Risk Factors Comparison 2023-02-23 to 2022-02-25 Form: 10-K

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The risks described below fall into five broad categories related to (1) oil price volatility and demand, (2) future executive, legislative or regulatory actions, (3) financial risks, (4) **significant CCUS activities, (5)** cybersecurity risks, and (~~5~~ **6**) those related to our operations and industry. These are not the only risks we face but are considered to be the most material. There may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that could have material adverse effects on our future results. Past financial performance is not a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods. Risks Relating to Volatility in Oil Pricing and Demand for Oil Oil prices have been very volatile in recent years, which is expected to continue or increase, which may lead to significant periods of reduced cash flows and negatively affect our financial condition and results of operations. Oil prices are **currently** the most important determinant of our operational and financial success. Oil prices are highly impacted by worldwide oil supply, demand and prices and have historically been subject to significant price changes over short periods of time. Over the last several years, NYMEX oil prices have been extremely volatile, reaching a three- year peak over $ ~~84~~ **123** per Bbl in ~~October~~ **March** ~~2021~~ **2022** compared to lows averaging $ 17 per Bbl in April 2020. The year- to- year volatility has been due to the reduction in worldwide economic activity and oil demand amid the COVID- 19 pandemic **in 2020 and 2021** , ~~plus~~ **and in 2022 energy prices increased due to the Russian attacks on Ukraine,** OPEC supply pressures **and increasing** ~~. More recently,~~ oil **demand. During 2022,** prices **ranged from a high** ~~plunged in late November 2021 upon identification~~ of ~~the new Omicron variant of COVID- 19, with NYMEX oil prices ranging between~~ $ ~~65~~ **123** . ~~57~~ **70 in March** and **a low of** $ ~~95~~ **71** . **02 in** ~~46 per barrel between~~ December ~~1, 2021 and February 23, 2022~~ . Oil price volatility will remain. Although global petroleum demand is currently rising faster than petroleum supply, driving higher prices **during** ~~towards the end of 2021~~ **2022** , factors beyond our control could cause prices to move downward on a rapid or repeated basis, making planning and budgeting, acquisition transactions, capital raising, and sustaining business strategies more difficult ~~. For example, Iran is currently reported to have sizeable oil reserves in storage; if talks underway regarding Iran' s nuclear program lead to reduction or removal of current oil sanctions on Iran, Iran' s stored oil reserves could be released onto the market, depressing oil prices~~ . Our cash flow from operations is highly dependent on the prices that we receive for oil, as oil comprised approximately 97 % of our ~~2021~~ **2022** average daily sales volumes and approximately ~~99~~ **98** % of our proved reserves at December 31, ~~2021~~ **2022** . The prices for oil and natural gas are subject to a variety of factors that are beyond our control. These factors include: • the level of worldwide demand for oil and natural gas; • worldwide economic conditions; • the degree to which members of OPEC maintain oil price and production controls; • the degree to which domestic oil and natural gas production affects worldwide supply of crude oil or its price ~~, which has been negatively affected by the economic impact of the worsening COVID- 19 pandemic~~ ; ~~• the scope, duration, and severity of the COVID- 19 pandemic and any related variants; and~~ • worldwide political events, conditions and policies, including actions taken by foreign oil and natural gas producing nations. Negative movements in oil prices could harm us in a number of ways, including: • lower cash flows from operations may require reduced levels of capital expenditures; which in turn could lower our present and future production levels and lower the quantities and value of our oil and gas reserves, which constitute our major asset; • we could be forced to increase our level of indebtedness, issue additional equity, or sell assets; and / or • we could be required to impair various assets, including a write- down of our oil and natural gas assets or the value of other tangible or intangible assets. Furthermore, some or all of our tertiary projects could become or remain uneconomical. We may also decide to suspend future expansion projects, and if prices were to drop below our operating cash break- even points for an extended period of time, we may decide to shut- in existing production, both of which could have a material adverse effect on our operations and financial condition and reduce our production. ~~Denbury Inc.