Risk Factors Comparison 2024-02-21 to 2023-02-27 Form: 10-K

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

Economic risks related to our business Volatility of natural gas, NGLs and oil prices significantly affects our cash flow and capital resources and could hamper our ability to operate economically. Natural gas, NGLs and oil prices are volatile, and a decline in prices adversely affects our profitability and financial condition. As a commodity business, the oil and gas industry is typically cyclical and we expect the volatility to continue. Natural gas prices are likely to affect us more than oil prices because approximately ~~65~~ **64** % of our proved reserves were natural gas as of December 31, ~~2022~~ **2023** and **,** at times in the past, natural gas prices have been low compared to our costs to produce. Natural gas, NGLs and oil prices fluctuate in response to changes in supply and demand, market uncertainty and other factors that are beyond our control. These factors include: • events that impact domestic and foreign supply of, and demand for, natural gas, NGLs and oil, including impacts from global health pandemics and related concerns; • **the continued operation of liquefied natural gas (LNG) facilities to supply foreign markets with natural gas and the ability to transport the product to markets due to shipping restrictions or terrorist threats and attacks; •** changes in weather patterns and climate, including natural disasters such as hurricanes and tornadoes; • technological advances affecting energy consumption, storage and energy supply; • the production levels of non- OPEC countries, including production levels in the United States' shale plays; • **general** ~~United States' domestic and worldwide~~ economic conditions **worldwide** ; • the price and availability of, and demand for, alternative and competing forms of energy, such as nuclear, hydroelectric, wind and solar **; • the level of drilling, completion and production activities by other companies, and variability therein, in response to market conditions** ; • the effect of worldwide energy conservation efforts; • the ability of the members of OPEC and other exporting nations to ~~mutually~~ agree to ~~maintain oil price and~~ production controls; • military, economic and political conditions in natural gas and oil producing regions; • the cost of exploring for, developing, producing, transporting and marketing natural gas, NGLs and oil; and • domestic (federal, state and local) and foreign governmental regulations and taxation, including further legislation requiring, subsidizing or providing tax benefits for the use of alternative energy sources and fuels. The long- term effects of these and other factors on the prices of natural gas, NGLs and oil prices are uncertain. Historical declines in natural gas and NGLs commodity prices have adversely affected our business by: • reducing the amount of natural gas, NGLs and oil that we can economically produce; • reducing our revenues, operating income and cash flows; • reducing the amount of cash flows available for capital expenditures; • increasing the cost of obtaining capital, such as equity and debt financings; and • reducing the standardized measure of discounted future net cash flows relating to natural gas, NGLs and oil. If demand for natural gas, NGLs and oil is reduced, the prices we receive for and our ability to market and produce our natural gas, NGLs and oil may be negatively affected. Volatility in natural gas, NGLs and oil markets and the price we receive for our production is largely determined by various factors beyond our control. Production from natural gas and oil wells in some geographic areas of the United States has been or could be curtailed for considerable periods of time due to lack of local market demand and transportation and storage capacity. In the recent past, we have temporarily shut- in wells due to low commodity prices and it is possible that some of our wells may be shut- in in the future or sales terms may be less favorable than might otherwise be obtained should demand for our products decrease and / or prices decrease. Competition for markets has been vigorous and there remains uncertainty about prices purchasers will pay or the availability of sufficient storage, all of which could have a material adverse effect on our cash flows, results of operations and financial position. We could experience periods of higher costs. These cost increases could reduce our profitability, cash flow and ability to conduct development activities as planned. We rely on third- party contractors to provide key services and equipment for our operations. Historically, our capital and operating costs have risen during periods of increasing oil, NGLs and gas prices. These cost increases result from a variety of factors beyond our control, such as increases in the cost of electricity, steel and other raw materials that we and our vendors rely upon; increased demand for labor, services and materials as drilling and completions activity increases; and increased taxes. Increased levels of drilling activity in the natural gas and oil industry could lead to increased costs of some drilling equipment, materials and supplies. Such costs may rise faster than increases in our revenue, thereby negatively impacting our profitability, cash flow and ability to conduct development activities as planned and on budget. **Based on the** ~~Throughout 2022, we experienced~~ cost inflation ~~due~~ **pressure experienced over the last few years, we continue** to **undertake actions** ~~an~~ **and** ~~increase in activity within~~ **implement plans to strengthen** our ~~industry,~~ supply chain ~~disruptions, the Russia-Ukraine conflict and global monetary policies. We continue to undertake actions and implement plans to strengthen our supply chain to address these pressures~~ . Nevertheless, we expect to experience **some** supply chain constraints and inflationary pressure on our cost structure including steel, fuel and labor, among other items, for the foreseeable future. By continuing to focus on cost control initiatives and actions, which increase our drilling, completion and operating efficiencies, we are able to mitigate some inflationary pressures. Our ~~indebtedness could~~ **debt obligations may** limit our **liquidity and financial flexibility** ~~ability to successfully operate our business~~ . We are a borrower under fixed rate senior notes and maintain a bank credit facility which had **no debt outstanding** ~~a balance of $ 19. 0 million~~ as of December 31, ~~2022~~ **2023** . Our exploration and development program requires substantial capital resources depending on the level of drilling and the expected cost of services. Existing operations also require ongoing capital expenditures. Increases in our level of ~~indebtedness~~ **debt** may: • require us to dedicate a substantial portion of our cash flows from operations to the payment of our indebtedness, reducing the funds available for our operations or return of capital to stockholders; • **may** make us vulnerable to increases in interest rates; • increase our vulnerability to a downturn in commodity prices or the general economy; • place us at a competitive disadvantage compared to our competitors with lower debt service obligations; • limit our operating flexibility due to financial and other restrictive covenants; and • limit our flexibility to maintain or grow our business and plan for, or react to, changes in our business and the industry in which we operate. Historically, we have funded our capital expenditures through a combination of cash flow from operations, our bank credit facility and debt and equity issuances. We have also engaged in asset monetization transactions ~~; however, we may be forced to sell assets in the event capital is not available through debt or equity markets or through additional bank debt~~ . Future cash flows are subject to a number of variables, such as the level of production from existing wells, prices of natural gas, NGLs and oil and our success in developing and producing our reserves. If our access to capital were limited as a result of various factors, which could include a decrease in revenues due to lower natural gas, NGLs and oil prices or decreased production or deterioration of the credit and capital markets, we would have a reduced ability to fund our operations and replace our reserves resulting in ~~further~~ stress on our financial flexibility. The amount available for borrowing under our bank credit facility is subject to a borrowing base, which is determined by our lenders, taking into account our estimated proved reserves and is subject to periodic redeterminations based on pricing models determined by the lenders at such time. Declines in natural gas, NGLs and oil prices adversely impact the value of our estimated proved reserves and, in turn, the market values used by our lenders to determine our borrowing base and could result in a determination to lower our borrowing base, reducing our financial flexibility. Disruptions