Risk Factors Comparison 2024-02-27 to 2023-02-22 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, or results of operations 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. Summary of the Risk Factors We Face: • Declines in **crude** oil, natural gas, and NGL prices will adversely affect our business, financial condition **,** or results of operations, and our ability to meet our capital expenditure obligations or targets and financial commitments. • Our production is not fully hedged, and we may hedge a lower percentage of our production than we have in the past. We are therefore exposed to fluctuations in the price of **crude** oil, natural gas, and ~~NGLs~~ - **NGL** and will be affected by continuing and prolonged declines in such prices. • Our derivative activities could result in financial losses or could reduce our income. • The agreements covering our debt have restrictive covenants that could limit our ability to finance our operations, fund capital needs, respond to changing conditions, and engage in other business activities that may be in our best interests. • Borrowings under the Credit Facility are limited by our borrowing base, which is subject to periodic redetermination. • Our development and production 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 **crude** oil and natural gas reserves or anticipated ~~production~~ **sales** volumes. • 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. • Our estimated proved reserves and our ultimate number of prospective well development locations 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. • ~~Continuing or worsening inflationary pressures and associated changes in monetary policy may result in increases to the cost of our goods, services, and personnel, which in turn could cause our capital expenditures and operating costs to rise. •~~ We intend to pursue the further development of our properties ~~in the DJ Basin~~ through horizontal drilling and completion **, which** ~~. Horizontal development operations~~ can be more operationally challenging and costly relative to ~~our historic~~ vertical drilling operations **. • Several of our recent acquisitions represent an expansion outside of the DJ Basin, and we may encounter new obstacles operating in different geographic regions** . • We may be unable to make attractive acquisitions, and any inability to do so may disrupt our business. • We may not realize anticipated benefits from mergers and acquisitions. • ~~Concentration of our operations in one core area may increase our risk of production loss. •~~ We face increasing risk associated with the long- term trend toward increased activism against oil and gas exploration and development activities in **the states in which we operate, particularly in** Colorado ~~and elsewhere~~ . • The development of our proved undeveloped 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. • Drilling locations that we decide to drill may not yield **crude** oil or natural gas in commercially viable quantities. • 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. • Unless we replace our **crude** oil and natural gas reserves, our reserves and production will decline, which could adversely affect our business, financial condition, and results of operations. • We may incur substantial losses and be subject to substantial liability claims as a result of our **crude** oil and natural gas operations. Additionally, we may not be insured for, or our insurance may be inadequate to protect us against, these risks, including those related to our hydraulic fracturing operations. • We are subject to health, safety, and environmental laws and regulations that may expose us to significant costs and liabilities. • Evolving legislation or regulatory initiatives, including those related to hydraulic fracturing, could result in increased costs and additional operating restrictions or delays. • Climate change laws and regulations restricting emissions of greenhouse gases could result in increased operating costs and reduced demand for the **crude** oil and natural gas that we produce, while the physical effects of climate change could disrupt our production and cause us to incur significant costs in preparing for or responding to those effects. • Transition risks related to climate change, including negative shift in investor sentiment with respect to the oil and gas industry, could have material and adverse effects on us. • We are exposed to credit risks of our hedging counterparties, third parties participating in our wells, and our customers. • We may be involved in legal cases that may result in substantial liabilities. • We are subject to federal, state, and local taxes and may become subject to new taxes, and certain federal income tax deductions and state income tax deductions and exemptions currently available with respect to oil and gas exploration and development may be eliminated or reduced as a result of future legislation. • Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations. • **Certain past transactions** ~~The HighPoint, Extraction, and the Crestone Peak Mergers~~ triggered a limitation on the utilization of our historic U. S. net operating loss carryforwards (" NOLs ") **and the** ~~, HighPoint' s~~ NOLs **acquired in such transactions** ~~, Extraction' s NOLs, and Crestone Peak' s NOLs~~ . • **Continuing or worsening inflationary pressures** ~~The COVID- 19 pandemic has had,~~ and **associated changes in monetary policy** may ~~continue to have, a material adverse effect on our financial condition and results~~ - **result in increases to the cost** of **our goods, services, and personnel, which in turn could cause our capital expenditures and** ~~operations~~ - **operating costs to rise** . • We have experienced recent volatility in the market price and trading volume of our common stock and may continue to do so in the future. • Our certificate of incorporation and bylaws, as well as Delaware law, contain provisions that could discourage acquisition bids or merger proposals, even if such acquisition or merger may be in our stockholders' best interests **. • CPPIB Crestone Peak Resources Canada Inc., a Canadian corporation (the " Crestone Peak**

Stockholder ") is a significant holder of our common stock and may have some ability to influence our management and affairs . • Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or other employees. Risks Related to Our Business **Declines in crude oil, natural gas, and NGL prices will adversely affect our business, financial condition or results of operations, and our ability to meet our capital expenditure obligations or targets and financial commitments.** The price we receive for our **crude** oil, natural gas, and ~~natural gas liquids (" NGLs~~ **NGL** ~~")~~ heavily influences our revenue, profitability, cash flows, liquidity, access to capital, present value and quality of our reserves, and the nature and scale of our operations. ~~Oil~~ **Crude oil** and natural gas are commodities and, therefore, their prices are subject to wide fluctuations in response to relatively minor changes in supply and demand. In recent years, the markets for **crude** oil and natural gas have been volatile. These markets will likely continue to be volatile in the future. Further, **crude** oil prices and natural gas prices do not necessarily fluctuate in direct relation to each other. Because approximately ~~65~~ **68** % of our estimated proved reserves as of December 31, ~~2022~~ **2023** were **crude** oil and ~~NGLs~~ **NGL** , our financial results are more sensitive to movements in **crude** oil and NGL prices. During times of suppressed **crude** oil prices, we have historically experienced significant decreases in crude oil revenues and recorded unproved property asset impairment charges. Any prolonged period of low market prices for **crude** oil, natural gas, and ~~NGLs~~ **NGL** could result in future capital expenditures being reduced and will necessarily adversely affect our business, financial condition, and liquidity and our ability to meet obligations, targets, or financial commitments. During the year ended December 31, ~~2022~~ **2023** , the daily NYMEX WTI **crude** oil spot price ranged from a high of $ ~~123~~ **93** . ~~64~~ **67** per Bbl to a low of $ ~~71~~ **66** . ~~05~~ **61** per Bbl, and the NYMEX HH natural gas spot price ranged from a high of $ ~~9~~ **3** . ~~85~~ **78** per MMBtu to a low of $ ~~3~~ **1** . ~~46~~ **74** per MMBtu. As of February ~~20~~ **23** , ~~2023~~ **2024** , the daily NYMEX WTI **crude** oil spot price and NYMEX HH natural gas spot price was $ 76. ~~34~~ **49** per Bbl and $ ~~2~~ **1** . ~~28~~ **60** per MMBtu, respectively. The prices we receive for our production and the levels of our production, depend on numerous factors beyond our control. These factors include, but are not limited to, the following: • worldwide, regional, and local economic conditions impacting the global supply and demand for **crude** oil and natural gas; • the actions from members of the Organization of Petroleum Exporting Countries and other **crude** oil producing nations; • the price and quantity of imports of foreign **crude** oil and natural gas; • political conditions in or affecting other **crude** oil ~~– producing~~ and natural gas ~~–~~ producing countries, including the current conflicts in the Middle East **(including the current events related to the Israel- Palestine conflict)** and involving Russia and Ukraine and conditions in South America; • the level of domestic and global **crude** oil and natural gas exploration and production; • the level of domestic and global **crude** oil and natural gas inventories; • localized supply and demand fundamentals and transportation availability; • weather conditions and natural disasters, including the physical effects of climate change; • local, domestic, and foreign governmental regulations, including regulations addressing climate change; • speculation as to the future price of **crude** oil and the speculative trading of **crude** oil and natural gas futures contracts; • the price and availability of competitors' supplies of **crude** oil and natural gas; • technological advances affecting energy consumption; • variability in subsurface reservoir characteristics, particularly in areas with immature development history, even within areas in close proximity within the same basin or field; • the availability of pipeline capacity and infrastructure; and • the price and availability of alternative fuels. Substantially all of our production is sold to purchasers under contracts at market- based prices. Declines in commodity prices may have the following effects on our business: • reduction of our revenues, profit margins, operating income, and cash flows; • reduction in the amount of crude oil, natural gas, and ~~NGLs~~ **NGL** that we can produce economically, and reduction in our liquidity and inability to pay our liabilities as they come due; • certain properties in our portfolio becoming economically unviable; • delay or postponement of some of our capital projects; • significant reductions in future capital programs, resulting in a reduced ability to develop our reserves; • limitations on our financial condition, liquidity, and / or ability to finance planned capital expenditures and operations; • reduction to the borrowing base under our Credit Facility or limitations in our access to sources of capital, such as equity or debt; • declines in our stock price; • reduction in industry demand for crude oil; • reduction in storage availability for crude oil; • reduction in pipeline and processing industry demand and capacity for natural gas; • reduction in the ability of our vendors, suppliers, and customers to continue operations due to the prevailing adverse market conditions; and • asset impairment charges resulting from reductions in the carrying values of our crude oil and natural gas properties at the date of assessment. Imbalances between the supply and demand for **crude** oil and natural gas could result in transportation and storage constraints, reductions of our planned production, and related shut- in of our wells, which could adversely affect our business, financial condition, and results of operations. Any future excess supply of **crude** oil and natural gas ~~(such as that which resulted from the unprecedented decline in demand for oil and natural gas stemming from various governmental actions taken in 2020 to mitigate the impact of COVID- 19)~~ could impact our ability to sell our production because of transportation or storage constraints, causing us to shut- in or curtail production or flare our natural gas. Any such prolonged shut- in of our wells may result in decreased well productivity once we are able to resume operations, and any cessation of drilling and development of our acreage could result in the expiration, in whole or in part, of our leases. The occurrence of any of these risks may, in the future, adversely affect our business, financial condition, and results of operations. ~~Oil~~ **Crude oil** , natural gas, and NGL prices are volatile. It is common within the industry to hedge a portion of **crude** oil and natural gas production to reduce a company' s exposure to adverse fluctuations in these prices. Within our company, we have stated limitations as prescribed in our reserve- based Credit Facility, as the borrower, with JPMorgan Chase Bank, N. A., as the administrative agent, and a syndicate of financial institutions as lenders (the " Credit Facility ") as to the percentage of our production that can be hedged. The limitations range from 85 % to 100 % of our projected production from our proved developed properties and 65 % to 85 % of our projected production from our total proved properties, dependent on the duration of the hedge ~~. The Credit Facility also contains a minimum hedging covenant; however, the Credit Facility was amended on December 21, 2021 to provide that the minimum hedging covenant will no longer apply so long as the Company maintains its~~