~~ The ~~continued~~ COVID- 19 pandemic ~~is~~ **has disrupted and will** likely **continue** to ~~significantly~~ affect worldwide economic activity, which ~~in turn~~ could negatively affect demand for oil. The **continuing effect** ~~spread and emergence of new variants~~ of the COVID- 19 virus **has resulted** ~~continues to evolve, both~~ in ~~the United States~~ **a global slowdown in economic activity, disrupting supply chains,** and ~~abroad. The ultimate~~ **reducing global workforces, increasing market volatility and directly** ~~impact~~ **impacting** ~~on~~ **domestic and global oil demand, and consequently,** our operational and financial performance ~~will depend on~~ **. It is impossible to predict the ultimate degree to which** future **Denbury Inc. variants** ~~developments, including (1) the effectiveness of administration of available vaccines and other therapeutics related to the treatment~~ of COVID- 19 and ~~its variants domestically and around the~~ **their spread could lead** ~~world, (2) the continued efforts~~ to **continuing significant** ~~contain the virus or mitigate its impact,~~ and ~~(3) related restrictions~~ **material disruptions in economic activity, and oil prices, and could have a material adverse effect** on **our results** ~~business activity and travel, all~~ of **operations** ~~which have had a direct impact on continued lower levels of domestic and global oil demand~~ . Geopolitical tensions ~~from~~ **, principally** the ~~February 2022~~ Russian **invasion of** ~~troop movements surrounding~~ Ukraine **, have caused and** may ~~rise, and create heightened~~ -- **heighten** oil market volatility that could negatively affect ~~both~~ our **results** ~~ability to execute our 2020 business plan and our financial condition. Movement~~ of **operations. The war** ~~Russian military units into provinces~~ in ~~Eastern~~ Ukraine, and trade and monetary sanctions in response to ~~future developments~~ **the Russian invasion** , could **continue to** significantly affect worldwide oil prices and demand **, feed inflation,** and cause turmoil in the global financial system **and oil markets, which are the primary determinants of our results of operations** . This could **lead to continuing significant and** ~~materially~~ -- **material disruptions** ~~affect our business and financial condition, along with our operating and development costs, making it difficult to execute our 2022 business plan~~ in **economic activity, and oil prices, and could have** a **material adverse** ~~very volatile market. These Eastern European tensions~~

~~could also increase China / Taiwan political tensions and U. S. / China trade and other relations, with a further~~ effect on ~~world oil markets and the prices we receive for~~ our ~~oil production~~ **results of operations** . Risks Relating to Any Future Executive, Legislative or Regulatory Actions Any future climate change initiatives by the Biden Administration, by Congress or by state regulatory or legislative bodies could negatively affect our business and operations ~~, especially in the Rocky Mountain region~~ . In early 2021, the Biden Administration recommitted the United States to the Paris Climate Agreement and targeted a reduction of 50- 52 % **GHG** ~~greenhouse gas~~ emissions by the year 2030. In order to achieve such goal, in 2021, the Biden Administration introduced initiatives, which include policies to address climate change, energy efficiency, and clean energy. If the Biden Administration and Congress adopt stricter standards for, and increase oversight and regulation over, the exploration and production industry at the federal level, these measures could lead to increased costs or additional operating restrictions. Also, there is the potential for climate change legislation which could affect demand for oil on a long- term basis. Our operations on federal, state or Indian oil and natural gas leases in the Rocky Mountain region, conducted pursuant to permits and authorizations issued by the Bureau of Land Management, the Bureau of ~~Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, the Bureau of~~ Indian Affairs, and other federal and state stakeholder agencies, may be impacted by the risks outlined above (See Federal and State Regulations – Federal **, State or Indian** Leases). A number of governmental bodies have introduced or are contemplating regulatory changes in response to various proposals to combat climate change and how it should be dealt with **, including heightened CO2 pipeline regulation** . Legislation and increased regulation regarding climate change **or CO2 pipeline standards or procedures** could impose significant costs on us and possibly affect our financial condition and operating performance. Environmental laws and regulations applicable to our industry are costly and stringent. Our exploration, production, and marketing operations are subject to complex and stringent federal, state, and local laws and regulations governing, among other things, the discharge of substances into the environment or otherwise relating to the protection of human health and the protection of endangered species. These laws and regulations and related public policy considerations affect the costs, manner, and feasibility of our operations and require us to make significant expenditures in order to comply. Failure to comply with these laws and regulations may result in the assessment of administrative, civil, and criminal penalties, the imposition of investigatory and remedial obligations, and the issuance of injunctions that could limit or prohibit our operations. Some of these laws and regulations may impose joint and several, strict liability for contamination resulting from spills, discharges, and releases of substances, including petroleum hydrocarbons and other wastes, without regard to fault or the legality of the original conduct. Under such laws and regulations, we could be required to remove or remediate previously disposed substances and property contamination, including wastes disposed or released by prior owners or operators. Financial Risks Commodity derivative contracts may expose us to potential financial loss. To reduce our exposure to fluctuations in the prices of oil and natural gas, we enter into commodity derivative contracts in order to economically hedge a portion of our forecasted oil and natural gas production. As of February ~~23~~ **22** , ~~2022~~ **2023** , we have oil derivative contracts in place covering approximately **27** ~~26, 500 Bbls / d for the first half