stringent environmental and occupational health and safety legislation and regulations applied to the oil and gas industry could continue, resulting in material increases in our costs of doing business and consequently affecting profitability. See " Item 1. Business — Regulation — Environmental and occupational health and safety regulation " for more discussion on these environmental and occupational health and safety matters. Compliance with existing environmental and occupational safety and health laws, regulations, executive orders and other regulatory initiatives, or any other such new legal requirements, could, among other things, require us or our customers to install new or modified emission controls on equipment or processes, incur longer permitting timelines ~~,~~ and incur significantly increased capital or operating expenditures, which costs may be material. One or more of these developments that impact us, our service providers or our customers could have a material adverse effect on our business, results of operations and financial condition and reduce demand for our products. Failure to comply with federal, state and local laws and regulations could adversely affect our ability to produce, gather and transport our crude oil, NGLs and natural gas and may result in substantial penalties. Our operations are substantially affected by federal, state and local laws and regulations, particularly as they relate to the regulation of crude oil, NGL and natural gas production and transportation. These laws and regulations include regulation of crude oil, NGL and natural gas exploration and production and related operations, including a variety of activities related to the drilling of wells, and the interstate transportation of crude oil, NGLs and natural gas by federal agencies such as FERC, as well as state agencies. We may incur substantial costs in order to maintain compliance with these laws and regulations. Due to recent incidents involving the release of crude oil, NGLs and natural gas and fluids as a result of drilling activities in the United States, there have been a variety of regulatory initiatives at the federal and state levels to restrict crude oil, NGL and natural gas drilling operations in certain locations. Any increased regulation or suspension of crude oil, NGL and natural gas exploration and production, or revision or reinterpretation of existing laws and regulations, that arise out of these incidents or otherwise could result in delays and higher operating costs. Such costs or significant delays could have a material adverse effect on our business, financial condition and results of operations. With regard to our physical purchases and sales of energy commodities, we must also comply with anti- market manipulation laws and related regulations enforced by FERC, the CFTC and the FTC. To the lesser extent we are a shipper on interstate pipelines, we must comply with the FERC- approved tariffs of such pipelines and with federal policies related to the use of interstate capacity. Should we fail to comply with all applicable statutes, rules, regulations and orders of FERC, the CFTC or the FTC, we could be subject to substantial penalties and fines. We expect to consider from time to time further strategic opportunities that may involve acquisitions, dispositions, investments in joint ventures, partnerships ~~,~~ and other strategic alternatives that may enhance stockholder value, any of which may result in the use of a significant amount of our management resources or significant costs, and we may not be able to fully realize the potential benefit of such transactions. We expect to continue to consider acquisitions, dispositions, investments in joint ventures, partnerships ~~,~~ and other strategic alternatives with the objective of maximizing stockholder value. Our Board of Directors and our management may from time to time be engaged in evaluating potential transactions and other strategic alternatives. In addition, from time to time, we may engage financial advisors, enter into non- disclosure agreements, conduct discussions, and undertake other actions that may result in one or more transactions. Although there would be uncertainty that any of these activities or discussions would result in definitive agreements or the completion of any transaction, we may devote a significant amount of our management resources to analyzing and pursuing such a transaction, which could negatively impact our operations, and may impair our ability to retain and motivate key personnel. In addition, we may incur significant costs in connection with seeking such transactions or other strategic alternatives regardless of whether the transaction is completed. In the event that we consummate an acquisition, disposition, partnership or other strategic transaction in the future, we cannot be certain that we would fully realize the potential benefit of such a transaction and cannot predict the impact that such strategic transaction might have on our operations or stock price. Any potential transaction would be dependent upon a number of factors that may be beyond our control, including, among other factors, market conditions, industry trends, regulatory limitations and the interest of third parties in us and our assets. There can be no assurance that the exploration of strategic alternatives will result in any specific action or transaction. Further, any such strategic alternative may not ultimately lead to increased stockholder value. We do not undertake to provide updates or make further comments regarding the evaluation of strategic alternatives, unless otherwise required by law. Increasing stakeholder and market attention to ESG matters may impact our business and ability to secure financing. Businesses across all industries are facing increasing scrutiny from stakeholders related to their ESG practices. Businesses that do not adapt to or comply with investor or stakeholder expectations and standards, which are continuing to evolve, or businesses that are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage **,** and the business, financial condition ~~,~~ and / or stock price of such business entity could be materially and adversely affected. Increasing attention to climate change, societal expectations on companies to address climate change, investor and societal expectations regarding voluntary ESG related disclosures, increasing mandatory ESG disclosures ~~,~~ and consumer demand for alternative forms of energy may result in increased costs, reduced demand for our products, reduced profits, increased legislative and judicial scrutiny, investigations and litigation, reputational damage ~~,~~ and negative impacts on our access to capital markets. To the extent that societal pressures or political or other factors are involved, it is possible that **we** ~~the Company~~ could be subject to additional governmental investigations, private litigation or activist campaigns as stockholders may attempt to effect changes to **our** ~~the Company' s~~ business or governance practices. As part of our ongoing effort to enhance our ESG practices, our Board of Directors has established the Environmental, Social and Governance Committee, which is charged with overseeing our ESG policies. Committee members are expected to review the implementation and effectiveness of our ESG programs and policies. Additionally, to help strengthen our ESG performance, we have implemented compensation practices focused on value creation and aligned with stockholders' interests. Additionally, while we may elect to seek out various voluntary ESG targets in the future, such targets are aspirational. We may not be able to meet such targets in the manner or on such a timeline as initially contemplated, including as a result of unforeseen costs or technical difficulties associated with achieving such results. To the extent we elected to pursue such targets and were able to achieve the desired target levels, such achievement may have been accomplished as a result of entering into various contractual arrangements, including the purchase of various environmental credits or offsets that may be deemed to mitigate our ESG impact instead of actual changes in our ESG performance. However, even in those cases we cannot guarantee that the environmental credits or offsets we do purchase will not subsequently be determined to have failed to result in GHG emission reductions for reasons out of our control. In addition, voluntary disclosures regarding ESG matters, as well as any ESG disclosures currently required or required in the future, could result in private litigation or government investigation or enforcement action regarding the sufficiency or validity of such disclosures. Moreover, failure or a perception (whether or not valid) of failure to implement ESG strategies or achieve ESG goals or commitments, including any GHG emission reduction or carbon intensity goals or commitments, could result in private litigation and damage our reputation, cause investors or consumers to lose confidence in us ~~,~~ and negatively impact our operations. Notwithstanding our election to pursue aspirational ESG- related targets in the future, 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 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 and recent activism directed at shifting funding away from companies with energy- related assets could lead to increased negative sentiment toward **us** ~~the Company~~ , our customers ~~,~~ and our industry and to the diversion of investment to other industries, which could have a negative impact on **us** ~~the Company~~ and our access to and costs of capital. Furthermore, while we may participate in various voluntary frameworks and certification programs to improve the ESG profile of our operations and services, we cannot guarantee that such participation or certification will have the intended results on our ESG profile. Also, institutional lenders may, of their own accord, decide not to provide funding for fossil fuel energy companies or related infrastructure projects based on climate or other ESG- related concerns, which could affect our access to capital for potential growth projects. See " Item 1. Business — Regulation — Environmental and occupational health and safety regulation " for more discussion on ESG and climate- related concerns. Our operations are subject to a series of risks arising out of the threat of climate change, energy conservation measures or initiatives that stimulate demand for alternative forms of energy that could result in increased operating costs, restrictions on drilling and reduced demand for the crude oil and natural gas that we produce. The threat of climate change continues to attract considerable attention in the United States and foreign countries. As a result, numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government to monitor and limit emissions of GHGs. As a result, our operations are subject to a series of regulatory, political, litigation and financial risks associated with the production and processing of fossil fuels and emissions of GHGs. See

