Risk Factors Comparison 2024-03-01 to 2023-02-24 Form: 10-K

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The following is a summary of the principal risks that could adversely affect our business, operations and financial results. Please refer to Item 1A " Risk Factors " of this Form 10- K below for additional discussion of the risks summarized in this Risk Factors Summary. Risks Related to Our Business and the Industries We Serve • Failure by PREPA to pay the amounts owed to our infrastructure subsidiary Cobra for services performed would materially and adversely affect our financial condition, results of operations and cash flows. • Our ~~ability to generate sufficient cash in the next nine months necessary to repay or refinance our existing revolving credit facility at or prior to maturity is subject to a number of risks and uncertainties. • Our~~ customer base is concentrated and the loss of one or more of our significant customers, or their failure to pay the amounts they owe us, could cause our revenue to decline substantially. • We may experience losses in excess of our recorded reserves for receivables ~~. • Our business and operations have been and will likely continue to be adversely affected by the COVID- 19 pandemic~~ . • Our revolving credit facility ~~imposes,~~ and **term** ~~any of our future~~ credit ~~facilities~~ **facility** ~~may~~ impose ~~,~~ restrictions on us that may affect our ability to successfully operate our business. • Volatility in the oil and natural gas markets has negatively impacted our business in the past, and could negatively impact our oilfield services business in the future. • Governmental laws, policies, regulations and subsidies, including initiatives to promote the use of renewable energy sources could create commodity volatility and negatively impact our oilfield services business. • A transition of the global energy sector from primarily a fossil fuel- based system to renewable energy sources could affect our customers' level of expenditures. • Shortages, delays in delivery and interruptions in supply of major components, replacement parts or, other equipment, supplies or materials may adversely affect our pressure pumping business and our drilling business. • Our business depends upon our ability to obtain specialized equipment and parts from third- party suppliers, and we may be vulnerable to delayed deliveries and future price increases. • Our failure to receive payment for contract change orders or adequately recover on claims brought by us against customers related to payment terms and costs could materially and adversely affect our business. • We may not accurately estimate the costs associated with infrastructure services provided under fixed price contracts, which could adversely affect our business, financial condition and cash flows. • We may be unable to obtain sufficient bonding capacity to support certain service offerings, and the need for performance and surety bonds could reduce availability under our credit facility. • The nature of our infrastructure services business exposes us to potential liability for warranty claims and faulty engineering, which may reduce our profitability. • Delays and reductions in government appropriations can negatively impact energy infrastructure engineering, design, construction, maintenance and repair projects and may impair the ability of our energy infrastructure customers to timely pay for products or services provided or result in their insolvency or bankruptcy. • Future performance of our natural sand proppant services business will depend on our ability to appropriately react to potential fluctuations in the demand for and supply of frac sand. • Increasing transportation and related costs could have a material adverse effect on our business. • Diminished access to water and inability to secure or maintain necessary permits may adversely affect operations of our frac sand processing plants. • Development of permanent infrastructure in the Canadian oil sands region or other locations where we locate our remote accommodations could negatively impact our remote accommodations business. • In the course of our business, we may become subject to lawsuits, indemnity or other claims, which could materially and adversely affect our business, results of operations and cash flows. • We rely on a few key employees and skilled and qualified workers whose absence or loss could adversely affect our business. • Our operations may be limited or disrupted in certain parts of the continental U. S. and Canada during severe weather conditions. • Our operations require substantial capital and we may be unable to obtain needed capital or financing on satisfactory terms or at all, which could limit our ability to grow or conduct our business. • We may have difficulties in identifying and financing suitable, accretive acquisition opportunities and integrating businesses, assets and personnel. • Our liquidity needs could restrict our operations and make us more vulnerable to adverse economic conditions. • Our revolving credit facility ~~provides,~~ and **term** ~~any future~~ credit ~~facilities~~ **facility** ~~may~~ provide ~~,~~ for fluctuating interest rates, which may increase or decrease our interest expense. • Our operations are subject to hazards inherent in the oil and natural gas and energy infrastructure industries, which could expose us to substantial liability and cause us to lose customers and substantial revenue. • We are subject to extensive environmental, health and safety laws, trucking and other regulations that may subject us to increased costs and / or substantial liability. • Our operations in our natural sand proppant services business are dependent on our rights and ability to mine our properties and on our having renewed or received the required permits and approvals from governmental authorities and other third parties. • Changes in tax laws and regulations or adverse outcomes resulting from examination of our tax returns may adversely affect our business, results of operations, financial condition and cash flow. • ~~A cyber~~ **Cyber** ~~incident~~ **incidents** ~~could occur and~~ **or intrusions may** result in information theft or other loss, data corruption, operational disruption and / or financial loss. Risks Inherent to Our Common Stock • Our largest stockholder controls a significant percentage of our common stock, and its interests may conflict with those of our other stockholders. • A significant reduction by our largest stockholder, Wexford of its ownership interests in us could adversely affect us. • Sales of shares of our common stock by our largest stockholders or sales of substantial amounts of our common stock by other stockholders could adversely affect the market price of our common stock. • The corporate opportunity provisions in our certificate of incorporation could enable Wexford or other affiliates of ours to benefit from corporate opportunities that might otherwise be available to us. • We have engaged and expect to continue to engage in transactions with our affiliates, the terms of which and the resolution of any conflicts thereunder may not always be in our or our stockholders' best interests. • If our operating results do not meet expectations of securities and financial analysts, the price of our common stock could decline.

• We may issue preferred stock adversely affecting the voting power or value of our common stock. • Provisions in our certificate of incorporation and bylaws and Delaware law make it more difficult to effect a change in control of the company, which could adversely affect the price of our common stock. • The exclusive forum provisions of our certificate of incorporation could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees. • The declaration of dividends on our common stock is within the discretion of our board of directors, and there is no guarantee that we will pay any dividends in the future or at levels anticipated by our stockholders. **• Our ability to repurchase stock may be limited and no assurance can be given that we will be able to effectuate our stock repurchase program in the future at indicated levels or at all.** Item 1A. Risk Factors Cobra, one of our infrastructure services subsidiaries, was party to service contracts with PREPA. **Due to** PREPA **' s** ~~is currently subject to~~ bankruptcy proceedings ~~and, as a result~~ , PREPA' s ability to meet its payment obligations under the contracts is largely dependent upon funding from the FEMA or other sources. In the event that PREPA does not pay amounts owed to us for services performed, our financial condition, results of operations and cash flows would be materially and adversely affected. On October 19, 2017, one of our subsidiaries, Cobra, and PREPA entered into an emergency master services agreement for repairs to PREPA' s electrical grid as a result of Hurricane Maria. The one- year contract, as amended, provided for payments of up to $ 945 million (the " first contract "). On May 26, 2018, Cobra and PREPA entered into a second one- year, $ 900 million master services agreement to provide additional repair services and begin the initial phase of reconstruction of the electrical power system in Puerto Rico (the " second contract "). As of December 31, ~~2022~~ **2023** , PREPA owed us approximately $ ~~227~~ **204** . ~~0~~ **8** million for services performed excluding $ ~~152~~ **197** . ~~0~~ **5** million of interest charged on ~~these~~ delinquent balances. PREPA is currently subject to bankruptcy proceedings pending in the U. S. District Court for the District of Puerto Rico. As a result, PREPA' s ability to meet its payment obligations under the contracts is largely dependent upon funding from the FEMA or other sources. ~~On~~ **Since** September 30, 2019, we ~~filed a motion with~~ **have been pursuing litigation in** the U. S. District Court for the District of Puerto Rico **and other dispute resolution efforts** seeking recovery of the amounts owed to ~~us~~ **Cobra** by PREPA **for restoration services in Puerto Rico** , which ~~motion~~ **proceedings are discussed in more detail in Note 20 — " Commitments and Contingencies — Litigation " included elsewhere in this report. In connection with these efforts, in 2023, an aggregate of $ 99 million** was ~~stayed~~ **approved** by **FEMA for reimbursement** ~~the court. On March 25, 2020, we filed an urgent motion~~ to **Cobra for services performed by Cobra,** ~~modify the stay order and allow our recovery~~ of **which amount** approximately $ ~~62~~ **22. 2** million ~~in claims related to a tax gross- up provision contained in the first contract. This emergency motion~~ was ~~denied on June 3,~~ **paid by PREPA to Cobra in** ~~2020~~ **2023** ~~and the court extended the stay of our motion~~ . On December ~~9~~ **1** , ~~2020~~ **2023** , ~~the Court again extended the stay of our motion~~ **Cobra, as seller, and Mammoth, as guarantor, entered into** ~~and~~ **an** ~~directed~~ **assignment agreement (the " Assignment Agreement ") with SPCP Group, LLC (" SPCP Group "), pursuant to which Cobra transferred to SPCP Group all of its rights, title and interest in $ 54. 4 million of outstanding accounts receivable with** PREPA ~~to file~~ **and received net proceeds of $ 46. 1 million. See " — Liquidity and Capital Resources — Cobra Assignment Agreement " for additional information. On December 4, 2023, following submission of** a **joint** status report by ~~June 7~~ **Cobra and FEMA on December 1** , ~~2021~~ **2023 , in which, among other things, PREPA reported that they submitted a request for reimbursement to the Government of Puerto Rico' s Central Recovery and Reconstruction Office (" COR3 ") on November 1, 2023 for $ 82. 4 million and is disputing approximately $ 1. 5 million of invoices from Cobra, the Court ordered PREPA to provide a detailed summary of each of their objections to the disputed amounts and directed the parties to report the status of any remaining unpaid approved invoices in connection with the status report due on January 16, 2024** . On ~~April 6~~ **January 16** , ~~2021~~ **2024** , ~~we~~ **the parties** filed a ~~motion to lift~~ **joint status report in which, among** ~~the~~ **other** ~~stay order. Following this~~ **things** ~~filing~~ , PREPA ~~initiated discussion~~ **reported that on December 28, 2023, it received a disbursement from COR3 for the amount requested on November 1, 2023 and was in the process of paying approximately $ 13. 4 million in approved but unpaid invoices for reimbursements for services performed by Cobra to SPCP Group, as Cobra' s assignee, which amount was paid by PREPA on January 18, 2024. PREPA, however, also informed the Court that it will withhold the release of any further funds to Cobra approved by FEMA for reimbursement to Cobra due to the municipal and construction excise tax claims against Cobra allegedly aggregating to $ 70. 4 million. Cobra believes it is exempt from the construction excise taxes and strongly disagrees** with ~~Cobra, which resulted in PREPA and Cobra filing a joint motion to adjourn all deadlines relative to the April 6, 2021 motion until the June 16, 2021 omnibus hearing as a result of~~ PREPA' s **decision** ~~understanding that FEMA would be releasing a report in the near future relating~~ to **withhold funds** ~~the first contract~~ . ~~The joint motion~~ **On January 17, 2024, Cobra filed a Writ of Certiorari requesting the Court of Appeals to reverse the order from the Humacao Superior Court. On February 15, 2024, Cobra' s request** was granted by the ~~court~~ **Court of Appeals and** ~~on April 14, 2021. On May 26, 2021, FEMA issued a Determination Memorandum related to~~ the ~~first contract between~~ **order instructing PREPA to withhold the $ 9. 0 million payment from** Cobra ~~and PREPA in which, among other things, FEMA raised two contract compliance issues and, as~~ **was revoked** ~~a result, concluded that approximately $ 47 million in costs were not authorized costs under the contract~~ . **The case was remanded to** ~~On June 14, 2021,~~ the **lower** Court ~~issued an~~ **for continuation of the proceedings in accordance with the Court of Appeals'** order ~~adjourning Cobra' s motion to lift the stay order to a hearing on August 4, 2021 and directing Cobra and PREPA to meet and confer in good faith concerning, among other things, (i) the May 26, 2021 Determination Memorandum issued by FEMA and (ii) whether and when a second determination memorandum is expected~~ . The ~~parties were further directed~~ **municipality has 15 days** to **request reconsideration** ~~file an additional status report, which was filed on July 20, 2021. On July 23, 2021, with our aid, PREPA filed an appeal of the entire $ 47 million that FEMA de- obligated in the May 26, 2021 Determination Memorandum. FEMA approved the appeal in part and denied the appeal in part. FEMA found that staffing costs of $ 24. 4 million are eligible for funding. On August 4, 2021, the Court denied Cobra' s April 6, 2021 motion to lift the stay order, extended the stay of our motion seeking recovery of amounts owed to Cobra and directed the parties to file an additional joint~~