or volatility in the global finance markets may lead to a contraction in credit availability impacting our ability to finance our operations. **We benefit from** ~~Currently, we require~~ continued access to capital. A significant reduction in cash flows from operations or the availability of credit could materially and adversely affect our ability to conduct our planned operations **, our ability to manage our debt maturities and our flexibility to react to changing economic and business conditions** . We are also exposed to some credit risk related to our bank credit facility to the extent that one or more of our lenders experiences liquidity problems and is unable to provide necessary funding to us under our existing revolving line of credit. Any failure to meet our debt obligations could harm our business, financial condition and results of operations. Our earnings and cash flow will fluctuate from year to year due to the variable nature of commodity prices. If our cash flow and capital resources are insufficient to fund our debt obligations, we may be forced to sell assets, seek ~~additional~~ equity sales or restructure our debt. Our ability to restructure our debt will depend on the condition of the capital markets and our financial condition at such time. Any restructuring of debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our operations and our financial flexibility. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. We receive debt ratings from the major credit rating agencies in the United States. Factors that may impact our credit ratings include debt levels, planned asset purchases or sales and near- term and long- term cash flow relative to debt balances. Liquidity, asset quality, cost structure, product mix (natural gas, NGLs and **crude** oil) and projected commodity pricing levels are also considered by the rating agencies. A ratings downgrade could adversely impact our ability to access debt markets in the future, increase the cost of future debt and could require us to post letters of credit or other forms of collateral for certain obligations ~~. For example, both Moody' s and Standard and Poor' s downgraded our ratings during 2020 in conjunction with an industry- wide re- rating process as a result of the prolonged downturn in commodity prices and its effects on our financial results. In both 2021 and 2022, Moody' s and Standard and Poor' s upgraded our ratings~~ . We cannot provide assurance that our current ratings will remain in effect for any given period of time or that a rating will not be downgraded in the future. As a result of cross- default provisions in our borrowing arrangements, we may be unable to satisfy all of our outstanding obligations in the event of a default on our part. The terms of our senior indebtedness, including our revolving credit facility, contain cross- default provisions which provide that we will be in default under such agreements in the event of certain defaults under our indentures or other loan agreements. Accordingly, should an event of default above certain thresholds occur under any of those agreements, we face the prospect of being in default under all of our debt agreements, obligated in such instance to satisfy all of our outstanding indebtedness but in all probability unable to satisfy all of our outstanding obligations simultaneously. In such an event, we might not be able to obtain alternative financing or, if we are able to obtain such financing, we might not be able to obtain it on terms acceptable to us, which would negatively affect our ability to continue our business plan, make capital expenditures and finance our operations. Derivative transactions may limit our potential gains and involve other risks. To manage our exposure to commodity price volatility, we currently, and likely will in the future, enter into derivative arrangements, utilizing commodity derivatives (~~“~~**"** hedges ~~”~~**"**) with respect to a portion of our future production. Hedges are generally designed to lock in prices for commodities to limit volatility and increase the predictability of cash flow. These hedging transactions can limit our potential gains if natural gas, NGLs and oil prices rise above the price established by the hedge. In addition, derivative transactions may expose us to the risk of financial loss in certain circumstances, including instances in which: • our production is less than expected; • the counterparties to our futures contracts fail to perform on their contract obligations; or • an event materially impacts natural gas, NGLs or oil prices or the relationship between the hedged price index and the natural gas or oil sales prices we receive. We cannot be certain that any derivative transaction we may enter into will adequately protect us from declines in the prices of natural gas, NGLs or oil. Furthermore, where we choose not to engage in derivative transactions in the future, we may be more adversely affected by decreases in natural gas, NGLs or oil prices than our competitors who utilize derivative transactions. Lower natural gas, NGLs and oil prices over a longer term will also negatively impact our ability to enter into derivative contracts at prices that exceed our costs of production. We are exposed to a risk of financial loss if a counterparty fails to perform under a derivative contract. We are unable to predict sudden changes in a counterparty' s creditworthiness or ability to perform. Even if we do accurately predict such changes, our ability to mitigate the risk may be limited depending upon market conditions. Furthermore, the bankruptcy of one or more of our hedge counterparties, or some other similar proceeding or liquidity constraint, would make it unlikely we would be able to collect all or a significant portion of amounts owed to us by the distressed entity or entities. During periods of falling commodity prices, our derivative receivable positions increase, which increases our exposure to the counterparties. If the creditworthiness of our counterparties deteriorates and results in their nonperformance, we could incur a significant loss. ~~We do not engage in transactions involving crypto currency.~~ Risks related to our operations Drilling is an uncertain and costly activity. The cost of drilling, completing, and operating a well is often uncertain, and many factors can adversely affect the economics of a well. Our efforts will be uneconomical if we drill dry holes or wells that are productive but do not produce enough natural gas, NGLs and oil to be commercially viable after drilling, operating and other costs. There is no way to conclusively know in advance of drilling and testing whether any particular prospect will yield natural gas, NGLs or oil in commercially viable quantities. Furthermore, our drilling and producing operations may be curtailed, delayed, or canceled as a result of a variety of factors, including, but not limited to: • increases in the costs, shortages or delivery delays of drilling rigs, equipment, water for hydraulic fracturing services, labor, or other services; • unexpected operational events and drilling conditions; • reductions in natural gas, NGLs or oil prices; • limitations in the market for natural gas, NGLs or oil; • ~~adverse weather conditions and changes in weather patterns; •~~ facility or equipment malfunctions or operator error; • equipment failures or accidents; • loss of title and other title- related issues; • pipe or cement failures and casing collapses; • compliance with, or changes in, permitting, environmental, tax and other governmental requirements; • environmental hazards, such as natural gas leaks, oil spills, pipeline and tank ruptures, and unauthorized discharges of ~~toxic gases~~ **hazardous materials** ; • lost or damaged oilfield drilling and service tools; • unusual or unexpected geological formations; • loss of drilling fluid circulation; • pressure or irregularities in geological formations; • fires, surface craterings ~~and~~ **, blowouts or** explosions ~~; • natural disasters~~ ; • uncontrollable flows of oil, natural gas or well fluids; • availability and timely issuance of required governmental permits and licenses; and • civil unrest or protest activities. If any of these factors were to occur, we could lose all or a part of our investment or we could fail to realize the expected benefits, either of which could materially and adversely affect our revenue and profitability. Our operations involve utilizing drilling and completion techniques as developed by us and our service providers. Risks that we face while drilling horizontal wells include, but are not limited to, the following: • landing the wellbore in the desired drilling zone; • drilling the wellbore to the full planned length; • staying in the desired drilling zone while drilling horizontally through the formation; • running casing the entire length of the wellbore; and • being able to run tools and other equipment consistently through the horizontal wellbore. Risks that we face while completing horizontal wells include, but are not limited to, the following: • the ability to fracture stimulate the planned number of stages; • the ability to run tools the entire length of the wellbore during completion operations; and • the ability to successfully clean out the wellbore after completion of the final fracture stimulation stage. Our identified drilling locations are scheduled out over multiple years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling **. Unless we successfully replace the reserves that we produce, our reserves will decline as reserves are depleted, eventually resulting in a decrease in production and lower revenues and cash flow from operations** . Our management team has specifically identified and scheduled certain drilling locations for future multi- year drilling activities on our existing acreage. ~~These drilling locations represent a significant part of our development strategy.