" Item 1. Business — Regulation — Environmental and occupational health and safety regulation " for more discussion on the threat of climate change, restriction of GHG emissions and related legal and policy developments. The adoption and implementation of any international, federal, regional or state legislation, executive actions, regulations or other regulatory and policy initiatives that impose more stringent standards for GHG emissions from the oil and gas industry or otherwise restrict the areas in which this industry may produce crude oil and natural gas or generate GHG emissions, or require enhanced disclosure of such GHG emissions and other climate- related information, could result in increased compliance costs, which if passed on to the customer could result in increased fossil fuels consumption costs and thereby reduce demand for crude oil and natural gas. Similarly, international, federal, state ~~,~~and local laws and policy initiatives supporting, incentivizing ~~,~~or preferring alternative forms of energy to fossil fuels could result in increased competition or reduce demand for our products. Additionally, political, financial and litigation risks may result in us restricting, delaying or canceling production activities, incurring liability for infrastructure damages as a result of climatic changes ~~,~~or impairing the ability to continue to operate in an economic manner. The occurrence of one or more of these developments could have a material adverse effect on our business, financial condition, results of operations and cash flows. Outbreak of infectious diseases could materially adversely affect our business. We face risks related to pandemics, epidemics, outbreaks or other public health events that are outside of our control and could significantly disrupt our operations and adversely affect our business and financial condition. For example, the global outbreak of COVID- 19 during 2020 negatively impacted demand for crude oil and natural gas because of reduced global and national economic activity levels. There have been wide- ranging actions taken by international, federal, state and local public health and governmental authorities to contain and combat the outbreak and spread of COVID- 19 in regions across the United States and the world. To the extent COVID- 19 continues or worsens, governments may impose additional similar restrictions. In addition, the resurgence of COVID- 19 or other public health events may adversely affect our operations or the health of our workforce and the workforces of our customers and service providers by rendering employees or contractors unable to work or access the appropriate facilities for an indefinite period of time. There can be no assurance that our personnel will not be impacted by these pandemic diseases or ultimately lead to a reduction in our workforce productivity or increased medical costs or insurance premiums as a result of these health risks. Any further impact from COVID- 19 will depend on future developments and new information that may emerge regarding the continued severity of COVID- 19 and any new variants, the actions taken by authorities to contain it or treat its impact ~~,~~and the availability and acceptance of vaccines, all of which are beyond our control. These potential impacts, while uncertain and difficult to predict, may negatively affect our business, including, without limitation, our operating results, financial position and liquidity, the duration of any potential disruption of our business, how and the degree to which the pandemic may impact our customers, supply chain and distribution network, the health of our employees, the productivity and sustainability of our workforce, our insurance premiums, costs attributable to our emergency measures, payments from customers and uncollectible accounts, limitations on travel, the availability of industry experts and qualified personnel and the market for our securities. Federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing as well as governmental reviews of such activities could result in increased costs and additional operating restrictions or delays in the completion of crude oil and natural gas wells and adversely affect our production. Hydraulic fracturing continues to be controversial in certain parts of the United States, resulting in increased scrutiny and regulation of the hydraulic fracturing process, including by federal and state agencies and local municipalities. See " Item 1. Business — Regulation — Environmental and occupational health and safety regulation " for more discussion on these hydraulic fracturing matters. The adoption of any federal, state or local laws or the implementation of regulations or issuance of executive orders restricting hydraulic fracturing activities or locations or suspending or delaying the performance of hydraulic fracturing on federal properties or other locations could potentially result in an increase in our compliance costs, and a decrease in the completion rate of our new crude oil and natural gas wells, which could have a material adverse effect on our liquidity, results of operations ~~,~~and financial condition. Restrictions, delays or bans on hydraulic fracturing could also reduce the amount of crude oil, NGLs and natural gas that we are ultimately able to produce in commercial quantities, which adversely impacts our revenues and profitability. Laws and regulations pertaining to the protection of threatened and endangered species or to critical habitat, wetlands and natural resources could delay, restrict or prohibit our operations and cause us to incur substantial costs that may have a material adverse effect on our development and production of reserves. The federal ESA and comparable state laws were established to protect endangered and threatened species. Under the ESA, if a species is listed as threatened or endangered, restrictions may be imposed on activities adversely affecting that species' habitat. Similar protections are offered to migratory birds under the MBTA. See " Item 1. Business — Regulation — Environmental and occupational health and safety regulation " for more discussion on endangered species protection regulations. Some of our operations are conducted in areas where protected species or their habitats are known to exist, including those of the Dakota Skipper and Golden Eagle, and from time to time our development plans have been impacted in these areas. We may be obligated to develop and implement plans to avoid potential adverse effects to protected species and their habitats, and we may be delayed, restricted or prohibited from conducting operations in certain locations or during certain seasons, such as breeding and nesting seasons, when our operations could have an adverse effect on the species. Additionally, the designation of previously unprotected species or the re- designation of under- protected species as threatened or endangered in areas where we conduct operations could cause us to incur increased costs arising from species - protection measures or could result in delays, restrictions or prohibitions on our development and production activities that could have a material adverse effect on our ability to develop and produce reserves. Our ability to produce crude oil, NGLs and natural gas economically and in commercial quantities could be impaired if we are unable to acquire adequate supplies of water for our drilling and completion operations or are unable to dispose of or recycle the water we use economically and in an environmentally safe manner. Water is an essential component of shale crude oil, NGL and natural gas production during both the drilling and hydraulic fracturing processes. Our access to water to be used in these processes may be adversely affected due to reasons such as periods of extended drought, private, third- party competition for water in localized areas or the implementation of local or state governmental programs to monitor or restrict the beneficial use of water subject to their jurisdiction for hydraulic fracturing to assure adequate local water supplies. The occurrence of these or similar developments may result in limitations being placed on allocations of water due to needs by third- party businesses with more senior contractual or permitting rights to the water. Our inability to locate or contractually acquire and sustain the receipt of sufficient amounts of water could adversely impact our E & P operations and have a corresponding adverse effect on our