Risk Factors Comparison 2024-02-20 to 2023-02-08 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

You should carefully consider the risks described below, in addition to the other information contained in this document. Realization of any of the following risks could have a material adverse effect on our business, financial condition, cash flows and results of operations. Risks Related to ~~Operating~~ our Business Our businesses are dependent on the supply of and demand for the products we handle. Our pipelines, terminals and other assets and facilities, including the availability of expansion opportunities, depend in part on continued production of natural gas, crude oil and other products in the geographic areas that they serve. Without additions to crude oil and gas reserves, production will decline over time as reserves are depleted, and production costs may rise. Producers in areas served by us may not be successful in exploring for and developing additional reserves or their costs of doing so may become uneconomic. Commodity prices and tax incentives may not remain at levels that encourage producers to explore for and develop additional reserves, produce existing marginal reserves or renew transportation contracts as they expire. Our business also depends in part on the levels of demand for natural gas, crude oil, NGL, refined petroleum products, CO_2, steel, chemicals and other products in the geographic areas to which our pipelines, terminals, shipping vessels and other facilities deliver or provide service, and the ability and willingness of our shippers and other customers to supply such demand. Decreases in the supply of or demand for natural gas, crude oil and other products could adversely impact the utilization of our assets. Economic disruptions, such as those which occurred during the COVID- 19 pandemic, or conditions in the business environment generally, such as declining or sustained low commodity prices, supply disruptions, or higher development or production costs, could result in a slowing of supply to our pipelines, terminals and other assets. Also, sustained lower demand for hydrocarbons, or changes in the regulatory environment or applicable governmental policies, including in relation to climate change or other environmental concerns, may have a negative impact on the supply of crude oil and other products. In recent years, a number of initiatives and regulatory changes relating to reducing GHG emissions have been undertaken by federal, state and municipal governments and crude oil and gas industry participants. In addition, public concern about the potential risks posed by climate change has resulted in increased demand for energy efficiency and a transition to energy provided from renewable energy sources rather than fossil fuels, fuel- efficient alternatives such as hybrid and electric vehicles, and pursuit of other technologies to reduce GHG emissions, such as carbon capture and sequestration. We have seen and may see further intensification of these trends ~~if and to the extent that the Biden presidential administration succeeds in further enacting its energy and environmental policies~~. Each of the foregoing **supply and demand issues** could negatively impact our business directly, as well as our shippers and other customers, which in turn could negatively impact our prospects for new contracts for transportation, terminaling or other midstream services, or renewals of existing contracts or the ability of our customers and shippers to honor their contractual commitments. Furthermore, such unfavorable conditions may compound the adverse effects of larger disruptions **,** such as COVID- 19. See " — Financial distress experienced by our customers or other counterparties could have an adverse impact on us in the event they are unable to pay us for the products or services we provide or otherwise fulfill their obligations to us. " below. We cannot predict the impact of future economic conditions, fuel conservation measures, alternative fuel requirements, governmental regulation **and / or tax incentives** or technological advances in fuel economy and energy generation devices, all of which could reduce the production of and / or demand for the products we handle. We face competition from other pipelines and terminals, as well as other forms of transportation and storage. Competition is a factor affecting our existing businesses and our ability to secure new project opportunities. Any current or future pipeline system or other form of transportation (such as barge, rail or truck) that delivers the products we handle into the areas that our pipelines serve could offer transportation services that are more desirable to shippers than those we provide because of price, location, facilities or other factors. Likewise, competing terminals or other storage options may become more attractive to our customers. To the extent that competitors offer the markets we serve more desirable transportation or storage options, or customers opt to construct their own facilities for services previously provided by us, this could result in unused capacity on our pipelines and in our terminals. We also could experience competition for the supply of the products we handle from both existing and proposed pipeline systems; for example, several pipelines access many of the same areas of supply as our pipeline systems and transport to destinations not served by us. If capacity on our assets remains unused, our ability to re-contract for expiring capacity at favorable rates or otherwise retain existing customers could be impaired. In addition, to the extent that companies pursuing development of carbon capture and sequestration technology are successful, they could compete with us for customers who purchase CO_2 for use in enhanced oil recovery operations. The volatility of crude oil, NGL and natural gas prices could adversely affect our business. The revenues, cash flows, profitability and future growth of some of our businesses (and the carrying values of certain of their respective assets, which include related goodwill) depend to a large degree on prevailing crude oil, NGL and natural gas prices. Prices for crude oil, NGL and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for crude oil, NGL and natural gas, uncertainties within the market and a variety of other factors beyond our control. These factors include, among other things (i) weather conditions and events such as hurricanes in the U. S.; (ii) domestic and global economic conditions; (iii) the activities of the OPEC and other countries that are significant producers of crude oil (OPEC); (iv) governmental regulation; (v) armed conflict or political instability in crude oil and natural gas producing countries; (vi) the foreign supply of and demand for crude oil and natural gas; (vii) the price of foreign imports; (viii) the proximity and availability of storage and transportation infrastructure and processing and treating facilities; and (ix) the availability and prices of alternative fuel sources. We use hedging arrangements to partially mitigate our exposure to commodity prices, but these arrangements also are subject to inherent risks. Please read " — Our use of

hedging arrangements does not eliminate our exposure to commodity price risks and could result in financial losses or volatility in our income. " In addition, wide fluctuations in commodity prices can impact the accuracy of assumptions used in our budgeting process. If commodity prices fall substantially or remain low for a sustained period and we are not sufficiently protected through hedging arrangements, we may be unable to realize a profit from these businesses and would operate at a loss. Sharp declines in the prices of crude oil, NGL or natural gas, or a prolonged unfavorable price environment, may result in a commensurate reduction in our revenues, income and cash flows from our businesses that produce, process, or purchase and sell crude oil, NGL, or natural gas, and could have a material adverse effect on the carrying value (which includes assigned goodwill) of our CO2 business segment' s proved reserves, certain assets in certain midstream businesses within our Natural Gas Pipelines business segment, and certain assets within our Products Pipelines business segment. For example, following the commodity price declines we experienced due to COVID- 19 during the first half of 2020, we recorded a combined $ 1. ~~950~~ **95** billion of non- cash impairments associated with our Natural Gas Pipelines Non- Regulated and CO2 reporting units, primarily for impairments of goodwill and assets owned in these businesses ~~. See Note 4 " Gains and Losses on Divestitures, Impairments and Other Write- downs " and Note 8 " Goodwill " to our consolidated financial statements for more information~~ . For more information about our energy and commodity market risk, see Item 7A. " Quantitative and Qualitative Disclosures About Market Risk. " Commodity transportation and storage activities involve numerous risks that may result in accidents or otherwise adversely affect our operations. There are a variety of hazards and operating risks inherent to the transportation and storage of the products we handle, such as leaks; releases; the breakdown, underperformance or failure of equipment, facilities, information systems or processes; damage to our pipelines caused by third- party construction; the compromise of information and control systems; spills at terminals and hubs; spills associated