~~ Our ability to drill and develop these locations depends on a number of uncertainties, including natural gas and oil prices, the availability and cost of capital, drilling and production costs, the availability of drilling services and equipment, drilling results, lease expirations, transportation constraints **, permits** , regulatory and zoning approvals and other factors. Because of these uncertain factors, we do not know if all of the numerous drilling locations we have identified will ever be drilled. In addition, unless production is established within the spacing units covering the undeveloped acres for which some of the drilling locations are obtained, the leases for such acreage will expire. These risks are greater at times and in areas where the pace of our exploration and development activity slows. As such, our actual drilling activities may materially differ from those presently identified. In addition, we will require significant capital over a prolonged period in order to pursue the development of these locations, and we may not be able to raise or generate the capital required to do so. Any drilling activities we are able to conduct on these locations may not be successful or result in our ability to add proved reserves to our overall proved reserves or may result in a downward revision of our estimated proved reserves, which could have a material adverse effect on our business and results of operations and financial condition. Our business is subject to operating hazards that could result in substantial losses or liabilities that may not be fully covered under our insurance policies. While we have processes and procedures that we utilize to mitigate operational risks, natural gas, NGLs and oil operations are subject to many risks, including well blowouts, craterings, explosions, uncontrollable flows of oil, natural gas or well fluids (especially those that reach surface water or groundwater), fires, pipe or cement failures, pipeline ruptures or spills, vandalism, pollution, releases of toxic gases, geological formations with abnormal or unexpected pressures, adverse weather conditions or natural disasters and other environmental hazards and risks. In addition, our operations are sometimes near populated commercial or residential areas. If any of these hazards occur, we could sustain substantial losses as a result of: • personal injury or loss of life; • damage to or destruction of property, natural resources and equipment; • pollution or other environmental damage; • investigatory and cleanup responsibilities; • regulatory investigations and penalties or lawsuits; • suspension of operations by regulatory authorities; and • repairs and remediation to resume operations. We maintain insurance against many, but not all, potential losses or liabilities arising from our operations in accordance with what we believe are customary industry practices and in amounts and at costs that we believe to be prudent and commercially practicable. Our insurance includes deductibles that must be met prior to recovery, as well as sub- limits and / or self- insurance. Additionally, our insurance is subject to exclusions and limitations. Our insurance does not cover every potential risk associated with our operations, including the potential loss of significant revenues. We can provide no assurance that our insurance coverage will adequately protect us against liability from all potential consequences, damages and losses. We may elect not to purchase insurance in instances where we determine that the cost of available insurance is excessive relative to the risks we believe are presented. However, such determinations may prove to be incorrect. Further, some forms of insurance may become unavailable in the future. If we incur liability from a significant event and the damages are not covered by insurance or are in excess of policy limits, then we would have lower revenues and funds available to us for our operations, that could, in turn, have a material adverse effect on our business, financial condition and results of operations. Additionally, we rely to a large extent on facilities owned and operated by third parties, in particular gas transportation and processing facilities, and damage to, or destruction of, those third- party facilities could affect our ability to process, transport and sell our production. To a limited extent, we maintain business interruption insurance related to three third- party processing plants and connecting lines for our wells in Pennsylvania where we are insured for potential catastrophic losses from the interruption of production caused by a covered loss of or damage to the processing plants; however, such insurance is limited and may not adequately protect us from all potential consequences, damages and losses. Our producing properties are concentrated in the Pennsylvania portion of the Appalachian Basin, making us vulnerable to risks associated with operating in one geographic and political region. Essentially 100 % of our total estimated proved reserves are ~~now attributable to our properties~~ located in the Appalachian Basin ~~, all of which are located~~ in Pennsylvania. We are additionally vulnerable to processing and transportation constraints for our products. ~~For example, a significant portion of our NGLs is transported across Pennsylvania in certain pipelines which have been and continue to be the subject of state and local scrutiny and investigations, construction and flow stoppages by regulators, litigation and various fines and penalties.~~ We are ~~also~~ more heavily exposed to the extensive and evolving regulatory environment in Pennsylvania which may lead to additional costs, delays or interruptions of construction, development and production from our wells. See also ~~below~~ The natural gas industry is subject to extensive regulation **below** . Additionally, local governments in Pennsylvania are authorized to adopt and implement ordinances and impose certain restrictions regarding siting of our well sites, ~~tanks~~ **tank** pads and other related facilities. Approval from one or more local governmental bodies, some following a public hearing, may be required before commencing construction of our facilities which can result in delay, increased expense or in some cases, prevention of development. Moreover, new initiatives or regulations could include restrictions on our ability to conduct certain operations such as hydraulic fracturing or disposal of substances generated by our operations, including, but not limited to, produced water, drilling fluids and other wastes associated with our operations **or propose new setback distances. For example, in November 2023, Pennsylvania Governor Josh Shapiro instructed the DEP to take immediate action to pursue formal rulemakings and policy changes, including new requirements for the disclosure of chemicals used in drilling, improved control of methane emissions aligned with federal policy, stronger drilling waste protections (including inspection of secondary containment) and corrosion protections for gathering lines that transport natural gas** . Currently there are a few states that have elected to ban hydraulic fracturing altogether, including Washington, New York, Maryland, Vermont and Oregon (which temporarily suspended hydraulic fracturing until 2025) ~~;~~ **.