leverage ratio below 1. 0: 1. 0 . Due to the Credit Facility' s restrictions and / or management' s decision to hedge less than 100 % of our projected production, some of our future production will be sold at market prices, exposing us to fluctuations in the price of crude oil and natural gas. Currently As of December 31, 2023 , we have hedged approximately 2 45 , 800 000 Bbls of crude oil per day in 2023 2024 , and but our hedging for 2024 2025 crude oil production is even far more limited. Accordingly, our revenues and cash flows are subject to increased volatility and may be subject to significant reduction in prices, which would have a material negative impact on our results of operations. See " the Derivative Activity section in Part I, II- Item 1 8. Financial Statements and Supplementary Data- Note 9- Derivatives " of this Annual Report on Form 10- K for a summary of our hedging activity. To achieve more predictable cash flows and to reduce our exposure to adverse fluctuations in the prices of crude oil and natural gas, we have, and may in the future enter into additional, derivative arrangements for a portion of our crude oil, natural gas, and NGL production, including swaps, collars, and other instruments. We have not in the past designated any of our derivative instruments as hedges for accounting purposes and have recorded 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 prices received. In addition, these types of derivative arrangements may limit the benefit we would receive from increases in the prices for crude oil and natural gas and may expose us to cash margin requirements. The agreements governing our debt, including the Credit Facility and the indenture indentures governing our senior notes, contain restrictive covenants that limit our ability to engage in activities that may be in our long- term best interests. Our ability to borrow under the Credit Facility is subject to compliance with certain financial covenants, including the maintenance of certain financial ratios, including a minimum current ratio and a maximum leverage ratio. In addition, our debt agreements contain covenants that, among other things, limit our ability to: • incur or guarantee additional indebtedness; • issue preferred stock; • sell or transfer assets; • pay dividends on, redeem, or repurchase capital stock; • repurchase or redeem subordinated debt; • make certain acquisitions and investments; • create or incur liens; • engage in transactions with affiliates; • enter into agreements that restrict distributions or other payments from restricted subsidiaries to us; • consolidate, merge, or transfer all or substantially all of our assets; and • engage in certain other business activities. Our failure to comply with these covenants could result in an event of default that, if not cured or waived, could result in the acceleration of all of our indebtedness. We may not have sufficient working capital to satisfy our debt obligations in the event of an acceleration of all or a significant portion of our outstanding indebtedness. As of the date of this Annual Report on Form 10- K, we are in compliance with all financial and non- financial covenants. We may be prevented from taking advantage of business opportunities that arise because of the limitations imposed on us by the restrictive covenants contained in our debt documents. In addition, our ability to comply with the financial ratios and financial condition tests under the Credit Facility may be affected by events beyond our control and, as a result, we may be unable to meet these ratios and financial condition tests. These financial ratio restrictions and financial condition tests could limit our ability to obtain future financings, make needed capital expenditures, withstand a continued downturn in commodity prices, our business, or the economy in general, or otherwise conduct necessary corporate activities. The borrowing base under the Credit Facility is redetermined at least semiannually and up to two additional times per year between scheduled determinations upon request of us or lenders holding more than 50 % of the aggregate commitments. Redeterminations are based upon a number of factors, including commodity prices and reserve levels. In addition, our lenders have substantial flexibility to reduce our borrowing base due to subjective factors. In our fall On August 2, 2022 2023 semi- annual redetermination , in connection with the borrowing base under closing of several of our recent acquisitions, the Credit Facility was set at amended to increase the borrowing base to $ 3. 0 billion, with an aggregate maximum credit commitment of $ 4. 0 billion and aggregate elected commitments of $ 1. 85 billion with an elected committed amount of $ 1 . 0 billion The next scheduled borrowing base redetermination date is set to occur in May 2024 . Upon a redetermination, we could be required to repay a portion of our bank debt to the extent our outstanding borrowings at such time exceed the redetermined borrowing base. We may not have sufficient funds to make such repayments, which could result in a default under the terms of the facility and an acceleration of the loans thereunder requiring us to negotiate renewals, arrange new financing, or sell significant assets, all of which could have a material adverse effect on our business and financial results. Our development and production 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 and natural gas reserves. At this time, we intend to finance future capital expenditures primarily through cash flows provided by operating activities and borrowings under the Credit Facility. Declines in commodity prices coupled with our financing needs may require us to alter or increase our capitalization substantially through the issuance of additional equity securities or debt securities or the strategic sale of assets. The issuance of additional debt 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. In addition, upon the issuance of certain debt securities (other than on a borrowing base redetermination date), our borrowing base under the Credit Facility would be reduced unless we obtain a waiver from the lenders under the Credit Facility. The issuance of additional equity securities could have a dilutive effect on the value of our common stock. Our cash flows provided by operating activities and access to capital are subject to a number of variables, including: • our proved reserves; • the amount of crude oil and natural gas we are able to produce from new and existing wells; • the prices at which our crude oil and natural gas are sold; • the costs of developing and producing our crude oil and natural gas; • 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 the Credit Facility decreases or if our revenues decrease as a result of lower crude oil 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. If additional capital is needed, we may not be able to obtain debt or equity financing on favorable terms, or at all. If cash generated by operations or cash available under the 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 undeveloped leases and a decline in our **crude** oil and natural gas reserves, and an adverse effect on our business, financial condition, and results of operations. 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 exploration and production activities are subject to numerous risks beyond our control, including the risk that drilling will not result in commercially viable **crude** oil or natural gas production. Our decisions to purchase, lease, 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 proved reserves and our ultimate number of prospective well development locations 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 budgeted expenditures are common risks that can make a particular project uneconomical. Further, many factors, including, but not limited to, the following, may result in substantial losses, including personal injury or loss of life, penalties, damage or destruction of property and equipment, and curtailments, delays, or cancellations of our scheduled drilling, completion, and infrastructure projects: • shortages of or delays in obtaining equipment and qualified personnel; • facility or equipment malfunctions; • unexpected operational events; • unanticipated environmental liabilities; • pressure or irregularities in geological formations; • adverse weather conditions, such as extreme cold temperatures, blizzards, ice storms, tornadoes, floods, and fires; • reductions in **crude** oil and natural gas prices; • delays imposed by or resulting from compliance with regulatory requirements, such as permitting delays; • proximity to and capacity of transportation facilities; • title issues or inaccuracies; • safety and / or environmental events; and • limitations in the market for **crude** oil and natural gas. The process of estimating **crude** oil and natural gas reserves and the production possible from our oil and gas wells 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-** Estimated Proved Reserves **"** ~~under Part I, Item 1~~ of this Annual Report on Form 10- K for information about our estimated oil and natural gas reserves and the PV- 10 (a non- GAAP financial 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, and given the current volatility in pricing, such assumptions are difficult to make. Although the reserves information contained herein is prepared by independent reserves engineers, estimates of **crude** oil and natural gas reserves are inherently imprecise, particularly as they relate to state- of- the- art technologies being employed, such as the combination of hydraulic fracturing and horizontal drilling. Actual future production, **crude** oil and natural gas prices, revenues, taxes, development expenditures, operating expenses, and quantities of recoverable **crude** 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 and cause potential impairment charges. In addition, we may adjust estimates of 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. The present value of future net revenues from our proved reserves will not necessarily be the same as the current market value of our estimated **crude** oil and natural gas reserves. You should not assume that the present value of future net revenues from our proved reserves is the current market value of our estimated **crude** oil and natural gas reserves. In accordance with SEC requirements for the years ended December 31, **2023,** 2022, **and** 2021 ~~, and 2020~~, we based the estimated discounted future net revenues from our proved reserves on the unweighted arithmetic average of the first- day- of- the- month commodity prices for the preceding twelve months (after adjustment for location and quality differentials), without giving effect to derivative transactions. Actual future net revenues from our **crude** oil and natural gas properties will be affected by factors such as: • actual prices we receive for **crude** oil and natural gas and hedging instruments; • actual cost of development and production activities; • the amount and timing of actual production; • the amount and timing of future development costs; • wellbore productivity realizations above or below type curve forecast models; • the supply and demand of **crude** oil and natural gas; 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 **crude** oil and natural gas properties will affect the timing and amount of actual future net revenues from proved reserves, and thus their actual present value. In addition, the 10 % discount factor (the factor required by the SEC) used 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 **crude** oil and natural gas industry in general. If commodity prices decrease to a level such that our future undiscounted cash flows from our properties are less than their carrying value for a significant period of time, we may be required to take write- downs of the carrying values of our properties. We review our proved **crude** oil and natural gas properties for impairment whenever events and circumstances indicate that a decline in the recoverability of their carrying value may have occurred. 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, from time to time, we may be required to write- down the carrying value of our **crude** oil and natural gas