with loading and unloading harmful substances at rail facilities; adverse sea conditions (including storms and rising sea levels) and releases or spills from our shipping vessels or vessels loaded at our marine terminals; operator error; labor disputes / work stoppages; disputes with interconnected facilities and carriers; operational disruptions or apportionment on third- party systems or refineries on which our assets depend; and catastrophic events or natural disasters such as fires, floods, explosions, earthquakes, acts of terrorists and saboteurs, cyber security breaches, and other similar events, many of which are beyond our control. Additional risks to our vessels include capsizing, grounding and navigation errors. The occurrence of any of these risks could result in serious injury and loss of human life, significant damage to property and natural resources, environmental pollution, significant reputational damage, impairment or suspension of operations, fines or other regulatory penalties, costs associated with **allegations of criminal liability, costs associated with** responding to an investigation or enforcement action brought by a governmental agency, and revocation of regulatory approvals or imposition of new requirements, any of which also could result in substantial financial losses, including lost revenue and cash flow to the extent that an incident causes an interruption of service. For pipeline and storage assets located near populated areas, including residential areas, commercial business centers, industrial sites and other public gathering areas, the level of damage resulting from these risks may be greater. In addition, the consequences of any operational incident (including as a result of adverse sea conditions) at one of our marine terminals may be even more significant as a result of the complexities involved in addressing leaks and releases occurring in the ocean or along coastlines and / or the repair of marine terminals. Our operating results may be adversely affected by unfavorable economic and market conditions. Unfavorable conditions such as a general slowdown of the global or U. S. economy, uncertainty and volatility in the financial markets, or inflation and rising interest rates, could materially adversely affect our operating results. For example, COVID- 19 resulted in a global economic downturn in 2020. The slowdown resulting from the pandemic affected numerous industries, including the crude oil and gas industry, the steel industry and specific segments and markets in which we operate, resulting in reduced demand and increased price competition for our products and services. While global economic activity largely rebounded in 2021, we could experience similar or compounded adverse impacts as a result of other global events affecting economic conditions. Also, economic conditions in the wake of the pandemic have included inflationary pressure, which has resulted in higher operating expenses and project costs for us, as well as higher interest rates. In addition, uncertain or changing economic conditions within one or more geographic regions may affect our operating results within the affected regions. Sustained unfavorable commodity prices, volatility in commodity prices or changes in markets for a given commodity might also have a negative impact on many of our customers, which could impair their ability to meet their obligations to us. See " — Financial distress experienced by our customers or other counterparties could have an adverse impact on us in the event they are unable to pay us for the products or services we provide or otherwise fulfill their obligations to us. " In addition, decreases in the prices of crude oil, NGL and natural gas are likely to have a negative impact on our operating results and cash flow. See " — The volatility of crude oil, NGL and natural gas prices could adversely affect our business. " If economic and market conditions (including volatility in commodity markets) globally, in the U. S. or in other key markets become more volatile or deteriorate, we may experience material impacts on our business, financial condition and results of operations. We are exposed to the risk of loss in the event of nonperformance by our customers or other counterparties, such as hedging counterparties, joint venture partners and suppliers. Many of our counterparties finance their activities through cash flow from operations or debt or equity financing, and some of them may be highly leveraged and ~~may not be able~~ **unable** to access additional capital to sustain their operations in the future. Our counterparties are subject to their own operating, market, financial and regulatory risks, and some have experienced, are experiencing, or may experience in the future, severe financial problems that have had or may have a significant impact on their creditworthiness. Further, the security we are able to obtain from such customers may be limited, including by FERC regulation. While certain of our customers are subsidiaries of an entity that has an investment grade credit rating, in many cases the parent entity has not guaranteed the obligations of the subsidiary and, therefore, the parent' s credit ratings may have no bearing on such customers' ability to pay us for the services we provide or otherwise fulfill their obligations to us. ~~See Note 2 " Summary of Significant Accounting Policies — Allowance for Credit Losses " in our consolidated financial statements.~~ Furthermore, financially distressed customers might be forced to reduce or curtail their future use of our products

and services, which also could have a material adverse effect on our results of operations, financial condition, and cash flows. We cannot provide any assurance that such customers and key counterparties will not become financially distressed or that such financially distressed customers or counterparties will not default on their obligations to us or file for bankruptcy protection. If one or more customers or counterparties files for bankruptcy protection, we likely would be unable to collect all, or even a significant portion of, amounts they owe to us. Similarly, our contracts with such customers may be renegotiated at lower rates or terminated altogether. Significant customer and other counterparty defaults and bankruptcy filings could have a material adverse effect on our business, financial position, results of operations or cash flows. We are subject to reputational risks and risks relating to public opinion. Our business, operations or financial condition generally may be negatively impacted as a result of negative public opinion towards our industry sector, the products we handle, or us specifically. Public opinion may be influenced by negative portrayals of the industry in which we operate as well as opposition to development projects. In addition, ~~market~~ events specific to us could result in the deterioration of our reputation with key stakeholders. **We believe that** ~~Reputational~~ **reputational** risk cannot be managed in isolation from other forms of risk ~~.~~ **and that** ~~Credit~~ **credit** , market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard our reputation. Our reputation and public opinion could also be impacted by the actions and activities of other companies operating in the energy industry, particularly other energy infrastructure providers, over which we have no control. In particular, our reputation could be impacted by negative publicity related to pipeline incidents or unpopular expansion projects and due to opposition to development of hydrocarbons and energy infrastructure, particularly projects involving resources that are considered to increase GHG emissions and contribute to climate change. Negative impacts from a compromised reputation or changes in public opinion (including with respect to the production, transportation and use of hydrocarbons generally) could include increased regulatory oversight **and costs** , difficulty obtaining rights- of- way and delays in obtaining, or challenges to, regulatory approvals with respect to growth projects, blockades, project cancellations, difficulty securing financing, revenue loss, reduction in customer base, and decreased value of our securities and our business. Moreover, governmental agencies have responded to environmental justice concerns by imposing greater scrutiny in **the** ~~permitting~~ ---- **permit** ~~approvals~~ - **approval process** and enforcement actions that could exacerbate ~~such~~ **the** negative **reputational** impacts. We engage in hedging arrangements to reduce our direct exposure to fluctuations in the prices of crude oil, natural gas and NGL, including differentials between regional markets. These hedging arrangements expose us to risk of financial loss in some circumstances, including when production is less than expected, when the counterparty to the hedging contract defaults on its contract obligations, or when there is a change in the expected differential between the underlying price in the hedging agreement and the actual price received. In addition, these hedging arrangements may limit the benefit we would otherwise receive from increases in prices for crude oil, natural gas and NGL. Furthermore, our hedging arrangements cannot hedge against any decrease in the volumes of products we handle. See " — Our businesses are dependent on the supply of and demand for the products we handle. " The markets for instruments we use to hedge our commodity