business, financial condition and results of operations. Additionally, operations associated with our production and development activities generate drilling muds, produced waters and other waste streams, some of which may be disposed of by means of injection into underground wells situated in non- producing subsurface formations. These injection wells are regulated pursuant to the UIC program established under the SDWA. See " Item 1. Business — Regulation — Environmental and occupational health and safety regulation " for more discussion on seismicity matters. Compliance with current and future environmental laws, executive orders, regulations and permit requirements governing the withdrawal, storage and use of surface water or groundwater necessary for hydraulic fracturing activities, the injection of waste streams into disposal wells ~~,~~ or any inability to secure transportation and access to disposal wells with sufficient capacity to accept all of our flowback and produced water on economic terms may increase our operating costs and cause delays, interruptions or termination of our operations, the extent of which cannot be predicted but that could be materially adverse to our business and results of operations. Competition in the oil and gas industry is intense, making it more difficult for us to acquire properties, market crude oil, NGLs and natural gas and secure and retain trained personnel. Our ability to acquire additional drilling locations and to find and develop reserves in the future will depend on our ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment for acquiring properties, market crude oil, NGLs and natural gas and secure equipment and trained personnel. Also, there is substantial competition for capital available for investment in the oil and gas industry. Many of our competitors possess and employ financial, technical and personnel resources substantially greater than ours. Those companies may be able to pay more for productive oil and gas properties and exploratory drilling locations or to identify, evaluate, bid for and purchase a greater number of properties and locations than our financial or personnel resources permit. Furthermore, these companies may also be better able to withstand the financial pressures of unsuccessful drilling attempts, sustained periods of volatility in financial markets and generally adverse global and industry- wide economic conditions, and may be better able to absorb the burdens resulting from changes in relevant laws and regulations, which would adversely affect our competitive position. In addition, companies may be able to offer better compensation packages to attract and retain qualified personnel than we are able to offer. The cost to attract and retain qualified personnel has increased in recent years due to competition and may increase substantially in the future. We may also see corporate consolidations among our competitors, which could significantly alter industry conditions and competition within the industry. Further, the COVID- 19 pandemic that began in early 2020 provides an illustrative example of how a pandemic or epidemic can also impact our operations and business by affecting the health of these qualified or trained personnel and rendering them unable to work or travel. We may not be able to compete successfully in the future in acquiring prospective reserves, developing reserves, marketing hydrocarbons, attracting and retaining qualified personnel and raising additional capital, which could have a material adverse effect on our business. The loss of senior management or technical personnel could adversely affect our operations. To a large extent, we depend on the services of our senior management and technical personnel. The loss of the services of our senior management or technical personnel could have a material adverse effect on our operations. The public health concerns posed by COVID- 19 could pose a risk to our personnel and may render our personnel unable to work or travel. The extent to which COVID- 19 may impact our personnel, and subsequently our business, cannot be predicted at this time. We continue to monitor impacts of COVID- 19, have actively implemented policies and practices to address COVID- 19, and may adjust our current policies and practices as more information and guidance become available. We do not maintain, nor do we plan to obtain, any insurance against the loss of any of these individuals. Seasonal weather conditions **could** adversely affect our ability to conduct drilling activities in some of the areas where we operate. Our crude oil, NGL and natural gas operations ~~are~~ **could be** adversely affected by seasonal weather conditions. In the Williston Basin, drilling and other crude oil, NGL and natural gas activities cannot be conducted as effectively during the winter months. Severe winter weather conditions limit and may temporarily halt our ability **, or the ability of our suppliers and service providers,** to operate during such conditions. These constraints and the resulting shortages or high costs could delay or temporarily halt our operations and materially increase our operating and capital costs. See " Item 1. Business — Regulation — Environmental and occupational health and safety regulation " for more discussion on the threat of climate change and the resulting impacts to weather patterns and conditions. We may be subject to risks in connection with acquisitions **, including the Merger,** because of integration difficulties, uncertainties in evaluating recoverable reserves, well performance and potential liabilities and uncertainties in forecasting crude oil, NGL and natural gas prices and future development, production and marketing costs. We periodically evaluate acquisitions of reserves, properties, prospects and leaseholds and other strategic transactions that appear to fit within our overall business strategy. The successful acquisition of producing properties requires an assessment of several factors, including: • recoverable reserves; • future crude oil, NGL and natural gas prices and their appropriate differentials; • development and operating costs; • potential for future drilling and production; • validity of the seller' s title to the properties, which may be less than expected at the time of signing the purchase agreement; and • potential environmental and other liabilities, together with associated litigation of such matters. The accuracy of these assessments is inherently uncertain. In connection with these assessments, we perform a review of the subject properties that we believe to be generally consistent with industry practices. Our review will not reveal all existing or potential problems nor will it permit us to become sufficiently familiar with the properties to fully assess their deficiencies and potential recoverable reserves. Inspections may not always be performed on every well, and environmental problems are not necessarily observable even when an inspection is undertaken. Even when problems are identified, the seller may be unwilling or unable to provide effective contractual protection against all or part of the problems. We often are not entitled to contractual indemnification for environmental liabilities or title defects in excess of the amounts claimed by us before closing and acquire properties on an " as is " basis. Indemnification from the sellers will generally be effective only during a limited time period after the closing and subject to certain dollar limitations and minimums. We may not be able to collect on such indemnification because of disputes with the sellers or their inability to pay. Moreover, there is a risk that we could ultimately be liable for unknown obligations related to acquisitions, which could materially adversely affect our financial condition, results of operations or cash flows. Significant acquisitions and other strategic transactions **, including the Merger,** may involve other risks, including: • diversion of our management' s attention to evaluating, negotiating and integrating significant acquisitions and strategic transactions; • the challenge and cost of integrating acquired **and expanded** operations, information management and other technology systems and business cultures with those of our operations while carrying on our ongoing business; • difficulty associated with coordinating geographically separate organizations; • an inability to secure, on acceptable terms, sufficient financing that may be required in connection with expanded operations and unknown liabilities; and • the challenge of attracting and retaining personnel associated with acquired operations. The process of integrating assets **, including those obtained in the Merger,** could cause an interruption of, or loss of momentum in, the activities of our business. Members of our senior management may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage our business. If our senior management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, our business could suffer. The success of an acquisition will depend, in part, on our ability to realize anticipated opportunities from combining the acquired assets or operations with those of ours. Even if we successfully integrate the assets acquired, it may not be possible to realize the full benefits we may expect in estimated proved reserves, production volume, cost savings from operating synergies or other benefits anticipated from an acquisition or realize these benefits within the expected time frame. Anticipated benefits of an acquisition may be offset by operating losses relating to changes in commodity prices, in oil and gas industry conditions, by risks and uncertainties relating to the exploratory prospects of the combined assets or operations, failure to retain key personnel, an increase in