~~status report, which was filed on January 22, 2022~~. On January ~~26~~ **19**, ~~2022~~ **2024**, the Court extended the **previously ordered** stay **in the proceedings through April 5, 2024,** and directed the parties to file a ~~further status report by July 25, 2022. On June 7, 2022, Cobra filed a motion to lift the stay order. On June 29, 2022 the Court denied Cobra' s motion and extended the stay to January 2023. On November 21, 2022, FEMA issued a Determination Memorandum related to the 100 % federal funded portion of the second contract between Cobra and PREPA in which FEMA concluded that approximately $ 5. 6 million in costs were not authorized costs under the contract. On December 21, 2022, FEMA issued a Determination Memorandum related to the 90 % federal cost share portion of the second contract between Cobra and PREPA in which FEMA concluded that approximately $ 68. 1 million in costs were not authorized costs under the contract. PREPA filed a first- level administrative appeal of the November 21, 2022 Determination Memorandum and has indicated that they will review the December 21, 2022 Determination Memorandum and, to the extent they feel plausible, file a first- level administrative appeal of the unauthorized amounts. On January 7, 2023, Cobra and PREPA filed a~~ joint ~~status report with the Court, in which PREPA requested that the Court continue the stay through July 31, 2023 and Cobra requested that the stay be lifted. On January 18, 2023, the Court entered an order extending the stay and directing the parties to file a further~~ status report addressing (i) the status of any administrative appeals in connection with the November **2022** and December **2022** determination ~~memorandums~~ **memoranda** regarding the second contract, (ii) the status of **any remaining approved, but unpaid invoices** ~~the criminal proceeding against the former Cobra president and the FEMA official that concluded in December 2022~~, and (iii) ~~a summary of~~ **whether the parties are actively engaged in mediation to resolve** ~~the~~ **their** outstanding ~~and unpaid amounts arising from the first and second contracts and whether~~ **issues by March 27, 2024. Subsequent to December 31, 2023,** PREPA ~~disputes~~ **paid $ 64. 0 million with respect to the outstanding PREPA receivable, of which $ 9. 6 million was paid to Cobra and $ 54. 4 million was paid to SPCP Group, as** Cobra' s ~~entitlement to~~ **assignee under** ~~these~~ -- **the Assignment Agreement** ~~amounts with the Court by July 31~~, **which fully extinguished** ~~2023. On January 20, 2023, Cobra submitted a certified claim for approximately $ 379 million to FEMA pursuant to the federal Contract Disputes Act. On February 1, 2023, FEMA notified Cobra that it had reviewed the claim and determined that no contract, expressed or implied, exists between FEMA and Cobra. Therefore, no final decision will be issued in response to~~ Cobra' s **and Mammoth' s obligations** ~~claim. Cobra has 90 days from the February 1, 2023 decision~~ to ~~file a notice of appeal~~ **SPCP Group under the Assignment Agreement, and the Assignment Agreement was terminated**. We believe all amounts charged to PREPA were properly in accordance with the terms of these contracts. Further, we believe these receivables are collectible. However, in the event PREPA (i) does not have or does not obtain the funds necessary to satisfy its obligations to Cobra under the contracts, (ii) obtains the necessary funds but refuses to pay the amounts owed to us or (iii) otherwise does not pay amounts owed to us for services performed, the receivable may not be collected and our financial condition, results of operations and cash flows would be materially and adversely affected. Further, as noted above, our contracts with PREPA have concluded and we have not obtained, and there can be no assurance that we will be able to obtain, one or more contracts with other customers to replace the level of services that we provided to PREPA ~~. Our existing revolving credit facility is currently scheduled to mature on October 19, 2023. As of February 22, 2023, we had cash on hand of $ 9. 5 million and outstanding borrowings under our revolving credit facility of $ 79. 7 million, leaving an aggregate of $ 22. 3 million of available borrowing capacity under this facility, after giving effect to $ 6. 4 million of outstanding letters of credit and the requirement to maintain a $ 10. 0 million reserve out of the available borrowing capacity. Our ability to extend, refinance or repay our existing revolving credit facility at or prior to maturity will depend on our ability to generate significant operating cash flow in the future and collect our receivables, among other factors. This ability is, to a significant extent, subject to general economic, financial, competitive and other factors, many of which are beyond our control. We cannot assure you that our business will generate cash flow from operations in amounts sufficient to enable us fund these and our other liquidity needs. As a result, we may need to seek additional debt or equity financing, sell existing assets or enter into other strategic transactions. We cannot assure you that we will be able to do so on commercially reasonable terms or at all, or on terms that would be advantageous to our stockholders. Considering the maturity date of our revolving credit facility, current macroeconomic conditions and recessionary pressures, we will likely be required to extend, refinance or repay our existing revolving credit facility in unfavorable credit markets. If we are unable to generate sufficient cash flow, complete any sale transactions, repay or refinance our indebtedness or incur additional indebtedness on commercially reasonable terms or at all, our financial condition will be adversely impacted. If we default under our existing revolving credit facility, the lenders could exercise their rights as described in this report under Note 10. Debt to our consolidated financial statements included elsewhere in this report, and we could be forced into bankruptcy or liquidation~~. When a major customer discontinues the use our services, our revenue will decline and our operating results and financial condition will be harmed unless such loss is offset by new business. Our top five customers accounted for approximately **35 %,** 36 % ~~,~~ **and** 35 ~~% and 50~~ %, respectively, of our revenue for the years ended December 31, **2023,** 2022 ~~, 2021~~ and ~~2020. Gulfport accounted for approximately 7 % of our revenue for the year ended December 31, 2021 and was our largest customer for the year ended December 31, 2020, accounting for approximately 16 % of our revenue; however, our services with Gulfport ended in~~ 2021. It is likely that we will continue to derive a significant portion of our revenue from a relatively small number of customers in the future. ~~See the risk factors below for additional information.~~ In addition, we are subject to credit risk due to the concentration of our customer base. In particular, PREPA owed us approximately $ ~~379~~ **402**. ~~0~~ **3** million (including interest charged on overdue amounts) as of December 31, ~~2022~~ **2023**, as discussed in more detail above. Any nonperformance by our counterparties, including their failure to pay the amounts they owe us on a timely basis or at all, either as a result of changes in financial and economic conditions or otherwise, could have a material adverse impact on our operating results and could adversely affect our liquidity. We evaluate the collectability of our receivables based on consideration of a customer' s ability to make required payments, payment history, economic events and other factors. Recorded reserves represent our estimate of current expected credit losses on existing receivables and are determined based on historical customer reviews, current financial conditions and reasonable and supportable forecasts. An unexpected change in customer financial condition or future economic uncertainty could result in additional requirements for specific reserves, which could have a material effect on our business, financial condition, results of operations and cash flows. ~~The COVID- 19 pandemic has caused, and is continuing to cause, severe disruptions in the worldwide and U. S. economy, including the global and domestic demand for oil and natural gas, which has had an adverse effect primarily on our oilfield services business and, as a result, our financial condition, results of operations, cash flows and stock price. There continues to be many variables and uncertainties regarding the COVID- 19 pandemic, including the emergence, contagiousness and threat of new and different strains of the virus and their severity; the effectiveness of treatments or vaccines against the virus or its new strains; the extent of travel restrictions, business closures and other measures that are or may be imposed in affected areas or countries by governmental authorities; disruptions in the supply chain; an increasingly competitive labor market due to a sustained labor shortage or increased turnover caused by the COVID- 19 pandemic; shortages of equipment and materials; increased logistics costs; additional costs due to remote working arrangements; adherence to social distancing guidelines; and other COVID- 19- related challenges. Further, there remain increased risks of cyberattacks on information technology systems used in remote or hybrid working environments; increased privacy- related risks due to processing health- related personal information; absence of workforce due to illness; the impact of the pandemic on any of our contractual counterparties; and other factors that are currently unknown or considered immaterial. It is difficult to assess the ultimate impact of the COVID- 19 pandemic on our business, financial condition and cash flows.~~ We cannot predict the impact of the ongoing war ~~and the related humanitarian crisis~~ in Ukraine **and the recent Israel- Hamas war** on the global economy, energy markets, geopolitical stability, industries in which we operate and our business. All of our infrastructure, well completion, natural sand proppant, drilling and other services are concentrated in North America. However, the broader consequences of the Russian- Ukrainian conflict, ~~which may include further sanctions, embargoes, regional instability~~ and ~~geopolitical shifts,~~ **the Israel- Hamas war** may ~~have adverse effects on global macroeconomic conditions,~~ increase volatility in the price and demand for oil and natural gas, which would adversely impact the oilfield services industry, increase exposure to cyberattacks, cause disruptions in global supply chains, increase foreign currency fluctuations, cause constraints or disruption in the capital markets and limit sources of liquidity. We cannot predict the extent of ~~this~~ **these** ~~war~~ **wars** ' ~~s~~ effect on our business and results of operations as well as on the global economy, energy markets and industries in which we operate. The outcomes of investigations and litigation relating to our contracts with PREPA may have a material adverse effect on our business, financial condition, results of operations and cash flows. On September 10, 2019, the U. S. District Court for the District of Puerto Rico unsealed an indictment that charged three individuals, including the former president of Cobra with conspiracy, wire fraud, false statements and disaster fraud. The indictment is focused on the interactions between a former FEMA official and the former President of Cobra. Neither we nor any of our subsidiaries were charged in the indictment. On May 18, 2022, the former FEMA official and the former president of Cobra each pled guilty to one- count information charging gratuities related to a project that Cobra never bid upon and was never awarded or received any monies for. On December 13, 2022, the Court sentenced the formed Cobra president to custody of the Bureau of Prisons for six months and one day, a term of supervised release of six months and one day and a fine of $ 25, 000. The Court sentenced the FEMA official to custody of the Bureau of Prisons for six months and one day, a term of supervised release of six months and a fine of $ 15, 000. The Court also dismissed the indictment against the two defendants. We do not expect any additional activity in the criminal proceeding. Given the uncertainty inherent in criminal litigation, however, it is not possible at this time to determine the potential impacts that the sentencing could have on us. PREPA has stated in Court filings that it may contend the alleged criminal activity affects Cobra ~~'~~ **'** s entitlement to payment under its contracts with PREPA. It is unclear what PREPA ~~'~~ **'** s position will be going forward. Subsequent to the indictment, we received (i) a preservation request letter from the SEC related to documents relevant to an ongoing investigation it is conducting and (ii) a civil investigative demand, or CID, from the United States Department of Justice, or DOJ, requesting certain documents and answers to interrogatories relevant to an ongoing investigation DOJ is conducting. Both the SEC and DOJ investigations relate to the same subjects as those at issue in the criminal matter referenced above. We ~~are~~ **have** ~~cooperating~~ **cooperated** with the DOJ and are not able to predict the outcome of this investigation or if it will have a material impact on our business, financial condition, results of operations or cash flows. With regard to the SEC investigation, on July 6, 2022, the SEC sent a letter saying that it had concluded its investigation as to the Company and that based on information the SEC has as of this date, it does not intend to recommend an enforcement action by the SEC against us. Further, government contracts are subject to various uncertainties, restrictions and regulations, including oversight audits and compliance reviews by government agencies and representatives. Accordingly, it is possible that additional investigations may arise in the future. Opportunities associated with government contracts could lead to increased governmental regulation applicable to us. Most government contracts are awarded through a regulated competitive bidding process. If we are successful in being awarded government contracts, significant costs could be incurred by us before any revenues were realized from these contracts. Government agencies may review a contractor' s performance, cost structure and compliance with applicable laws, regulations and standards. If government agencies determine through these reviews that costs were improperly allocated to specific contracts, they will not reimburse the contractor for those costs or may require the contractor to refund previously reimbursed costs. If government agencies determine that we engaged in improper activity, we may be subject to civil and criminal penalties. Government contracts are also subject to renegotiation of profit and termination by the government prior to the expiration of the term. See the preceding risk factors for information regarding the investigations and legal proceedings relating to our contracts with PREPA. Our revolving credit facility ~~limits,~~ and **term** ~~any of our future~~ credit ~~facilities~~ **facility** ~~may~~ limit, our ability to take various actions, such as: • incurring additional indebtedness; • paying dividends; • creating certain additional liens on our assets; • entering into sale and leaseback transactions; • making investments; • entering into transactions with affiliates; • making material changes to the type of business we conduct or our business structure; • making guarantees; • entering into hedges; • disposing of assets in excess of certain permitted amounts; • merging or consolidating with other entities; and • selling all or substantially all of our assets. ~~We cannot assure you~~

~~that we will be able to maintain compliance with the covenants contained in our revolving credit facility as amended by the recent amendment discussed elsewhere in this report, or, if applicable, obtain a waiver of forecasted or actual non- compliance with certain financial covenants from our lenders. If an event of default occurs under our revolving credit facility and remains uncured, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. The lenders (i) would not be required to lend any additional amounts to us, (ii) could elect to declare all outstanding borrowings, together with accrued and unpaid interest and fees, to be due and payable, and (iii) may have the ability to require us to apply all of our available cash to repay our outstanding borrowings. See also" Our ability to generate sufficient cash in the next nine months necessary to repay or refinance our existing revolving credit facility at or prior to maturity is subject to a number of risks and uncertainties" above.~~ A portion of our business depends on the oil and natural gas industry and particularly on the level of exploration and production activity within the United States and Canada, and continued volatility in the oil and natural gas markets have impacted, and are likely to continue to impact, our oilfield services and, as a result, our business, financial condition, results of operations, cash flows and stock price. Demand for our oil and natural gas products and services depends substantially on the level of capital expenditures by companies in the oil and natural gas industry. The levels of capital expenditures of our customers are ~~predominantly~~ driven by **many factors, including** the prices of oil and natural gas. In March and April 2020, concurrent with the COVID- 19 pandemic and quarantine orders in the U. S. and worldwide, oil prices dropped sharply to below zero dollars per barrel for the first time in history due to factors including significantly reduced demand and a shortage of storage facilities. ~~Although~~ **In 2021, U. S. oil production stabilized as** commodity prices ~~have strongly~~ **increased and demand for crude oil** rebounded **throughout 2022. During 2023** , ~~with~~ **pricing for crude** oil **and natural gas declined from levels seen in** ~~prices averaging $ 94. 