price exposure generally reflect then- prevailing conditions in the underlying commodity markets. As our existing hedges expire, we will seek to replace them. To the extent then- existing underlying market conditions are unfavorable, new hedging arrangements available to us will reflect such unfavorable conditions, limiting our ability to hedge our exposure to ~~unfavorable~~ commodity prices **on terms that are economically favorable to us** . When we engage in hedging transactions (for example, to mitigate our exposure to fluctuations in commodity prices or currency exchange rates or to balance our exposure to fixed and variable interest rates) that **we believe** are effective economically, these transactions may not be considered effective for accounting purposes. Accordingly, our consolidated financial statements may reflect ~~some~~ volatility due to these hedges, even when there is no underlying economic impact at the dates of those consolidated financial statements. In addition, it may not be possible for us to engage in hedging transactions that completely eliminate our exposure to commodity prices; therefore, our consolidated financial statements may reflect a gain or loss arising from an exposure to commodity prices for which we are unable to enter into a completely effective hedge. For more information about our hedging activities, see Item 7A. " Quantitative and Qualitative Disclosures About Market Risk " and Note 14 " Risk Management " to our consolidated financial statements. A breach of information security or the failure of one or more key information technology (IT) or operational (OT) systems, or those of third parties, may adversely affect our business, results of operations or business reputation. Our business is dependent upon our operational systems to process a large amount of data and complex transactions. Some of the operational systems we use are owned or operated by independent third- party vendors. The various uses of these systems, networks and services include, but are not limited to, controlling our pipelines and terminals with industrial control systems, collecting and storing information and data, processing transactions, and handling other processes necessary to manage our business. In accordance with government mandates, we have implemented and maintain a cybersecurity program — both internal and incorporating industry expertise — designed to protect our IT, OT and data systems from attacks, however, we can provide no assurance that our cybersecurity program will be completely effective. We have experienced increases in the number of attempts by external parties to access our networks or our company data without authorization. While we have taken additional steps to secure our networks and systems to specifically respond to new and elevated risks associated with ~~recent increases in~~ remote work, we may nevertheless be more vulnerable to a successful cyber- attack or information security incident when significant numbers of our employees are working remotely. The risk of a disruption or breach of our operational systems, or the compromise of the data processed in connection with our operations, has increased as attempted attacks, including acts of terrorism or cyber sabotage, have advanced in sophistication and number around the world. If any of our systems are damaged, fail to function properly or otherwise become unavailable, we may incur substantial costs to repair or replace them. We may also experience loss or corruption of critical data and interruptions or delays in our ability to perform critical functions, which could adversely affect our business and results of operations. A significant failure, compromise, breach or interruption in our systems, which may result from problems such as ransomware, malware, computer viruses, hacking attempts or third- party error or malfeasance, could result in a disruption of our operations, customer

dissatisfaction, damage to our reputation and a loss of customers or revenues. Efforts by us and our vendors to develop, implement and maintain security measures, including malware and anti- virus software and controls, may not be successful in preventing these events, and any network and information systems- related events could require us to expend significant remedial resources. In the future, we may be required to expend significant additional resources to continue to enhance our information security measures, to comply with regulations, to develop and implement government- mandated plans, and / or to investigate and remediate information security vulnerabilities. Attacks, including acts of terrorism or cyber sabotage, or the threat of such attacks, may adversely affect our business or reputation. The U. S. government has issued public warnings indicating that pipelines and other infrastructure assets might be specific targets of terrorist organizations or " cyber sabotage " events. For example, in May 2021, a ransomware attack on a major U. S. refined products pipeline forced the operator to temporarily shut down the pipeline, resulting in disruption of fuel supplies along the East Coast. Potential targets include our pipeline systems, terminals, processing plants, databases or operating systems. The occurrence of an attack could cause a substantial decrease in revenues and cash flows, increased costs to respond or other financial loss, significant reporting requirements, damage to our reputation, increased regulation or litigation or inaccurate information reported from our operations. In the event of such an incident, we may need to retain cybersecurity experts to assist us in stopping, diagnosing, and recovering from the attack. There is no assurance that adequate cyber sabotage and terrorism insurance will be available at rates we believe are reasonable in the near future. The potential for an attack may subject our operations to increased risks and costs, and, depending on their ultimate magnitude, have a material adverse effect on our business, results of operations, financial condition and / or business reputation. **Development of new technologies could create additional risk, or we may not have sufficient resources to manage our technology. Custom or new technology (including potential generative artificial intelligence) that is heavily relied upon by us or our counterparties may not be maintained and updated appropriately due to resource restraints, or other factors, which could cause technology failures or give rise to additional operational or security risks. Generative artificial intelligence or other new technology could also create additional regulatory scrutiny and generate uncertainty around intellectual property ownership and / or licensing or use. Technology (including artificial intelligence) is also subject to intentional misuse (by criminals, terrorists or other bad actors). Technology failures or incidents of misuse could result in significant adverse effects on our operations, results of operations, financial condition and cash flows.** Hurricanes, earthquakes, flooding and other natural disasters, as well as subsidence and coastal erosion and climate- related physical risks, could have an adverse effect on our business, financial condition and results of operations. Some of our pipelines, terminals and other assets are located in, and our shipping vessels operate in, areas that are susceptible to hurricanes, earthquakes, flooding and other natural disasters or could be impacted by subsidence and coastal erosion. These natural disasters could potentially damage or destroy our assets and disrupt the supply of the products we transport. Many climate models indicate that global warming is likely to result in rising sea levels, increased frequency and severity of weather events such as winter storms, hurricanes and tropical storms, extreme precipitation and flooding. These climate- related changes could result in damage to our physical assets, especially operations located in low-lying areas near coasts and river banks, and facilities situated in hurricane- prone and rain- susceptible regions. Natural disasters can similarly affect the facilities of our customers. The timing, severity and location of these climate change impacts are not known with certainty, and these impacts are expected to manifest themselves over varying time horizons. ~~In addition, we may experience increased insurance premiums and deductibles, or a decrease in available coverage, for our assets in areas subject to severe weather. In either case, losses could exceed our insurance coverage and our business, financial condition and results of operations could be adversely affected, perhaps materially. See " — Risks Related to Regulation — Climate- related risks and related regulation could result in significantly increased operating and capital costs for us and could reduce demand for our products and services. "~~ Our insurance policies do not cover all losses, costs or liabilities that we may experience, and insurance companies that currently insure companies in the energy industry may cease to do so or substantially increase premiums. Our insurance program may not cover all operational risks and costs and may not provide sufficient coverage in the event of a claim. We do not maintain insurance coverage against all potential losses and could suffer losses for uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. Losses in excess of our insurance coverage could have a material adverse effect on our business, financial condition and results of operations. Changes in the insurance markets subsequent to certain hurricanes and other natural disasters have made it more difficult and more expensive to obtain certain types of coverage. The occurrence of an event that is not fully covered by insurance, or failure by one or more of our insurers to honor its coverage commitments for an insured event, could **cause us to incur significant losses** ~~have a material adverse effect on our business, financial condition and results of operations~~. Insurance companies may reduce **or eliminate** the insurance capacity they are willing to offer or may demand significantly higher premiums or deductibles to cover our assets. If significant changes in the number or financial solvency of insurance underwriters for the energy industry occur, we may be unable to obtain and maintain adequate insurance at a reasonable cost. ~~There is no assurance that our insurers will renew their insurance coverage on acceptable terms, if at all, or that we will be able to arrange for adequate alternative coverage in the event of non- renewal.