properties. A write- down constitutes a non- cash charge to earnings. Given the historical price volatility in the **crude** oil and natural gas markets, prices may decline or other events may arise that would require us to record further impairments of the book values associated with **crude** oil and natural gas properties. Accordingly, we may incur significant impairment charges in the future which could have a material adverse effect on our results of operations and could reduce our earnings and stockholders' equity for the periods in which such charges are taken ~~. Inflation has been an ongoing concern in the U. S. since 2021. Ongoing inflationary pressures may result in increases to the costs of our oilfield goods, services, and personnel, which would in turn cause our capital expenditures and operating costs to rise. Sustained levels of high inflation could cause the U. S. Federal Reserve and other central banks to continue to increase interest rates, which could have the effects of raising the cost of capital and depressing economic growth, either of which, or the combination thereof, could hurt the financial and operating results of our business~~. Horizontal drilling is generally more complex and more expensive on a per well basis than vertical drilling. As a result, there is greater risk associated with a horizontal well program. Risks associated with our horizontal drilling program include, but are not limited to, the following, any of which could materially and adversely impact the success of our horizontal drilling program and, thus, our cash flows and results of operations: • successfully drilling and maintaining the wellbore to planned total depth; • landing our wellbore in the desired hydrocarbon reservoir; • effectively controlling the level of pressure flowing from particular wells; • staying in the desired hydrocarbon reservoir while drilling horizontally through the formation; • running our casing through the entire length of the wellbore; • running tools and other equipment consistently through the horizontal wellbore; • successful design and execution of the fracture stimulation process; • preventing downhole communications with other wells, or, in the alternative, disruption from non- simultaneous operations; • successfully cleaning out the wellbore after completion of the final fracture stimulation stage; and • designing and maintaining efficient forms of artificial lift throughout the life of the well. 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, limited takeaway capacity, or depressed **crude oil and** natural gas ~~and oil~~ prices, the return on our investment in these areas may not be as attractive as anticipated. Further, as a result of any of these developments, we could incur material impairments of our oil and gas properties and the value of our undeveloped acreage could decline in the future. **Our operations have historically focused on a single geographic region, namely the DJ Basin in the Rocky Mountain Region. Several of our recent acquisitions represent an expansion into the Permian Basin in Texas and New Mexico, which is our first expansion of our operations outside of the DJ Basin. Certain aspects related to operating in the Permian Basin may not be as familiar to us as our DJ Basin project areas. As a result, we may encounter obstacles that may cause us not to achieve the expected results of such acquisitions and subsequent acquisitions. These obstacles may include a less familiar geological landscape, different completion techniques, midstream and downstream operators with whom we have no established relationship, greater competition for acreage, unfamiliar operating conditions, and a distinct regulatory environment. Additionally, the character of newly acquired assets may be substantially different in operating or geological characteristics or geographic location than our existing properties. Any adverse conditions, regulations or developments related to our expansion into the Permian Basin, or other new geographic regions may have a negative impact on our business, financial condition, and results of operations.** In the future we may make acquisitions of producing properties or businesses that complement or expand our current business. The successful acquisition of producing properties requires an assessment of several factors, including: • recoverable reserves; • future **crude** oil, natural gas, and NGL prices and their applicable differentials; • operating costs; • location inventory; and • potential environmental and other liabilities. The accuracy of these assessments is inherently uncertain, and we may not be able to identify attractive acquisition opportunities. 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 assess fully their deficiencies and capabilities. Inspections may not always be performed on every well and environmental problems, such as groundwater contamination, 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 and acquire properties on an " as is, where is " basis. Even if we do identify attractive acquisition opportunities, we may not be able to complete the acquisition or do so on commercially acceptable terms or for other reasons stated herein. Competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions. Our ability to complete acquisitions is dependent upon, among other things, our ability to obtain debt and equity financing and, in some cases, regulatory approvals. No assurance can be given that we will be able to identify additional suitable acquisition opportunities, negotiate acceptable terms, obtain financing for acquisitions on acceptable terms, or successfully acquire identified targets. In addition, our Credit Facility and the indentures governing our senior notes impose certain limitations on our ability to enter into mergers or combination transactions and also limit our ability to incur certain indebtedness, which could indirectly limit our ability to engage in acquisitions. We seek to complete acquisitions in order to strengthen our position and to create the opportunity to realize certain benefits, including, among other things, potential cost savings and potential production multiples. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating 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 acquired businesses and operations. Acquisitions could also result in difficulties in being able to hire, train, or retain qualified personnel to manage and operate such properties. Potential difficulties in realizing the anticipated benefits of mergers and acquisitions include: • disruptions of relationships with customers, distributors, suppliers, vendors, landlords, joint venture partners, and other business partners as a result of uncertainty associated with such transactions; • difficulties integrating our business with the acquired businesses in a manner that permits us to achieve the full

revenue and cost savings from such transactions; • 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 operating synergies; • difficulties integrating personnel, vendors, and business partners; • loss of key employees; • potential unknown inherited liabilities and unforeseen expenses; • performance shortfalls at the companies as a result of the diversion of management' s attention to integration efforts; and • disruption of, or the loss of momentum in, each company' s ongoing business. Our future success will depend, in part, on our ability to manage our expanded business by, among other things, integrating the assets, operations, or personnel of acquired businesses 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 ~~. Our assets and operations are currently concentrated in one core area: the DJ Basin in Colorado. The core area currently provides 100 % of our current sales volumes and development projects. Because our operations are not as diversified geographically as some of our competitors, the success of our operations and our profitability may be disproportionately exposed to the effect of any regional events, including: fluctuations in prices of crude oil, natural gas, and NGLs produced from wells in the area, geologic and engineering developments associated with this area, accidents or natural disasters, restrictive governmental regulations, including ozone non- attainment, climate- action, or other legislation and / or regulation within Colorado, activist anti- industry litigation, curtailment of production, interruption in the availability of gathering, processing, or transportation infrastructure and services, and any resulting delays or interruptions of production from existing or planned new wells. Similarly, the concentration of our assets within a single producing formation exposes us to risks, such as changes in field- wide rules or local regulations, which could adversely affect development activities or production relating to the formation. In addition, in areas where exploration and production activities are increasing, as has been the case in recent years in the DJ Basin, we are subject to increasing competition for drilling rigs, pressure pumping fleets, oilfield equipment, services, supplies, and qualified personnel, which may lead to periodic shortages or delays. These constraints and the resulting shortages or high costs could delay our operations and materially increase our operating and capital costs. Further, the areas in which we operate are experiencing increasing urban and suburban expansion, which impacts the number of available drilling locations, increases governmental reach such as evolving environmental legislation or regulatory initiatives, health, safety, and environmental regulation, annexation and taxation, and increases costs and expenses due to limited locations, political activism and opposition, increased litigation risk, siting issues, and other factors. As a result of this increased risk, the Company may face difficulties securing permits, executing on our production target, meeting operations benchmarks, and other general risks to the Company that are identified herein. We do not maintain business interruption (loss of production) insurance for our oil and gas producing properties. Loss of production or limited access to reserves in our core operating area could have a significant negative impact on our cash flows and profitability~~ . Opposition toward oil and gas drilling and development activity has been growing globally. Companies in the oil and gas industry are often the target of activist efforts from both individuals and non- governmental organizations regarding safety, environmental compliance, and business practices. Certain activists are working to, among other things, reduce access to fee, federal, and state government lands, and delay or cancel certain projects such as the development of oil or gas shale plays. For example, environmental activists continue to advocate for increased regulations or bans on shale drilling in the U. S., even in jurisdictions that are among the most stringent in their regulation of the industry. Further efforts could result in the following: • delay or denial of drilling permits; • increased local government rulemaking and / or changes to current local government rules that result in increased costs and delay or prevention of oil and gas development; • increased demands for additional best management practices (" BMPs ") beyond what is currently required in certain operating agreements or by ~~the COGCC~~ **state regulators** ; • revocation or modification of drilling permits, operating agreements, or other necessary authorizations; • disputes focused on the validity of active leases and record title ownership to prevent development; • disputes focused on proximity of operations to urban and suburban communities; • restrictions on installation or operation of production, gathering, or processing facilities; • mandatory and excessive setbacks between drilling locations and structures and building units and / or bodies of water, disproportionately impacted communities, or other protected areas; • restrictions on the use of certain operating practices, such as hydraulic fracturing, or the disposal of related waste materials, such as hydraulic fracturing fluids and produced water; • increased severance and / or other taxes; • cyber- attacks; • legal challenges or lawsuits; • negative publicity about us or the oil and gas industry in general; • increased costs of operations and development; • reduction in demand for our products; and • other adverse effects on our ability to develop our properties and expand production. Specifically in Colorado, anti- development activity has both increased and become more effective in recent years. In April 2019, new legislation became effective in Colorado, which substantially changed the state' s regulation of oil and gas exploration and production activities. ~~The new law changed the mission of the COGCC from " fostering " responsible and balanced development " consistent with protection " of public health and the environment to " regulating " oil and natural gas development " to protect " public health and the environment. SB 181 also instituted several state- wide regulatory changes, namely (i) changed the composition of the COGCC to remove two seats for industry experts and add experts on wildlife / environmental protection and public health, and changed the Commissioners' employment from volunteer to full- time positions, (ii) changed Colorado' s statutory pooling provisions to require that an applicant own, or obtain the consent of, more than 45 % of the applicable working or mineral interest, whereas previously the consent of only one mineral interest owner was required, (iii) changed state pre- emption law such to afford local governments greater control over oil and gas siting, and (iv) initiated a comprehensive rulemaking to amend COGCC' s rules consistent with the agency' s revised mission.~~ Among the most significant changes under the legislation was the ~~aforementioned~~ provision giving local governments greater control over facility siting and surface impacts associated with oil and gas development. Whether an applicable local government determines