** ~~should~~ **Should** Pennsylvania or the federal government ban hydraulic fracturing, it would preclude economic development of our Marcellus Shale reserves resulting in severe financial consequences to us. We use a significant amount of water in our hydraulic fracturing operations. Our inability to locate sufficient amounts of water or dispose of or recycle water used in our operations may have a material adverse effect on our financial condition, results of operations and cash flows. Water is an essential component of our drilling and hydraulic fracturing processes. Limitation or restrictions on our ability to secure sufficient amounts of water (including limitations from natural causes such as drought) could impact our operations. If we are unable to obtain water to use in our operations from local sources, we may need to obtain **it** from new sources and transport the water to drilling sites, resulting in increased costs. We must either dispose of or recycle water used in our operations. Compliance with environmental and permit requirements governing the withdrawal, storage and use of **recyled water,** surface water or groundwater may increase costs and cause delays, interruptions or termination of our operations. Our business depends on natural gas and oil transportation and NGLs processing facilities which are owned by others and depends on our ability to contract with those parties. Our ability to sell our natural gas, NGLs and oil production depends in part on the availability, proximity and capacity of gathering and transportation pipeline systems, processing facilities, rail cars, trucks or vessels owned by third parties and our ability to contract with those third parties. The lack of available capacity on these systems and facilities could result in the shut- in of producing wells or the delay or discontinuance of development plans for properties. See also above Our producing properties are concentrated in the Pennsylvania portion of the Appalachian Basin, making us vulnerable to risks associated with operating in one geographic and political region. Although we have some contractual control over the transportation of our products, material changes in these business relationships, including the financial condition of the contractual counterparties, could materially affect our operations. In some cases, we do not purchase firm transportation on third- party facilities and as a result, our production transportation can be interrupted by those having firm arrangements. In other cases, we have entered into firm transportation arrangements where we are obligated to pay fees on minimum volumes regardless of actual volume throughput. If production decreases due to reduced or delayed developmental activities, the current commodity price environment, production related difficulties or otherwise, we may be unable to utilize all of our rights under existing firm transportation contracts, resulting in obligations to pay fees without receiving revenue from sales. Such fees may be significant and may have a material adverse effect on our operations. We have also entered into long- term agreements with third parties to provide natural gas gathering and processing services. In some cases, the capacity of gathering systems and transportation pipelines may be insufficient to accommodate production from existing and new wells. Federal and state regulation of natural gas and oil production and transportation, tax and energy policies, changes in supply and demand, pipeline pressures, damage to or destruction of pipelines and general economic conditions could adversely affect our ability to produce, gather and transport natural gas, NGLs and oil. If any of these third- party pipelines or other facilities become partially or fully unavailable to transport or process our product, or if the natural gas quality specifications for a natural gas pipeline or facility change so as to restrict our ability to transport natural gas on those pipelines or facilities, our revenues could be adversely affected. The disruption of third- party facilities due to maintenance, mechanical failures, accidents, weather and / or other reasons could negatively impact our ability to market and deliver our products. In particular, the disruption of certain third- party natural gas processing facilities that support our core operating area in southwest Pennsylvania could materially affect our ability to market and deliver natural gas production in that area especially if such disruption were to last for more than a short duration which could result in the necessity to curtail a significant amount of our production. We have no control over when or if such facilities are restored and generally have no control over what prices will be charged. A total shut- in of production ~~would~~ **could**

~~materially~~ **severely** affect us due to a lack of cash flow, and if a substantial portion of the production volume is hedged at lower than market prices, our obligation to the counterparty under those financial hedges would have to be paid from borrowings thus further adversely affecting our financial condition. Risks related to the industry in which we operate The natural gas industry is subject to extensive regulation. Natural gas, NGLs, condensate and other hydrocarbons, as well as our operations to produce these products, are subject to extensive laws, regulations, and ordinances at the federal, state and local level. Further, new legislation, proposed rulemaking and ordinance amendments affecting the industry are under constant review for more expansive requirements and rules on our products and operations. Compliance with new and expanding laws from numerous governmental departments and agencies often increases our cost of doing business, delays our operations and decreases our profitability. Certain potential legislation, such as a ban on hydraulic fracturing, could even preclude our ability to economically develop our reserves. Matters subject to laws and regulations affecting our business include, but are not limited to: the amount and types of substances and material that may be released into the environment, including GHGs; responding to unexpected releases of regulated substances or materials to the environment; the sourcing and disposal of water used in the drilling and completions process; permits, performance rules and reporting obligations concerning drilling, completion and production operations; threatened or endangered species and waterway protection efforts; and climate related initiatives. Environmental regulations and pollution liability could expose us to significant costs and penalties. We may incur significant costs and liabilities in complying with existing or future environmental laws, regulations and enforcement policies or initiatives. Some of these environmental laws and regulations may impose strict, joint and several liability regardless of fault or knowledge, which could subject us to liability for conduct that was lawful at the time it occurred, or conditions caused by prior owners or operators or which relate to third party sites where we have taken materials for recycling or disposal. Pennsylvania law also imposes criminal liability for certain releases of substances, regardless of fault or intent. Failure to comply with these laws and regulations may result in the occurrence of delays, cancellations or restrictions in permitting or performance of our projects or other operations and subject us to administrative, civil and / or criminal penalties, corrective actions and orders enjoining some or all of our operations. Our operations may be impacted by new and amended laws and regulations and reinterpretations of existing laws and regulations or increased government enforcement relating to environmental laws. For example, properly handled drilling fluids and produced water are currently exempt from regulation as hazardous waste under RCRA, and instead are regulated under RCRA’ s non- hazardous waste provisions. It is possible that the EPA may in the future propose rulemaking that designates such wastes as hazardous rather than non- hazardous, and a similar designation may be made at the state level. Should this occur at the federal and / or state level it could result in significant costs to attain and maintain compliance. We may also be exposed to liability and costs for handling of hydrocarbons, air emissions and wastewater or other fluid discharges related to our operations and waste disposal practices. Spills or other unauthorized releases of hazardous or regulated substances by us, our contractors or resulting from our operations could expose us to material losses, expenditures and liabilities, civil and criminal liabilities, under environmental laws and regulation and we are currently and have in the past been involved in such investigations, remediation and monitoring activities. The Pennsylvania Office of the Attorney General has publicly announced investigations and charges generally related to our industry in Pennsylvania. Additionally, neighboring landowners and other third parties may assert claims or file lawsuits against us for personal injury and / or property damage allegedly caused by the release of substances into the environment, with or without evidence of an impact from our operations, all of which could also result in significant litigation or settlement costs as well as reputational harm. Laws and regulations pertaining to threatened and endangered species and protection of waterways could delay or restrict our operations and cause us to incur substantial costs. Various federal and state statutes prohibit actions or operations that adversely affect endangered or threatened species and their habitats. These statutes include the federal Endangered Species Act of 1973 (~~“~~**"** ESA ~~”~~**"**), the Migratory Bird Treaty Act, the CWA, CERCLA and similar state programs. The United States Fish and Wildlife