~~ The unavailability of ~~full~~ **adequate** insurance coverage to cover events in which we suffer significant losses could have a material adverse effect on our business, financial condition and results of operations. Expanding our existing assets and constructing new assets is part of our growth strategy. Our ability to begin and complete expansion and new- build projects may be inhibited by difficulties in obtaining permits and rights- of- way, public opposition, increases in costs of construction materials, cost overruns, inclement weather and other delays. ~~Should~~ **If** we pursue projects through joint ventures with others, we will share control of and any benefits from those projects. We regularly undertake construction projects to expand our existing assets and to construct new assets. New growth projects generally will be subject to, among other things, the receipt of regulatory approvals, feasibility and cost analyses, funding availability and industry, market and demand conditions, and environmental justice considerations. A variety of factors outside of our control, such as difficulties in obtaining rights- of- way and permits or

other regulatory approvals, have caused, and may continue to cause, delays in or cancellations of our construction projects. Regulatory authorities may modify their permitting policies in ways that disadvantage our construction projects, such as the FERC' s ongoing evaluation of its process for reviewing and approving applications for construction of natural gas infrastructure ~~, including consideration of changes to its Certificate Policy Statement and its issuance of a Draft GHG Policy Statement~~ . Federal regulators may also expand existing regulatory requirements, such as PHMSA' s recent expansion of gas gathering pipeline regulation and PHMSA' s consideration of regulating the transportation of gaseous CO2. Such factors can be exacerbated by public opposition to our projects. See " — We are subject to reputational risks and risks relating to public opinion. " Inclement weather, natural disasters and delays in performance by third- party contractors have also resulted in, and may continue to result in, increased costs or delays in construction. In addition, we may experience increasing costs for construction materials. Significant increases in costs of construction materials, cost overruns or delays, or our inability to obtain a required permit or right- of- way, could have a material adverse effect on our return on investment, results of operations and cash flows, and could result in project cancellations or limit our ability to pursue other growth opportunities. If we pursue joint ventures with third parties, those parties may share approval rights over major decisions, and may act in their own interests. Their views may differ from our own or our views of the interests of the venture which could result in operational delays or impasses, which in turn could affect the financial expectations of and our expected benefits from the venture. Substantially all of the land on which our pipelines are located is owned by third parties. If we are unable to procure and maintain access to land owned by third parties, our revenue and operating costs, and our ability to complete construction projects, could be adversely affected. We must obtain and maintain the rights to construct and operate pipelines on other owners' land, including private landowners, railroads, public utilities and others. While our interstate natural gas pipelines in the U. S. have federal eminent domain authority, the availability of eminent domain authority for our other pipelines varies from state to state depending upon the type of pipeline — petroleum liquids, natural gas, CO2, or crude oil — and the laws of the particular state. In any case, we must compensate landowners for the use of their property, and in eminent domain actions, such compensation may be determined by a court. If we are unable to obtain rights- of- way on acceptable terms, our ability to complete construction projects on time, on budget, or at all, could be adversely affected. In addition, we are subject to the possibility of increased costs under our rights- of- way or rental agreements with landowners, primarily through renewals of expiring agreements and rental increases. If we were to lose these rights, our operations could be disrupted or we could be required to relocate the affected pipelines, which could cause a substantial decrease in our revenues and cash flows and a substantial increase in our costs. The acquisition of additional businesses and assets is part of our growth strategy. We may experience difficulties completing acquisitions or integrating new businesses and properties, and we may be unable to achieve the benefits we expect from any future acquisitions. Part of our business strategy includes acquiring additional businesses and assets. We cannot provide any assurance that we will be able to find complementary acquisition targets or complete such acquisitions, or achieve the desired results from any acquisitions we do complete. Any acquired businesses or assets will be subject to many of the same risks as our existing businesses and may not achieve the levels of performance that we anticipate. We may not realize anticipated operating advantages and cost savings. Integration of acquired businesses or assets involves a number of risks, including (i) the loss of key customers of the acquired business; (ii) demands on management related to the increase in our size; (iii) the diversion of management' s attention from the management of daily operations; (iv) difficulties in implementing or unanticipated costs of accounting, budgeting, reporting, internal controls and other systems; and (v) difficulties in the retention and assimilation of necessary employees. Difficulties in integration may be magnified if we make multiple acquisitions over a relatively short period of time. Because of difficulties in combining and expanding operations, we may not be able to achieve the cost savings and other size- related benefits that we hoped to achieve after these acquisitions, which would harm our financial condition and results of operations. The future success of our oil and gas development and production operations depends in part upon our ability to develop additional oil and gas reserves that are economically recoverable, which involves risks that may result in a total loss of investment. The rate of production from oil and natural gas properties declines as reserves are depleted. Without successful development activities, the reserves, revenues and cash flows of the oil and gas producing assets within our CO2 business segment will decline. We may not be able to develop or acquire additional reserves at an acceptable cost or have necessary financing for these activities in the future. Additionally, if we do not realize production volumes greater than, or equal to, our hedged volumes, we may suffer financial losses not offset by physical transactions. Developing and operating oil and gas properties involves a high degree of business and financial risk that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Acquisition and development decisions ~~generally are based on~~ **related to oil and gas properties include** subjective judgments and assumptions that, while they may be reasonable, are by their nature speculative. It is impossible to predict with certainty the production potential of a particular property or well. Furthermore, the successful completion of a well does not ensure a profitable return on the investment. A variety of geological, operational and market- related factors may substantially delay or prevent completion of any well or otherwise prevent a property or well from being profitable. Our business requires the retention and recruitment of a skilled executive team and workforce, and difficulties recruiting and retaining executives and other key personnel could impair our ability to develop and implement our business strategy. Our success depends in part on the performance of and our ability to attract, retain and effectively manage the succession of a skilled executive team. We depend on our executive officers to develop and execute our business strategy. If we are not successful in retaining our executive officers, or replacing them, our business, financial condition or results of operations could be adversely affected. We do not maintain key personnel insurance. In addition, our business requires the retention and recruitment of a skilled workforce, including engineers, technical personnel and other professionals. We and our affiliates compete with other companies in the energy industry for this skilled workforce. In addition, many of our current employees are retirement eligible and have significant institutional knowledge that must be transferred to other employees. If we are unable to (i) retain current employees; (ii) successfully complete the knowledge transfer; and / or (iii) recruit new employees of