to implement regulatory changes is optional, but if changes are adopted, the resulting regulations may be stricter than state requirements. Further, local governments may now inspect oil and gas operations and impose fines for leaks, spills, and emissions. Regulation in the municipalities and areas where we operate could result in increased costs, delays in securing permits and other approvals related to our operations, and otherwise materially bear on our ability to operate and drill new wells in the areas where we hold oil and gas interests. At this time, it **is** impossible to estimate the potential impact on our business of future local actions on our ability to operate and / or drill oil and gas wells in these areas ~~. The legislation mandated the COGCC conduct rulemaking on environmental protection, facility siting, cumulative impacts, flowlines, wells that are inactive, temporarily abandoned, or shut- in, financial assurance, wellbore integrity, and application fees. A major rulemaking addressing a wide range of topics including facility siting, cumulative impacts, development approvals, asset transfers, pollution standards, hearings and variances, groundwater monitoring, underground injection control and enhanced recovery wells, venting and flaring restrictions, spill reporting, cleanup responsibility, and wildlife protection took effect in January 2021. The agency has issued written guidance on many of the issues addressed to provide direction on regulatory interpretation and compliance. Among other things, the amended rules adopt an increased required setback of 2, 000 feet between an oil and gas location and a residential or high occupancy building unit unless one or more conditions are satisfied to allow for a lesser setback that the COGCC determines is acceptable under the rules. In addition, as part of wildlife protections, the COGCC adopted a setback of 500 feet between oil and gas locations and / or certain operations thereon and the ordinary high water mark for certain high priority aquatic habitats, though the Colorado Parks and Wildlife Division may waive this setback beyond 300 feet~~ . Permitting delays that result from the new ~~COGCC~~ **ECMC rules and regulations or other state** rules and regulations could substantially curtail **our** ~~the Company' s~~ near- term pace of new **crude** oil and **natural** gas development. We have observed a decline in the pace at which permit applications are being granted **in Colorado** , and if this trend continues **in any of the states in which we operate** , it could have a material adverse effect on our business, financial condition, production targets, and results of operations. ~~Additionally, the new legislation requires the state' s AQCC to undertake rulemaking efforts to minimize methane emissions and emissions of other hydrocarbons, volatile organic compounds, and nitrogen oxides associated with oil and gas facilities. The AQCC has more recently adopted more stringent standards for leak detection and repair inspection frequency, pipeline and compressor station inspection and maintenance frequencies, the development of pre- production air monitoring plans at certain oil and gas facilities, enclosed combustion device testing, a company- wide methane intensity reduction requirement, and additional measures for reducing and eliminating emissions from pneumatic devices. The legislation also granted the AQCC regulatory authority over a broad range of oil and gas facilities during pre- production activities, drilling, and completion.~~ Rules adopted by **regulators in** the **states in which we operate** ~~COGCC and AQCC pursuant to the new legislation~~ may significantly increase **our** ~~the Company' s~~ operating costs and have a material adverse effect on our business, financial condition, and results of operations **. See " Item 1. Business- Regulation of the Crude Oil and Natural Gas Industry " for more information regarding the new and proposed state environmental regulations applicable to our business** . In addition, there have been several citizen / activist lawsuits filed against industry and state and local regulators associated with air quality, siting, environmental justice, and climate change. Such anti- development efforts are likely to continue in the future, which could result in dramatically reducing the area of future oil and gas development in ~~Colorado~~ **the states in which we conduct** ~~or~~ **our operations** ~~outright banning oil and gas development in Colorado~~ . These efforts could have a material adverse effect on our business, financial condition, and results of operations. SB 181' s requirement **, which applies to our Colorado operations,** that we own or control more than 45 % of the working or mineral interest in order to statutorily pool our applicable interest may make it much more difficult for us to develop such interests, which could have a material adverse effect on our business, financial condition, and results of operations. ~~In~~ **With respect to our operations in the DJ Basin in Colorado, in** some cases, we do not own more than 45 % working interest or mineral interest in a prospective area of development, which is now required to statutorily pool our applicable working or mineral interests. In such cases, unless we can obtain the consent of more than 45 % of all applicable working or mineral interest owners (who can be located through reasonable diligence) to pursue statutory pooling, or achieve a voluntary pooling agreement with 100 % of the applicable interest owners, we may be prohibited from developing the resources in that area or having them be developed by other operators. ~~We face risks related to public health crises, including the COVID- 19 pandemic. The effects of the COVID- 19 pandemic, including travel bans, prohibitions on group events and gatherings, shutdowns of certain businesses, curfews, shelter- in- place orders, and recommendations to practice social distancing in addition to other actions taken by both businesses and governments, resulted in a significant and swift reduction in international and U. S. economic activity. The collapse in the demand for oil caused by this unprecedented global health and economic crisis contributed to the significant decrease in crude oil prices in 2020 and had and could in the future continue to have a material adverse impact on our financial condition and results of operations. Since the beginning of 2021, the distribution of COVID- 19 vaccines progressed and many government- imposed restrictions were relaxed or rescinded. However, we continue to monitor the effects of the pandemic on our operations. As a result of the ongoing COVID- 19 pandemic, our operations, and those of our operating partners, have and may continue to experience delays or disruptions and temporary suspensions of operations. In addition, our results of operations and financial condition have been and may continue to be adversely affected by the ongoing COVID- 19 pandemic. The extent to which our operating and financial results are affected by COVID- 19 will depend on various factors and consequences beyond our control, such as the emergence of more contagious and harmful variants of the COVID- 19 virus, the duration and scope of the pandemic, additional actions by businesses and governments in response to the pandemic, and the speed and effectiveness of responses to combat the virus. COVID- 19, and the volatile regional and global economic conditions stemming from the pandemic, could also aggravate the other risk factors that we identify herein. While the effects of the COVID- 19 pandemic have lessened recently in the U. S., we cannot predict the duration or future effects of the pandemic, or more contagious and harmful variants of the COVID- 19 virus, and such effects may materially adversely affect our results of operations and financial condition in a manner that is not~~

~~currently known to us or that we do not currently consider to present significant risks to our operations.~~ Terrorist attacks and armed conflict could have a material adverse effect on our business, financial condition, or results of operations. Terrorist attacks and armed conflict may significantly affect the energy industry, including our operations and those of our current and 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 U. S. Our insurance may not protect against such occurrences. Furthermore, commodity markets are currently also subject to heightened levels of uncertainty related to the Russian military invasion of Ukraine, which has given rise to regional instability and resulted in heightened economic sanctions by the U. S. and the international community that, in turn, could increase uncertainty with respect to global financial markets and production output from the Organization of Petroleum Exporting Countries and other **crude** oil producing nations. 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. We have limited control over activities on properties in which we own an interest but we do not operate, which could reduce our production and revenues. We do not operate all of the properties in which we have an interest. We own significant non- operated working interests which are not currently within our operated development plan. As a result, we may have a limited ability to exercise influence over normal operating procedures, expenditures, timing, or future development of underlying properties, and their associated costs. For all of the properties that are operated by others, we are dependent on their decision- making with respect to day- to- day operations over which we have little control. The failure of an operator of wells in which we have an interest to adequately perform operations, or an operator' s breach of applicable agreements, could reduce production and revenues we receive from that well. The success and timing of our drilling and development activities on properties operated by others depend upon a number of factors outside of our control, including the timing and amount of capital expenditures, the available expertise and financial resources, the inclusion of other participants, and the use of technology. Our lack of control over non- operated properties also makes it more difficult for us to forecast capital expenditures, revenues, production, liability, and other related matters. Approximately ~~17~~ **22** % of our total proved reserves were classified as proved undeveloped as of December 31, ~~2022~~ **2023** . Development of these reserves may take longer and require higher levels of capital expenditures than we currently anticipate or that may be available to us. Delays in the development of our reserves or increases in costs to drill and develop such reserves will reduce the value of our estimated proved undeveloped 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. Our management has identified and scheduled drilling locations as an estimation of our future multi- year drilling activities on our existing acreage. Our ability to drill and develop these locations is subject to a number of uncertainties, including uncertainty in the level of reserves; the availability of capital to us and other participants; seasonal conditions; regulatory approvals; activist intervention; **crude** oil, natural gas, and NGL prices; availability of permits; costs; and well performance. 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 or natural gas from these or any other potential drilling locations. Pursuant to existing SEC rules and guidance, subject to limited exceptions, proved undeveloped reserves may only be booked if they relate to wells scheduled to be drilled within five years of the date of booking, and we may therefore be required to downgrade to probable or possible categories any proved undeveloped reserves that are not developed within this five- year time frame. These limitations may limit our potential to book additional proved undeveloped reserves as we pursue our drilling program. We describe some of our drilling locations and our plans to explore those drilling locations in this Annual Report on Form 10- K. Our drilling locations are in various stages of evaluation, ranging from a location that is ready to drill to a location that will require substantial additional evaluation. 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. Prior to drilling, the use of 2- D and 3- D seismic technologies, various other technologies, and the study of producing fields in the same area will still not enable us to know conclusively whether **crude** oil or natural gas will be present or, if present, whether **crude** oil or natural gas will be present in sufficient quantities to be economically viable. In addition, the use of 2- D and 3- D seismic data and other technologies requires greater pre- drilling expenditures than traditional drilling strategies, and we could incur greater drilling and testing expenses as a result of such expenditures which may result in a reduction in our returns or increase our losses. Even if sufficient amounts of **crude** oil 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 any dry holes in our current and future drilling locations, our profitability and the value of our properties will likely be reduced. 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 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. The terms of our oil and gas leases often stipulate that the lease will terminate if not held by production, rentals, or otherwise some form of an extension payment to extend the term of the lease. As of December 31, ~~2022~~ **2023** , approximately ~~36~~ **25** , 100 net acres of our properties were not held by production. For these properties, if production in paying quantities is not established on units containing leases during the next year, then approximately ~~17~~ **4** , 600 net acres will expire in ~~2023~~ **2024** , approximately ~~4~~ **9, 600 net acres will expire in 2025, and approximately 10** , 900 net acres will expire in ~~2024~~ **2026** ~~, and approximately 13, 600 net acres will expire in 2025~~ and thereafter. While some expiring leases may contain predetermined extension payments, other expiring leases will require us to negotiate new leases at the time of lease expiration. Further, existing leases which are currently held by production may unexpectedly encounter operational, political, regulatory, or litigation challenges which could result in their termination. It is possible that market conditions at the time of negotiation could require us to agree to new leases on less favorable terms to us