35 per barrel during~~ 2022 **and** ~~, they~~ are expected to continue to be volatile as a result of production levels, inventories and demand, national and international economic performance and outlook. Other significant factors that are likely to continue to affect commodity prices in current and future periods include, but are not limited to, the effect of U. S. energy, monetary and trade policies, U. S. and global political developments, ~~the impact and duration of the ongoing COVID- 19 pandemic and~~ conditions in the U. S. oil and gas industry, actions of OPEC members, the impact of the ongoing war in Ukraine **and the recent Israel- Hamas war** on the global energy and capital markets and global stability and other factors. We anticipate demand for our oil and natural gas services and products will continue to be dependent on the level of capital expenditures by companies in the oil and natural gas industry and, ultimately, commodity prices. While we still expect commodity prices to be the primary driver of capital spending and industry activity levels in the future, other factors, such as debt repayment obligations and access to the capital markets, may play a significant role in the ultimate level of capital expenditures by the companies that use our completion and production, natural sand proppant and contract land and directional drilling service lines. Industry conditions are dynamic and the weakening of commodity prices from current levels may result in a material adverse impact on certain of our customers' liquidity and financial position resulting in spending reductions, delays in the collection of amounts owing to us and similar impacts. These conditions, and others, have had and may continue to have an adverse impact on our financial condition, results of operations and cash flows, and it is difficult to predict how long the current commodity price environment will continue. Many factors over which we have no control affect the supply of and demand for, and our customers' willingness to explore, develop and produce oil and natural gas, and therefore, influence prices for our products and services, including: • the domestic and foreign supply of and demand for oil and natural gas; • the level of prices, and expectations about future prices, of oil and natural gas; • the level of global oil and natural gas exploration and production; • the cost of exploring for, developing, producing and delivering oil and natural gas; • the expected decline rates of current production; • the price and quantity of foreign imports; • political and economic conditions in oil producing countries, including the Middle East, Africa, South America and Russia, including the impact of the ongoing war in Ukraine **and the recent Israel- Hamas war** on the global energy and capital markets and global stability; • the ability of members of the Organization of Petroleum Exporting Countries to agree to and maintain oil price and production controls; • speculative trading in crude oil and natural gas derivative contracts; • the level of consumer product demand; • the discovery rates of new oil and natural gas reserves; • contractions in the credit market; • the strength or weakness of the U. S. dollar; • available pipeline and other transportation capacity; • the levels of oil and natural gas storage; • weather conditions and other natural disasters; • political instability in oil and natural gas producing countries; • domestic and foreign tax policy; • domestic and foreign governmental approvals and regulatory requirements and conditions; • the continued threat of terrorism and the impact of military and other action, including military action in the Middle East; • technical advances affecting energy consumption; • the proximity and capacity of oil and natural gas pipelines and other transportation facilities; • the price and availability of alternative fuels; • the ability of oil and natural gas producers to raise equity capital and debt financing; • global or national health concerns, including the outbreak of pandemic or contagious diseases ~~such as the coronavirus~~ ; • merger and divestiture activity among oil and natural gas producers **; • governmental laws, policies, regulations, subsidies, and other actions, including initiatives to promote the use of renewable energy sources** ; and • overall domestic and global economic conditions. These factors and the volatility of the energy markets make it extremely difficult to predict future oil and natural gas price movements with any certainty. Any of the above factors could impact the level of oil and natural gas exploration and production activity and could ultimately have a material adverse effect on our business, financial condition, results of operations and cash flows. Further, future weakness in commodity prices could impact our business going forward, and we could encounter difficulties such as an inability to access needed capital on attractive terms or at all, recognizing asset impairment charges, an inability to meet financial ratios contained in our debt agreements, a need to reduce our capital spending and other similar impacts. The cyclicality of the oil and natural gas industry may cause our operating results to fluctuate. We derive a portion of our revenues from companies in the oil and natural gas exploration and production industry, a historically cyclical industry with levels of activity that are significantly affected by the levels and volatility of oil and natural gas prices. We have, and may in the future, experience significant fluctuations in operating results as a result of the reactions of our customers to changes in oil and natural gas prices. For example, prolonged low commodity prices experienced by the oil and natural gas industry during the first half of 2020, combined with the ongoing COVID- 19 pandemic, adverse changes in demand for our services and volatility in the capital and credit markets, caused many exploration and production companies to reduce their capital budgets and drilling activity. This resulted in a significant decline in demand for oilfield services and adversely impacted the prices oilfield services companies could charge for their services. In addition, a majority of the service revenue we earn is based upon a charge for a relatively short period of time (e. g., an hour, a day, a week) for the actual period of time the service is provided to our customers. By contracting services on a short- term basis, we are exposed to the risks of a rapid reduction in market prices and utilization, with resulting volatility in our revenues. If oil prices or natural gas prices decline, the demand for our oil and natural gas services could be adversely affected. The demand for our oil and natural gas services is primarily determined by current and anticipated oil and natural gas prices and the related general production spending and level of drilling activity in the areas in which we have operations. Volatility or weakness in oil prices or natural gas prices (or the perception that oil prices or natural gas prices will decrease) affects the spending patterns of our customers and may result in the drilling of fewer new wells or lower production spending on existing wells. This, in turn, could result in lower demand for our services and may cause lower rates and lower utilization of our well service equipment. Any future decline in oil and gas prices could materially affect the demand for our services. Prices for oil and natural gas historically have been extremely volatile and are expected to continue to be volatile in the years to come. During ~~2022~~ **2023** , West Texas Intermediate posted prices ranged from $ ~~71~~ **66** . ~~02~~ **74** to $ ~~123~~ **93** . ~~70~~ **68** per barrel and the New York Mercantile Exchange natural gas futures prices ranged from $ ~~3~~ **1** . ~~72~~ **99** to $ ~~9~~ **4** . ~~68~~ **48** per MMBtu. If the prices of oil and natural gas decline from current levels, our operations, financial condition and level of expenditures may be materially and adversely affected. Failure to effectively and timely address the energy transition to a lower carbon footprint could adversely affect our oil and gas business **.** Our long- term success depends on our ability to effectively address the energy transition to a lower carbon footprint, which will require adapting our portfolio of oilfield services to potentially changing or more burdensome government requirements and customer preferences. If the energy industry transition changes faster than anticipated or in a manner that we do not anticipate, demand for oilfield services could be adversely affected. Furthermore, if we fail or are perceived to not effectively implement an energy transition strategy, comply with new and evolving regulatory requirements on climate change, or if investors or financial institutions shift funding away from companies in fossil fuel related industries, our business, access to capital and the market for our securities could be negatively impacted. **Investor and regulatory focus on environmental, social and governance (“ ESG ”) matters continues to increase. In addition to climate change, there is increasing attention on topics such as diversity and inclusion, human rights, and human and natural capital, in companies’ own operations as well as their supply chains. In addition, perspectives on the efficacy of ESG considerations continue to evolve, and we cannot currently predict how regulators’, investors’ and other stakeholders’ views on ESG matters may affect the regulatory and investment landscape and affect our business, financial condition, and results of operations.** In addition, our inability to timely address these new and evolving regulatory requirements or pressures may result in regulatory enforcement actions or shareholder litigation and otherwise damage our reputation. **In March 2022, the SEC proposed new rules relating to the disclosure of a range of climate- related risks and other information. To the extent this rule is finalized as proposed, we and / or our customers could incur increased costs related to the assessment and disclosure of climate- related information. Enhanced climate disclosure requirements could also accelerate any trend by certain stakeholders and capital providers to restrict or seek more stringent conditions with respect to their financing of certain carbon intensive sectors. Increasing attention to global climate change has resulted in increased investor attention and an increased risk of public and private litigation, which could increase our costs or otherwise adversely affect us. For example, shareholder activism has recently been increasing in our industry, and shareholders may attempt to effect changes to our business or governance to deal with climate change- related issues, whether by shareholder proposals, public campaigns, proxy solicitations or otherwise, which may result in significant management distraction and potentially significant expense. Additionally, cities, counties, and other governmental entities in several states in the U. S. have filed lawsuits against energy companies seeking damages allegedly associated with climate change. Similar lawsuits may be filed in other jurisdictions. If any such lawsuits were to be filed against us, we could incur substantial legal defense costs and, if any such litigation were adversely determined, we could incur substantial damages. Any of these climate change- related litigation risks could result in unexpected costs, negative sentiments about our company, disruptions to our business, and increases to our operating expenses, which in turn could have an adverse effect on our business, financial condition and cash flow.** The Inflation Reduction Act of 2022 could accelerate the transition to a low carbon economy and could impose new costs on our operations. In ~~August 2022~~ **recent years** , ~~President Biden signed~~ **federal, state and local governments have taken steps to reduce emissions of greenhouse gases. For example,** the ~~Inflation Reduction~~ **Infrastructure Investment and Jobs** Act **and the** ~~of 2022 (“~~ IRA ~~”) into law. The IRA contains~~ - **contain** billions of dollars in incentives for the development of renewable energy, clean hydrogen, clean fuels, electric vehicles, investments in advanced biofuels and supporting infrastructure and carbon capture and sequestration, amongst other provisions **. Also, the EPA has proposed ambitious rules to reduce harmful air pollutant emissions, including greenhouse gases, from light-, medium-, and heavy- duty vehicles beginning in model year 2027** . In addition, the IRA imposes the first ever federal fee on the emission of GHGs through a methane emissions charge, which will be phased- in starting in 2024. The IRA could accelerate the transition of the economy away from the use of fossil fuels towards lower- or zero- carbon emissions alternatives, which could decrease demand for our services related to the oil and natural gas industry. Deterioration of the commodity price environment can negatively impact oil and natural gas exploration and production companies and, in some cases, impair their ability to timely pay for products or services provided or result in their insolvency or bankruptcy, any of which exposes us to credit risk of our oil and natural gas exploration and production customers. In certain economic and commodity price environments, we may experience increased difficulties, delays or failures in collecting outstanding receivables from our customers, due to, among other reasons, a reduction in their cash flow from operations, their inability to access the credit markets and, in certain cases, their insolvencies. Such increases in collection issues could have a material adverse effect on our business, results of operations, cash flows and financial condition. We cannot assure you that the reserves we have established for potential credit losses will be sufficient to meet write- offs of uncollectible receivables or that our losses from such receivables will be consistent with our expectations. To the extent one or more of our key customers commences bankruptcy proceedings, as was the case with Gulfport **Energy Corporation** , our contracts with these customers may be subject to rejection under applicable provisions of the United States Bankruptcy Code, or may be renegotiated. Further, during any such bankruptcy proceeding, prior to assumption, rejection or renegotiation of such contracts, the bankruptcy court may temporarily authorize the payment of value for our services less than contractually required, which could also have a material adverse effect on our business, results of operations, cash flows and financial condition **. Shortages, delays in delivery and interruptions in supply of major components, replacement parts or, other equipment, supplies or materials may adversely affect our pressure pumping business** . During periods of increased demand for drilling and completion services, such as those in the second half of 2022 and early 2023, the industry has experienced shortages of major components, replacement parts, other equipment, supplies and materials, including, in the case of our pressure pumping operations, replacement parts, engines and other equipment, proppants, acid, gel and water. These shortages can cause the price of these items to increase significantly and require that orders for the items be placed well in advance of expected use. In addition, any interruption in supply could result in significant delays in delivery of equipment and materials and delay or prevent operations. Interruptions may be caused by, among other reasons: • weather issues, whether short- term such as a hurricane or winter storm, or long- term such as a drought; and • shortage in the number of vendors able or willing to provide the necessary equipment, supplies and materials, including as a result of commitments of vendors to other customers or third parties. These price increases, delays in delivery and interruptions in supply may require us to increase capital and repair expenditures and incur higher operating costs. Severe shortages, delays in delivery and interruptions in supply could limit our ability to construct and operate our pressure pumping fleets and hinder our ability to execute on our business plan, any of which could have a material adverse effect on our business, results of operations, cash flows and financial condition. Oilfield services equipment, refurbishment and new asset construction projects, as well as the reactivation of oilfield service assets that have been idle for six months or longer, are subject to risks which could cause delays or cost overruns and adversely affect our business, cash flows, results of operations and financial position. Oilfield services equipment or assets being upgraded, converted or re- activated following a period of inactivity may experience significant start- up costs and complications and may encounter other operational problems that could result in significant delays, uncompensated downtime, reduced **day** ~~dayrates~~ --- **rates** or the cancellation, termination or non- renewal of contracts. In this regard, due to market conditions, we have temporarily shut down certain of our service offerings, including contract land drilling, flowback, cementing, acidizing and crude oil hauling operations as well as certain of our facilities, such as our sand processing plant in Pierce County, Wisconsin. Further, construction and upgrade projects are subject to risks of delay or significant cost overruns inherent in any large construction project from numerous factors, including the following: • shortages of equipment, materials or skilled labor; • unscheduled delays in the delivery of ordered materials and equipment or shipyard construction; • failure of equipment to meet quality and / or performance standards; • financial or operating difficulties of equipment vendors; • unanticipated actual or purported change orders; • inability by us or our customers to obtain required permits or approvals, or to meet applicable regulatory standards in our areas of operations; • unanticipated cost increases between order and delivery; • adverse weather conditions and other events of force majeure; • design or engineering changes; and • work stoppages and other labor disputes. The occurrence of any of these events could have a material adverse effect on our business, cash flows, results of operations and financial position. Advancements in oilfield service technologies could have a material adverse effect on our business, financial condition, results of operations and cash flows. The oilfield services industry is characterized by rapid and significant technological advancements and introductions of new products and services using new technologies. As new horizontal and directional drilling, pressure pumping, pressure control and well service technologies develop, we may be placed at a competitive disadvantage, and competitive pressure may force us to implement new technologies at a substantial cost. We may not be able to successfully acquire or use new technologies. Further, our customers are increasingly demanding the services of newer, higher specification drilling rigs. There can be no assurance that we will: • have sufficient capital resources to build new, technologically advanced equipment and other assets; • successfully integrate additional oilfield service equipment and other assets; • effectively manage the growth and increased size of our organization, equipment and other assets; • successfully deploy idle, stacked or additional oilfield service assets; • maintain