comparable knowledge and experience, our business could be negatively impacted. In addition, we could experience increased costs to retain and recruit these professionals. Risks Related to Financing Our Business Our substantial debt could adversely affect our financial health and make us more vulnerable to adverse economic conditions. As of December 31, ~~2022~~ **2023**, we had approximately $ 31. ~~7~~ **9** billion of consolidated debt (excluding debt fair value adjustments). Additionally, we and substantially all of our wholly owned U. S. subsidiaries are parties to a cross guarantee agreement under which each party to the agreement unconditionally guarantees the indebtedness of each other party, which means that we are liable for the debt of each of such subsidiaries. This level of consolidated debt and the cross guarantee agreement could have important consequences, such as (i) limiting our ability to obtain additional financing to fund our working capital, capital expenditures, debt service requirements or potential growth, or for other purposes; (ii) increasing the cost of our future borrowings; (iii) limiting our ability to use operating cash flow in other areas of our business or to pay dividends because we must dedicate a substantial portion of these funds to make payments on our debt; (iv) placing us at a competitive disadvantage compared to competitors with less debt; and (v) increasing our vulnerability to adverse economic and industry conditions. Our ability to service our consolidated debt, and our ability to meet our consolidated leverage targets, will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control. If our consolidated cash flow is not sufficient to service our consolidated debt, and any future indebtedness that we incur, we will be forced to take actions such as reducing dividends, reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets or seeking additional equity capital. We may also take such actions to reduce our indebtedness if we determine that our earnings (or consolidated EBITDA, as calculated in accordance with our revolving credit facility) may not be sufficient to meet our consolidated leverage targets or to comply with consolidated leverage ratios required under certain of our debt agreements. We may not be able to effect any of these actions on satisfactory terms or at all. For more information about our debt, see Note 9 " Debt " to our consolidated financial statements. Our business, financial condition and operating results may be affected adversely by adverse changes in the availability, terms and cost of capital or a reduction in the availability of credit. We may need to rely on external financing sources, including commercial borrowings and issuances of debt and equity securities, to fund acquisitions, capital projects or refinancing debt maturities. Adverse changes to the availability, terms and cost of capital, interest rates or our credit ratings (which would have a corresponding impact on the credit ratings of our subsidiaries that are party to the cross guarantee agreement) could cause our cost of doing business to increase by limiting our access to capital, including our ability to refinance maturities of existing indebtedness on similar terms, which could in turn reduce our cash flows, and could limit our ability to pursue acquisition or expansion opportunities. Our credit ratings may be impacted by our leverage, liquidity, credit profile and potential transactions. Although the ratings from credit agencies are not recommendations to buy, sell or hold our securities, our credit ratings will generally affect the market value of our and our subsidiaries' debt securities and the terms available to us for future issuances of debt securities. Also, disruptions and volatility in the global financial markets may lead to an increase in interest rates or a contraction in credit availability, impacting our ability to finance our operations and strategy on favorable terms. A significant reduction in the availability of credit could materially and adversely affect our business, financial condition and results of operations. Our and our customers' access to capital could be affected by evolving financial institutions' policies concerning businesses linked to fossil fuels. Our and our customers' access to capital could be affected by financial institutions' evolving policies concerning businesses linked to fossil fuels. Concerns about the potential effects of climate change have caused some to direct their attention towards sources of funding for fossil- fuel energy companies, which has resulted in certain financial institutions, funds and other sources of capital restricting or eliminating their investment in such companies. Ultimately, this could make it more difficult for our customers to secure funding for exploration and production activities or for us to secure funding for growth projects, and consequently could both indirectly affect demand for our services and directly affect our ability to fund construction or other capital projects. Our large amount of variable rate debt makes us vulnerable to increases in interest rates. As of December 31, ~~2022~~ **2023**, approximately $ ~~6~~ **8**. 3 billion of our approximately $ 31. ~~7~~ **9** billion of consolidated debt (excluding debt fair value adjustments) was subject to variable interest rates, either as short- term or long- term variable- rate debt obligations, or as long- term fixed- rate debt effectively converted to variable rates through the use of interest rate swaps. ~~Variable- to- fixed interest rate swap agreements covering an additional $ 1. 25 billion of our consolidated debt will expire at the end of 2023.~~ In response to increasing inflation, the U. S. Federal Reserve raised interest rates in March 2022 for the first time in over three years ~~,~~ **and** raised rates ~~several~~ **many** more times since ~~and has signaled it expects to make additional rate increases~~. As interest rates increase, the amount of cash required to service variable- rate debt also increases, as do our costs to refinance maturities of existing indebtedness, and our earnings and cash flows could be adversely affected. For more information about our interest rate risk, see Item 7A. " Quantitative and Qualitative Disclosures About Market Risk — Interest Rate Risk. " Our debt instruments may limit our financial flexibility and increase our financing costs. The instruments governing our debt contain restrictive covenants that may prevent us from engaging in certain transactions that may be beneficial to us. Some of the agreements governing our debt generally require us to comply with various affirmative and negative covenants, including the maintenance of certain financial ratios and restrictions on (i) incurring additional debt; (ii) entering into mergers, consolidations and sales of assets; (iii) granting liens; and (iv) entering into sale- leaseback transactions. The instruments governing any future debt may contain similar or more limiting restrictions. Our ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be restricted. **Risks Related to Regulation** The FERC or state public utility commissions, such as the CPUC, may establish pipeline tariff rates that have a negative impact on us. In addition, the FERC, state public utility commissions or our customers could initiate proceedings or file complaints challenging the tariff rates charged by our pipelines, which could have an adverse impact on us. The profitability of our regulated pipelines is influenced by fluctuations in costs and our ability to recover any increases in our costs in the rates charged to our shippers. To the extent that our costs increase in an amount greater than what we are permitted by the FERC or state public utility