operating or other costs or other difficulties. If we fail to realize the benefits we anticipate from an acquisition **, including the Merger** , our results of operations and stock price may be adversely affected. We may incur losses as a result of title defects in the properties in which we invest. It is our practice in acquiring crude oil and natural gas leases or interests not to incur the expense of retaining lawyers to examine the title to the mineral interest. Rather, we rely upon the judgment of crude oil and natural gas lease brokers or landmen who perform the fieldwork in examining records in the appropriate governmental office before attempting to acquire a lease in a specific mineral interest. Prior to the drilling of a crude oil or natural gas well, however, it is the normal practice in our industry for the person or company acting as the operator of the well to obtain a preliminary title review to ensure there are no obvious defects in the title to the well. Frequently, as a result of such examinations, certain curative work must be done to correct defects in the marketability of the title, and such curative work entails expense. Our failure to cure any title defects may adversely impact our ability in the future to increase production and reserves. There is no assurance that we will not suffer a monetary loss from title defects or title failure. Additionally, undeveloped acreage has greater risk of title defects than developed acreage. If there are any title defects or defects in assignment of leasehold rights in properties in which we hold an interest, we will suffer a financial loss. Disputes or uncertainties may arise in relation to our royalty obligations. Our production is subject to royalty obligations which may be prescribed by government regulation or by contract. These royalty obligations may be subject to changes in interpretation as business circumstances change and the law in jurisdictions in which we operate continues to evolve. For example, in 2019, the Supreme Court of North Dakota issued an opinion indicating a change in its interpretation of how certain gas royalty payments are calculated under North Dakota law with respect to certain state leases, which may require us to make additional royalty payments and reduce our revenues. Such changes in interpretation could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, such changes in interpretation could result in legal or other proceedings. Please see " Involvement in legal, governmental and regulatory proceedings could result in substantial liabilities " for a discussion of risks related to such proceedings. Increased costs of capital could adversely affect our business. Our business and operating results can be harmed by factors such as the availability, terms and cost of capital, increases in interest rates or a reduction in credit rating. Changes in any one or more of these factors could cause our cost of doing business to increase, limit our access to capital, limit our ability to pursue acquisition opportunities, reduce our cash flows available for drilling and place us at a competitive disadvantage. Recent and continuing disruptions and volatility in the global financial markets may lead to an increase in interest rates to combat inflation or a contraction in credit availability impacting our ability to finance our operations. We require continued access to capital. A significant reduction in the availability of credit could materially and adversely affect our ability to achieve our planned operating results. Our revolving credit facility and the indentures governing our senior unsecured notes contain operating and financial restrictions that may restrict our business and financing activities. Our revolving credit facility and the indentures governing our senior unsecured notes ~~contains~~ **contain** a number of restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things: • sell assets, including equity interests in our subsidiaries; • pay distributions on, redeem or repurchase our common stock or redeem or repurchase our debt; • make investments; • incur or guarantee additional indebtedness or issue preferred stock; • create or incur certain liens; • make certain acquisitions and investments; • redeem or prepay other debt; • enter into agreements that restrict distributions or other payments from our restricted subsidiaries to us; • consolidate, merge or transfer all or substantially all of our assets; • engage in transactions with affiliates; • create unrestricted subsidiaries; • enter into sale and leaseback transactions; and • engage in certain business activities. As a result of these covenants, we are limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. Our ability to comply with some of the covenants and restrictions contained in our revolving credit facility and the indentures governing our senior unsecured notes may be affected by events beyond our control. If market or other economic conditions deteriorate or if crude oil, NGL and natural gas prices decline substantially or for an extended period of time from their current levels, our ability to comply with these covenants may be impaired. A failure to comply with the covenants, ratios or tests in our revolving credit facility, our senior unsecured notes or any future indebtedness could result in an event of default under which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. If an event of default occurs and remains uncured, the lenders under our revolving credit facility: • would not be required to lend any additional amounts to us; • could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be due and payable; • may have the ability to require us to apply all of our available cash to repay these borrowings; or • may prevent us from making debt service payments under our other agreements. A payment default or an acceleration under our revolving credit facility could result in an event of default and an acceleration under the indentures for our senior unsecured notes. If the indebtedness under our senior unsecured notes were to be accelerated, there can be no assurance that we would have, or be able to obtain, sufficient funds to repay such indebtedness in full. Our obligations under our revolving credit facility are collateralized by perfected first priority liens and security interests on substantially all of our oil and gas assets, including mortgage liens on oil and gas properties having at least 85 % of the reserve value as determined by reserve reports **. If** ~~, and if~~ we are unable to repay our indebtedness under ~~the~~ **our** revolving credit facility, the lenders could seek to foreclose on our assets. Our derivative activities could result in financial losses or could reduce our income. To achieve more predictable cash flows and to reduce our exposure to adverse fluctuations in the prices of crude oil, NGLs and natural gas, we currently, and may in the future, enter into derivative arrangements for a portion of our crude oil, NGL and natural gas production, including collars and fixed- price swaps. We have not designated any of our derivative instruments as hedges for accounting purposes and record all derivative instruments on our balance sheet at fair value. Changes in the fair value of our derivative instruments are recognized in earnings. Accordingly, our earnings may fluctuate significantly as a result of changes in the fair value of our derivative instruments. Derivative arrangements also expose us to the risk of financial loss in some circumstances, including when: • production is less than the volume covered by the derivative instruments; • the counterparty to the derivative instrument defaults on its contract obligations; or • there is an increase in the differential between the underlying price in the derivative instrument and actual price received. In addition, some of these types of derivative arrangements limit the benefit we would receive from increases in the prices for crude oil and natural gas. Our exploration and development activities are capital intensive. We make and expect to continue to make substantial capital expenditures in our business for the development, exploitation, production and acquisition of crude oil, NGL and natural gas reserves. Based upon our anticipated five- year development plan and current costs, we project that we will incur capital costs of approximately $ 2. ~~2~~ **7** billion to develop our PUD reserves. Please see " Part II, Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources " for more information about our capital expenditures. The actual amount and timing of our future capital expenditures may differ materially from our estimates as a result of, among other things, commodity prices, inflation in costs, actual drilling results, the availability of drilling rigs and other services and equipment, and regulatory, technological and competitive developments. We intend to finance our future capital expenditures primarily through cash flows provided by operating activities; however, our financing needs may require us to alter or increase our capitalization substantially through the issuance of additional debt or equity securities or the sale of non- strategic assets. The issuance of additional debt or equity may require that a portion of our cash flows provided by operating activities be used for the payment of principal and interest on our debt, thereby reducing our ability to use cash flows to fund working capital, capital expenditures and acquisitions or to pay dividends. The issuance of additional equity securities could have a dilutive effect on the value of our common stock. In addition, upon the issuance of certain debt securities (other than on a borrowing base redetermination date), our borrowing base under our revolving credit facility will be automatically