of 2022, 21~~ , 000 Bbls / d for the ~~second~~ **first** half of ~~2022~~ **2023** , ~~10~~ **23** , 000 Bbls / d for the ~~first~~ **second** half of 2023, **2** ~~and 4~~ , 000 Bbls / d for the **first half of 2024, and 1, 000 Bbls / d for the** second half of ~~2023~~ **2024** . Such derivative contracts expose us to risk of financial loss, including when there is a change in the expected differential between the underlying price in the hedging agreement and actual prices received, when the cash benefit from hedges including a sold put is limited to the extent oil prices fall below the price of any sold puts in our derivative portfolio, or when the counterparty to the derivative contract is financially constrained and defaults on its contractual obligations. In addition, these derivative contracts may limit the benefit we would otherwise receive from increases in the prices for oil and natural gas. ~~Risks of future participation in significant CCUS activities. Denbury' s successful future participation in the developing CCUS industry utilizing our technical expertise in injection of CO2 and our significant CO2 pipeline system is dependent upon a number of factors, including: (i) the speed with which current and potential third party emitters are able to finance and build (often over a multi- year period) the equipment to capture CO2 emissions from various industrial processes; (ii) continued support of CO2 capture and sequestration by the federal and state governments; and (iii) the pace at which we can bring together captured CO2 emissions, and pipelines to transport those emissions to appropriately tested and prepared sequestration sites. These activities will require significant capital investment by emitting entities or other third parties, and require us to generate or raise capital to build interconnecting CO2 pipelines and fund the testing, drilling and installation of facilities at various sequestration sites. These activities subject us to the financial risks of rising costs of equipment and capital, possible delays in acquiring them, along with the financial impact of our expending capital on these activities well before realizing CCUS cash flows, any of which could negatively impact our financial condition and operational results in future periods.~~ Continuing or worsening inflationary or supply chain issues could lower our margins and operational efficiency. **We anticipate** ~~Although our 2021 results reflected oilfield cost inflation~~ **inflationary pressures to continue into** ~~only toward the end of the year, our 2022~~ **2023 and have included these adjustments in our 2023** budget ~~anticipates cost increases in specific fields and for specific equipment, supplies, and third- party labor costs~~ . Expectations of lingering or increasing inflationary pressures in our industry are becoming widespread (including anticipated double digit percentage price increases in certain expense categories). In addition to price increases by third- party service companies, it may become more costly for us to recruit and retain key employees, particularly specialized / technical personnel, in the face of increased competition for specialized and experienced oilfield workers. ~~Most of the cost inflation pressures we experienced during late 2021 were tied to rising fuel and power costs in our operations but were not material to our 2021 financial results. We have increased our 2022 operational budget for anticipated inflation and have taken steps to build our on- hand supply stock for items frequently used in our operations to address possible supply chain disruptions. Supply chain issues could cause operational delays in availability of goods and materials necessary to drill new wells or perform workovers or repairs on existing wells or infrastructure.~~ Government and societal reaction to climate change could **impact** ~~drive down~~ our stock price and increase our costs, while pressure to meet ~~environment, social and governance ("~~ ESG ~~")~~ standards may impact our business. Increasing attention to climate change and public and investor

demands that companies address climate change **and ESG standards** may increase our costs, reduce demand for oil or negatively impact our stock price and access to capital markets. Furthermore, organizations that advise many institutional investors on corporate governance and investment and voting decisions have developed ratings processes for evaluating companies related to ESG matters. Negative ratings by these organizations, together with ESG advocates' pressure for investors to divest fossil fuel equities and for lenders to limit funding to oil and gas producers, may lead to negative investor sentiment toward the oil and gas industry, including the Company, which could have a negative impact on our stock price **. Denbury' s movement into CCUS along with a focus upon climate change risk management** and ~~cause us reputational harm~~ **strategy, sustainability targets, and operating efficiencies, may mitigate some of these risks** . Tax proposals under discussion within the Biden Administration, if enacted, could change or remove long- time tax benefits available to the oil and gas industry for drilling and production activities. As part of its **fiscal year** ~~2021~~ **2023** budgetary planning, the Biden Administration discussed a number of changes to certain provisions of federal tax law applicable to the exploration and production industry, including imposing a tax on carbon emissions, as well as eliminating long- standing deductions that benefit the fossil fuel industry. Among the specific provisions focused upon were Internal Revenue Code (" IRC ") Section 263, which allows expensing of exploration, development and intangible drilling costs, and IRC Section 613, which allows use of percentage depletion instead of cost depletion to recover drilling and development costs of oil and gas wells. Any such changes would require the U. S. Congress to pass new legislation and are likely to be part of a broader set of tax revisions. Open- market sales of a substantial number of shares of our common stock acquired upon exercise by holders of our outstanding warrants, could cause the market price of our common stock to drop significantly, even if our business is doing well. In connection with our plan of reorganization, we issued series A and series B warrants to holders of our pre- emergence debt and equity, entitling the warrant holders to exercise the warrants at prices of either $ 32. 