commissions to recover in our rates, or to the extent that there is a lag before we can file for and obtain rate increases, such events can have a negative impact on our operating results. Our existing rates may also be challenged by complaint or protest. Regulators and shippers on our pipelines have rights to challenge, and have challenged, the rates we charge under certain circumstances prescribed by applicable regulations. Some shippers on our pipelines have filed complaints with the regulators seeking prospective reductions in the tariff rates and, in the case of a protest to a rate filing, seeking substantial refunds for alleged overcharges during the years in question. Further, the FERC has initiated and may continue to initiate investigations to determine whether our interstate natural gas pipeline rates are just and reasonable. Please read Note 18 " Litigation and Environmental " to our consolidated financial statements for a description of material pending challenges to the rates we charge on our pipelines. We are unable to predict the extent to which these proceedings will result in lower transportation rates on our pipelines, and in the case of a protest, refunds for alleged overcharges. Any successful challenge to our rates could materially adversely affect our future earnings, cash flows and financial condition. New laws, policies, regulations, rulemaking and oversight, as well as changes to those currently in effect, could adversely impact our earnings, cash flows and operations. Our assets and operations are subject to extensive regulation and oversight by federal, state and local regulatory authorities. Legislative changes, as well as regulatory actions taken by these authorities, have the potential to adversely affect our profitability. Additional regulatory burdens and uncertainties will be created if and to the extent that more stringent energy and environmental and pipeline safety policies are enacted. Overall, we have seen an increase in the efforts of regulatory authorities to issue new regulations and guidance and to interpret existing laws and regulations in ways that promote the use of renewable energy sources and further protection of the environment, call upon companies to increase monitoring and emissions reduction efforts, and increase investigations and enforcement actions for potential violations of environmental laws. For example, in ~~November~~ **December** ~~2021~~ **2023** , the EPA ~~proposed~~ **finalized** a rule containing standards of performance for GHG emissions, in the form of methane limitations, and volatile organic compound emissions for crude oil and natural gas sources, including the production, processing, **and** transmission and storage segments. ~~In November 2022, the EPA announced a supplemental proposal expanding on the November 2021 proposed rule aimed at achieving more comprehensive emissions reductions from oil and natural gas sources. In April 2022, the EPA proposed a rule calling for significant reductions in nitrogen oxide emissions in 26 states, including on new and existing natural gas fired reciprocating engines used at compressor stations.~~ These types of ~~proposals~~ **rules and others that are currently proposed** , if finalized, would affect our assets and operations indirectly, such as by increasing the costs associated with the production of natural gas and liquids that we transport, or directly, such as by increasing significantly our capital and operating costs associated with impacted equipment **or subjecting us to the potential for regulatory penalties associated with the inability to comply with the rules in the timeframe allotted. The EPA' s final rule known as the " Good Neighbor Plan " (the Plan) became effective on August 4, 2023, except in states that were awarded a stay of the EPA' s disapproval of their SIPs prior to the Plan' s effective date. Following the Plan' s effective date, several other states have been awarded similar stays. As a precursor to the Plan, the EPA disapproved 21 SIPs and found that two other states had failed to submit SIPs under the interstate transport (good neighbor) provisions of the Clean Air Act for the 2015 Ozone NAAQS. The EPA has since proposed to disapprove five additional state SIPs and apply the Plan or portions of the Plan to sources in those states, including one state that would affect our operations. The Plan imposes prescriptive emission standards for several sectors, including new and existing reciprocating internal combustion engines of a certain size used in pipeline transportation of natural gas. The Plan' s emission standards would require installation of more stringent air pollution controls on hundreds of existing internal combustion engines used by our Natural Gas Pipelines business segment. The Plan requires that all impacted engines meet the stringent emission limits by May 1, 2026 unless compliance schedule extensions are granted by the EPA, which would need to be supported by us and approved by the EPA on an engine- by- engine basis. If the Plan remains in effect in its current form (including full compliance by its May 1, 2026 compliance deadline, and assuming failure of all pending challenges to SIP disapprovals and no successful challenge to the Plan), we currently estimate that the Plan would have a material adverse impact on us. See Item 7. " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Expenditures — Impact of Regulation. " Multiple legal challenges have been filed, including by us. See Note 18, " Litigation and Environmental — Environmental Matters — Challenge to Federal " Good Neighbor Plan, " to our consolidated financial statements. We are unable to predict whether any legal challenges will ultimately result in changes to the Plan or how those changes, if any, would impact us** . These and other initiatives of regulatory authorities may affect our assets and operations directly or indirectly, such as by preventing or delaying the exploration for and production of natural gas and liquids that we transport or expanding regulation of existing infrastructure or new sources that are not currently regulated. Regulation affects almost every part of our business. In addition to environmental and pipeline safety matters, we are subject to regulations extending to such matters as (i) federal, state and local taxation; (ii) rates (which include reservation, commodity, surcharges, fuel and gas lost and unaccounted for), operating terms and conditions of service; (iii) the types of services we may offer to our customers; (iv) the contracts for service entered into with our customers; (v) the certification and construction of new facilities; (vi) the integrity, safety and security (including against cyber-attacks) of facilities and operations; (vii) the acquisition of other businesses; (viii) the acquisition, extension, disposition or abandonment of services or facilities; (ix) reporting and information posting requirements; (x) the maintenance of accounts and records; and (xi) relationships with affiliated companies involved in various aspects of the natural gas and energy businesses. Should we fail to comply with any applicable statutes, rules, regulations, and orders of such regulatory authorities, we could be subject to substantial penalties and fines and potential loss of government contracts. New laws or regulations, or different interpretations of existing laws or regulations, including unexpected policy changes, applicable to our income, operations, assets or another aspect of our business could have a material adverse impact on our earnings, cash flow, financial condition and results of operations. For more information, see Items 1 and 2. " Business and Properties — Narrative Description of Business —

Industry Regulation. ” Environmental, health and safety laws and regulations could expose us to significant costs and liabilities. Our operations are subject to extensive federal, state and local laws, regulations and potential liabilities arising under or relating to the protection or preservation of the environment, natural resources and human health and safety. Such laws and regulations affect many aspects of our past, present and future operations, and generally require us to obtain and comply with various environmental registrations, licenses, permits, inspections and other approvals. It is possible that costs associated with complying with the aforementioned laws will increase as a result of the emphasis regulatory authorities are placing on protection of the environment and environmental justice considerations. Liability under such laws and regulations may be incurred without regard to fault under CERCLA, the Resource Conservation and Recovery Act, the Federal Clean Water Act, the Oil Pollution Act, or analogous state laws, as a result of the presence or release of hydrocarbons and other hazardous substances into or through the environment, and these laws may require response actions and remediation and may impose liability for natural resource and other damages. Private parties, including the owners of properties through which our pipelines pass, also may have the right to pursue legal actions to enforce compliance as well as to seek damages for non- compliance with such laws and regulations or for personal injury or property damage. Our insurance may not cover all environmental risks and costs and / or may not provide sufficient coverage in the event an environmental claim is made against us. Failure to comply with these laws and regulations, including required permits and other approvals, also may expose us to civil, criminal and administrative fines, penalties and / or interruptions in our operations that could harm our business, financial position, results of operations and prospects. For example, if a leak, release or spill of liquid petroleum products, chemicals or other hazardous substances occurs at or from our pipelines, shipping vessels or storage or other facilities, we may experience significant operational disruptions, and we may have to pay a significant amount to clean up or otherwise respond to the leak, release or spill, pay government penalties, address natural resource damage, compensate for human exposure or property damage, install costly pollution control equipment or undertake a combination of these and other measures. We own and / or operate numerous properties and equipment that have been used for many years in connection with our business activities and contain hydrocarbons or other hazardous substances. While we believe we have utilized operating, handling and disposal practices that were consistent with industry practices at the time, hydrocarbons