reduced by an amount equal to 25 % of the aggregate principal amount of such debt securities. Our cash flows provided by operating activities and access to capital are subject to a number of variables, including: • our estimated net proved reserves; • the level of crude oil, NGLs and natural gas we are able to produce from existing wells and new projected wells; • the prices at which our crude oil, NGLs and natural gas are sold; • the costs of developing and producing our crude oil and natural gas production; • our ability to acquire, locate and produce new reserves; • the ability and willingness of our banks to lend; and • our ability to access the equity and debt capital markets. If the borrowing base under our revolving credit facility or our revenues decrease as a result of low crude oil, NGL or natural gas prices, operating difficulties, declines in reserves or for any other reason, we may have limited ability to obtain the capital necessary to sustain our operations at current levels. If additional capital is needed, we may not be able to obtain debt or equity financing on terms favorable to us, or at all. If cash generated by operations or cash available under ~~the~~ **our** revolving credit facility is not sufficient to meet our capital requirements, the failure to obtain additional financing could result in a curtailment of our operations relating to development of our drilling locations, which in turn could lead to a possible expiration of our leases and a decline in our estimated net proved reserves, and could adversely affect our business, financial condition and results of operations. We may maintain material balances of cash and cash equivalents for extended periods of time at commercial banks in excess of amounts insured by government agencies such as the FDIC. We may maintain material balances of cash and cash equivalents for extended periods of time at commercial banks in excess of amounts insured by government agencies such as the FDIC. A failure of our commercial banks could result in us losing any funds we have deposited in excess of amounts insured by the FDIC. Any losses we sustain on our cash deposits could materially adversely affect our financial position. The inability of one or more of our customers or affiliates to meet their obligations to us may adversely affect our financial results. Our principal exposures to credit risk are through receivables resulting from the sale of our crude oil, NGL and natural gas production, which we market to energy marketing companies, other producers, power generators, local distribution companies, refineries and affiliates, and joint interest receivables. We are subject to credit risk due to the concentration of our crude oil, NGL and natural gas receivables with several significant customers. This concentration of customers may impact our overall credit risk since these entities may be similarly affected by changes in economic and other conditions. We do not require all of our customers to post collateral. The inability or failure of our significant customers to meet their obligations to us or their insolvency or liquidation may adversely affect our financial results. See " Part II. Item 8. — Financial Statements and Supplementary Data — Note ~~22~~ **20** — Significant Concentrations " for additional information on significant concentrations with major customers. Joint interest receivables arise from billing entities who own a partial interest in the wells we operate. These entities participate in our wells primarily based on their ownership in leases on which we choose to drill. We have limited ability to control participation in our wells. For the year ended December 31, ~~2022~~ **2023** , changes in our estimate of expected credit losses was not material. In addition, our crude oil ~~, NGL~~ and natural gas derivative arrangements expose us to credit risk in the event of nonperformance by counterparties. Derivative assets and liabilities arising from derivative contracts with the same counterparty are reported on a net basis, as all counterparty contracts provide for net settlement. At December 31, ~~2022~~ **2023** , we had commodity derivatives in place with ~~eleven~~ **nine** counterparties and a total net commodity derivative liability of $ ~~328~~ **3** . ~~9~~ **6** million. Changes in tax laws or the interpretation thereof or the imposition of new or increased taxes or fees may adversely affect our operations and cash flows. From time to time, U. S. federal and state level legislation has been proposed that would, if enacted into law, make significant changes to U. S. tax laws, including to certain key U. S. federal and state income tax provisions currently available to oil and natural gas exploration and development companies. Such legislative changes have included, but have not been limited to, (i) the elimination of the percentage depletion allowance for oil and natural gas properties, (ii) the elimination of current deductions for intangible drilling and development costs, (iii) an extension of the amortization period for certain geological and geophysical expenditures, (iv) the elimination of certain other tax deductions and relief previously available to oil and natural gas companies and (v) an increase in 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. Additionally, states in which we operate or own assets may impose new or increased taxes or fees on oil and natural gas extraction. The passage of any legislation as a result of these proposals and other similar changes in U. S. federal income tax laws or the imposition of new or increased taxes or fees on natural gas and oil extraction could adversely affect our operations and cash flows. The IRA includes, among other things, a corporate alternative minimum tax (the " CAMT "). Under the CAMT, a 15 % minimum tax will be imposed on certain financial statement income of " applicable corporations. " The CAMT generally treats a corporation as an applicable corporation in any taxable year in which the " average annual adjusted financial statement income " of the corporation and certain of its subsidiaries and affiliates for a three- taxable- year period ending prior to such taxable year exceeds $ 1 billion. Based on our current interpretation of the IRA and the CAMT and a number of operational, economic, accounting and regulatory assumptions, we do not anticipate **the CAMT materially increasing our U. S. federal income** ~~being an applicable corporation in 2023, but we may become an applicable corporation in a subsequent~~ tax **liability in the** ~~year~~ **near term** . If ~~we become an applicable corporation and~~ our CAMT liability is greater than our regular U. S. federal income tax liability for any particular tax year, the CAMT liability would effectively accelerate our future U. S. federal income tax obligations, reducing our cash flows in that year, but provide an offsetting credit against our regular U. S. federal income tax liability in future tax years. The foregoing analysis is based upon our current interpretation of the provisions contained in the IRA and the CAMT. In the future, the U. S. Department of ~~the~~ Treasury and the Internal Revenue Service are expected to release regulations and interpretive guidance relating to the CAMT, and any significant variance from our current interpretation could result in a change in the expected application of the CAMT to us and adversely affect our operations and cash flows ~~. Additionally, the IRA introduced a one percent non- deductible excise tax on the fair market value of applicable stock repurchases after December 31, 2022, with the fair market value of such repurchased stock reduced by the fair market value of certain stock issued by such corporation during the same taxable year. The impact of this provision will be dependent on the extent of any share repurchases made by the Company in future periods and could adversely affect the Company' s future financial condition and cash flows. See " Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources " for additional information on our share repurchase program~~ . We may not be able to utilize all or a portion of our net operating loss carryforwards or other tax benefits to offset future taxable income for U. S. federal or state tax purposes, which could adversely affect our financial position, results of operations and cash flows. We may be limited in the portion of our net operating loss carryforwards (" NOLs ") that we can use in the future to offset taxable income for U. S. federal and state income tax purposes. Utilization of these NOLs depends on many factors, including our future taxable income, which cannot be assured. Under Section 382 (" Section 382 ") of the Internal Revenue Code of 1986, as amended (the " Code "), if a corporation experiences an " ownership change, " any NOLs, losses or deductions attributable to a " net unrealized built- in loss " and other tax attributes (" Tax Benefits ") could be substantially limited, and timing of the usage of such Tax Benefits could be substantially delayed. A corporation generally will experience an ownership change if one or more stockholders (or group 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 testing period (generally, a rolling three- year period). Determining the limitations under Section 382 is technical and highly complex, and no assurance can be given that upon further analysis our ability to take advantage of our NOLs or other Tax Benefits may be limited to a greater extent than we currently anticipate. We experienced an ownership change as a result of the Merger with Whiting. In addition, Whiting experienced an ownership change as a result of a prior restructuring under Chapter 11 of the Bankruptcy Code. Accordingly, our ability to utilize our NOLs and other Tax Benefits (including