59 or $ 35. 41 per share, respectively, of which outstanding warrants may convert into approximately ~~5~~ **3** . 2 million shares (approximately ~~9~~ **7** %) of our common stock outstanding as of December 31, ~~2021~~ **2022 . The A warrants are exercisable until September 18, 2025, and the series B warrants are exercisable until September 18, 2023, at which respective dates the warrants expire** . The future exercise of a large number of warrants, followed by the subsequent sale of the acquired stock into the market, could negatively affect our common stock price. We cannot predict the likelihood of exercise of the warrants or sales of shares of our common stock acquired upon exercise, or the effect of any such sales on the prevailing market price of our common stock **. Further, the future exercise of a large number of warrants will dilute our basic earnings per share. Risks of Engaging in Significant CCUS Activities The CCUS industry, in its infancy, is subject to multiple risks which vary from the risks we face as a mature oil and gas producer. The CCUS industry is a relatively new and emerging one. Our ability to successfully be a leader in this industry, especially in the Gulf Coast, is subject to a multitude of risks, many of which are not in our control. Such risks include the uncertainty of evolving regulations of governmental authorities, the availability of necessary equipment for facility construction by our current and future third- party emitters and their related costs, and the attainability of requisite financing and federal and state incentive programs, all of which are required to build and bring industrial facilities to an operational status. Additionally, CCUS requires (1) captured CO_2 emissions, (2) available CO_2 pipelines, and (3) appropriately tested and prepared storage sites, which may be subject to misaligned timing. As numerous global companies have entered into, or announced plans to enter into the Gulf Coast CCUS market, we expect rigorous competition in building our CCUS operations. Our contemplated CCUS operations are anticipated to be cash flow negative for the next several years as we build out CCUS infrastructure, consuming a major share of the excess cash flow from our other operations. We are not expecting to generate revenues from our CCUS activities until 2025. In the interim, we will be incurring costs for the development of dedicated CO_2 storage sites which could include front- end engineering design work, feasibility studies and payments to pore space owners, as well as negotiating contracts with present or anticipated emitters of CO_2, and others. Based upon current oil futures prices, we currently expect that our cashflow from operations will fund most of the Company' s capital needs, however we may consider alternative financing options as a supplemental source of capital. Although we believe that CCUS activities should be profitable for the Company over time, there are numerous risks and uncertainties that make its timing and quantification difficult to accurately predict. The financial impact of our expending capital on these activities before realizing CCUS cash flows could negatively impact our financial condition and operational results in future periods. The CCUS industry is likely to be subject to rigorous regulatory oversight, as exemplified by PHMSA' s 2022 announcement of its intention to initiate new CO_2 pipeline standards and emergency preparedness and response rules. Federal, state, and local authorities are likely to mandate rules regarding every aspect of the CCUS industry value chain. The storage of CO_2 is expected to be regulated in a manner similar to the oil and gas industry, with permitting, bonding, reporting, and other requirements, such as the current permitting requirements by the EPA of Class VI wells to inject CO_2 for permanent storage. There is no assurance that we will be successful in obtaining permits, whether or not in a timely manner, nor have rules regarding bonding requirements been fully developed** . Risks Relating to a Cybersecurity Breach A cyber breach could occur and result in information theft, data corruption, operational disruption, and / or financial loss. Our business has become increasingly dependent on digital technologies to conduct day- to- day operations, including certain of our exploration, development and production activities. We depend on digital technology, among other things, to process and record financial and operating data; analyze seismic and drilling information; monitor and control pipeline and plant equipment; and process and store personally identifiable information of our employees, industry partners and royalty owners. Cyberattacks on businesses have escalated in recent years. Our technologies, systems and networks, or those of software providers that we use, may become the target of cyberattacks or information security breaches that could compromise our process control networks or other critical systems and infrastructure, resulting in disruptions to our business operations, harm to the environment or our assets, disruptions in access to our financial reporting systems, or loss, misuse or corruption of our critical data and proprietary information,