Service (~~“~~**"** FWS ~~”~~**"**) may designate critical habitat and suitable habitat areas that it believes are necessary for survival of threatened or endangered species. A critical habitat or suitable habitat designation could result in material restrictions to land use and delay, restrict or even prevent our operations. The Biden ~~Administration~~ **administration** has taken action to broaden enforcement under ESA, including expanding the definition of ~~“~~critical habitat ~~”~~. While none of the species listed by FWS as threatened or endangered materially affect our operations at the present time, the future designation of previously unprotected species as threatened or endangered in areas where we conduct our operations or expansion of areas designated as ~~“~~critical habitat ~~”~~could cause us to incur increased costs arising from species protection measures and / or limit or prevent our ability to operate which could have an adverse effect on our ability to develop and produce reserves. Additionally, operations may be impacted by the existence of wetlands or other environmentally sensitive areas based upon the scope of the CWA and its protection of waters of the United States. On December 30, 2022, the EPA announced a final rule related to a revised definition of ~~“ Waters~~ **waters** of the United States ~~”~~that included a broader interpretation similar to the pre- 2015 definition. ~~This~~ **However, on May 5, 2023, the Supreme Court issued a landmark ruling in Sackett v. EPA significantly narrowing the scope of the EPA' s definition of the" waters of the United States". The EPA subsequently published a new** final rule ~~becomes effective 60 days after its publication in~~ **on September 8, 2023 defining" waters of** the **United States" to conform to the Supreme Court' s ruling in Sackett, thereby narrowing the scope of** ~~Federal~~ **federal jurisdiction under** ~~Register. Once effective, this rule may result in expansion of~~ the CWA ~~by the EPA or state agencies taking a more expansive view of their respective enforcement roles~~ . The EPA may change its rules in the future. To the extent that legal challenges or any further rulemaking expands the CWA’ s jurisdiction we could incur increased costs and restrictions, and / or delays or cancellations in permitting or projects, which could result in significant costs and liabilities or financial losses. Climate related regulations and initiatives could expose us to significant costs and restrictions on operations. There is an ongoing public debate as to the extent to which our climate is changing, the potential causes of climate change and its potential impacts. As part of that debate, there is also general belief that increased levels of GHGs, including carbon dioxide and methane, have contributed to and continue to contribute to climate change which has led to numerous regulatory, political, litigation and financial risks associated with the production of fossil fuels and emissions of GHGs. **Our operations result in GHGs.** Federal and state governments have from time to time considered legislation and regulations to reduce GHG emissions, including, but not limited to the implementation of GHG monitoring and reporting for the natural gas industry which includes certain of our operations. The EPA has sought to achieve these reductions under the Clean Air Act and **the** ~~New Source Performance Standards ("~~NSPS ~~")~~ aimed at volatile organic compounds (~~"~~ **"** VOCs ~~"~~ **"**) including methane emissions from oil and natural gas sources. ~~In~~ **On December 2,** ~~2021~~ **2023** , the EPA ~~proposed new~~ **released a copy of its final rule on** NSPS ~~as part of a proposed rule~~ to **sharply** reduce **emissions of** methane ~~emissions~~ **and other air pollution** from ~~existing~~ oil and natural gas ~~sources~~ **operations. The final rule will** , ~~which would~~ **among other things** (i) require states to reduce methane emissions from hundreds of thousands of existing sources nationwide for the first time, (ii) **phase out routine flaring from** ~~expand current emissions reductions requirements for~~ new ~~, modified and reconstructed sources in the oil and~~ natural gas **wells** ~~industry, and~~ (iii ~~) when finalized, require the use of advanced technologies as part of the " best system of emission reduction " for leak surveys at well sites and compressor stations. On November 11, 2022, the EPA supplemented its proposed rule regarding NSPS to, among other things, (i) ensure that all well sites are routinely monitored for leaks, with requirements based on the type and amount of equipment on site, (ii~~) require the deployment of innovative and advanced monitoring technologies by establishing performance requirements that can be met by a broader array of technologies, ~~and~~ (~~iii~~ **iv**) ~~prevent leaks~~ **leverage data collected by certified third parties to identify and address" super emitting" sources and eliminate or minimize emissions** from ~~abandoned~~ **common pieces of equipment used in oil** and ~~unplugged wells by~~ **gas operations such as process controllers, pumps and storage tanks and (v)** ~~requiring~~ **require** documentation that ~~well~~ **wells** ~~sites~~ are properly closed and plugged before monitoring is allowed to end. ~~A public~~ **In response to feedback received during the** comment period **,** ~~was held on~~ the ~~supplemented~~ **EPA adjusted several provisions of this** proposed rule ~~in January 2023~~ **to allow extended time for compliance** , ~~with~~ **including** a ~~final rule expected later~~ **two- year phase-** in ~~2023. While the extent~~ **period for eliminating routine flaring** of ~~the final rule cannot be predicted,~~ **natural gas that is emitted from new oil wells.** ~~additional~~ **Additional** costs are likely to result from compliance with ~~proposed provisions such as~~ **the final rule based on** expanded monitoring requirements and more stringent emissions limits **. Additionally, the EPA proposed rules pursuant to the 2022 Inflation Reduction Act that would charge a fee associated with certain levels of methane emissions** . In Pennsylvania, regulators have implemented operating permits and restrictions on emissions for well site operations, compressors, processing plants and other downstream facilities that directly impact our operations. The DEP is implementing new and additional regulations to limit VOCs from existing sources for the oil and gas industry. There have also been a number of state and regional efforts that have emerged that seek to track and reduce GHG emissions by means of cap and trade programs where emitters would be required to acquire and surrender emission allowances in return for emitting GHGs. In September 2020, the PEQB approved a draft resolution to enter the Regional Greenhouse Gas Initiative (~~"~~ **"** RGGI ~~"~~ **"**), a cooperative effort among the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont to cap and reduce power sector CO2 emissions from fossil- fuel- fired electric power plants. However, in response to the PEQB' s resolution to join the RGGI, the Pennsylvania General Assembly adopted a resolution on December 15, 2021, expressing its disapproval of the state' s efforts to enroll in RGGI, stating that the RGGI would drive up energy costs and result in thousands of lost jobs. On January 10, 2022, **former** Governor Wolf vetoed the disapproval resolution. In April 2022, the Pennsylvania senate failed to override **former** Governor Wolf' s veto and as a result, Pennsylvania officially joined the RGGI. However, in July 2022, the Commonwealth Court of Pennsylvania issued an order blocking the state from participating in the RGGI until the court ruled on its constitutionality. **On November 1, 2023, the Pennsylvania Commonwealth Court ruled that funds generated through the RGGI are an unconstitutional tax, effectively preventing the state from participating in RGGI. Pennsylvania Governor Josh Shapiro appealed that decision to the state' s Supreme Court. Moreover, in 2023, Pennsylvania Governor Josh Shapiro created the" RGGI Working Group" and tasked them with measuring RGGI or an alternative against a three- part test: protect and create energy jobs, take real action to address climate change, and ensure reliable, affordable power for consumers in the long- term. While the RGGI Working Group agreed that a cap- and- trade regulation would meet these goals, they did not conclude that RGGI is the correct program for Pennsylvania, citing wider concerns regarding increased energy costs and job loss. The RGGI Working Group gave Governor Shapiro a list of recommendations in a four- page memo, suggesting, among other things, Governor Shapiro explore a cap- and- trade program that includes Washington, D. C. and 13 states whose electric grids are run by PJM Interconnection, while encouraging the PJM- run states to reach consensus on carbon trading. To date, Governor Shapiro has not taken any official action in response to the RGGI Working Group' s recommendations.