or other hazardous substances may have been released at or from properties and equipment owned, operated or used by us or our predecessors, or at or from properties where our or our predecessors’ wastes have been taken for disposal. In addition, many of these properties have been owned and / or operated by third parties whose management, handling and disposal of hydrocarbons or other hazardous substances were not under our control. These properties and any hazardous substances released and wastes disposed at or from them may be subject to U. S. laws such as CERCLA, which impose joint and several liability without regard to fault or the legality of the original conduct. Under such laws, we could be required to remove previously disposed wastes, remediate property contamination or both, including contamination caused by prior owners or operators. Furthermore, it is possible that some wastes that are currently classified as non- hazardous, which could include wastes currently generated during our pipeline or liquids or bulk terminal operations or wastes from oil and gas facilities that are currently exempt as being exploration and production waste, may in the future be designated as hazardous wastes. Hazardous wastes are subject to more rigorous and costly handling and disposal requirements than non- hazardous wastes. Such changes in the regulations may result in additional capital expenditures or operating expenses for us. Environmental and health and safety laws and regulations are subject to change. The long- term trend in environmental regulation has been to place more restrictions and limitations on activities that may be perceived to affect the environment, wildlife, natural resources and human health, including without limitation, the exploration, development, storage and transportation of oil and gas. For example, the Federal Clean Air Act and other similar federal and state laws **and regulations** are subject to periodic review and amendment, which could result in more stringent emission control requirements obligating us to make significant capital expenditures at our facilities. Several state and federal agencies have also increased their daily and maximum penalty amounts in recent years. There can be no assurance as to the amount or timing of future expenditures for environmental compliance or remediation, and actual future expenditures may be different from the amounts we currently anticipate. New or revised regulations that result in increased compliance costs or additional operating restrictions, particularly if those costs are not fully recoverable from our customers, as well as increased penalty amounts for inadvertent non- compliance, such as a pipeline leak, could have a material adverse effect on our business, financial position, results of operations and prospects. For more information, see Items 1 and 2. “ Business and Properties — Narrative Description of Business — Environmental Matters. ” Increased regulatory requirements relating to the safety and integrity of our pipelines may require us to incur significant capital and operating ~~expense~~ **expenses** ~~outlays to comply~~. We are subject to extensive laws and regulations related to pipeline safety and integrity at the federal and state levels. There are, for example, regulations issued by PHMSA for pipeline operators in the areas of design, operations, **maintenance,** integrity **management** ~~testing, repairs~~, qualification and training, emergency response, control room management, and public awareness. We expect the costs of compliance with these regulations, including integrity management rules, will **continue to** be substantial. The majority of compliance costs relate to pipeline integrity ~~testing~~ **management regulations, which include assessment** and ~~repairs~~ - **repair requirements** ~~and reconfirmation of the maximum allowable operating pressure on our gas pipelines~~. Technological advances in in- line inspection tools, identification of additional threats to a pipeline’ s integrity and changes to the amount of pipeline determined to be located in HCAs or MCAs can have a significant impact on integrity testing and repair costs. We plan to continue our integrity ~~testing~~ **management** ~~programs~~ - **program** to assess and maintain the integrity of our existing and future pipelines as required by PHMSA rules. Repairs or upgrades deemed necessary to address results of integrity assessments and other testing and / or ensure the continued safe and reliable operation of our pipelines and pipeline facilities could cause us to incur significant and unanticipated capital and operating expenditures. Such expenditures will vary depending on the number of repairs determined to be necessary as a result of integrity assessments and other testing. We **also anticipate incurring substantial costs associated with PHMSA’ s requirements for reconfirming the maximum allowable operating pressure**

of certain gas pipelines. We expect to increase expenditures in the future to comply with PHMSA regulations. Further, additional laws and regulations that may be enacted in the future or a new interpretation of existing laws and regulations could significantly increase **our compliance** ~~the amount of these~~ expenditures. Pipeline safety regulations or changes to such regulations may require additional leak detection, reporting, the replacement of **certain** ~~some of our~~ pipeline segments, addition of monitoring equipment and more frequent monitoring, inspection or testing of our pipeline facilities. Repair, remediation, and preventative or mitigating actions may require significant capital and operating expenditures. Pipeline safety regulation has increased over time, including recent ~~final~~ **revised** gas and hazardous liquid regulations that we must timely implement, and existing obligations may increase with new proposed rules that are currently under consideration. **For example, PHMSA has issued a proposed rulemaking with expansive pipeline leak detection and repair requirements that is proposed to be applicable to gas pipelines, LNG facilities, and underground natural gas storage facilities. In addition, PHMSA is working on a number of proposed rulemakings that are now projected for publication in 2024, including those related to (i) updating regulations for LNG facilities; (ii) requirements for idled gas and liquid pipelines; (iii) revising requirements for transportation of CO_2 in the liquid phase as well as establishing regulation of the transportation of gaseous CO_2; and (iv) requirements for responding to changes in class location for gas pipelines.** Congress is ~~set to~~ **working on the** ~~reauthorize~~ **reauthorization of** the Pipeline Safety Act ~~in 2023~~ , which ~~could~~ **is expected to be enacted during 2024 and to** further expand PHMSA' s current rulemaking agenda and / or statutory authority in certain areas ~~. For example, PHMSA is working on a number of proposed rulemakings projected for publication in 2023, including those related to (i) pipeline leak detection and repair; (ii) updating regulations for LNG facilities; (iii) inspection and maintenance requirements for idled pipelines; and (iv) revising existing requirements for transportation of CO_2 in the liquid phase as well as establishing regulation of the transportation of gaseous CO_2 (projected in 2024)~~ . There can be no assurance as to the amount or timing of future expenditures for pipeline safety and integrity regulation, and actual future expenditures may be different from the amounts we currently anticipate. Revised or additional regulations that result in increased compliance costs or additional operating restrictions, particularly if those costs are not deemed by regulators to be fully recoverable from our customers, could have a material adverse effect on our business, financial position, results of operations and prospects. **Climate- related risks and related regulation could result in significantly increased operating and capital costs for us and could reduce demand for our products and services.