including our business information and that of our employees, partners and other third parties. Successful attacks which disable third- party pipelines or processing facilities upon which we depend could materially adversely affect our operations. Any of the foregoing may be exacerbated by a delay or failure to detect a cyber incident. Although we have not incurred any material losses from cyberattacks, future cyberattacks could result in significant financial losses, legal or regulatory violations, reputational harm, and legal liability. Although we utilize various procedures and controls to monitor and protect against these threats and to mitigate our exposure to such threats, there can be no assurance that these procedures and controls will be sufficient in preventing successful attacks from the increasing number of sophisticated intrusions based on technological advances. In addition, in connection with COVID- 19 precautions, many of our employees and those of our service providers, vendors and industry partners ~~have been working, and some may~~ continue to work ~~,~~ **remotely** from home or other remote- work locations, where cybersecurity protections may be less robust and cybersecurity procedures and safeguards may be less effective. We may be required to expend significant additional resources to continue to modify or enhance our procedures and controls or to upgrade our digital and operational systems, related infrastructure, technologies and network security, which could increase our costs. The Audit Committee' s duties and responsibilities include reviewing and discussing the Company' s guidelines and policies with respect to risk assessment and risk management, as well as the Company' s major financial and cybersecurity risk exposures and the steps that management has taken to monitor and control such exposures. Risks Relating to Our Operations and Industry Our future performance depends upon our ability to effectively develop our existing oil and natural gas reserves and find or acquire additional oil and natural gas reserves that are economically recoverable. Unless we can successfully develop our existing reserves and / or replace the reserves that we produce, our reserves will decline, resulting eventually in a decrease in oil and natural gas production and lower revenues and cash flows from operations. We have historically replaced reserves through both acquisitions and internal organic growth activities. For internal organic growth activities, the magnitude of proved reserves that we can book in any given year depends on our progress with new floods and the timing of the production response, especially our development of fields in the CCA area in the Rocky Mountains. In the future, we may not be able to continue to replace reserves at acceptable costs. The business of exploring for, developing or acquiring reserves is capital intensive. We may not be able to make the necessary capital investment to maintain or expand our oil and natural gas reserves if our cash flows from operations are reduced, whether due to current oil or natural gas prices or otherwise, or if external sources of capital become limited or unavailable. Further, the process of using CO2 for tertiary recovery, and the related infrastructure, requires significant capital investment prior to any resulting and associated production and cash flows from these projects, heightening potential capital constraints. If our capital expenditures are restricted, or if outside capital resources become limited, we will not be able to maintain our current production levels. ~~Our production will decline if our access to sufficient amounts of carbon dioxide is limited. Our CO2 tertiary recovery operations are a critical component of our long- term strategy. The crude oil production from our tertiary recovery projects depends, in large part, on having access to sufficient amounts of naturally occurring and industrial- sourced CO2. Our ability to produce oil from these projects would be hindered if our supply of CO2 was limited due to, among other things, problems with our current CO2 producing wells and facilities, including compression equipment, catastrophic pipeline failure or our ability to economically purchase CO2 from industrial sources. This could have a material adverse effect on our financial condition, results of operations and cash flows. Our anticipated future crude oil production from tertiary operations is also dependent on the timing, volumes and location of CO2 injections and, in particular, on our ability to increase our combined purchased and produced volumes of CO2 and inject adequate amounts of CO2 into the proper formation and area within each of our tertiary oil fields. The development of our naturally occurring CO2 sources involves the drilling of wells to increase and extend the CO2 reserves available for use in our tertiary fields. These drilling activities are subject to many of the same drilling and geological risks of drilling and producing oil and gas wells (see Oil and natural gas development and producing operations involve various risks below). Furthermore, market conditions and government and / or public pressure may limit the amount of industrial- sourced CO2 available for our use in our tertiary operations. In addition, U. S. government policy and public pressure on industrial CO2 emitters could provide stronger incentives for these entities to capture their CO2 emissions and permanently sequester the CO2 underground rather than making it available for use in our EOR operations.