than the terms of the expired leases or cause us to lose the leases entirely. If our leases expire, we will lose our right to develop the related properties. In general, production from oil and gas properties declines as reserves are depleted, with the rate of decline depending on reservoir characteristics. Our current proved reserves will decline as reserves are produced and, therefore, our level of production and cash flows will be affected adversely unless we conduct successful exploration and development activities or acquire properties containing proved reserves. Thus, our future **crude** oil and natural gas production and, therefore, our cash flow and income are highly dependent upon our level of success in finding, acquiring, and / or developing additional reserves. However, we cannot assure you that our future acquisition, development, and exploration activities will result in any specific amount of additional proved reserves or that we will be able to drill productive wells at acceptable costs. Our **crude** oil and natural gas exploration and production activities are subject to all of the operating risks associated with drilling for and producing **crude** oil and natural gas, including, but not limited to, the possibility of: • environmental hazards, such as spills, uncontrollable flows of **crude** oil, natural gas, brine, well fluids, natural gas, hazardous air pollutants, or other pollution into the environment, including soil, surface water, groundwater, and shoreline contamination; • unpermitted releases of natural gas and hazardous air pollutants or other substances into the atmosphere at our oil and gas facilities; • hazards resulting from the presence of hydrogen sulfide (H_2S) or other contaminants in **crude oil and** natural gas ~~and oil~~ we produce; • abnormally pressured formations resulting in well blowouts, fires, or explosions; • mechanical difficulties, such as stuck down- hole tools or casing collapse; • cratering (catastrophic failure); • downhole communication leading to migration of contaminants; • 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 and natural resource damages; • regulatory investigations and penalties; • suspension of our operations; and • repair and remediation costs. The presence of H_2S, a toxic, flammable, and colorless gas, is a common risk in the oil and gas industry and may be present in small amounts for brief periods from time to time at our well and facility locations. In addition, our operations in Colorado are susceptible to damage from natural disasters, such as flooding, wildfires, tornadoes, and other natural phenomena and weather conditions, including extreme temperatures, which involve increased risks of personal injury, property damage, and marketing interruptions. The occurrence of one of these operating hazards may result in injury, loss of life, suspension of operations, environmental damage and remediation liability, and / or governmental investigations and penalties. The payment of any of these liabilities could reduce, or even eliminate, the funds available for exploration and development, or could result in a loss of our properties. As is customary in the oil and gas industry, we maintain insurance against some, but not all, of these potential risks and losses. Although we believe the coverage and amounts of insurance that we carry are consistent with industry practice, we do not have insurance protection against all risks that we face, because we choose not to insure certain risks, insurance is not available at a level that balances the costs of insurance and our desired rates of return, or actual losses exceed coverage limits. Insurance costs will likely continue to increase, which could result in our determination to decrease coverage and retain more risk to mitigate those cost increases. In addition, pollution and environmental risks generally are not fully insurable. If we incur substantial liability, and the damages are not covered by insurance or are in excess of policy limits, then our business, results of operations, and financial condition may be materially adversely affected. Because hydraulic fracturing activities are integral to our operations, they are covered by our insurance against claims made for bodily injury, property damage, and clean- up costs stemming from a sudden and accidental pollution event. However, we may not have coverage if the operator is unaware of the pollution event and unable to report the " occurrence " to the insurance company within the required time frame. We also do not have coverage for gradual, long- term pollution events, including climate change. Under certain circumstances, we have agreed to indemnify third parties against losses resulting from our operations. Pursuant to our surface leases, we typically indemnify the surface owner for clean- up and remediation of the site. As owner and operator of oil and gas wells and associated gathering systems and pipelines, we typically indemnify the drilling contractor for pollution emanating from the well, while the contractor indemnifies us against pollution emanating from its equipment. We are subject to stringent and complex federal, state, and local laws and regulations governing public health and occupational safety, the discharge of materials into the environment, noise emittance, light emittance, and the general protection of the environment and wildlife. These laws and regulations may impose numerous requirements on our operations, including the obligation to obtain a permit before conducting drilling or underground injection activities; restrictions on the types, quantities, and concentration of materials that may be released into the environment; limitations or prohibitions of drilling or completion activities; the application of specific health and safety criteria to protect the public or workers; and the responsibility for cleaning up pollution resulting from operations. Numerous governmental authorities, such as the EPA and analogous state agencies, have the power to enforce compliance with these laws and regulations and the permits issued under them, oftentimes requiring difficult and costly actions. Failure to comply with these laws and regulations may result in the assessment of administrative, civil, and criminal penalties; the imposition of investigatory or remedial obligations; the issuance of injunctions limiting or preventing some or all of our operations; delays in granting permits; or even the cancellation of leases and / or permits. There is an inherent risk of incurring significant environmental costs and liabilities in our operations, some of which may be material, due to our handling of petroleum hydrocarbons and wastes, our emissions into air, water, and the environment, the underground injection or other disposal of our wastes, the use and disposition of hydraulic fracturing fluids, and historical industry operations and waste disposal practices. Under certain environmental laws and regulations, we may be liable for the full cost of removing or remediating contamination, regardless of whether we were at fault, and even when multiple parties contributed to the release and the contaminants were released in compliance with all applicable laws then in effect. In addition, accidental spills or releases on or off our properties may expose us to significant liabilities that could have a material adverse effect on our financial condition or results of operations. Aside from government agencies, the owners of properties where our wells are located, the owners or operators of facilities where our petroleum hydrocarbons or wastes are taken for reclamation or disposal or otherwise come to be located, and other private parties may be able to sue us to enforce

compliance with environmental laws and regulations, collect penalties for violations, or obtain damages for any related personal injury, or damage and property damage, and certain trustees may seek natural resource damages. Some sites we operate are located near current or former third- party **crude** oil and natural gas operations or facilities, and there is a risk that historic contamination has migrated from those sites to ours. Changes in environmental laws and regulations occur frequently, and any changes that result in more stringent or costly requirements could require us to make significant expenditures to attain and maintain compliance or may otherwise have a material adverse effect on our own results of operations, competitive position, or financial condition. We may not be able to recover some or any of these costs from insurance. We are subject to extensive federal, state, and local laws and regulations, including those concerning public and occupational health and safety and environmental protection. Governmental authorities frequently review, revise, and supplement these requirements, and both oil and gas development generally, and hydraulic fracturing specifically, are receiving increasing legislative and regulatory attention. For example, the ~~COGCC has revised its~~ **states in which we operate have implemented or are considering additional** regulations ~~on~~ **governing** a range of topics **,** including facility siting, development approvals, cumulative impacts, asset transfers, pollution standards, hearings and variances, groundwater monitoring, underground injection control and enhanced recovery wells, venting and flaring restrictions, spill reporting, cleanup responsibility, ~~and~~ wildlife protection ~~. Additionally~~ , **and** financial assurance ~~rulemaking was completed by the COGCC in early 2022, which will impact fees required for surety bonding and includes comprehensive language that addressed the transfer of wells and plugging and abandonment obligations~~ . Our operations utilize hydraulic fracturing, an important and commonly used process in the completion of **crude** oil and natural gas wells in low- permeability formations. Hydraulic fracturing involves the injection of water, proppant, and chemicals under pressure into rock formations to stimulate hydrocarbon production. In some instances, certain state and local governments are adopting new requirements on hydraulic fracturing and other oil and gas operations. Some counties in Colorado, for instance, have amended their land use regulations to impose new siting and other requirements on oil and gas development, while other local governments have entered memoranda of agreement with oil and gas producers to accomplish the same or similar objectives. Under current Colorado law, local governments can regulate both facility siting and the surface impacts associated with oil and gas development, and local government regulations may be more protective or stricter than State requirements. In addition, voters in Colorado have proposed or advanced ballot initiatives restricting or banning oil and gas development in Colorado. Because **a significant portion** our operations and reserves are ~~solely~~ located in Colorado, the risks we face with respect to such ballot initiatives are greater than other companies with more geographically diverse operations. The adoption of future federal, state, or local laws or implementing regulations imposing new environmental, operational, and / or financial assurance obligations on, or otherwise limiting, our operations could make it more difficult, more expensive, and / or impossible to complete **crude** oil and natural gas wells, increase our costs of compliance operations, delay or prevent the development of certain resources (including especially shale formations that are not commercial without the use of hydraulic fracturing), or alter the demand for and consumption of our products. We cannot assure that any such outcome would not be material, and any such outcome could have a material adverse impact on our cash flows and results of operations. There is a broad consensus of scientific opinion that human- caused (anthropogenic) emissions of GHGs are linked to climate change. Climate change and the costs that may be associated with its impacts and the regulation of GHGs have the potential to affect our business in many ways, including negatively impacting the costs we incur in providing our products and the demand for and consumption of our products (due to potential changes in both costs and weather patterns). The EPA ~~also~~ adopted regulations requiring the reporting of GHG emissions from specific categories of higher GHG emitting sources in the U. S., including certain **crude** oil and natural gas production facilities, which include certain of our operations. Information in such reporting may form the basis for further GHG regulation. Further, the EPA has continued with its comprehensive strategy for further reducing methane emissions from oil and gas operations, with a final rule being issued in June 2016 as part of the Subpart OOOOa NSPS. **In** ~~Further, on~~ November ~~15,~~ 2021, the EPA issued a proposed rule intended to reduce methane emissions from oil and gas sources. The proposed rule would make the existing regulations in Subpart OOOOa more stringent and create a Subpart OOOOb to expand reduction requirements for new, modified, and reconstructed oil and gas sources, including standards focusing on certain source types that have never been regulated under the CAA (including intermittent vent pneumatic controllers, associated gas, and liquids unloading facilities). In addition, the proposed rule would establish " Emissions Guidelines, " creating a Subpart OOOOc that would require states to develop plans to reduce methane emissions from existing sources that must be at least as effective as presumptive standards set by the EPA. ~~On~~ **In** November ~~15,~~ 2022, the EPA issued a proposed rule supplementing the November 2021 proposed rule. Among other things, the November 2022 supplemental proposed rule removes an emissions monitoring exemption for small wellhead- only sites and creates a new third- party monitoring program to flag large emissions events, referred to in the proposed rule as " super emitters **.** " ~~.~~ The EPA **announced** ~~is expected to issue~~ a final rule ~~by August~~ **in December** 2023 **, which, among other things, requires the phase out of routine flaring of natural gas from new crude oil wells and routine leak monitoring at all well sites and compressor stations. Notably, EPA updated the applicability date for Subparts OOOOb and OOOOc to December 6, 2022, meaning that sources constructed prior to that date will be considered existing sources with later compliance dates under state plans. The final rule gives states, along with federal tribes that wish to regulate existing sources, two years to develop and submit their plans for reducing methane from existing sources. The final emissions guidelines under Subpart OOOOc provide three years from the plan submission deadline for existing sources to comply** . The EPA' s GHG rules could adversely affect our operations and restrict or delay our ability to obtain air permits for new or modified facilities. In the meantime, many states already have taken such measures, which have included renewable energy standards, development of GHG emission inventories or cap and trade programs, and the adoption of ambitious climate action targets in Colorado under HB 19- 1261. Additionally, the SEC issued a proposed rule in March 2022 that would mandate extensive disclosure of climate-related data, risks, and opportunities, including financial impacts, physical and transition risks, related governance and strategy,