** In ~~addition to~~ **the absence of participation in** the RGGI, the DEP is evaluating other regulations to achieve the emissions reductions. We have initiated our own internal goals to reduce GHG emissions from our operations. For example, setting a goal of net zero Scope 1 and 2 GHG emissions by 2025; however, there are a variety of factors that may prevent us from meeting that goal including but not limited to operational malfunctions, availability of equipment and services, engineering results, capital constraints and availability and success of carbon offsetting initiatives. Given uncertainties related to the use of emerging technologies, the state of markets for **,** and the **validity and** availability of verified carbon offsets **along with the uncertainty of emission measurement calculations** , we cannot predict whether or not we will be able to timely meet our net zero GHG emissions **goal. We continue to evaluate a range of technology and other measures, such as carbon offsets, that could assist with meeting this** goal. Failure or a perception (whether or not valid) of failure to meet our GHG emissions goals, could damage our reputation and negatively impact our stock price. The outcome of federal, state and regional actions to address global climate change could result in a variety of new laws and regulations to control or restrict emissions including taxes or other charges to deter or restrict emissions of GHGs. This may also depend upon political outcomes as there have been certain candidates seeking election to various state and federal offices or their appointees, who have made pledges to restrict GHG emissions, ban hydraulic fracturing of oil and natural gas wells and ban new leases for production of oil and natural gas on federal lands. Our reserves development is critically dependent upon the use of hydraulic fracturing and we cannot economically develop any of our reserves without using such technology (which we believe has been safely conducted for many decades) and a ban of such technology ~~would~~ **could** result in ~~material~~ **severe** economic harm to us. There are also increasing litigation risks associated with climate change concerns as a number of cities and local governments have initiated lawsuits against fossil fuel producers in state and federal court asserting claims for public nuisance and seeking damages for climate change impacts to roadways and infrastructure. Such lawsuits have also alleged that fossil fuel producers have been aware of the adverse effects of climate change and defrauded their investors by failing to adequately disclose those impacts. Financial risks for fossil fuel energy companies, including natural gas producers, are also on the rise as stockholders and bondholders concerned about the potential effects of fossil fuels on climate change may elect to shift some or all of their investments away from fossil fuel based energy. Institutional lenders who provide financing to fossil fuel energy companies also have been under pressure from activists and are the subject of lobbying to not provide funding for fossil fuel production. Also, in November 2021, the Federal Reserve issued a statement in support of the efforts of the Network of Greening the Financial System, of which the Federal Reserve is a member, to identify key issues and potential solutions for the climate- related challenges most relevant to central banks and supervisory authorities. Some of these institutional lenders may elect not to provide funding for us which could result in restriction, delay or cancellation of drilling programs or development or production activities or impair our ability to operate economically. **On March 21, 2022, the SEC issued a proposed rule regarding the enhancement and standardization of mandatory climate-related disclosures. The proposed rule would require registrants to include certain climate- related disclosures in their registration statements and periodic reports. The SEC is expected to release the final rule in April of 2024. While the final form and substance of these requirements are not yet known and the ultimate scope and impact on our business is uncertain, compliance with the proposed rule may result in increased legal, accounting, operational, technology and financial compliance costs.** Certain organizations that provide corporate governance and other corporate risk information to investors and stockholders have developed scores and ratings to evaluate companies and investment funds based on sustainability or environmental, social and governance (~~“~~ **"** ESG ~~”~~ **"**) metrics. Currently, there are no universal standards for such scores or ratings, but the importance of sustainability evaluations is becoming more broadly accepted by investors and stockholders. A number of advocacy groups, both domestically and internationally, have campaigned for governmental and private action to promote change at public companies related to ESG matters, including through investment and voting practices of investment advisors, public pension funds, universities and other members of the investing community. As a result, many investment funds focus on positive ESG business practices and sustainability scores when making investments. Companies which do not adapt to or comply with investor or stockholder ESG expectations and standards or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the financial condition, results of operations or cash flows of such a company could be materially and adversely affected. Moreover, we may from time- to- time create and publish voluntary disclosures regarding ESG matters. Many of the statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. At this time, we cannot predict the potential impact of such laws, regulations, regional or international initiatives or compacts, litigation, ESG ratings or financing restrictions due to climate concerns on our future consolidated financial condition, results of operations or cash flows; however, such impacts could be material and have material negative consequences to our business. Information concerning our reserves and future net cash flow are estimates and are not certain to match our results. There are numerous uncertainties inherent in estimating quantities of proved natural gas and oil reserves and their values, including many factors beyond our control. Estimates of proved reserves depend on many assumptions relating to current and future economic conditions and commodity prices as well as the projected productivity of our wells **and infrastructure to gather, process, store and / or transport our products to market** . To the extent we experience a sustained period of reduced commodity prices, there is a risk that a portion of our proved reserves could be deemed uneconomic and no longer be classified as proved. Although we utilize robust processes and procedures to evaluate and estimate our reserves, they are estimates and the actual production, revenues and costs to develop our estimated reserves will vary from estimates and these variances could be material and / or negative. Reserve estimation is a subjective process that involves estimating volumes to be recovered from underground accumulations of natural gas and oil that cannot be directly measured. As a result, different petroleum engineers, each using industry- accepted geologic and engineering practices and scientific methods, may calculate different estimates of reserves and future net cash flows based on the same available data. Because of the subjective application of engineering principles to natural gas, NGLs and oil reserve estimates, each of the following items may differ materially from the amounts or other factors estimated: • the amount and timing of natural gas, NGLs and oil production; • the revenues and costs associated with that production; • the amount and timing of future development expenditures; and • future commodity prices. The discounted future net cash flows from our proved reserves included in this report are not the same as the market value of the reserves attributable to our properties. As required by United States generally accepted accounting principles (~~“~~ **"** U. S. GAAP ~~”~~ **"**), the estimated discounted future net revenues from our proved reserves are based on a twelve month average price (first day of the month) while cost estimates are based on current year- end economic conditions. Actual future prices and costs may be materially higher or lower. In addition, the ten percent discount factor that is required to be used to calculate discounted future net cash flows for reporting purposes under U. S. GAAP is not necessarily the most appropriate discount factor based on the cost of capital, which varies from time to time, and risks associated with our business and the oil and gas industry in general. We may face various risks associated with the long- term trend toward increased activism against oil and gas exploration and development activities. Opposition toward oil and gas drilling and development activity has been growing over