crews necessary to operate additional drilling rigs or pressure pumping service equipment; or • successfully improve our financial condition, results of operations, business or prospects. If we are not successful in building or acquiring new oilfield service equipment and other assets or upgrading our existing rigs and equipment in a timely and cost- effective manner, we could lose market share. New technologies, services or standards could render some of our services, equipment and other assets obsolete, which could have a material adverse impact on our business, cash flows, results of operations and financial condition. We purchase specialized equipment and parts from third party suppliers. At times during the business cycle, there is a high demand for hydraulic fracturing ~~, coiled tubing~~ and other oilfield services and extended lead times to obtain equipment needed to provide these services. Further, there are a limited number of suppliers that manufacture the equipment we use. Should our current suppliers be unable or unwilling to provide the necessary equipment and parts or otherwise fail to deliver the products timely and in the quantities required, any resulting delays in the provision of our services could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, future price increases for this type of equipment and parts could negatively impact our ability to purchase new equipment to update or expand our existing fleet or to timely repair equipment in our existing fleet. Our failure to receive payment for contract change orders or adequately recover on claims brought by us against customers related to payment terms and costs could materially and adversely affect our financial position, results of operations and cash flows. We have in the past brought, and may in the future bring, claims against our customers related to, among other things, the payment terms of our contracts and change orders relating to such contracts. These types of claims can occur due to, among other things, customer- caused delays or changes in project scope, both of which may result in additional costs. In some instances, these claims can be the subject of lengthy legal proceedings, and it is difficult to predict the timing and outcome of such proceedings. Our failure to promptly and adequately recover on these types of claims could have an adverse impact on our financial condition, results of operations and cash flows. We may not accurately estimate the costs associated with infrastructure services provided under fixed price contracts, which could have an adverse effect on our financial condition, results of operations and cash flows. We derive a portion of our infrastructure services revenue from fixed- price master service and other service agreements. Under these contracts, we typically set the price of our services on a per unit or aggregate basis and assume the risk that costs associated with our performance may be greater than what we estimated. In addition to master service and other service agreements, we enter into contracts for specific projects or jobs that may require the installation or construction of an entire infrastructure system or specified units within an infrastructure system, which are priced on a per unit basis. Profitability will be reduced if actual costs to complete a project exceed our original estimates. Our profitability is dependent upon our ability to accurately estimate the costs associated with our services and our ability to execute in accordance with our plans. A variety of factors could negatively affect these costs, such as lower than anticipated productivity, conditions at work sites differing materially from those anticipated at the time we bid on the contract and higher than expected costs of materials and labor. These variations, along with other risks inherent in performing fixed price contracts, could cause actual project revenue and profits to differ from original estimates, which could result in lower margins than anticipated, or losses, which could reduce our profitability, cash flows and liquidity. Some of our infrastructure services contracts require performance and payment bonds. If we are not able to renew or obtain a sufficient level of bonding capacity in the future, we may be precluded from being able to bid for certain contracts or successfully contract with certain customers. In addition, even if we are able to successfully renew or obtain performance or payment bonds, we may be required to post letters of credit in connection with the bonds, which would reduce availability under our credit facility. Furthermore, under standard terms in the surety market, sureties issue bonds on a project- by- project basis and can decline to issue bonds at any time or require the posting of additional collateral as a condition to issuing or renewing any bonds. If we were to experience an interruption or reduction in the availability of bonding capacity as a result of these or any other reasons, we may be unable to compete for or work on projects that require bonding. Under some of our infrastructure services contracts with customers, we provide a warranty for the services we provide, guaranteeing the work performed against defects in workmanship and material. As much of the work we perform is inspected by our customers for any defects in construction prior to acceptance of the project, we have not historically incurred warranty claims. Additionally, materials used in construction are often provided by the customer or are warranted against defects from the supplier. However, certain projects may have longer warranty periods and include facility performance warranties that may be broader than the warranties we generally provide. In these circumstances, if warranty claims occurred, it could require us to re- perform the services or to repair or replace the warranted item, at a cost to us, and could also result in other damages if we are not able to adequately satisfy our warranty obligations. In addition, we may be required under contractual arrangements with our customers to warrant any defects or failures in materials we provide that we purchase from third parties. While we generally require suppliers to provide us warranties that are consistent with those we provide to the customers, if any of these suppliers default on their warranty obligations to us, we may incur costs to repair or replace the defective materials for which we are not reimbursed. Costs incurred as a result of warranty claims could adversely affect our financial condition, results of operations and cash flows. Our infrastructure services business involves professional judgments regarding the planning, design, development, construction, operations and management of electric power transmission and commercial construction. Because our projects are often technically complex, our failure to make judgments and recommendations in accordance with applicable professional standards, including engineering standards, could result in damages. While we do not generally accept liability for consequential damages, and although we have adopted a range of insurance, risk management and risk avoidance programs designed to reduce potential liabilities, a significantly adverse or catastrophic event at one of our project sites or completed projects resulting from the services we have performed could result in significant warranty, professional liability, or other claims against us as well as reputational harm, especially if public safety is impacted. These liabilities could exceed our insurance limits or could impact our ability to obtain insurance in the future. In addition, customers, subcontractors or suppliers who have agreed to indemnify us against any such liabilities or losses might refuse or be unable to pay us. An uninsured claim, either in part or in whole, if successful and of a material magnitude, could have a substantial impact on our business, financial condition, results of operations and cash flows. The timing of new contracts and termination of existing contracts may result in unpredictable fluctuations in our cash flows and financial results. A portion of our continental United States- based infrastructure services revenue is derived from project- based work that is awarded through a competitive bid process. It is generally very difficult to predict the timing and geographic distribution of the projects that we will be awarded. The selection of, timing of, or failure to obtain projects, delays in awards of projects, the re- bidding or termination of projects due to budget overruns, cancellations of projects or delays in completion of contracts could result in the under- utilization of our assets, which could lower our overall profitability and reduce our cash flows. Even if we are awarded contracts, we face additional risks that could affect whether, or when, work will begin. This can present difficulty in matching workforce size and equipment location with contract needs. In some cases, we may be required to bear the cost of a ready workforce and equipment that is larger than necessary, which could impact our cash flow, expenses and profitability. If an expected contract award or the related work release is delayed or not received, we could incur substantial costs without receipt of any corresponding revenues. Moreover, construction projects for which our services are contracted may require significant expenditures by us prior to receipt of relevant payments from the customer. Finally, the winding down or completion of work on significant projects that were active in previous periods will reduce our revenue and earnings if such significant projects have not been replaced in the current period. Many of our contracts may be canceled upon short notice, typically 30 to 90 days, even if we are not in default under the contract, and we may be unsuccessful in replacing our contracts if they are canceled or as they are completed or expire. We could experience a decrease in our revenue, net income and liquidity if contracts are canceled and if we are unable to replace canceled, completed or expired contracts. Certain of our infrastructure services customers assign work to us on a project- by- project basis under MSAs. Under these agreements, our customers often have no obligation to assign a specific amount of work to us. Our operations could decline significantly if the anticipated volume of work is not assigned to us or is canceled. Many of our contracts, including our MSAs, are opened to competitive bid at the expiration of their terms. There can be no assurance that we will be the successful bidder on our existing contracts that come up for re- bid. Delays and reductions in government appropriations can negatively impact energy infrastructure engineering, design, construction, maintenance and repair projects and may impair the ability of our energy infrastructure customers to timely pay for products or services provided or result in their insolvency or bankruptcy, any of which exposes us to credit risk of our infrastructure customers. Many of our infrastructure customers derive funding from federal, state and local bodies. Delayed or reduced appropriations may cancel, curtail or delay projects and may have an adverse effect on our business, results of operations, cash flows and financial condition. Outcomes of rate cases may impact the capital expenditure budgets of our infrastructure customers and may result in lower demand for our services. Many of our infrastructure customers are regulated by governing bodies and the prices they charge their customers are decided through a process called a rate case. A rate case is a formal process, conducted by utility regulators, to determine if the utility' s proposed base rates are just and reasonable. The outcome of rate cases may impact the capital expenditure budgets of our infrastructure customers and, in turn, could result in lower demand for our services and may have an adverse effect on our business, results of operations, cash flows and financial condition. An increase in the prices of certain materials used in our businesses could adversely affect our business, financial condition, results of operation and cash flows. We are exposed to market risk of increases in certain commodity prices of materials, such as copper and steel, which are used as components of supplies or materials utilized in some of our infrastructure and pressure pumping businesses. An increase in these materials could increase our operating costs, limit our ability to service our customers' needs or otherwise materially and adversely affect our business, financial condition, results of operation and cash flows. Inaccuracies in estimates of volumes and qualities of our sand reserves could result in lower than expected sales and higher than expected production costs. Estimates of our sand reserves are by nature imprecise and depend to some extent on statistical inferences drawn from available data, which may prove unreliable. There are numerous uncertainties inherent in estimating quantities and qualities of sand reserves and costs to mine recoverable reserves, including many factors beyond our control. Estimates of economically recoverable sand reserves necessarily depend on a number of factors and assumptions, all of which may vary considerably from actual results, such as: • geological and mining conditions and / or effects from prior mining that may not be fully identified by available data or that may differ from experience; • assumptions concerning future prices of frac sand, operating costs, mining technology improvements, development costs and reclamation costs; and • assumptions concerning future effects of regulation, including the issuance of required permits and taxes by governmental agencies. Any inaccuracy in the estimates related to our sand reserves could result in lower than expected sales and higher than expected costs. For example, these estimates assume that our revenue and cost structure will remain relatively constant over the life of our reserves. If these assumptions prove to be inaccurate, some or all of our reserves may not be economically mineable, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, our current customer contracts require us to deliver frac sand that meets certain specifications. If the estimates of the quality of our sand reserves, including the volumes of the various specifications of those reserves, prove to be inaccurate, we may incur significantly higher excavation costs without corresponding increases in revenues, we may not be able to meet our contractual obligations, or our facilities may have a shorter than expected reserve life, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. As part of our natural sand proppant services business, we rely on third parties for raw materials and transportation, and the suspension or termination of our relationship with one or more of these third parties could adversely affect our business, financial conditions, results of operations and cash flows. As part of our natural sand proppant services business, we mine and process sand into premium monocrystalline sand, a specialized mineral that is used as a proppant (also known as frac sand) at our Barron County and Jackson County, Wisconsin plants. We sell natural sand proppant to our customers for use in their hydraulic fracturing operations to enhance the recovery rates of hydrocarbons from oil and natural gas wells. We also provide logistics solutions to deliver our frac sand products to our customers. Because our customers generally find it impractical to store frac sand in large quantities near their job sites, they seek to arrange for product to be delivered where and as needed, which requires predictable and efficient loading and shipping of product. To facilitate our logistics and transload facility capabilities, we contract with third party providers to transport our frac sand products to railroad facilities for delivery to our customers. We also lease a railcar fleet from various third parties to deliver our frac sand products to our customers and lease or otherwise utilize origin and destination transloading facilities. The suspension, termination or nonrenewal of our relationship with any one or more of these third parties involved in the sourcing, transportation and delivery of our frac sand products could result in material operational delays, increase our operating costs, limit our ability to service our customers' wells or otherwise materially and adversely affect our business, financial condition, results of operations and cash flows. Future performance of our natural sand proppant services business will depend on our ability to succeed in competitive markets, and on our ability to appropriately react to potential fluctuations in the demand for and supply of frac sand. In our natural sand proppant services business, we operate in a highly competitive market that is characterized by a small number of large, national producers and a larger number of small, regional or local producers. Competition in the industry is based on price, consistency and quality of product, site location, distribution and logistics capabilities, customer service, reliability of supply and breadth of product offering. The large, national producers with whom we compete include Badger Mining Corporation, Covia Holdings Corporation, Hi- Crush Partners LP, Capital Sand Proppants LLC, Athabasca Minerals Inc., Source Energy Services Ltd., and U. S. Silica Holdings Inc. Our larger competitors may have greater financial and other resources than we do, may develop technology superior to ours, may have production facilities that are located closer to sand mines from which raw sand is mined