~~ Certain of our operations may be limited during certain periods due to severe weather conditions or government regulations. Our operations in the Gulf Coast region may be subjected to adverse weather conditions such as hurricanes, flooding and tropical storms in and around the Gulf of Mexico, as well as freezing temperatures, ice and snow, that can damage oil and natural gas facilities and delivery systems and disrupt operations, which can also increase costs and have a negative effect on our results of operations. Certain of our operations in Montana, Wyoming and North Dakota ~~, including the construction of CO2 pipelines~~ , the drilling of new wells and production from existing wells, are conducted in areas subject to extreme weather conditions including severe cold, snow and rain, which conditions may cause such operations to be hindered or delayed or otherwise require that they be conducted only during non- winter months, and depending on the severity of the weather, could have a negative effect on our results of operations in these areas. Further, the potential impacts of climate change on our operations may include ~~unusually intense rainfall~~ **extreme weather events** and storm patterns, rising sea levels and ~~increased~~ **periods of prolonged** high temperatures, the last of which imposes certain physical constraints on our CO2 injections in our operations in the Gulf Coast. Certain of our operations in the Rocky Mountain region **subject** ~~are confined~~ to **seasonal activity** ~~certain time periods due to environmental regulations~~ , ~~federal~~ restrictions on when drilling can take place on federal lands, and lease stipulations designed to protect certain wildlife, which regulations, restrictions and limitations could slow down our operations, cause delays, increase costs and have a negative effect on our results of operations. Oil and natural gas development and producing operations involve various risks. Our operations are subject to all of the risks normally incident and inherent to the operation and development of oil and natural gas properties and the drilling of oil and natural gas wells, including, without limitation, ~~pipe~~ **equipment** ~~failure~~ **failures** ; fires; formations with abnormal pressures; uncontrollable flows of oil, natural gas, brine or well fluids; release of contaminants into the environment and other environmental hazards and risks;

and well **control events** ~~blowouts, cratering or explosions~~ . In addition, our operations are sometimes near populated commercial or residential areas, which adds additional risks. The nature of these risks is such that some liabilities could exceed our insurance policy limits or otherwise be excluded from, or limited by, our insurance coverage, as in the case of environmental fines and penalties, for example, which are excluded from coverage as they cannot be insured. We could incur significant costs related to these risks that could have a material adverse effect on our results of operations, financial condition and cash flows or could have an adverse effect upon the profitability of our operations. Additionally, a portion of our production activities involves CO2 injections into fields with wells plugged and abandoned by prior operators. It is often difficult (or impracticable) to determine whether a well has been properly plugged prior to commencing injections and pressuring the oil reservoirs. We may incur significant costs in connection with remedial plugging operations to prevent environmental contamination and to otherwise comply with federal, state and local regulations relative to the plugging and abandoning of our oil, natural gas and CO2 wells. In addition to the increased costs, if wells have not been properly plugged, modification to those wells may delay our operations and reduce our production. Development activities are subject to many risks, including the risk that we will not recover all or any portion of our investment in such wells. The cost of drilling, completing and operating a well is often uncertain, and cost factors can adversely affect the economics of a project. Further, our drilling operations may be curtailed, delayed or canceled as a result of numerous factors, including: • unexpected drilling conditions; • pressure or irregularities in formations; • equipment failures or accidents; • adverse weather conditions, including hurricanes and tropical storms in and around the Gulf of Mexico, as well as freezing temperatures, ice and snow, that can damage oil and natural gas facilities and delivery systems and disrupt operations, and winter conditions and forest fires in the Rocky Mountain region that can delay or impede operations; • compliance with environmental and other governmental requirements; • the cost of, or shortages or delays in the availability of, drilling rigs, equipment, pipelines and services; and • title problems. Our planned tertiary and CCUS operations and the related construction of necessary CO2 pipelines could be delayed by difficulties in obtaining pipeline rights- of- way and / or permits and / or by the listing of certain species as threatened or endangered. The production of crude oil from our planned tertiary operations is dependent upon having access to pipelines to transport available CO2 to our oil fields at a cost that is economically viable. Future extensions of our Green Pipeline, construction to connect third- party CO2 emitters to ~~sequestration~~ **storage** sites, and preparation for CCUS activities require us to obtain rights- of- way from private