and GHG emissions, for certain public companies. **A final rule is anticipated in 2024.** We cannot predict the costs of implementation or any potential adverse impacts resulting from the rulemaking. To the extent this rulemaking is finalized as proposed, we could incur increased costs relating to the assessment and disclosure of climate- related risks. We may also face increased litigation risks related to disclosures made pursuant to the rule if finalized as proposed. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders restricting or seeking more stringent conditions with respect to their investments in certain carbon- intensive sectors. See " Item 1. Business ~~—~~ **-** Climate Change " for a further discussion of the laws and regulations related to GHGs and of climate change. The adoption of legislation or regulatory programs to reduce emissions of GHGs (including carbon pricing schemes), or the adoption and implementation of regulations that require reporting of GHG emissions or other climate- related information, could adversely affect our business and our industry, including by requiring us to incur increased operating costs, such as costs to purchase and operate emissions and vapor control systems, to acquire emissions allowances, or to comply with new regulatory or reporting requirements as well as by restricting our ability to execute on our business strategy, reducing our access to financial markets, or creating greater potential for governmental investigations or litigation. If we are unable to recover or pass through a significant level of our costs related to complying with climate change regulatory requirements imposed on us, it could have a material adverse effect on our results of operations and financial condition. Any such legislation or regulatory programs could also increase the cost of consuming, and thereby reduce demand for, the **crude** oil and natural gas we produce. Consequently, legislation and regulatory programs to reduce emissions of GHGs could have an adverse effect on our business, financial condition, and results of operations. Moreover, incentives to conserve energy or use alternative energy sources as a means of addressing climate change could reduce demand for the **crude** oil and natural gas we produce. Finally, most scientists have concluded that increasing concentrations of GHGs in the Earth' s atmosphere and climate change may produce significant physical effects on weather conditions, such as increased frequency and severity of droughts, **wildfires,** storms, floods, and other climatic events. If any such effects were to occur, they could adversely affect or delay demand for the **crude** oil or natural gas produced or cause us to incur significant costs in preparing for or responding to the effects of climatic events themselves, which may not be fully insured. Potential adverse effects could include **more stringent air emissions regulations and** disruption of our production activities, including, for example, damages to our facilities from winds or floods, increases in our costs of operation, or reductions in the efficiency of our operations, increases in market prices of or limited access to raw materials such as energy and water, impacts on our personnel, supply chain, or distribution chain, as well as potentially increased costs for insurance coverages in the aftermath of such effects. Any of these effects could have an adverse effect on **our** ~~the Company' s~~ assets and operations. Our ability to mitigate the adverse physical impacts of climate change depends in part upon our disaster preparedness and response and business continuity planning. Further, energy needs could increase or decrease as a result of extreme weather conditions depending on the duration and magnitude of any such climate changes. Increased energy use due to weather changes may require us to invest in additional equipment to serve increased demand. A decrease in energy use due to weather changes may affect our financial condition through decreased revenues. The effect of fluctuations on supply and demand may become more pronounced within specific geographic **crude** oil and natural gas producing areas, which may cause these conditions to occur with greater frequency or magnify the effects of these conditions. 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. Such delays or interruptions could have a material adverse effect on our financial condition and results of operations. Increasing attention from governmental and regulatory bodies, investors, consumers, industry, and other stakeholders on combatting climate change, together with changes in consumer and industrial / commercial behavior, societal expectations on companies to address climate change, investor and societal expectations regarding voluntary climate- related disclosures, preferences and attitudes with respect to the generation and consumption of energy, the use of hydrocarbons, and the use of products manufactured with, or powered by, hydrocarbons, may result in the enactment of climate change- related regulations, policies, and initiatives (at the government, regulator, corporate, and / or investor community levels), including alternative energy requirements, new fuel consumption standards, energy conservation and emissions reductions, measures and responsible energy development; technological advances with respect to the generation, transmission, storage, and consumption of energy (including advances in wind, solar, and hydrogen power, as well as battery technology) ; increased availability of, and increased demand from consumers and industry for, energy sources other than **crude** oil and natural gas (including wind, solar, nuclear, and geothermal sources as well as electric vehicles) ; and development of, and increased demand from consumers and industry for, lower- emission products and services (including electric vehicles and renewable residential and commercial power supplies) as well as more efficient products and services. These developments may in the future adversely affect the demand for products manufactured with, or powered by, petroleum products, as well as the demand for, and in turn the prices of, the products that we sell, **our** ~~the Company' s~~ stock price and access to capital markets, and the availability to us of necessary third-party services and facilities that we rely on, which may increase our operational costs and adversely affect our ability to successfully carry out **our** ~~the Company' s~~ business strategy. Furthermore, the **crude** oil and natural gas industry, and energy industry more broadly, is characterized by rapid and significant technological advancements and introductions of new products and services using new technologies. As others use or develop new technologies, including technological advances in fuel economy and energy generation devices or other technological advances that could reduce demand for **crude** oil and natural gas, we may be placed at a competitive disadvantage or may be forced by competitive pressures to implement new technologies at substantial costs. We may not be able to respond to these competitive pressures or implement new technologies on a timely basis or at an acceptable cost. If one or more of the technologies we use now or in the future were to become obsolete, our business, financial condition, or results of operations could be materially and adversely affected. Certain segments of the investor community have developed negative sentiment towards investing in our industry, and such negative sentiment and

related reputational risks may also adversely affect our ability to successfully carry out our business strategy by adversely affecting our access to capital. ~~Recent equity returns in the 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 stated policies to disinvest in the oil and gas sector based on their social and environmental considerations. **There is also a risk that financial institutions may be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector, and** ~~Certain~~ **certain** investment banks and asset managers based both domestically and internationally have announced that they are adopting climate change guidelines for their banking and investing activities. Institutional lenders who provide financing to energy companies such as ours have also become more attentive to sustainable lending practices, and some may elect not to provide traditional energy producers or companies that support such producers with funding. 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 or higher cost of capital for potential development projects as well as the restriction, delay, or cancellation of infrastructure projects and energy production activities, ultimately impacting our future financial results. Additionally, negative public perception regarding us and / or our industry may lead to increased regulatory, legislative, and judicial scrutiny, which may, in turn, lead to new state and federal safety and environmental laws, regulations, guidelines, and enforcement interpretations. Additionally, environmental groups, landowners, local groups, and other advocates may oppose our operations through organized protests, attempts to block or sabotage our operations or those of our midstream transportation providers, intervene in regulatory or administrative proceedings involving our assets or those of our midstream transportation providers, or file lawsuits or other actions designed to prevent, disrupt, or delay the development or operation of our assets and business or those of our midstream transportation providers. These actions may cause operational delays or restrictions, increased operating costs, additional regulatory burdens, and increased risk of litigation. Further, a number of cities and other local governments have sought to bring suit against the largest oil and gas companies in state or federal court, alleging, among other things, that such companies created public nuisances by producing fuels that contributed to climate change or alleging that the companies have been aware of the adverse effects of climate change for some time but failed to adequately disclose such impacts to their investors or customers. Private individuals or public entities may seek to enforce environmental laws and regulations against us and could allege personal injury, property damages, or other liabilities. While **our** ~~the Company' s~~ business is not a party to any such litigation, we could be named in actions making similar allegations. An unfavorable ruling in any such case could significantly impact **our** ~~the Company' s~~ operations and could have an adverse impact on **our** ~~the Company' s~~ financial condition. Moreover, governmental authorities exercise considerable discretion in the timing and scope of permit issuance and the public may engage in the permitting process, including through intervention in the courts. Negative public perception could cause the permits we require to conduct our operations to be withheld, delayed, or burdened by requirements that restrict our ability to profitably conduct our business. In addition, various officials and candidates at the federal, state, and local levels have made climate- related pledges or proposed banning hydraulic fracturing altogether. More broadly, the enactment of climate change- related policies and initiatives across the market at the corporate level and / or investor community level may in the future result in increases in **our** ~~the Company' s~~ compliance costs and other operating costs and have other adverse effects (e. g., greater potential for governmental investigations or litigation). For further discussion regarding the transition risks posed to us by climate change- related regulations, policies, and initiatives, see the discussion ~~above~~ **contained** in " Climate change laws and regulations restricting emissions of greenhouse gases could result in increased operating costs and reduced demand for the **crude** oil and natural gas that we produce, while the physical effects of climate change could disrupt our production and cause us to incur significant costs in preparing for or responding to those effects ~~.~~" **.** Increasing scrutiny and changing stakeholder expectations in respect of ESG and sustainability practices may have an adverse effect on our business, financial condition, and results of operations and damage our reputation. In recent years, companies across all industries are facing increasing scrutiny from a variety of stakeholders, including investor advocacy groups, proxy advisory firms, certain institutional investors, and lenders, investment funds and other influential investors and rating agencies, related to their ESG and sustainability practices. If we do not adapt to or comply with investor or other stakeholder expectations and standards on ESG matters (or meet sustainability goals and targets that we have set), as they continue to evolve, or if we are perceived to have not responded appropriately or quickly enough to growing concern for ESG and sustainability issues, regardless of whether there is a regulatory or legal requirement to do so, we may suffer from reputational damage and our business, financial condition, and / or stock price could be materially and adversely affected. In addition, **our** ~~the Company' s~~ continuing efforts to research, establish, accomplish, and accurately report on the implementation of our ESG strategy, including any specific ESG objectives, may also create additional operational risks and expenses and expose us to reputational, legal, and other risks. While we create and publish voluntary disclosures regarding ESG matters from time to time, some of the statements in those voluntary disclosures may be based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring, and reporting on many ESG matters **. Further, failure or a perception (whether or not valid) of failure to implement our ESG strategy or achieve sustainability goals and targets we have set, including emissions reduction goals, could damage our reputation, causing our investors or consumers to lose confidence in our Company and negatively impact our operations. Our continuing efforts to research, establish, accomplish and accurately report on the implementation of our ESG strategy, including any ESG goals, may also create additional operational risks and expenses and expose us to reputational, legal and other**