Whiting' s NOLs and other Tax Benefits) is subject to a limitation under Section 382. Additionally, we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership that we cannot predict or control that could result in further limitations being placed on our ability to utilize our NOLs and other Tax Benefits. Any such ownership changes and resulting limitations under Section 382 may result in us paying more taxes than if we were able to utilize our NOLs and other Tax Benefits, which could adversely affect our financial position, results of operations and cash flows. The enactment of derivatives legislation and regulation could have an adverse effect on our ability to use derivative instruments to reduce the negative effect of commodity price changes, interest rate and other risks associated with our business. In 2010, new comprehensive financial reform legislation, known as the Dodd- Frank Wall Street Reform and Consumer Protection Act (the " Dodd- Frank Act "), was enacted that establishes federal oversight and regulation of the over- the- counter derivatives market and entities, such as us, that participate in that market. The Dodd- Frank Act requires the CFTC, the SEC and other regulators to promulgate rules and regulations implementing the new legislation. In its rulemaking under the Dodd- Frank Act, the CFTC has proposed new regulations to set position limits for certain futures, options and swap contracts in designated physical commodities, including, among others, crude oil, NGLs and natural gas. The Dodd- Frank Act and CFTC rules have also designated certain types of swaps (thus far, only certain interest rate swaps and credit default swaps) for mandatory clearing and exchange trading ~~,~~ and may designate other types of swaps for mandatory clearing and exchange trading in the future. To the extent that we engage in such transactions or transactions that become subject to such rules in the future, we will be required to comply with the clearing and exchange trading requirements or to take steps to qualify for an exemption to such requirements. In addition, certain banking regulators and the CFTC have adopted final rules establishing minimum margin requirements for uncleared swaps. Although we expect to qualify for the non- financial end- user exception from margin requirements for swaps to other market participants, such as swap dealers, these rules may change the cost and availability of the swaps we use for hedging. If any of our swaps do not qualify for the non- financial end- user exception, we could be required to post initial or variation margin, which would impact liquidity and reduce our cash. This would in turn reduce our ability to execute hedges to reduce risk and protect cash flows. Other regulations to be promulgated under the Dodd- Frank Act also remain to be finalized. As a result, it is not possible at this time to predict with certainty the full effects of the Dodd- Frank Act and CFTC rules on us and the timing of such effects. The Dodd- Frank Act and regulations could significantly increase the cost of derivative contracts, materially alter the terms of derivative contracts, reduce the availability of derivatives to protect against risks we encounter, reduce our ability to monetize or restructure our existing derivative contracts, and increase our exposure to less creditworthy counterparties. If we reduce our use of derivatives as a result of the Dodd- Frank Act and regulations, our results of operations may become more volatile and our cash flows may be less predictable, which could adversely affect our ability to plan for and fund capital expenditures. Further, to the extent our revenues are unhedged, they could be adversely affected if a consequence of the Dodd- Frank Act and implementing regulations is to lower commodity prices. Any of these consequences could have a material adverse effect on our financial position, results of operations and cash flows. 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, we may become subject to such regulations. The cost of servicing, and the ability to generate enough cash flows to meet ~~,~~ our current or future debt obligations could adversely affect our business. Those risks could increase if we incur more debt. As of December 31, ~~2022~~ **2023** , we had no outstanding borrowings and $ ~~6~~ **8** . ~~4~~ **9** million of outstanding letters of credit under our revolving credit facility and $ 400. 0 million of 6. 375 % senior unsecured notes outstanding. Our ability to pay interest and principal on our indebtedness and to satisfy our other obligations will depend on our future operating performance, our financial condition and the availability of refinancing indebtedness, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. If crude oil, NGL and natural gas prices decline substantially or for an extended period of time from their current levels, we may not be able to generate sufficient cash flows to pay the interest on our debt and future working capital, and borrowings or equity financing may not be available to pay or refinance such debt. Factors that will affect our ability to raise cash through an offering of our capital stock or a refinancing of our debt include financial market conditions, the value of our assets and our performance at the time we need capital. In the future, we may incur significant indebtedness in order to make future acquisitions or to develop our properties. If we were to take on additional future debt, a substantial decrease in our operating cash flow or an increase in our expenses could make it difficult for us to meet debt service requirements and could require us to modify our operations, including by selling assets, reducing or delaying capital investments, seeking to raise additional capital or refinancing or restructuring our debt. We may or may not be able to complete any such steps on satisfactory terms. In addition, ~~the~~ **our** revolving credit facility borrowing base is subject to periodic redeterminations. We could be forced to repay a portion of our bank borrowings under ~~the~~ **our** revolving credit facility due to redeterminations of our borrowing base. If we are forced to do so, we may not have sufficient funds to make such repayments. Any ability to generate sufficient cash flows to satisfy our debt obligations or contractual commitments, or to refinance our debt on commercially reasonable terms, could materially and adversely affect our financial condition and results of operations. A negative shift in investor sentiment regarding the oil and gas industry could adversely affect our ability to raise debt and equity capital. Certain segments of the investor community have developed negative sentiment towards investing in the oil and gas industry. Historic equity returns in this sector versus other industry sectors have led to lower oil and gas representation in certain key equity market indices. In addition, some investors, including investment advisors and certain sovereign wealth funds, pension funds, university endowments and family foundations, have adopted policies to divest holdings in the oil and gas sector based on social and environmental considerations. Certain other stakeholders have also pressured commercial and investment banks to stop financing oil and gas production and related infrastructure projects. Such developments, including environmental activism and initiatives aimed at limiting climate change and reducing air pollution, could result in downward pressure on the stock prices of oil and gas companies, including ours. This may also potentially result in a reduction of available capital funding for potential acquisitions or development projects, impacting our future financial results. Risks related to our common stock Our ability to declare and pay dividends is subject to certain considerations and limitations. Any payment of future dividends will be at the discretion of our Board of Directors and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applicable to the payment of dividends and other considerations that our Board of Directors deems relevant. Cash dividend payments in the future may only be made out of legally available funds and, if we experience substantial losses, such funds may not be available. Certain covenants in our revolving credit facility may limit our ability to pay dividends. We can provide no assurance that we will continue to pay dividends at the current rate or at all. Our amended and restated certificate of incorporation, as amended, and amended and restated bylaws, as well as Delaware law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our common stock. Our amended and restated certificate of incorporation, as amended, authorizes our Board of Directors to issue preferred stock without stockholder approval. If our Board of Directors elects to issue preferred stock, it could be more difficult for a third party to acquire us. In addition, some provisions of our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for a third party to acquire control of us, even if the change of control would be beneficial to our stockholders, including: • advance notice provisions for stockholder proposals and nominations for elections to the Board of Directors to be acted upon at meetings of stockholders; and • limitations on the ability of our stockholders to call special meetings. Delaware law prohibits us from engaging in any business combination with any " interested stockholder, " meaning generally that a stockholder who beneficially owns more than 15 % of our stock cannot acquire us for a period of three years from the date this person became an interested stockholder, unless various conditions are met, such as approval of the transaction by our Board of Directors. The exercise of all or any number of outstanding warrants or the issuance of stock- based awards may dilute your holding of shares of our common stock. As of December 31, ~~2022~~ **2023** , we had ~~4~~ **3** , ~~979~~ **232** , ~~513~~ **654** outstanding warrants to purchase shares of our common stock and ~~1~~ **839** , **039** ~~291, 761~~ outstanding stock – based awards. In addition, as of December 31, ~~2022~~ **2023** , a total of 2, ~~072~~ **201** , ~~139~~ **501** shares of common stock were available for future issuance under our equity incentive plans, including 1, ~~016~~ **002** , ~~613~~ **681** shares of common stock reserved for future issuance under the Oasis ~~Petroleum Inc.