landowners, state and local governments and the federal government in certain areas. Certain states where we operate have considered or may again consider the adoption of laws or regulations that could limit or eliminate the ability of a pipeline owner or of a state, state' s legislature or its administrative agencies to exercise eminent domain over private property, in addition to possible judicially imposed constraints on, and additional requirements for, the exercise of eminent domain. We also often conduct Rocky Mountain operations on federal and other oil and natural gas leases inhabited by species that may be listed as threatened or endangered under the Endangered Species Act, which listing may lead to tighter restrictions as to federal land use and other land use where federal approvals are required. These laws and regulations, together with any other changes in law related to the use of eminent domain or the listing of certain species as threatened or endangered, could inhibit or eliminate our ability to secure rights- of- way or otherwise access land for future pipeline construction projects and may require additional regulatory and environmental compliance, and increased costs in connection therewith, which could delay our CO2 pipeline construction schedule and initiation of our EOR or CCUS operations. Estimating our reserves, production and future net cash flows is difficult to do with any certainty. Estimating quantities of proved oil and natural gas reserves requires interpretations of available technical data and various assumptions, including future production rates, production costs, severance and excise taxes, capital expenditures and workover and remedial costs, and the assumed effect of governmental rules and regulations. There are numerous uncertainties about when a property may have proved reserves as compared to potential or probable reserves, particularly relating to our tertiary recovery operations. Forecasting the amount of oil reserves recoverable from tertiary operations, and the production rates anticipated therefrom, requires estimates, one of the most significant being the oil recovery factor. Actual results most likely will vary from our estimates. Also, the use of a 10 % discount factor for reporting purposes, as prescribed by the SEC, may not necessarily represent the most appropriate discount factor, given actual interest rates and risks to which our business, and the oil and natural gas industry in general, are subject. Any significant inaccuracies in these interpretations or assumptions, or changes of conditions, could result in a revision of the quantities and net present value of our reserves. The reserves data included in documents incorporated by reference represents estimates only. Quantities of proved reserves are estimated based on economic conditions, including first- day- of- the- month average oil and natural gas prices for the 12- month period preceding the date of the assessment. The representative oil and natural gas prices used in estimating our December 31, ~~2021~~ **2022** reserves, after adjustments for market differentials and transportation expenses by field, were $ ~~63~~ **93** . ~~86~~ **02** per Bbl for crude oil and $ ~~3~~ **5** . ~~39~~ **14** per Mcf for natural gas. Our reserves and future cash flows may be subject to revisions based upon changes in economic conditions, including oil and natural gas prices, as well as due to production results, results of future development, operating and development costs, and other factors. Downward revisions of our reserves could have an adverse effect on our financial condition and operating results. Actual future prices and costs may be materially higher or lower than the prices and costs used in our estimates. The marketability of our production is dependent upon transportation lines and other facilities, most of which we do not control. When these facilities are unavailable, our operations can be interrupted and our revenues reduced. The marketability of our oil and natural gas production depends, in part, upon the availability, proximity and capacity of transportation lines owned by third parties. In general, we do not control these transportation facilities, and our access to them may be limited or denied. A significant disruption in the availability of, and access to, these transportation lines or other production facilities could adversely impact our ability to deliver to market or produce our oil and thereby cause a significant interruption in our operations. We may lose key executive officers or specialized technical employees, which could endanger the future success of our operations. Our success depends to a significant degree upon the continued contributions of our executive officers, other key management and specialized technical personnel. Our employees, including our executive officers,

are employed at will and do not have employment agreements. We believe that our future success depends, in large part, upon our ability to hire and retain highly skilled personnel **. Further, with the expansion of the emerging CCUS industry, we have specialized technical employees in high demand for their unique operational experience in EOR activities that would be valuable to our CCUS competitors** . The loss of one or more of our large oil and natural gas purchasers could have an adverse effect on our operations. For the year ended December 31, ~~2021~~ **2022** , ~~four~~ **two** purchasers individually accounted for 10 % or more of our oil and natural gas revenues and, in the aggregate, for ~~62~~ **38** % of such revenues. The loss of a large single purchaser could adversely impact the prices we receive or the transportation costs we incur.