or to their key customers than our facilities or have a more cost effective access to raw sand and transportation facilities than we do. As the demand for hydraulic fracturing services has decreased due to commodity price volatility, prices in the frac sand market have materially decreased as demand for frac sand dropped and sand producers sought to preserve market share or exit the market and sell frac sand at below market prices. In addition, some oil and natural gas exploration and production companies and other providers of hydraulic fracturing services have acquired their own frac sand reserves, developed or expanded frac sand production capacity or otherwise fulfilled their own proppant requirements and existing or new frac sand producers could add to or expand their frac sand production capacity, which may negatively impact pricing and demand for our frac sand. We may not be able to compete successfully against either our larger or smaller competitors in the future, and competition could have a material adverse effect on our business, financial condition, results of operations and cash flows. Demand for our frac sand products could be reduced by changes in well stimulation processes and technologies, as well as changes in governmental regulations and other applicable law. As part of our natural sand proppant services business, we mine, process and sell frac sand products to our customers for use in their hydraulic fracturing operations to enhance the recovery rates of hydrocarbons from oil and natural gas wells. A significant shift in demand from frac sand to other proppants, or the development of new processes to replace hydraulic fracturing altogether, could cause a decline in the demand for the frac sand we produce and result in a material adverse effect on our business, financial condition, results of operations and cash flows. Further, federal and state governments and agencies have adopted various laws and regulations or are evaluating proposed legislation and regulations that are focused on the extraction of shale gas or oil using hydraulic fracturing, a process which utilizes proppants such as those that we produce. Future hydraulic fracturing- related legislation or regulations could restrict the ability of our customers to utilize, or increase the cost associated with, hydraulic fracturing, which could reduce demand for our proppants and adversely affect our business, financial condition, results of operations and cash flows. For additional information regarding the regulation of hydraulic fracturing, see Item 1. Business — Regulation of Hydraulic Fracturing included elsewhere in this annual report. We face distribution and logistics challenges in our business. In response to various factors, including fluctuations in oil and natural gas prices, our customers may shift their focus among resource plays, some of which can be located in geographic areas that do not have well- developed transportation and distribution infrastructure systems. Some geographic areas, including the areas in which our sand facilities are located, have limited access to railroads. Any interruption or delay in the railroad access or service may affect our ability to ship and / or the timing of shipment of our frac sand to our customers, which may adversely affect our revenues or result in increased costs, and thus could negatively impact our results of operations and financial condition. Serving our customers in these less- developed areas presents distribution and other operational challenges that may affect our sales and could negatively impact our operating costs. Labor disputes, system constraints, derailments, adverse weather conditions or other environmental events, an increasingly tight railcar leasing market and changes to rail freight systems, among other factors, could interrupt or limit available transportation services, could affect our ability to timely and cost- effectively deliver our frac sand to our customers and could provide a competitive advantage to our competitors located in closer proximity to our customers. Failure to find long- term solutions to these logistics challenges could adversely affect our business, financial condition, results of operations and cash flows. Because of the relatively low cost of producing frac sand, transportation expenses and related costs, including freight charges, fuel surcharges, transloading fees, switching fees, railcar lease costs, demurrage costs and storage fees, comprise a significant component of the total delivered cost of frac sand sales. The relatively high transportation expenses and related costs tend to favor frac sand producers located in close proximity to their customers. If and when we expand our frac sand production, our need for additional transportation services and transload network access will increase. We contract with truck and rail services to move frac sand from our production facilities to transload sites and our customers, and increased costs under these contracts could adversely affect our results of operations. In addition, we bear the risk of non- delivery under our contracts. A significant increase in transportation service rates, a reduction in the dependability or availability of transportation or transload services, or relocation of our customers' businesses to areas farther from our plants or transloading facilities could impair our ability to deliver our products economically to our customers and our ability to expand into different markets. The processing of raw sand and production of natural sand proppant require significant amounts of water. As a result, securing water rights and water access is necessary to operate our processing facilities. If the areas where our facilities are located experience water shortages, restrictions or any other constraints due to drought, contamination or otherwise, there may be additional costs associated with securing water access. Although we have obtained water rights to service our activities when we are operating our processing plants, the amount of water that we are entitled to use pursuant to our water rights must be determined by the appropriate regulatory authorities. Such regulatory authorities may amend the regulations regarding such water rights, increase the cost of maintaining such water rights or eliminate our current water rights, and we may be unable to retain all or a portion of such water rights. If implemented, these new regulations could also affect local municipalities and other industrial operations and could have a material adverse effect on costs involved in operating our processing plant. Such changes in laws, regulations or government policy and related interpretations pertaining to water rights may alter the environment in which we do business, which may have an adverse effect on our business, financial condition, results of operations and cash flows. Additionally, a water discharge permit may be required to properly dispose of water at our processing sites when in operation. Certain of our facilities are also required to obtain storm water permits. The water discharge, storm water or any other permits we may be required to have in order to conduct our frac sand processing operations is subject to regulatory discretion, and any inability to obtain or maintain the necessary permits could have an adverse effect on our ability to run such operations. Similar to our natural sand proppant services, certain of our completion and production services, particularly our hydraulic fracturing services, are substantially dependent on the availability of water. Restrictions on our ability, or our customers' ability, to obtain water may have an adverse effect on our business, financial condition, results of operations and cash flows. Water is an essential component of deep shale oil and natural gas production during both the drilling and hydraulic fracturing processes. In recent years, certain areas in which we operate have experienced drought conditions and competition for water in such areas is growing. As a result, some local water districts have begun restricting the use of water subject to their jurisdiction for hydraulic fracturing to protect local water supply. **For example, in 2021, the Texas Legislature directed the Texas Railroad Commission to adopt rules encouraging fluid oil and gas waste recycling. In October 2023, the Commission announced draft amendments to its water protection rules to, among other things, encourage waste recycling.** Our inability, or customers' inability, to obtain water to use in our operations from local sources or to effectively utilize flowback water could have an adverse effect on our business, financial condition, results of operations and cash flows. The customized nature, and remote location, of the modular camps that we provide and service present unique challenges that could adversely affect our ability to successfully operate our remote accommodations business. We rely on a third- party subcontractor to manufacture and install the customized modular units used in our remote accommodations business. These customized units often take a considerable amount of time to manufacture and, once manufactured, often need to be delivered to remote areas that are frequently difficult to access by traditional means of transportation. In the event we are unable to provide these modular units in a timely fashion, we may not be entitled to full, or any, payment therefor under the terms of our contracts with customers. In addition, the remote location of the modular camps often makes it difficult to install and maintain the units, and our failure, on a timely basis, to have such units installed and provide maintenance services could result in our breach of, and non- payment by our customers under, the terms of our customer contracts. Any of these factors could have a material adverse effect on our remote accommodation business and our overall financial condition and results of operations. Health and food safety issues and food- borne illness concerns could adversely affect our remote accommodations business. We provide food services to our customers as part of our remote accommodations business and, as a result, face health and food safety issues that are common in the food and hospitality industries. Food- borne illnesses, such as E. coli, hepatitis A, trichinosis or salmonella, and food safety issues have occurred in the food industry in the past and could occur in the future. Our reliance on third- party food suppliers and distributors increases the risk that food- borne illness incidents could be caused by factors outside of our control. New illnesses resistant to any precautions may develop in the future, or diseases with long incubation periods could arise. Further, the remote nature of our accommodation facilities and related food services may increase the risk of contamination of our food supply and create additional health and hygiene concerns due to the limited access to modern amenities and conveniences that may not be faced by other food service providers or hospitality businesses operating in an urban environment. If our customers become ill from food- borne illness, we could be forced to close some or all of our remote accommodation facilities on a temporary basis or otherwise. Any such incidents and / or any report of publicity linking us to incidents of food- borne illness or other food safety issues, including food tampering or contamination, could adversely affect our remote accommodations business as well as our overall financial condition and results of operations. Our remote accommodations business specializes in providing modular housing and related services for workforces in remote areas which lack the infrastructure typically available in towns and cities. If significant development activity does not return to the Canadian oil sands region or if permanent towns, cities and municipal infrastructure develop in the oil sands region of northern Alberta, Canada or other regions where we locate our modular camps, then demand for our accommodations could decrease as customer employees move to the region and choose to utilize permanent housing and food services. Revenue generated and expenses incurred by our remote accommodation business are denominated in the Canadian dollar and could be negatively impacted by currency fluctuations. Our remote accommodation business generates revenue and incurs expenses that are denominated in the Canadian dollar. These transactions could be materially affected by currency fluctuations. Changes in currency exchange rates could adversely affect our combined results of operations or financial position. We also maintain cash balances denominated in the Canadian dollar. At December 31, ~~2022~~ **2023** , we had $ ~~3~~ **2** . 4 million of cash in Canadian dollars, in Canadian accounts. We have not hedged our exposure to changes in foreign currency exchange rates and, as a result, could incur unanticipated translation gains and losses. In addition to the investigations and legal proceedings referenced in the risk factors above, from time to time, we are subject to various claims, lawsuits and other legal proceedings brought or threatened against us in the course of our business. These actions and proceedings may seek, among other things, compensation for alleged personal injury, workers' compensation, employment discrimination and other employment- related damages, breach of contract, indemnity claims, property damage and violation of federal or state securities laws. We may also be subject to litigation in the normal course of business involving allegations of violations of the Fair Labor Standards Act and state wage and hour laws. Claimants may seek large damage awards and defending claims can involve significant costs. When appropriate, we establish accruals for litigation and contingencies that we believe to be adequate in light of current information, legal advice and our indemnity insurance coverages. We reassess our potential liability for litigation and contingencies as additional information becomes available and adjust our accruals as necessary. We could experience a reduction in our profitability and liquidity if we do not properly estimate the amount of required accruals for litigation or contingencies, or if our insurance coverage proves to be inadequate or becomes unavailable, or if our self- insurance liabilities are higher than expected. The outcome of litigation is difficult to assess or quantify, as plaintiffs may seek recovery of very large or indeterminate amounts and the magnitude of the potential loss may remain unknown for substantial periods of time. Furthermore, because litigation is inherently uncertain, the ultimate resolution of any such claim, lawsuit or proceeding through settlement, mediation, or court judgment could have a material adverse effect on our business, financial condition or results of operations. In addition, claims, lawsuits and proceedings may harm our reputation or divert management' s attention from our business or divert resources away from operating our business, and cause us to incur significant expenses, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Please see Note ~~19~~ **20** . Commitments and Contingencies to our consolidated financial statements elsewhere in this annual report. We rely on a few key employees whose absence or loss could adversely affect our business. Many key responsibilities within our business have been assigned to a small number of employees. The loss of their services could adversely affect our business. In particular, the loss of the services of our Chief Executive Officer or Chief Financial Officer could disrupt our operations. We do not have any written employment agreement with either our Chief Executive Officer or our Chief Financial Officer at this time. Further, we do not maintain " key person " life insurance policies on any of our employees. As a result, we are not insured against any losses resulting from the death of our key employees. If we are unable to employ a sufficient number of skilled and qualified workers, our capacity and profitability could be diminished and our growth potential could be impaired. The delivery of our products and services requires skilled and qualified workers with specialized skills and experience who can perform physically demanding work. As a result of the volatility of the energy services industry and the demanding nature of the work, workers may choose to pursue employment in fields that offer a more desirable work environment at wage rates that are competitive. Our ability to be productive and profitable will depend upon our ability to employ and retain skilled workers. In addition, our ability to expand our operations depends in part on our ability to increase the size of our skilled labor force. The demand for skilled workers is high, and the supply is limited. As a result, competition for experienced energy service personnel is intense, and we face significant challenges in competing for crews and management with large and well established competitors. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay, or both. If either of these events were to occur, our capacity and profitability could be diminished and our growth potential could be impaired. Unionization efforts could increase our costs or limit our flexibility. Presently, none of our employees work under collective bargaining agreements. Unionization efforts have been made from time to time within our industries, to varying degrees of success. Any such unionization could increase our costs or limit our flexibility. Our operations may be limited or disrupted in certain parts of the continental U. S. and Canada during severe weather conditions, which could have a material adverse effect on our financial condition and results of operations. We provide well completion services and drilling services in the Utica, SCOOP, STACK, Permian Basin, Marcellus, Granite Wash, and Cana Woodford resource plays located in the continental U. S. We provide infrastructure services in the northeastern, southwestern, midwestern and western portions of the United States. We provide remote accommodation services in the oil sands in Alberta, Canada. We serve these markets through our facilities and service centers located in Ohio, Oklahoma, Texas, Wisconsin, Kentucky, California, Colorado, Oregon, Indiana and Alberta, Canada. For the years ended December 31, **2023 and** 2022 ~~and 2021~~, we generated approximately **48 % and** 45 ~~% and 48~~ %, respectively, of our revenue from our operations in Ohio, Wisconsin, Minnesota, North Dakota, Pennsylvania, West Virginia and Canada where weather conditions may be severe, particularly during winter and spring months. Repercussions of severe weather conditions may include: • curtailment of services; • weather- related damage to equipment resulting in suspension of operations; • weather- related damage to our facilities; • inability to deliver equipment and materials to jobsites in accordance with contract schedules; and • loss of productivity. Many municipalities, including those in Ohio and Wisconsin, impose bans or other restrictions on the use of roads and highways, which include weight restrictions on the paved roads that lead to our jobsites due to the muddy conditions caused by spring thaws. This can limit our access to these jobsites and our ability to service wells in these areas. These constraints and the resulting shortages or high costs could delay our operations and materially increase our operating and capital costs in those regions. Weather conditions may also affect the price of crude oil and natural gas, and related demand for our services. Any of these factors could have a material adverse effect on our financial condition and results of operations. Concerns over general economic, business or industry conditions may have a material adverse effect on our results of operations, liquidity and financial condition. Concerns over global economic conditions, energy costs, geopolitical issues, inflation, the availability and cost of credit, the European, Asian and the United States financial markets and global or national health concerns have contributed to economic uncertainty and diminished expectations for the global economy. These factors, combined with volatility in commodity prices, business and consumer confidence and unemployment rates, have in the past precipitated and may in the future precipitate an economic slowdown. Concerns about global economic growth may have a significant adverse impact on global financial markets and commodity prices. If the economic climate in the United States or abroad deteriorates, worldwide demand for petroleum products could diminish, which could impact the price at which oil, natural gas and natural gas liquids can be sold, which could affect the ability of our customers to continue operations and ultimately adversely impact our results of operations, liquidity and financial condition. **Public health emergencies and resulting adverse economic conditions have had, and may continue to have, a material adverse effect on our financial condition, results of operations, and cash flows. Public health emergencies have caused, and could again cause, a significant reduction in global economic activity, significantly weakening demand for oil and gas, and in turn, demand for our products and services. Other effects of public health emergencies have included, and may continue to include, significant volatility and disruption of the global financial markets; adverse revenue and net income effects; disruptions to our operations; customer shutdowns of oil and gas exploration and production; downward revisions to customer budgets; limitations on access to sources of liquidity; supply chain disruptions; employee impacts from illness; and local and regional closures or lockdowns, including temporary closures of our facilities and the facilities of our customers and suppliers. The extent to which our operating and financial results will be and may continue to be affected by public health emergencies will depend on various factors beyond our control, such as the continued severity and duration of the public health emergencies, including any sustained geographic resurgence; the emergence of new variants and strains of a contagious disease or virus; and the success of actions to contain or mitigate the effects of the public health emergency.** A terrorist attack or armed conflict could harm our business. The occurrence or threat of terrorist attacks in the United States or other countries, anti- terrorist efforts and other armed conflicts involving the United States or other countries, including continued hostilities in the Middle East, may adversely affect the United States and global economies and could prevent us from meeting our financial and other obligations. If any of these events occur, the resulting political instability and societal disruption could reduce overall demand for oil and natural gas, potentially putting downward pressure on demand for our services and causing a reduction in our revenues. Oil and natural gas related facilities could be direct targets of terrorist attacks, and our operations could be adversely impacted if infrastructure integral to our customers' operations is destroyed or damaged. Costs for insurance and other security may increase as a result of these threats, and some insurance coverage may become more difficult to obtain, if available at all. Our operations require substantial capital and we may be unable to obtain needed capital or financing on satisfactory terms or at all, which could limit our ability to grow. Our capital budget for ~~2023~~ **2024** is estimated to be $ ~~64~~ **15** million, depending upon industry conditions and our financial results. We fund our capital expenditures primarily with cash generated by operations ~~,~~ **and** borrowings under our revolving credit facility and **term loan facility** ~~sale- leaseback transactions~~ . We may be unable to generate sufficient cash from operations and other capital resources to meet our operating needs and / or maintain planned or future levels of capital expenditures which, among other things, may prevent us from acquiring new equipment, properly maintaining our existing equipment or restarting idled businesses or expanding existing operations as demand may warrant. ~~Also, our existing revolving credit facility is currently scheduled to mature on October 19, 2023. Our ability to extend, refinance or repay our existing revolving credit facility at or prior to maturity will depend on our ability to generate significant operating cash flow in the future and collect our receivables, among other factors. See Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Our Revolving Credit Facility.~~ Further, any disruptions or continuing volatility in the global financial markets and rising interest rates due to efforts to curb persistent inflation may lead to a contraction in credit availability and an increase in our cost of capital, which will adversely impact our ability to finance our operations. This could put us at a competitive disadvantage, impair our ability to meet our operating needs or interfere with our growth plans. Further, our actual capital expenditures for ~~2023~~ **2024** or future years could exceed our capital expenditure budget. In the event our operating or capital expenditure requirements at any time are greater than the amount we have available, we could be required to seek additional sources of capital, which may include debt financing, joint venture partnerships, sales of assets, sale- leaseback transactions, offerings of debt or equity securities or other means. We may not be able to obtain any such alternative source of capital. We may be required to curtail or eliminate contemplated activities. If we can obtain alternative sources of capital, the terms of such alternative may not be favorable to us. In particular, the terms of any debt financing may include covenants that significantly restrict our operations. Our inability to grow as planned may reduce our chances of achieving, maintaining and improving profitability. The growth of our business through acquisitions may expose us to various risks, including those relating to difficulties in identifying suitable, accretive acquisition opportunities and integrating businesses, assets and personnel, as well as difficulties in obtaining financing for targeted acquisitions and the potential for increased leverage or debt service requirements. As a component of our business strategy, we have pursued and, subject to our liquidity needs, intend to continue to pursue selected, accretive acquisitions of complementary assets, businesses and technologies. Acquisitions involve numerous risks, including: • unanticipated costs and assumption of liabilities and exposure to unforeseen liabilities of acquired businesses, including but not limited to environmental liabilities; • difficulties in integrating the operations and assets of the acquired business and the acquired personnel; • limitations on our ability to properly assess and maintain an effective internal control environment over an acquired business, in order to comply with public reporting requirements; • potential losses of key employees and customers of the acquired businesses; • inability to commercially develop acquired technologies; • risks of entering markets in which we have limited prior experience; and • increases in our expenses and working capital requirements. The process of integrating an acquired business may involve unforeseen costs and delays or other operational, technical and financial difficulties and may require a disproportionate amount of management attention and financial and other resources. Our failure to achieve consolidation savings, to incorporate the acquired businesses and assets into our existing operations successfully or to minimize any unforeseen operational difficulties could have a material adverse effect on our financial condition and results of operations. Furthermore, there is intense competition for acquisition opportunities in our industries. Competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions. We may incur substantial indebtedness to finance future acquisitions and also may issue equity, debt or convertible securities in connection with such acquisitions. Debt service requirements could represent a significant burden on our results of operations and financial condition and the issuance of additional equity or convertible securities could be dilutive to our existing stockholders. Furthermore, we may not be able to obtain additional financing on satisfactory terms. Even if we have access to the necessary capital, we may be unable to continue to identify additional suitable acquisition opportunities, negotiate acceptable terms or successfully acquire identified targets. Our ability to grow through acquisitions and manage growth will require us to continue to invest in operational, financial and management information systems and to attract, retain, motivate and effectively manage our employees. The inability to effectively manage the integration of acquisitions could reduce our focus on subsequent acquisitions and current operations, which, in turn, could negatively impact our earnings and growth. Our financial position and results of operations may fluctuate significantly from period to period, based on whether or not significant acquisitions are completed in particular periods. We may have difficulty managing growth in our business, which could adversely affect our financial condition and results of operations. Growth in accordance with our business plan, if achieved, could place a significant strain on our financial, technical, operational and management resources. As we expand the scope of our activities, lines of our businesses and our geographic coverage through both organic growth and acquisitions, there will be additional demands on our financial, technical, operational and management resources. The failure to continue to upgrade our technical, administrative, operating and financial control systems or the occurrences of unexpected expansion difficulties, including the failure to recruit and retain experienced managers, engineers and other professionals in the energy services industry, could have a material adverse effect on our business, financial condition, results of operations and our ability to successfully or timely execute our business plan. If our intended expansion of our business is not successful, our financial condition, profitability and results of operations could be adversely affected, and we may not achieve increases in revenue and profitability that we hope to realize. A key element of our business strategy involves the expansion of our services, geographic presence and customer base. These aspects of our strategy are subject to numerous risks and uncertainties, including: • an inability to retain or hire experienced crews and other personnel; • a lack of customer demand for the services we intend to provide; • an inability to secure necessary financing, equipment, raw materials (particularly sand and other proppants) or technology to successfully execute our expansion plans; • shortages of water used in our sand processing operations and our hydraulic fracturing operations; • unanticipated delays that could limit or defer the provision of services by us and jeopardize our relationships with existing customers and adversely affect our ability to obtain new customers for such services; and • competition from new and existing services providers. Encountering any of these or any unforeseen problems in implementing our planned expansion could have a material adverse impact on our business, financial condition, results of operations and cash flows, and could prevent us from achieving the increases in revenues and profitability that we hope to realize. Our indebtedness may adversely affect our operations and limit our growth, and we may have difficulty making debt service payments on such indebtedness as payments become due. Our level of indebtedness may affect our operations in several ways, including the following: • increasing our vulnerability to general adverse economic and industry conditions; • the covenants that are contained in the agreements governing our indebtedness could limit our ability to borrow funds, dispose of assets, pay dividends and make certain investments; • our debt covenants could also affect our flexibility in planning for, and reacting to, changes in the economy and in our industries; • any failure to comply with the financial or other covenants of our debt, including covenants that impose requirements to maintain certain financial ratios, could result in an event of default, which could result in some or all of our indebtedness becoming immediately due and payable; • our level of debt could impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other general corporate purposes; and • our business may not generate sufficient cash flow from operations to enable us to meet our obligations under our indebtedness. Our revolving credit facility **and term credit facility** ~~provides~~ **provide** for fluctuating interest rates, primarily based on rates set by the U. S. Federal Reserve. Inflation in the U. S. has been rising at its fastest rate in over 40 years, creating inflationary pressure on the cost of services, equipment and other goods in our industries and other sectors and contributing to labor and materials shortages across the supply- chain. Throughout 2022 and 2023, the Federal Reserve increased its benchmark interest rates eight times for an aggregate increase of 4. ~~5~~ **75** percentage points and may continue increasing benchmark interest rates in the future ~~. At December 31, 2022, we had $ 83. 5 million borrowings outstanding under our revolving credit facility and availability under our credit facility was approximately $ 19. 7 million, after giving effect to $ 6. 5 million of outstanding letters of credit and the requirement to maintain a $ 10. 0 million reserve out of the available borrowing capacity. A 1 % increase or decrease in the interest rate at that time would have increased or decreased our interest expense by approximately $ 0. 8 million per year, based on $ 83. 