time. Companies in the oil and gas industry are often the target of activist efforts to delay or prevent oil and gas development from both individuals and non- governmental organizations who use safety, environmental compliance and business practices to support their opposition to oil and gas drilling. Anti- development activists are working to, among other things, reduce access to federal and state government lands ~~and~~ **,** delay or cancel certain projects such as the development of oil and gas drilling **or export facilities** , as well as the pipeline infrastructure needed to transport and process oil and gas production. For example, environmental activists continue to advocate for increased regulations or bans on shale drilling and hydraulic fracturing in the United States, even in jurisdictions like Pennsylvania that are among the most stringent in their regulation of the industry. Such activist efforts could result in the following: • delay or denial of drilling permits ~~; • shortening of lease terms and reduction in lease size~~ ; • restrictions on or prevention of installation or operation of production, gathering or processing facilities; • restrictions on or prevention of the use of certain operating practices, such as hydraulic fracturing, or the disposal of related materials, such as hydraulic fracturing fluids and produced water; • additional regulatory burdens; • increased severance and / or other taxes; • cyber- attacks; • legal challenges or lawsuits; • negative publicity about our business or the oil and gas industry in general; • increased costs of doing business; • reduction in demand for our products; and • other adverse effects on our ability to develop our properties and expand production. We may ~~need to~~ incur significant costs associated with responding to these initiatives and such actions may materially adversely affect our financial results. Complying with any resulting additional legal or regulatory requirements that are substantial or prevent our activity could have a material adverse effect on our business, financial condition, cash flows and results of operations. Conservation measures and technological advances could reduce demand for oil and natural gas. Fuel conservation measures, alternative fuel requirements, governmental requirements for renewable energy resources, increasing consumer demand for alternatives to oil and natural gas, technological advances in fuel economy and energy generation or storage devices (such as battery technology) may in the future, reduce the demand for and **,** in turn ~~,~~ the prices of, natural gas, NGLs and oil that we sell. In addition, these measures may reduce the availability to us of necessary third- party services and facilities that we rely on which could increase our operational costs and adversely impact our ability to produce, transport and process natural gas, NGLs and oil. The impact of changing demand for oil and natural gas services and products may have a material adverse effect on our business, financial condition, results of operations and cash flows. Legal, tax and regulatory risks ~~Certain federal income~~ **U. S. or state** tax **legislation** ~~deductions currently available with respect to natural gas and oil exploration and development~~ may ~~be eliminated~~ **adversely affect** ~~or~~ **our** ~~postponed~~ **business, results of operations, financial condition** and **cash flow** ~~additional federal or state taxes or fees on natural gas extraction may be imposed including taxes or fees related to methane emissions~~ . Legislation is periodically proposed that could make significant changes to United States federal income tax laws and could include the elimination of certain United States federal income tax benefits currently available to oil and gas exploration and production companies including, but not limited to, (i) the repeal of percentage depletion allowances for oil and natural gas properties; (ii) the elimination of current deductions for intangible drilling and development costs and; (iii) an extension of the amortization period for certain geological and geophysical expenditures. Additionally, legislation could be enacted that imposes new fees or increases the taxes on oil and natural gas extraction, which could result in increased operating costs and / or reduced consumer demand for our products. The passage of any such legislation or any other similar change in United States federal income tax law could increase costs or eliminate or postpone certain tax deductions that are currently available with respect to natural gas and oil exploration and development and any such changes could have an adverse effect on our financial condition, results of operations and cash flows. **In** ~~As of December 31,~~ 2022, **legislation commonly known as the Inflation Reduction Act was signed into law, which includes, among other things, a corporate alternative minimum tax (the" CAMT") and a one percent excise tax on corporate stock repurchases. The CAMT generally treats a corporation as an applicable corporation in any taxable year in which the average annual adjusted financial statement income for a three taxable- year period ending prior to such taxable year exceeds $ 1. 0 billion. If** we ~~had a~~ **become subject to CAMT, our cash obligations for U. S. federal income taxes could be significantly accelerated. To the extent the 1 % excise** tax **applies** ~~basis of $ 187. 7 million related~~ to ~~prior year capitalized intangible drilling costs~~ **repurchases of shares under our common stock repurchases program** , ~~which will~~ **the number of shares we repurchase and our cash flow may** be **affected** ~~amortized over the next five years~~ . In 2012, Pennsylvania enacted legislation creating a tax referred to as the natural gas impact fee applicable to production in Pennsylvania, where all of our acreage is located. The legislation imposes an annual fee on natural gas and oil operators for each well drilled for a period of fifteen years. Much like a severance tax, the fee is on a sliding scale set by the Pennsylvania Public Utility Commission and is based on two factors: changes in the Consumer Price Index and the average NYMEX natural gas prices on the last day of each month. The impact fee increases the financial burden on our operations in the Marcellus Shale. There can be no assurance that the impact fee will remain as currently structured or that additional taxes will not be imposed. From time to time, the Pennsylvania Governor and various Pennsylvania state lawmakers have proposed legislation to enact a severance tax in substitution for, or as an addition to, the impact fee already in place. The structure of and ultimate effect of any additional tax burden cannot be estimated at this time but could be material. ~~We may be limited in our use of net operating losses and tax credits and deductibility of business interest expense. As noted in the financial statements included with this Form 10- K, we have substantial net operating losses (" NOLs "). Utilization of these NOLs and the deductibility of business interest expense depends on many factors, including the company' s future taxable income. Our ability to utilize our deferred tax assets is dependent on the amount of future pre- tax income that we are able to generate through our operations or the sale of assets. If management concludes that it is more likely than not that some or all of the benefit from the deferred tax asset will not be realized, a valuation allowance will be recognized in the period that this conclusion is reached. In addition, limitations may exist upon use of these NOLs in the event that a change in control occurs. In either case, the impact of the valuation allowance would be negative to our financial statements.