** Various laws and regulations exist or are under development that seek to regulate the emission of GHGs such as methane and CO_2, including the EPA programs to control GHG emissions, PHMSA' s existing and anticipated leak detection and repair requirements, and state actions to develop statewide or regional programs. Existing EPA regulations require us to report GHG emissions in the U. S. from sources such as our larger natural gas compressor stations, fractionated NGL, and production of naturally occurring CO_2 (for example, from our McElmo Dome CO_2 field), even when such production is not emitted to the atmosphere. Proposed approaches to further address GHG emissions include establishing GHG " cap **-** and **-** trade " programs, a fee on methane emissions from petroleum and natural gas systems, increased efficiency standards, participation in international climate agreements, issuance of executive orders by the U. S. presidential administration and incentives or mandates for pollution reduction, use of renewable energy sources, or use of alternative fuels with lower carbon content. For more information about climate change regulation, see Items 1 and 2. " Business and Properties — Narrative Description of Business — Environmental Matters — Climate Change. " Adoption of any such laws or regulations could increase our costs to operate and maintain our facilities, expand existing facilities or construct new facilities. We could be required to install new emission controls on our facilities, acquire allowances for our GHG emissions, pay taxes related to our GHG emissions and administer and manage a GHG emissions program, and such increased costs could be significant. Recovery of such increased costs from our customers is uncertain in all cases and may depend on events beyond our control, including the outcome of future rate proceedings before the FERC. Such laws or regulations could also lead to reduced demand for hydrocarbon products that are deemed to contribute to **emissions of** GHGs, or restrictions on their use, which in turn could adversely affect demand for our products and services. See also " — Business Risks — We are subject to reputational risks and risks relating to public opinion. " and " — Business Risks — Hurricanes, earthquakes, flooding and other natural disasters, as well as subsidence and coastal erosion and climate- related physical risks, could have an adverse effect on our business, financial condition and results of operations. " In March 2022, the SEC proposed new climate- related disclosure rules, which if adopted as proposed, would require significant new climate- related disclosure in SEC filings, including certain climate- related metrics and GHG emissions data, and third- party attestation requirements. At this time, we cannot predict the costs of compliance with **,** or any potential adverse impacts resulting from, the new rules if adopted as proposed. Any of the foregoing could have adverse effects on our business, financial position, results of operations or cash flows. Increased regulation of exploration and production activities, including activity on public lands, could result in reductions or delays in drilling and completing new oil and natural gas wells, as well as reductions in production from existing wells, which could adversely impact the volumes of natural gas transported on our natural gas pipelines and our own oil and gas development and production activities. We gather, process or transport crude oil, natural gas or NGL from several areas, including lands that are federally managed. Policy and regulatory initiatives or legislation by Congress may decrease access to federally managed lands or increase the regulatory burdens associated with using these lands to produce crude oil or natural gas, or both. ~~Recently~~ **Since 2021** , the federal government has deprioritized onshore leasing and its review of applications for permits to drill. Third- party ~~interests~~ - **interest** groups and members of the oil and gas industry have initiated litigation challenging decisions to approve or prohibit oil and gas activities on federally managed lands. In addition, oil and gas development and production activities are subject to increasing regulation at the federal, state and local levels. For example, there have been initiatives at the federal and state levels to regulate or otherwise restrict the use of certain hydraulic fracturing activities, and many states are promulgating stricter requirements related not only to well development but also to compressor stations and other facilities in the oil and gas industry. These activities are subject to laws and regulations regarding the acquisition of permits before drilling, restrictions on drilling activities

and location, emissions into the environment, water discharges, transportation of hazardous materials, and storage and disposition of wastes. In addition, legislation has been enacted that requires well and facility sites to be abandoned and reclaimed to the satisfaction of state authorities. Adoption of legislation or regulations restricting these activities in our areas of operations could impose operational delays, increased operating costs and additional regulatory burdens on exploration and production operators, which could reduce their production of crude oil, natural gas or NGL and, in turn, adversely affect our revenues, cash flows and results of operations by decreasing the volumes of these commodities that we handle. These laws and regulations may also adversely affect our own oil and gas development and production activities. The Jones Act includes restrictions on ownership by non- U. S. citizens of our U. S. point **-** to **-** point maritime shipping vessels, and failure to comply with the Jones Act, or changes to or a repeal of the Jones Act, could limit our ability to operate our vessels in the U. S. coastwise trade, result in the forfeiture of our vessels or otherwise adversely impact our earnings, cash flows and operations. We are subject to the Jones Act, which generally restricts U. S. point- to- point maritime shipping to vessels operating under the U. S. flag, built in the U. S., owned and operated by U. S.- organized companies that are controlled and at least 75 % owned by U. S. citizens and crewed by predominately U. S. citizens. Our business would be adversely affected if we fail to comply with the Jones Act provisions on coastwise trade. If we do not comply with any of these requirements, we would be prohibited from operating our vessels in the U. S. coastwise trade and, under certain circumstances, we could be deemed to have undertaken an unapproved transfer to non- U. S. citizens that could result in severe penalties, including permanent loss of U. S. coastwise trading rights for our vessels, fines or forfeiture of vessels. Our business could be adversely affected if the Jones Act were to be modified or repealed so as to permit foreign competition that is not subject to the same U. S. government imposed burdens. ~~Proposed changes to U. S. federal, state, and local tax laws, if enacted, could have a material adverse effect on our business and profitability. New federal, state, or local tax legislation or administrative guidance may be enacted or issued in the future, and such legislation or guidance could materially impact our current or future tax planning and effective tax rates. It is unclear (i) whether these or similar changes will occur, (ii) if such changes occur, when such changes will become effective, and (iii) whether such changes will have a material adverse effect on our business, profitability, financial position, results of operations, or cash flows.~~ Risks Related to Ownership of Our Capital Stock The guidance we provide for our anticipated dividends is based on estimates. Circumstances may arise that lead to conflicts between using funds to pay anticipated dividends or to invest in our business. We disclose in this report and elsewhere the ~~expected~~ **anticipated** cash dividends on our common stock. These reflect our current judgment, but as with any estimate, they may be affected by inaccurate assumptions and other risks and uncertainties, many of which are beyond our control. See " Information Regarding Forward- Looking Statements " at the beginning of this report. If our ~~board~~ **Board** ~~of directors~~ elects to pay dividends at the anticipated level and that action would leave us with insufficient cash to take timely advantage of growth opportunities (including through acquisitions), to meet any large unanticipated liquidity requirements, to fund our operations, to maintain our leverage metrics or otherwise to properly address our business prospects, our business could be harmed. Conversely, a decision to address such **business** needs might lead to the payment of dividends below the anticipated levels. As events present themselves or become reasonably foreseeable, our ~~board~~ **Board** ~~of directors,~~ which determines our business strategy and our dividends, may decide to address those matters by reducing our anticipated dividends. Alternatively, because nothing in our governing documents or credit agreements prohibits us from borrowing to pay dividends, we could choose to incur debt to enable us to pay our anticipated dividends. This would add to our substantial debt discussed above under " — Risks Related to Financing Our Business — Our substantial debt could adversely affect our financial health and make us more vulnerable to adverse economic conditions. " Our certificate of incorporation restricts the ownership of our common stock by non- U. S. citizens within the meaning of the Jones Act. These restrictions may affect the liquidity of our common stock and may result in non- U. S. citizens being required to sell their shares at a loss. The Jones Act requires, among other things, that at least 75 % of our common stock be owned at all times by U. S. citizens, as defined under the Jones Act, in order for us to own and operate vessels in the U. S. coastwise trade. As a safeguard to help us maintain our status as a U. S. citizen, our certificate of incorporation provides that, if the number of shares of our common stock owned by non- U. S. citizens exceeds 22 %, we have the ability to redeem shares owned by non- U. S. citizens to reduce the percentage of shares owned by non- U. S. citizens to 22 %. These redemption provisions may adversely impact the marketability of our common stock, particularly in markets outside of the U. S. Further, those stockholders would not have control over the timing of such redemption and may be subject to redemption at a time when the market price or timing of the redemption is disadvantageous. In addition, the redemption provisions might have the effect of impeding or discouraging a merger, tender offer or proxy contest by a non- U. S. citizen, even if it were favorable to the interests of some or all of our stockholders.