~~ 2020 Long Term Incentive Plan (the " 2020 LTIP ") and 1, ~~055~~ **198** , ~~526~~ **820** shares of common stock reserved for future issuance under the Whiting ~~Petroleum Corporation~~ 2020 Equity Incentive Plan **(the " Whiting Equity Incentive Plan ")** , which we assumed in connection with the Merger. The exercise of stock ~~–~~ **-** based awards, including any stock options that we may grant in the future, warrants, and the sale of shares of our common stock underlying any such options or warrants, could have an adverse effect on the market for our common stock, including the price that an investor could obtain for their shares. In connection with the Merger, we assumed certain pre- petition general unsecured claims of Whiting **,** which ~~remain~~ **were** subject to the jurisdiction of the United States Bankruptcy Court for the Southern District of Texas **and** ~~. As of December 31, 2022, we~~ had reserved 1, 224, 840 shares of common stock for potential future distribution to settle such general unsecured claims **. As of October 19, 2023, all claims were resolved and we released the previously reserved shares of common stock** . The market price of our common stock is subject to volatility. The liquidity for our common shares has been below historical levels, and the market price of our common stock could be subject to wide fluctuations. If there is a thin trading market or " float " for our stock, the market price for our common stock may fluctuate significantly more than the stock market as a whole. Without a large float, our common stock would be less liquid than the stock of companies with broader public ownership and, as a result, the trading prices of our common stock may be more volatile. In addition, in the absence of an active public trading market, investors may be unable to liquidate their investment in us. The market price of our common stock can be affected by ~~,~~ numerous factors, many of which are beyond our control. These factors include, among other things, actual or anticipated variations in our operating results and cash flow, the nature and content of our earnings releases, announcements or events that impact our products or services, customers, competitors or markets, business conditions in our markets and the general state of the securities markets and the market for energy- related stocks, as well as general economic and market conditions, such as an economic slowdown or recession, and other factors that may affect our future results ~~. Risks related to the Merger We may not realize anticipated benefits and synergies expected from the Merger. Achieving the expected benefits of the Merger depends in part on successfully consolidating the Company' s and Whiting' s functions and integrating their operations and procedures in a timely and efficient manner, as well as being able to realize the anticipated growth opportunities and synergies from combining the companies' businesses and operations. We may fail to realize the anticipated benefits and synergies expected from the Merger, which could adversely affect our business, financial condition and operating results. The Merger could also result in difficulties in being able to hire, train or retain qualified personnel to manage and operate the Company' s properties. Achieving the expected benefits of the Merger requires, among other things, realization of the targeted synergies expected from the Merger, and there can be no assurance that we will be able to successfully integrate Whiting' s assets or otherwise realize the expected benefits of the Merger. The anticipated benefits of the Merger may not be realized fully or at all or may take longer to realize than expected. Difficulties in integrating Whiting' s assets and operations may result in the Company performing differently than expected, or in operational challenges or failures to realize anticipated efficiencies. Potential difficulties in realizing the anticipated benefits of the Merger include: • disruptions of relationships with customers, distributors, suppliers, vendors, landlords and other business partners as a result of uncertainty associated with the Merger; • difficulties integrating the Company' s business with the business of Whiting in a manner that permits us to achieve the full revenue and cost savings anticipated from the transaction; • complexities associated with managing a larger and more complex business, including difficulty addressing possible inconsistencies in, standards, controls or 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; • difficulties realizing anticipated synergies; • difficulties integrating personnel, vendors and business partners; • loss of key employees who are critical to our future operations due to uncertainty about their roles within the Company following the Merger or other concerns regarding the Merger; • potential unknown liabilities and unforeseen expenses; • performance shortfalls at one or more of the companies as a result of the diversion of management' s attention to integration efforts; and • disruption of, or the loss of momentum in, the Company' s ongoing business. We have also incurred a number of costs associated with the Merger. The elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the two companies, may not initially offset integration- related costs or achieve a net benefit in the near term, or at all. Matters relating to the Merger (including integration planning) require substantial commitments of time and resources by our management, which may result in the distraction of management from ongoing~~

~~business operations and pursuing other opportunities that could have been beneficial to us. Our future success will depend, in part, on our ability to manage our expanded business by, among other things, integrating our assets, operations and personnel in an efficient and timely manner; consolidating systems and management controls and successfully integrating relationships with customers, vendors and business partners. Failure to successfully manage the combined company may have an adverse effect on our business, reputation, financial condition and results of operations. The failure to integrate our businesses and operations with those of Whiting successfully in the expected time frame may adversely affect the combined business' future results. The Merger involved the combination of two companies that previously operated as independent public companies. It is possible that the process of integrating the two businesses following the Merger could result in the loss of key employees, the disruption of either or both companies' ongoing businesses, inconsistencies in standards, controls, procedures and policies, potential unknown liabilities, unforeseen expenses or delays or higher- than- expected integration costs and an overall post- completion integration process that takes longer than originally anticipated. The future results of the combined company following the Merger will suffer if the combined company does not effectively manage its expanded operations. Following the Merger, the size of the business of the combined company increased significantly. The combined company' s future success will depend, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that the combined company will be successful or that it will realize the expected operating efficiencies, cost savings, revenue enhancements or other benefits currently anticipated from the Merger~~ . General risk factors Involvement in legal, governmental and regulatory proceedings could result in substantial liabilities. Like other similarly- situated oil and gas companies, we are from time to time involved in various legal, governmental and regulatory proceedings in the ordinary course of business including, but not limited to, commercial disputes, claims from royalty and surface owners, property damage claims, personal injury claims, regulatory compliance matters, disputes with tax authorities and other matters. The outcome of such matters often cannot be predicted with certainty. If our efforts to defend ourselves in legal, governmental and regulatory matters are not successful, it is possible the outcome of one or more such proceedings could result in substantial liability, penalties, sanctions, judgments, consent decrees or orders requiring a change in our business practices, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Judgments and estimates to determine accruals related to legal, governmental and regulatory proceedings could change from period to period, and such changes could be material. Our profitability may be negatively impacted by inflation in the cost of labor, materials and services and general economic, business or industry conditions. The U. S. economy ~~has~~ experienced significant increases in inflation rates ~~since~~ **beginning in** 2021 from, among other things, supply chain disruptions and governmental stimulus or fiscal policies adopted in response to the COVID- 19 pandemic. Although U. S. inflation rates have shown signs of moderating, we cannot predict any future trends in the rate of inflation. ~~Rising~~ **Elevated** interest rates and the state of the general economy have brought ~~unprecedented~~ uncertainty to the near- term economic outlook. ~~Continued~~ **The re- emergence of** high levels of inflation would further raise our costs for labor, materials and services, due to a combination of factors, including: (i) global supply chain disruptions resulting in limited availability of certain materials and equipment (including drill pipe, casing and tubing), (ii) increased demand for fuel and steel, (iii) increased demand for services coupled with a limited availability of service providers and (iv) labor shortages, which would negatively impact our profitability and cash flows. We seek to mitigate these inflationary impacts by reviewing our pricing agreements on a regular basis and entering into agreements with our service providers to manage costs and availability of certain services that are utilized in our operations. It is difficult to predict whether such inflationary pressures will have a materially negative impact to our overall financial and operating results in ~~2023~~ **2024** ; however, such inflationary pressures are not expected to materially impact our overall liquidity position, cash requirements or financial position, or the ability to conduct our day- to- day drilling, completion and production activities. Concerns over global economic conditions, energy costs, geopolitical issues, inflation and the availability and cost of credit in the European, Asian and U. S. markets contribute to economic uncertainty and diminished expectations for the global economy. These factors, combined with volatile prices of oil, NGL and natural gas, volatility in consumer confidence and job markets, may result in an economic slowdown or recession. Concerns about global economic growth have had a significant adverse impact on global financial markets and commodity prices. If the economic climate in the United States or abroad deteriorates, worldwide demand for petroleum products could diminish, which could impact the price at which oil, NGL and natural gas from our properties are sold, affect the ability of vendors, suppliers and customers associated with our properties to continue operations and ultimately adversely impact our business, results of operations and financial condition ~~. Global geopolitical tensions may create heightened volatility in oil, gas and NGL prices and could adversely affect our business, financial condition and results of operations. On February 24, 2022, Russian military forces commenced a military operation in Ukraine and the sustained conflict and disruption in the region that has occurred since this date is expected to continue. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict could continue to 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, changes in consumer or purchaser preferences, as well as increases in cyber- attacks and espionage. Although NGL prices increased during the second half of 2022 due to increased demand around the globe, particularly in Europe, stemming from lower Russian natural gas supply as a result of economic sanctions and other self- sanctioning of Russian commodities, it is not possible at this time to predict or determine the ultimate consequences of the conflict in Ukraine, which could include, among other things, additional sanctions, greater regional instability, embargoes, geopolitical shifts and other material and adverse effects on macroeconomic conditions, supply chains, financial markets and hydrocarbon price volatility. The ongoing conflict between Russia and Ukraine and its broader impacts could have a lasting impact in the short- and long- term on the operations and financial condition of our business and the global economy~~ . Terrorist attacks or cyber- attacks could have a material adverse effect on our business, financial condition or results of operations and could result in information theft or data corruption. The oil and gas industry has become increasingly dependent on digital technologies to conduct day- to- day operations. For example, software programs are used to manage gathering and transportation systems and for compliance reporting. The use of mobile communication devices has increased rapidly. Industrial control systems such as supervisory control and data acquisition (" SCADA ") now control large scale processes that can include multiple sites and long distances, such as crude oil and natural gas pipelines. We depend on digital technology, including information systems and related infrastructure as well as third- party cloud applications and services, to process and record financial and operating data and to communicate with our employees and business partners. Our business partners, including vendors, service providers and financial institutions, are also dependent on digital technology. Terrorist attacks or cyber- attacks may significantly affect the energy industry, including our operations and those of our potential customers, as well as general economic conditions, consumer confidence and spending and market liquidity. Strategic targets, such as energy- related assets, may be at greater risk of future attacks than other targets in the United States. A cyber- attack could include gaining unauthorized access to our or third- party digital systems or data for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. SCADA- based systems are potentially vulnerable to targeted cyber- attacks due to their critical role in operations. We, or our business partners, may rely upon outdated information technology **(" IT ")** or software systems that may be at a higher risk of error, failure and cyber breach. Techniques used in cyber- attacks often range from highly sophisticated efforts to electronically circumvent network security to more traditional intelligence gathering and social engineering aimed at obtaining information necessary to gain access. Cyber- attacks may also be performed in a manner that does not require gaining unauthorized access, such as by causing denial- of- service attacks. In addition, certain cyber incidents, such as unauthorized surveillance or a data breach, may remain undetected for an extended period. A cyber incident or technological failure involving our information systems or data and related infrastructure, or that of our business partners, including any vendor or service provider, could disrupt our business plans and negatively impact our operations in the following ways, among others: • supply chain disruptions, which could delay or halt development of additional infrastructure, effectively delaying the start of cash flows from the project; • delays in delivering or failure to deliver product at the tailgate of our facilities, resulting in a loss of revenues; • operational disruption resulting in loss of revenues; • events of non-compliance that could lead to regulatory fines or penalties; and • business interruptions that could result in expensive remediation efforts, distraction of management, damage to our reputation or a negative impact on the price of our units. Our implementation of various controls and processes to monitor and mitigate security threats and to increase security for our information, facilities and infrastructure is costly and labor intensive. Moreover, despite our or our third- party partners' security measures there can be no assurance that such measures will be sufficient to protect our **IT** ~~information technology~~ systems from hacking, ransomware attacks, employee error, malfeasance, system error, faulty password management or other irregularities. Moreover, as the sophistication and volume of cyber- attacks continue to increase, we may be required to expend significant additional resources to further enhance our digital security and **IT** ~~information technology~~ infrastructure or to remediate vulnerabilities **, including through the use of artificial intelligence** , and we may face difficulties in fully anticipating or implementing adequate preventive measures or mitigating potential harm. These costs may include making organizational changes, deploying additional personnel and protection technologies, training employees, and engaging third party experts and consultants. These efforts may come at the potential cost of revenues and human resources that could be utilized to continue to enhance our product offerings, and such increased costs and diversion of resources may adversely affect our operating margins. A cyber incident could ultimately result in liability under data privacy laws, regulatory penalties, damage to our reputation or additional costs for remediation and modification or enhancement of our information systems to prevent future occurrences, all of which could have a material adverse effect on our financial condition, liquidity or results of operations or the integrity of the systems, processes and data needed to run our business. Destructive forms of protests and opposition by extremists and other disruptions, including acts of sabotage or eco- terrorism, against crude oil, NGL and natural gas development and production or midstream processing or transportation activities could potentially result in damage or injury to persons, property or the environment or lead to extended interruptions of our operations. Our insurance may not protect us against such occurrences. Consequently, it is possible that any of these occurrences, or a combination of them, could have a material adverse effect on our business, financial condition and results of operations. Ineffective internal controls could impact our business and financial results. Our internal controls over financial reporting may not prevent or detect misstatements because of ~~its~~ **their** inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and financial results could be harmed **,** and we could fail to meet our financial reporting obligations.