~~ Legal proceedings brought against us could result in substantial liabilities and materially and adversely impact our financial condition. Like many oil and gas companies, we are involved in various legal proceedings, including threatened claims, such as title, royalty, and contractual disputes. The cost to settle legal proceedings (asserted or unasserted) or satisfy any resulting judgment against us in such proceedings could result in a substantial liability or the loss of interests, which could materially and adversely impact our cash flows, operating results and financial condition. Judgments and estimates to determine accruals or range of losses related to legal proceedings could change from one period to the next, and such changes could be material. Current accruals may be insufficient to satisfy any such judgments. Legal proceedings could also result in negative publicity about Range. In addition, legal proceedings distract management and other personnel from their primary responsibilities. At this time, based on the information available to management, there are no pending claims or litigation which appear likely to result in a material financial impact. However, management' s assessment of pending claims and litigation could be inaccurate and subsequent events could result in material liabilities from such claims or litigation. Our success depends on key members of our management and our ability to attract and retain experienced technical and other professional personnel. None of our senior management team nor any of the other officers are subject to an employment agreement and therefore retaining them as employees is less certain than if they were parties to an employment agreement. The unanticipated loss of one or more of these individuals ~~, particularly regarding our CEO, CFO and COO,~~ could have a material adverse effect on our business. Further, the loss of key technical professionals with extensive experience in our core operating area could be difficult to replace if they were to leave and the loss of such employees could adversely affect the costs of drilling, completing and operating our wells. Risks related to our common stock Common stockholders ~~will~~ **may** be diluted if additional shares are issued. In order to align interests and encourage ownership, we issue restricted stock and performance share units to our employees and directors as part of their compensation. In addition, we may issue additional shares of common stock, additional senior notes or other securities or debt convertible into common stock to extend maturities or fund capital expenditures, including acquisitions. The issuance of additional shares of common stock results in dilution of the interests of existing stockholders. One way to reverse the effects of dilution is by the acquisition of our stock. **On December 31, 2023, our share repurchase program has $ 1. 1 billion remaining.** However, **this program may be suspended, modified** ~~our~~ - **or discontinued** ~~ability to repurchase securities for cash is limited~~ by **the board of directors at any time** ~~our bank credit facility and certain bond indentures~~ . Dividend limitations. Limits on the payment of dividends and other restricted payments (as defined in our bank credit facility) are imposed under our bank credit facility. These limitations may, in certain circumstances, limit or prevent the payment of dividends. ~~In January 2020, we announced that the board of directors suspended the dividend on our common stock. However, in third quarter 2022, our board of directors reinstated our cash dividend.~~ Our stock price may be volatile and stockholders may not be able to resell shares of our common stock at or above the price they paid. The price of our common stock fluctuates significantly, which may result in losses for investors. The market price of our common stock has been volatile. From January 1, ~~2020~~ **2021** to December 31, ~~2022~~ **2023 ,** the price of our common stock reported by the New York Stock Exchange ranged from a low of $ ~~1~~ **6** . ~~64~~ **78** per share to a high of $ 37. **88** ~~44 per share. From January 1, 2023 to February 20, 2023, our common stock ranged from a low of $ 22. 61 per share to a high of $ 27. 01~~ per share. We expect our stock price to continue to be subject to volatility as a result of a variety of factors, including factors beyond our control. These factors include: • most significantly, changes in natural gas, NGLs and oil prices; • variations in drilling, recompletions, acquisitions and operating results; • changes in governmental regulation and / or taxation; • changes in financial estimates by securities analysts; • changes in market valuations of comparable companies; • expectations regarding our capital program, including any determination by our board of directors regarding repurchasing stock or paying dividends; • changes in key personnel; or • future sales of additional stock and changes in our capital structure. We may fail to meet expectations of our stockholders or of securities analysts at some time in the future and our stock price could decline as a result. General risk factors Our business could be negatively affected by security threats, including cybersecurity threats and other disruptions. The United States government has issued public warnings that indicate that energy assets might be specific targets of cybersecurity threats. As a natural gas and oil producer, we face various security threats, including: • cybersecurity threats to gain unauthorized access to sensitive information or to render data or computer systems unusable; • threats to the security or operations at our physical facilities and infrastructure or third- party facilities and infrastructure, such as processing plants and pipelines; or • threats from terrorist acts **or other geopolitical events** . **Digital technologies** ~~Computers and telecommunication systems~~ are an integral part of our business and are used to support our exploration, development and production activities and our key accounting and financial reporting functions. We use these systems to analyze and store financial and operating data and to communicate internally and with outside business counterparties. Cyberattacks could compromise our ~~computer~~ **core infrastructure** and ~~telecommunications systems~~ **digital technologies** and result in disruptions to our business operations or the loss of our data and proprietary information. In addition, ~~computers~~ **digital technologies** control oil and gas production, processing equipment, and distribution systems globally and are necessary to deliver our production to market. A cyberattack against these operating systems, or the networks and infrastructure on which they rely, could damage critical production, distribution and / or storage assets, delay or prevent delivery to markets, cause accidental discharge and / or make it difficult or impossible to accurately account for production and settle transactions. A cyberattack on a vendor or a service provider could result in supply chain disruptions, which could delay or halt development projects. A cyberattack on our accounting or human resources systems could expose us to liability if personal information is obtained **. Furthermore, the shift to a hybrid systems model including on- premises and cloud environments has transformed how systems interconnect, how data is stored, how users interact with applications and what end user devices are utilized. This shift has resulted in additional cybersecurity risk** . Security threats have subjected our operations to increased risks that could have a material adverse effect on our business. In particular, our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our personnel, information, facilities and infrastructure may result in increased capital and operating costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring. If any of these security breaches were to occur, they could lead to harm to our employees or losses of sensitive information, losses of critical infrastructure or capabilities essential to our operations and could have a material adverse effect on our reputation, financial position, and results of operations or cash flows. Attackers are becoming more sophisticated and both the frequency and magnitude of cyberattacks in particular are expected to increase and include, but are not limited to, malicious software, phishing, ransomware, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, and corruption of data. These events could damage our reputation and lead to financial losses from unauthorized disbursement of funds, remedial actions, loss of business and / or potential liability. We may be unable to anticipate, detect or prevent future attacks, particularly as methodologies utilized by attackers change frequently and are not recognized until launched. Additionally, the continuing and evolving threat of cybersecurity attacks has resulted in evolving legal and compliance matters, including increased regulatory focus on prevention, which could require us to expend significant additional resources to meet such requirements. While we utilize extensive processes and procedures that we deem appropriate to counter cybersecurity risks and to date have not suffered any material losses relating to such attacks, there can be no assurance that we will not suffer such losses in the future. Any losses, costs or liabilities directly or indirectly related to cyberattacks or similar incidents may not be covered by, or may exceed the coverage limits of, any of our insurance policies. Terrorist attacks and the threat of terrorist attacks, whether domestic or foreign attacks, as well as military or other actions taken in response to these acts, could cause instability in the global financial and energy markets. Continued hostilities in areas around the world and the occurrence or threat of terrorist attacks in the United States or other countries could adversely affect the global economy in unpredictable ways, including the disruption of energy supplies and markets, increased volatility in commodity prices or the possibility that the infrastructure on which we rely could be a direct target or an indirect casualty of an act of terrorism and, in turn, could materially and adversely affect our business and results of operations.