risks. For example, growing interest on the part of investors and regulators in ESG factors and increased demand for, and scrutiny of, ESG- related disclosure by stakeholders has also increased the risk that companies could be perceived as, or accused of, making inaccurate or misleading statements regarding their ESG- related claims, goal, targets, efforts or initiatives, often referred to as " greenwashing. " Such perception or accusation could damage our reputation and result in litigation or regulatory actions . 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 could lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other industries, which could have a negative impact on our stock price and our access to and costs of capital. Further, our operations and projects require us to have strong relationships with various key stakeholders, including our ~~shareholders~~ **stockholders** , employees, suppliers, customers, local communities, and others. We may face pressure from stakeholders, many of whom are increasingly focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint, and promote sustainability while at the same time remaining a successfully operating public company. If we do not successfully manage expectations across these varied stakeholder interests, it could erode stakeholder trust and thereby affect our brand and reputation. Such erosion of confidence could negatively impact our business through decreased demand, delays in projects, increased legal action and regulatory oversight, adverse press coverage and other adverse public statements, difficulty hiring and retaining top talent, difficulty obtaining necessary approvals and permits from governments and regulatory agencies on a timely basis and on acceptable terms, and difficulty securing investors and access to capital. Our principal exposures to credit risk are through receivables resulting from commodity price derivatives instruments, joint interest billings, and other components ~~of~~ **totaling** $ ~~135~~ **247** . ~~8~~ **2** million at December 31, ~~2022~~ **2023** , and the sale of our **crude** oil, natural gas, and ~~NGLs~~ - **NGL totaling** ~~production of~~ $ ~~343~~ **506** . ~~5~~ **0** million in receivables at December 31, ~~2022~~ **2023** , which we market to energy marketing companies, refineries, and affiliates. Joint interest receivables arise from billing entities who own partial interest in the wells we operate. These entities participate in our wells primarily based on their ownership in leases on which we wish to drill. We can do very little to choose who participates in our wells. We are also subject to credit risk due to concentration of our **crude** oil, natural gas, and ~~NGLs~~ - **NGL** receivables with significant customers. This concentration of customers may impact our overall credit risk since these entities may be similarly affected by changes in economic, political, and other conditions. We are exposed to credit risk in the event of default of **any of** our ~~counterparty~~ **counterparties** , principally with respect to hedging agreements, but also with respect to insurance contracts and bank lending commitments. We do not require most 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. Deterioration in the credit markets may impact the credit ratings of our current and potential counterparties and affect their ability to fulfill their existing obligations to us and their willingness to enter into future transactions with us. Current or proposed financial legislation and rulemaking could have an adverse effect on our ability to use derivative instruments to reduce the effect of commodity price, interest rate, and other risks associated with our business. The Dodd- Frank Act establishes, among other provisions, federal oversight and regulation of the over- the- counter derivatives market and entities that participate in that market. The Dodd- Frank Act also establishes margin requirements and certain transaction clearing and trade execution requirements. The Dodd- Frank Act may require us to comply with margin requirements in our derivative activities, although the application of those provisions to us is uncertain at this time. The financial reform legislation may also require the counterparties to our derivative instruments to spin off some of their derivatives activities to separate entities, which may not be as creditworthy as the current counterparties. The Dodd- Frank Act and any new regulations could significantly increase the cost of derivative contracts (including through requirements to post collateral, which could adversely affect our available liquidity), 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 be more volatile and our cash flows may be less predictable, which could adversely affect our ability to plan for and fund capital expenditures. Like many oil and gas companies, we are involved in various legal and other cases, such as title, royalty, or contractual disputes, regulatory compliance matters, and personal injury or property damage matters, in the ordinary course of our business. Such legal cases are inherently uncertain, and their results cannot be predicted. Regardless of the outcome, such cases could have an adverse impact on us because of legal costs, diversion of management and other personnel, and other factors. In addition, it is possible that a resolution of one or more such cases could result in liability, penalties, or sanctions, as well as judgments, consent decrees, or orders requiring a change in our business practices, which could materially and adversely affect our business, operating results, and financial condition. Accruals for such liability, penalties, or sanctions may be insufficient. Judgments and estimates to determine accruals or range of losses related to legal and other cases could change from one period to the next, and such changes could be material. The federal, state, and local governments in the areas in which we operate (i) impose taxes on the **crude** oil and natural gas products we sell, and (ii) for many of our wells, impose sales and use taxes on significant portions of our drilling and operating costs. Many states have raised state taxes on energy sources or state taxes associated with the extraction of hydrocarbons, and additional increases, unexpectedly may occur. In addition, there has been a significant amount of discussion by legislators and presidential administrations concerning a variety of energy tax proposals. There have been proposals for legislative changes that, if enacted into law, would eliminate certain key U. S. federal income tax incentives currently available to **crude** oil and natural gas exploration and production companies. Such changes include, but are not limited to, (i) the repeal of the percentage depletion allowance for oil and gas properties; (ii) the elimination of current deductions for intangible drilling and development costs; (iii) the elimination of the deduction for certain U. S. production activities; and (iv) an extension of the amortization period for certain geological and geophysical expenditures. It is unclear whether these or similar changes will be enacted and, if enacted,

how soon any such changes could become effective. Any such changes in U. S. federal income tax law could eliminate or defer certain tax deductions within the industry that are currently available with respect to oil and gas exploration and development, and any such change could negatively affect our financial condition, results of operations, and cash flow. In ~~Colorado~~ **the states we operate in** , there may be proposals for legislative changes that, if enacted into law, could substantially increase our severance tax and ad valorem tax effective rates. Such changes may include, but are not limited to, (i) the reduction or elimination of the credit against severance tax based on the property tax we pay; (ii) the reduction or elimination of certain exemptions impacting severance tax liability; and (iii) increased severance tax rates. Any such changes to ~~Colorado' s~~ ad valorem and severance tax laws **in the states we operate in** could negatively affect our financial condition, results of operations, and cash flow. On August 16, 2022, legislation commonly known as the Inflation Reduction Act was signed into law. Among other things, the Inflation Reduction Act includes a 1 % excise tax on corporate stock repurchases, applicable to repurchases after December 31, 2022, and also a new minimum tax based on book income. We are in the process of evaluating the potential impacts of the Inflation Reduction Act to us. While we do not currently expect the Inflation Reduction Act to have a material impact on our effective tax rate, our analysis of the effect of the Inflation Reduction Act on us is ongoing and incomplete, and it is possible that the Inflation Reduction Act (or implementing regulations and other guidance, which have not yet been issued) could adversely impact our current and deferred federal tax liability. Changes to federal tax deductions, as well as any changes to or the imposition of new state or local taxes (including production, severance, or similar taxes) could negatively affect our financial condition, results of operations, and cash flow. We are subject to taxes by U. S. federal, state, and local tax authorities. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including changes in the valuation of our deferred tax assets and liabilities, expected timing and amount of the release of any tax valuation allowances, or changes in tax laws, regulations, or interpretations thereof. In addition, we may be subject to audits of our income, sales, and other transaction taxes by U. S. federal, state, and local taxing authorities. Outcomes from these audits could have an adverse effect on our financial condition ~~,~~ and results of operations. **Certain past transactions** ~~The HighPoint, Extraction, and Crestone Peak Mergers~~ triggered a limitation on the utilization of our historic U. S. NOLs **and the** ~~, HighPoint' s~~ NOLs **acquired in such transactions** ~~, Extraction' s NOLs, and Crestone Peak' s NOLs~~ . Our ability to utilize NOLs (including NOLs **acquired in certain prior transactions** ~~of HighPoint, Extraction, and Crestone Peak~~) to reduce future taxable income following **such transactions** ~~the HighPoint, Extraction, and Crestone Peak Mergers~~ depends on many factors, including our future income, which cannot be assured. Section 382 of the **Internal Revenue** Code generally imposes an annual limitation upon the occurrence of an " ownership change " resulting from issuances of a company' s stock or the sale or exchange of such company' s stock by certain stockholders if, as a result, there is an aggregate change of more than 50 % in the beneficial ownership of such company' s stock by such stockholders within a rolling three- year period. The limitation with respect to such loss carryforwards generally would be equal to (i) the fair market value of the company' s equity immediately prior to the ownership change multiplied by (ii) a percentage approximately equivalent to the yield on long- term tax- exempt bonds during the month in which the ownership change occurs. **We** ~~Based on the information currently available, we~~ believe that **ownership changes occurred as a result of** the **aforementioned** transactions ~~in connection with the HighPoint, Extraction, and Crestone Peak Mergers, will result in an ownership change~~ with respect to us ~~, HighPoint, Extraction,~~ and ~~Crestone Peak~~ **the entities involved in such transactions** , which ~~would trigger~~ **triggered** a limitation (calculated as described above) on our ability to utilize any historic NOLs following **such transactions** ~~the HighPoint, Extraction, and Crestone Peak Mergers~~ . ~~Extraction' s~~ **In addition, the** NOLs **from one of the companies acquired in such transactions** are ~~already~~ **further** limited under Section 382 of the **Internal Revenue** Code as a result of ~~an~~ **a prior** ownership change that occurred **. Inflation has been an ongoing concern** in ~~connection with Extraction' s Chapter 11~~ **the U. S. since 2021. Ongoing inflationary pressures may result in increases to the costs of our oilfield goods, services, and personnel, which would, in turn,** ~~cases~~ - **cause our capital expenditures and operating costs to rise. Sustained levels of high inflation could cause the U. S. Federal Reserve and other central banks to continue to increase interest rates, which could have the effects of raising the cost of capital and depressing economic growth, either of which, or the combination thereof, could hurt the financial and operating results of our business** . We are subject to cyber security risks. A cyber incident could occur and result in information theft, data corruption, operational disruption, or financial loss. The oil and gas industry is highly dependent on digital technologies to conduct certain exploration, development, production, processing, and distribution activities. For example, we depend on digital technologies to interpret seismic data, manage drilling rigs, production equipment, and gathering and transportation systems, conduct reservoir modeling and reserves estimation, and process and record financial and operating data. Pipelines, refineries, power stations, and distribution points for both fuels and electricity are increasingly more interconnected by computer systems. We also depend on digital technology, including information systems and related infrastructure, as well as cloud applications and services, to process and record financial and operating data, communicate with our employees and business parties, analyze seismic and drilling information, estimate quantities of oil and gas reserves, as well as other activities related to our business. We also collect and store sensitive data in the ordinary course of our business, including personally identifiable information of our employees as well as our proprietary business information and that of our customers, suppliers, investors, and other stakeholders. Our business partners, including vendors, service providers, purchasers of our production, and financial institutions, are also dependent on digital technology. The secure processing, maintenance, and transmission of information is critical to our operations, and we monitor our key information technology systems in an effort to detect and prevent cyber-attacks, security breaches, or unauthorized access. At the same time, cyber incidents, including deliberate attacks or unintentional events, have continued to increase in frequency and are becoming increasingly sophisticated. Despite our security measures, our technologies, systems, networks, and those of our vendors, suppliers, and other business partners may become the target of cyber- attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information, or other disruption of our business operations. In addition,

weaknesses in the cyber security of our vendors, suppliers, and other business partners could facilitate an attack on our technologies, systems, and networks. In addition, certain cyber incidents, such as surveillance, may remain undetected for an extended period. Given the politically sensitive nature of hydraulic fracturing and the controversy generated by its opponents, our technologies, systems, and networks may be of particular interest to certain ideological groups, which may seek to launch cyber- attacks as a method of advancing their agenda. Our systems and insurance coverage for protecting against cyber security risks may not be sufficient. As cyber- attacks continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerabilities to cyber- attacks. In particular, our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our personnel, information, facilities, and infrastructure may result in increased capital and operating costs. A cyber- attack or security breach could result in liability under data privacy laws, regulatory penalties, damage to our reputation, or loss of confidence in us, or additional costs for remediation and modification or enhancement of our information systems to prevent future occurrences, all of which could have a material and adverse effect on our business, financial condition, or results of operations. To date we have not experienced any material losses relating to cyber- attacks; however, there can be no assurance that we will not suffer such losses in the future. 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. Risks Related to our Common Stock The trading price of shares of our common stock has fluctuated widely and in the future may be subject to similar fluctuations. As an example, during the ~~2022~~ **2023** calendar year, the **closing** sales price of our common stock ranged from a low of $ ~~44~~ **54** . ~~17~~ **58** per share to a high of $ ~~84~~ **85** . ~~76~~ **24** per share. The trading price of our common stock may be affected by a number of factors, including the volatility of **crude** oil, natural gas, and NGL prices, our operating results, changes in our earnings estimates, additions or departures of key personnel, our financial condition and liquidity, drilling activities, legislative and regulatory changes, general conditions in the **crude** oil and natural gas exploration and development industry, general economic conditions, and general conditions in the securities markets. In particular, a significant or extended decline in **crude** oil, natural gas, and NGL prices could have a material adverse effect ~~our~~ **on the** sales price of our common stock. Other risks described in this annual report could also materially and adversely affect our share price. Although our common stock is listed on the New York Stock Exchange, we cannot assure you that an active public market will continue for our common stock or that we will be able to continue to meet the listing requirements of the NYSE. If an active public market for our common stock does not continue, the trading price and liquidity of our common stock will be materially and adversely affected. 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. Our ability to pay dividends to our stockholders is restricted by applicable laws and regulations and requirements under certain of our debt agreements, including the Credit Facility and the ~~indenture~~ **indentures** governing our senior notes. Holders of our common stock are only entitled to receive such cash dividends as our Board, in its sole discretion, may declare out of funds legally available for such payments. In May 2021, we announced the initiation of a quarterly base cash dividend and, in March 2022, the Board approved the initiation of a quarterly variable cash dividend, assuming pro forma compliance with certain leverage targets. The decision to pay any future dividends is solely within the discretion of, and subject to approval by, our Board. Our Board' s determination with respect to any such dividends, including the record date, the payment date and the actual amount of the dividend, will depend upon, among other things, our profitability and financial condition, contractual restrictions, restrictions imposed by applicable law, and other factors that our Board deems relevant at the time of such determination. We cannot assure you, however, that we will pay dividends in the future in the current amounts or at all. Our Board may change the timing and amount of any future dividend payments or eliminate the payment of future dividends to our common stockholders at its discretion, without notice to our stockholders. Our ability to declare and pay dividends to our stockholders is subject to certain laws, regulations, and policies, including minimum capital requirements and, as a Delaware corporation, we are subject to certain restrictions on dividends under the Delaware General Corporation Law (the " DGCL "). Under the DGCL, our Board may not authorize payment of a dividend unless it is either paid out of our surplus, as calculated in accordance with the DGCL, or if we do not have a surplus, it is paid out of our net profits for the fiscal year in which the dividend is declared and / or the preceding fiscal year. In addition, our ability to pay cash dividends to our stockholders may be limited by covenants in any debt agreements that we are currently a party to, including the Credit Facility and the ~~indenture~~ **indentures** governing our senior notes, or may enter into in the future. As a consequence of these various limitations and restrictions, we may not be able to make, or may have to reduce or eliminate at any time, the payment of dividends on our common stock. If as a result, we are unable to pay dividends, investors may be forced to rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment. Any change in the level of our dividends or the suspension of the payment thereof could have a material adverse effect on the market price of our common stock. Our certificate of incorporation authorizes our Board ~~of Directors~~ to issue preferred stock without stockholder approval. If our Board elects to issue preferred stock, it could be more difficult for a third party to acquire us. In addition, some provisions of our certificate of incorporation and 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 to be acted upon at meetings of stockholders; and • limitations on the ability of our stockholders to call special meetings or act by written consent. 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~~ **such stockholder** became an interested stockholder, unless various conditions are met, such as approval of the transaction by our Board. The ~~Kimmeridge Fund and CPPIB Crestone Peak Resources Canada Inc., a Canadian corporation (the~~

~~“~~ Crestone Peak Stockholder **is a** ~~”) became~~ significant ~~holders~~ - **holder** of our ~~Common~~ **common** ~~Stock~~ **stock** ~~following completion of the Extraction Merger~~ and **may have some ability to influence our** ~~the Crestone Peak Merger. Upon completion of the Extraction Merger and the Crestone Peak Merger, a private investment fund managed by Kimmeridge Energy Management~~ **management** ~~Company, LLC, which owns shares through a subsidiary, Kimmeridge Chelsea, LLC, (the “ Kimmeridge Fund ”) owns approximately 14 % of our Common Stock, representing approximately 14 % of our combined voting power,~~ and **affairs. As of the date hereof,** the Crestone Peak Stockholder owns approximately ~~25~~ **18** % of our **outstanding** ~~Common~~ **common** ~~Stock~~ **stock** , representing approximately ~~25~~ **18** % of our combined voting power. ~~Subsequent to year- end, the Company entered into a privately- negotiated share purchase agreement with the Crestone Peak Stockholder for the purchase of approximately 4. 9 million shares of the Company’ s common stock. Following the share purchase, the Crestone Peak Stockholder remained the Company’ s largest shareholder. In addition, upon completion of the Extraction Merger, Mr. Benjamin Dell, independent chairman of the Extraction board and a Manager of the Kimmeridge Fund, became chairman of the Board of Directors of the Company; and he served as the Interim Chief Executive Officer from January 31, 2022 until May 2, 2022.~~ As a result, we believe that ~~the Kimmeridge Fund and~~ the Crestone Peak Stockholder may or will have some ability to influence our management and affairs. Further, the existence of a new significant stockholder may have the effect of deterring hostile takeovers, delaying or preventing changes in control or changes in management, or limiting the ability of our other stockholders to approve transactions that they may view as being in their best interests or in our best interests. In the event that the ~~Kimmeridge Fund or the~~ Crestone Peak Stockholder ~~continue~~ **continues** to be the owner of a significant amount of our ~~Common~~ **common** ~~Stock~~ **stock** , the prospect that ~~they~~ **it** may be able to influence matters requiring stockholder approval may continue. In any of these matters, the interests of the ~~Kimmeridge Fund or the~~ Crestone Peak Stockholder and of our other stockholders may differ or conflict. Moreover, in the event that the ~~Kimmeridge Fund or the~~ Crestone Peak Stockholder ~~continue~~ **continues** to be the owner of a significant concentration of our ~~Common~~ **common** ~~Stock~~ **stock** , such an ownership stake may also adversely affect the trading price of our ~~Common~~ **common** ~~Stock~~ **stock** to the extent investors perceive a disadvantage in owning stock of a company with a significant stockholder. Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum shall be the Court of Chancery of the State of Delaware for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee, or agent of ours to us or to our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws (or any action to interpret, apply, or enforce any provision thereof), or (iv) any action asserting a claim against us governed by the internal affairs doctrine, in each such case subject to said court of chancery having personal jurisdiction over the indispensable parties named as defendants therein. Our exclusive forum provision is not intended to apply to claims arising under the Securities Act or the Exchange Act. To the extent the provision could be construed to apply to such claims, there is uncertainty as to whether a court would enforce the forum selection provision with respect to such claims, and in any event, our stockholders would not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have received notice of and consented to the foregoing forum selection provision. This provision may limit our stockholders’ ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits. Alternatively, if a court were to find this choice of forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition, prospects, or results of operations.