5 million outstanding~~. We have not hedged our interest rate exposure with respect to our floating rate debt. Accordingly, our interest expense for any particular period will fluctuate based on the rates set by the U. S. Federal Reserve and other variable interest rates. To the extent the interest rates applicable to our floating rate debt increase, our interest expense will increase, in which event we may have difficulties making interest payments and funding our other fixed costs, and our available cash flow may be adversely affected. We may not be able to provide services that meet the specific needs of oil and natural gas exploration and production companies or utilities at competitive prices. The markets in which we operate are generally highly competitive and have relatively few barriers to entry. The principal competitive factors in our markets are price, product and service quality and availability, responsiveness, experience, technology, equipment quality and reputation for safety. We compete with large national and multi- national companies that have longer operating histories, greater financial, technical and other resources and greater name recognition than we do. Several of our competitors provide a broader array of services and have a stronger presence in more geographic markets. In addition, we compete with several smaller companies capable of competing effectively on a regional or local basis. Our competitors may be able to respond more quickly to new or emerging technologies and services and changes in customer requirements. Some contracts are awarded on a bid basis, which further increases competition based on price. Pricing is often the primary factor in determining which qualified contractor is awarded a job. The competitive environment may be further intensified by mergers and acquisitions among oil and natural gas or utility companies or other events that have the effect of reducing the number of available customers. As a result of competition, we may lose market share or be unable to maintain or increase prices for our present services or to acquire additional business opportunities, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, some exploration and production companies have begun performing hydraulic fracturing and directional drilling on their wells using their own equipment and personnel. Any increase in the development and utilization of in- house fracturing and directional drilling capabilities by our customers could decrease the demand for our oil and natural gas services and have a material adverse impact on our business. Our operations include hazards inherent in the oil and natural gas and energy infrastructure industries, such as equipment defects, vehicle accidents, fires, explosions, blowouts, surface cratering, uncontrollable flows of gas or well fluids, pipe or pipeline failures, abnormally pressured formations and various environmental hazards such as oil spills and releases of, and exposure to, hazardous substances. For example, our operations are subject to risks associated with hydraulic fracturing, including any mishandling, surface spillage or potential underground migration of fracturing fluids, including chemical additives. The occurrence of any of these events could result in substantial losses to us due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, clean- up responsibilities, regulatory investigations and penalties, suspension of operations and repairs required to resume operations. The cost of managing such risks may be significant. The frequency and severity of such incidents will affect operating costs, insurability and relationships with customers, employees and regulators. In particular, our customers may elect not to purchase our services if they view our environmental or safety record as unacceptable, which could cause us to lose customers and substantial revenues. In addition, these risks may be greater for us than some of our competitors because we sometimes acquire companies that may not have allocated significant resources and management focus to safety and environmental matters and may have a poor environmental and safety record and associated possible exposure. Our insurance may not be adequate to cover all losses or liabilities we may suffer. Also, insurance may no longer be available to us or, if it is, its availability may be at premium levels that do not justify its purchase. The occurrence of a significant uninsured claim, a claim in excess of the insurance coverage limits maintained by us or a claim at a time when we are not able to obtain liability insurance could have a material adverse effect on our ability to conduct normal business operations and on our financial condition, results of operations and cash flows. In addition, we may not be able to secure additional insurance or bonding that might be required by new governmental regulations. This may cause us to restrict our operations, which might severely impact our financial position. Since hydraulic fracturing activities are part of our operations, they are covered by our insurance against claims made for bodily injury, property damage and clean- up costs stemming from a sudden and accidental pollution event. However, we may not have coverage if we are unaware of the pollution event and unable to report the " occurrence " to our insurance company within the time frame required under our insurance policy. We have no coverage for gradual, long- term pollution events. In addition, these policies do not provide coverage for all liabilities, and the insurance coverage may not be adequate to cover claims that may arise, or we may not be able to maintain adequate insurance at rates we consider reasonable. A loss not fully covered by insurance could have a material adverse effect on our financial position, results of operations and cash flows. We are subject to extensive environmental, health and safety laws and regulations that may subject us to substantial liability or require us to take actions that will adversely affect our results of operations. Our business is significantly affected by stringent and complex federal, state and local laws and regulations governing the discharge of substances into the environment or otherwise relating to environmental protection and health and safety matters. As part of our business, we handle, transport and dispose of a variety of fluids and substances, including hydraulic fracturing fluids which can contain hydrochloric acid and certain petrochemicals. This activity poses some risks of environmental liability, including leakage of hazardous substances from the wells to surface and subsurface soils, surface water or groundwater. We also handle, transport and store these substances. The handling, transportation, storage and disposal of these fluids are regulated by a number of laws, including: the Resource Conservation and Recovery Act; the Comprehensive Environmental Response, Compensation, and Liability Act; the Clean Water Act; the Safe Drinking Water Act; and other federal and state laws and regulations promulgated thereunder. The cost of compliance with these laws can be significant. Failure to properly handle, transport or dispose of these materials or otherwise conduct our operations in accordance with these and other environmental laws could expose us to substantial liability for administrative, civil and criminal penalties, cleanup and site restoration costs and liability associated with releases of such materials, damages to natural resources and other damages, as well as potentially impair our ability to conduct our operations. We could be exposed to liability for cleanup costs, natural resource damages and other damages under these and other environmental laws. Such liability is commonly on a strict, joint and several liability basis, without regard to fault. Liability may be imposed as a result of our conduct that was lawful at the time it occurred or the conduct of, or conditions caused by, prior operators or other third parties. Environmental laws and regulations have changed in the past, and they are likely to change in the future. If existing environmental requirements or enforcement policies change and become more stringent, we may be required to make significant unanticipated capital and operating expenditures. For a detailed description of environmental laws and regulations applicable to us and their impact on our operations, see " Item 1. Business — Regulations " above. Further, in connection with providing our infrastructure services, we have made a substantial investment in construction equipment that utilizes petroleum- based fuel. Any changes in laws requiring us to use equipment that runs on alternative fuels could require a significant investment, which could have a material adverse effect on our results of operations, **cash flows and liquidity.** Legislation or regulatory initiatives intended to address seismic activity could restrict our drilling and production activities, as well as our ability to dispose of produced water gathered from such activities, which could have a material adverse effect on our business. State and federal regulatory agencies have recently focused on a possible connection between hydraulic fracturing-related activities, particularly the underground injection of wastewater into disposal wells, and the increased occurrence of seismic activity, and regulatory agencies at all levels are continuing to study the possible linkage between oil and gas activity and induced seismicity. In addition, a number of lawsuits have been filed in some states alleging that disposal well operations have caused damage to neighboring properties or otherwise violated state and federal rules regulating waste disposal. In response to these concerns, regulators in some states are seeking to impose additional requirements related to underground injection activities. For example, the Oklahoma Corporations Commission has implemented a variety of measures, including the adoption of the National Academy of Science' s " traffic light system, " pursuant to which the agency reviews new disposal well applications and may restrict operations at existing wells. The Texas Railroad Commission has also implemented measures to assess the potential for seismic activity in the vicinity of disposal wells, and it has restricted and indefinitely suspended disposal well activities in some cases. These restrictions on the disposal of produced water and a moratorium on new produced water disposal wells could result in increased operating costs, requiring us to truck produced water, recycle it or dispose of it by other means, all of which could be costly and could adversely impact our results of operations, cash flows and liquidity. We hold numerous governmental, environmental, mining and other permits, water rights and approvals authorizing operations at our production facilities. For our extraction and processing in Wisconsin, the permitting process is subject to federal, state and local authority. For example, at the federal level, a Mine Identification Request must be filed and obtained before mining commences. If wetlands are implicated, a U. S. Army Corps of Engineers wetland permit may be required. At the state level, a series of permits are required related to air quality, wetlands, water quality (waste water and storm water), grading, endangered species and archaeological assessments in addition to other permits depending upon site specific factors and operational detail. At the local level, zoning, building, storm water, erosion control, wellhead protection, road usage and access are all regulated and require permitting to some degree. A non- metallic mining reclamation permit is required. A decision by a governmental agency or other third party to deny or delay issuing a new or renewed permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on our ability to continue operations. Title to, and the area of, mineral properties and water rights may also be disputed. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that we do not have title to our property or lack appropriate water rights could cause us to lose any rights to explore, develop and extract minerals, without compensation for our prior expenditures relating to such property. Our business may suffer a material adverse effect in the event we have title deficiencies. In some instances, we have received access rights or easements from third parties, which allow for a more efficient operation than would exist without the access or easement. A third party could take action to suspend the access or easement, and any such action could be materially adverse to our business, results of operations, cash flows or financial condition. Penalties, fines or sanctions that may be imposed by the U. S. Mine Safety and Health Administration could have a material adverse effect on our proppant production and sales business and our overall financial condition, results of operations and cash flows. The U. S. Mine Safety and Health Administration, or MSHA, has primary regulatory jurisdiction over commercial silica operations, including quarries, surface mines, underground mines, and industrial mineral process facilities. In addition, MSHA representatives perform at least two annual inspections of our production facilities to ensure employee and general site safety. As a result of these and future inspections and alleged violations and potential violations, we and our suppliers could be subject to material fines, penalties or sanctions. Any of our production facilities or our suppliers' mines could be subject to a temporary or extended shut down as a result of an alleged MSHA violation. Any such penalties, fines or sanctions could have a material adverse effect on our proppant production and sales business and our overall financial condition, results of operations and cash flows. Increasing trucking regulations may increase our costs and negatively impact our results of operations. In connection with our business operations, including the transportation and relocation of our energy service equipment, shipment of frac sand and general freight hauling, we operate trucks and other heavy equipment. As such, we operate as a motor carrier in providing certain of our services and therefore are subject to regulation by the United States Department of Transportation and by various state agencies. These regulatory authorities exercise broad powers, governing activities such as the authorization to engage in motor carrier operations, driver licensing, insurance requirements, financial reporting and review of certain mergers, consolidations and acquisitions, and transportation of hazardous materials (HAZMAT). Our trucking operations are subject to possible regulatory and legislative changes that may increase our costs. Some of these possible changes include increasingly stringent environmental regulations, changes in the hours of service regulations which govern the amount of time a driver may drive or work in any specific period, onboard black box recorder device requirements or limits on vehicle weight and size. Interstate motor carrier operations are subject to safety requirements prescribed by the United States Department of Transportation. To a large degree, intrastate motor carrier operations are subject to state safety regulations that mirror federal regulations. Matters such as the weight and dimensions of equipment are also subject to federal and state regulations. From time to time, various legislative proposals are introduced, including proposals to increase federal, state, or local taxes, including taxes on motor fuels, which may increase our costs or adversely impact the recruitment of drivers. We cannot predict whether, or in what form, any increase in such taxes applicable to us will be enacted. Certain motor vehicle operators require registration with the Department of Transportation. This registration requires an acceptable operating record. The Department of Transportation periodically conducts compliance reviews and may revoke registration privileges based on certain safety performance criteria that could result in a suspension of operations. Conservation measures and technological advances could reduce demand for oil and natural gas and our services. Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, technological advances in fuel economy and energy generation devices could reduce demand for oil and natural gas, resulting in reduced demand for oilfield services. The impact of the 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. We are subject to tax liabilities imposed by multiple jurisdictions, including income taxes, indirect taxes (excise / duty, sales / use and value- added taxes), payroll taxes, franchise taxes, withholding taxes and ad valorem taxes. New tax laws and regulations and changes in existing tax laws and regulations are continuously being enacted or proposed that could result in increased expenditures for tax liabilities in the future, which could have a material adverse effect on our results of operations, financial condition and cash flows. Additionally, many of these liabilities are subject to periodic audits by the respective taxing authority. Subsequent changes to our tax liabilities as a result of these audits may subject us to interest and penalties. Our income tax returns are subject to review and examination by the applicable tax authorities. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for income taxes. We do not recognize the benefit of income tax positions we believe are more likely than not to be disallowed upon challenge by a tax authority. Although we believe our tax provisions are adequate, the final determination of tax audits and any related disputes could be materially different from our historical income tax provisions and accruals. The results of audits or related disputes could have an adverse effect on our financial statements for the periods for which the applicable final determinations are made. Losses and liabilities from uninsured or underinsured activities could have a material adverse effect on our financial condition and operations. The operational insurance coverage we maintain for our business may not fully insure us against all risks, either because insurance is not available or because of the high premium costs relative to perceived risk. Further, any insurance obtained by us may not be adequate to cover any losses or liabilities and this insurance may not continue to be available at all or on terms which are acceptable to us. Insurance rates have in the past been subject to wide fluctuation and changes in coverage could result in less coverage, increases in cost or higher deductibles and retentions. Liabilities for which we are not insured, or which exceed the policy limits of our applicable insurance, could have a material adverse effect on our business activities, financial condition and results of operations. We may be subject to claims for personal injury and property damage, which could materially adversely affect our financial condition and results of operations. We operate with most of our customers under master service agreements, or MSAs. We endeavor to allocate potential liabilities and risks between the parties in the MSAs. Generally, under our MSAs, including those relating to our hydraulic fracturing services, we assume responsibility for, including control and removal of, pollution or contamination which originates above surface and originates from our equipment or services. Our customer assumes responsibility for, including control and removal of, all other pollution or contamination which may occur during operations, including that which may result from seepage or any other uncontrolled flow of drilling fluids. We may have liability in such cases if we are negligent or commit willful acts. Generally, our customers also agree to indemnify us against claims arising from their employees' personal injury or death to the extent that, in the case of our hydraulic fracturing operations, their employees are injured or their properties are damaged by such operations, unless resulting from our gross negligence or willful misconduct. Similarly, we generally agree to indemnify our customers for liabilities arising from personal injury to or death of any of our employees, unless resulting from gross negligence or willful misconduct of the customer. In addition, our customers generally agree to indemnify us for loss or destruction of customer- owned property or equipment and in turn, we agree to indemnify our customers for loss or destruction of property or equipment we own. Losses due to catastrophic events, such as blowouts, are generally the responsibility of the customer. However, despite this general allocation of risk, we might not succeed in enforcing such contractual allocation, might incur an unforeseen liability falling outside the scope of such allocation or may be required to enter into an MSA with terms that vary from the above allocations of risk. As a result, we may incur substantial losses which could materially and adversely affect our financial condition and results of operation. Loss of our information and computer systems could adversely affect our business. We are heavily dependent on our information systems and computer **-** based programs ~~, including our well operations information and accounting data~~ . If **our** ~~any of such~~ programs or systems were to fail or create erroneous information in our hardware or software network infrastructure, whether due to cyberattack or otherwise, possible consequences include our loss of communication links and inability to automatically process commercial transactions or engage in similar automated or computerized business activities. Any such consequence could have a material adverse effect on our business. We are subject to cyber security risks. ~~A cyber~~ **Cyber** ~~incident~~ **incidents** ~~could occur and~~ **or intrusions may** result in information theft, data corruption, operational disruption and / or financial loss. **Our operations have** ~~The energy services industry has~~ become increasingly dependent on digital technologies to conduct certain processing activities. For example, we depend on digital technologies to perform many of our services and process and record financial and operating data. At the same time, cyber incidents, including deliberate attacks or unintentional events, have increased. The U. S. government has issued public warnings that indicate that energy assets might be specific targets of cyber security threats. Our technologies, systems and networks, and those of our vendors, suppliers and other business partners, ~~may become~~ **have been and could continue to be** the target of cyberattacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information, or other disruption of our business operations. In addition, certain cyber incidents, such as surveillance, may remain undetected for an extended period. Our **security programs and measures, as well as security programs of our customers, suppliers, or other third parties, may not prevent all intrusions and our** systems and insurance coverage for protecting against cyber security risks may not be sufficient. As cyber incidents continue to evolve, we may be required to expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerability to cyber incidents. Laws and regulations governing cybersecurity, data privacy, and the unauthorized disclosure of confidential or protected information pose increasingly complex compliance challenges, and failure to comply with these laws could result in penalties and legal liability. Our insurance coverage for cyberattacks may not be sufficient to cover all the losses we may experience as a result of such cyberattacks. **Increased regulation by state and federal governments related to cybersecurity protections and disclosures may require additional resources for compliance, and any inability, or perceived inability, to adequately address new requirements could subject us to regulatory enforcement, private litigation, public criticism, disrupt our operations, cause us to lose customers, result in additional costs and legal liability, damage our reputation or otherwise harm our business.** Wexford, through its affiliate MEH Sub LLC, beneficially owns approximately 47. ~~5~~ **1** % of our outstanding common stock. As a result, Wexford can exercise significant influence over matters requiring stockholder approval, including the election of directors, changes to our organizational documents and significant corporate transactions. Further, individuals who serve as our directors are affiliates of Wexford. This concentration of ownership and relationship with Wexford makes it unlikely that any other holder or group of holders of our common stock will be able to affect the way we are managed or the direction of our business. In addition, we have engaged, and expect to continue to engage, in related party transactions involving Wexford, and certain companies they control. The interests of Wexford with respect to matters potentially or actually involving or affecting us, such as services provided, future acquisitions, financings and other corporate opportunities, and attempts to acquire us, may conflict with the interests of our other stockholders. This concentrated ownership will make it impossible for another company to acquire us and for you to receive any related takeover premium for your shares unless these stockholders approve the acquisition. A significant reduction by Wexford of its ownership interests in us could adversely affect us. We believe that Wexford' s substantial ownership interest in us provides it with an economic incentive to assist us to be successful. Wexford is not subject to any obligation to maintain its ownership interest in us and may elect at any time to sell all or a substantial portion of or otherwise reduce its ownership interest in us. If Wexford sells all or a substantial portion of its ownership interest in us, it may have less incentive to assist in our success and its affiliates that serve as members of our board of directors may resign. Such actions could adversely affect our ability to successfully implement our business strategies which could adversely affect our cash flows or results of operations. We are subject to certain requirements of Section 404 of the Sarbanes- Oxley Act. If we are unable to continue comply with Section 404 or if the costs related to compliance are significant, our profitability, stock price, results of operations and financial condition could be materially adversely affected. **We** ~~As a smaller reporting company and, as of December 31, 2022, a non- accelerated filer, we~~ are required to document and test our internal control over financial reporting and issue management' s assessment of our internal control over financial reporting under Section 404 of the Sarbanes Act of 2002. As we perform the required testing of our internal control over financial reporting, we may identify areas requiring improvement, and we may have to design enhanced processes and controls to address issues identified through this review. We believe that the out- of- pocket costs, the diversion of management' s attention from running the day- to- day operations and operational changes caused by the need to comply with the requirements of Section 404 of the Sarbanes- Oxley Act could be significant. If the time and costs associated with such compliance exceed our current expectations, our results of operations could be adversely affected. If we fail to comply with the requirements of Section 404 of the Sarbanes- Oxley Act, or if we or our auditors identify material weaknesses in internal control over financial reporting, the accuracy and timeliness of the filing of our annual and quarterly reports may be materially adversely affected and could cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock. In addition, a material weakness in the effectiveness of our internal control over financial reporting could result in an increased chance of fraud and the loss of customers, reduce our ability to obtain financing and require additional expenditures to comply with these requirements, each of which could have a material adverse effect on our business, results of operations and financial condition. Subject to the limitations of applicable law, our certificate of incorporation, among other things: • permits us to enter into transactions with entities in which one or more of our officers or directors are financially or otherwise interested; • permits any of our stockholders, officers or directors to conduct business that competes with us and to make investments in any kind of property in which we may make investments; and • provides that if any director or officer of one of our affiliates who is also one of our officers or directors becomes aware of a potential business opportunity, transaction or other matter (other than one expressly offered to that director or officer in writing solely in his or her capacity as our director or officer), that director or officer will have no duty to communicate or offer that opportunity to us, and will be permitted to communicate or offer that opportunity to such affiliates and that director or officer will not be deemed to have (i) acted in a manner inconsistent with his or her fiduciary or other duties to us regarding the opportunity or (ii) acted in bad faith or in a manner inconsistent with our best interests. These provisions create the possibility that a corporate opportunity that would otherwise be available to us may be used for the benefit of one of our affiliates. We have engaged in transactions with our affiliates and expect to do so in the future. The terms of such transactions and the resolution of any conflicts that may arise may not always be in our or our common stockholders' best interests. We have engaged in transactions and expect to continue to engage in transactions with affiliated companies. As described elsewhere in this report, including in the notes to our consolidated financial statements, these transactions include, among others, a joint venture, agreements to provide our services and frac sand products to our affiliates and agreements pursuant to which our affiliates provide us with facilities. Each of these entities is either controlled by or affiliated with Wexford, as the case may be, and the resolution of any conflicts that may arise in connection with such related party transactions, including pricing, duration or other terms of service, may not always be in our or our stockholders' best interests because Wexford may have the ability to influence the outcome of these conflicts. For a discussion of potential conflicts, see " — Risks Inherent to Our Common Stock — Our largest stockholder controls a significant percentage of our common stock, and its interests may conflict with those of our other stockholders. " If the price of our common stock fluctuates significantly, your investment could lose value. Although our common stock is listed on The Nasdaq Global Select Market, an active public market for our common stock may not be maintained. If an active public market for our common stock is not maintained, the trading price and liquidity of our common stock will be materially and adversely affected. Without a large float, our common stock is less liquid than the securities of companies with broader public ownership and, as a result, the trading prices of our common stock may be more volatile. The market price for our common stock has fluctuated significantly, ranging from a high of $ 8. ~~79~~ **74** per share to a low of $ ~~1~~ **3** . ~~35~~ **41** per share during ~~2022~~ **2023** . In addition, in the absence of an active public trading market, investors may be unable to liquidate their investment in us. In addition, the stock market is subject to significant price and volume fluctuations, and the price of our common stock could fluctuate widely in response to several factors, including: • our quarterly or annual operating results; • changes in our earnings estimates; • investment recommendations by securities analysts following our business or our industries; • additions or departures of key personnel; • changes in the business, earnings estimates or market perceptions of our competitors; • our failure to achieve operating results consistent with securities analysts' projections; • changes in industry, general market or economic conditions; and • announcements of legislative or regulatory change. The stock market has experienced extreme price and volume fluctuations in recent years that have significantly affected the quoted prices of the securities of many companies, including companies in our industries. The changes often appear to occur without regard to specific operating performance. The price of our common stock could fluctuate based upon factors that have little or nothing to do with our company and these fluctuations could materially reduce the price for our common stock. Wexford beneficially owns a substantial amount of our common stock and may sell such common stock in the public or private markets. Sales of these shares of common stock or sales of substantial amounts of our common stock by other stockholders, or the perception that such sales may occur, could adversely affect the prevailing market price of our common stock. As of December 31, ~~2022~~ **2023** , Wexford beneficially owned 47. ~~5~~ **1** % shares of our common stock. Sales of these shares of common stock or sales of substantial amounts of our common stock by other stockholders, or the perception that such sales may occur, could cause the price of our common stock to decline. In addition, the sale of these shares could impair our ability to raise capital through the sale of additional common or preferred stock. If securities or industry analysts do not publish research or reports about our business, if they adversely revise their recommendations regarding our stock or if our operating results do not meet their expectations, the price of our stock could decline. The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If ~~one or more of these~~ analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if ~~one or more of the~~ analysts who cover our company downgrades our stock or if our operating results do not meet their expectations, our stock price could decline. We may issue preferred stock whose terms could adversely affect the voting power or value of our common stock. Our certificate of incorporation authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the common stock. The existence of some provisions in our certificate of incorporation and bylaws and Delaware corporate law could delay or prevent a change in control of our company, even if that change would be beneficial to our stockholders. Our certificate of incorporation and bylaws contain provisions that may make acquiring control of our company difficult, including: • provisions regulating the ability of our stockholders to nominate directors for election or to bring matters for action at annual meetings of our stockholders; • limitations on the ability of our stockholders to call a special meeting and act by written consent; • the ability of our board of directors to adopt, amend or repeal bylaws, and the requirement that the affirmative vote of holders representing at least 66 2 / 3 % of the voting power of all outstanding shares of capital stock be obtained for stockholders to amend our bylaws; • the requirement that the affirmative vote of holders representing at least 66 2 / 3 % of the voting power of all outstanding shares of capital stock be obtained to remove directors; • the requirement that the affirmative vote of holders representing at least 66 2 / 3 % of the voting power of all outstanding shares of capital stock be obtained to amend our certificate of incorporation; and • the authorization given to our board of directors to issue and set the terms of preferred stock without the approval of our stockholders. These provisions also could discourage proxy contests and make it more difficult for you and other stockholders to elect directors and take other corporate actions. As a result, these provisions could make it more difficult for a third party to acquire us, even if doing so would benefit our stockholders, which may limit the price that investors are willing to pay in the future for shares of our common stock. Our certificate of incorporation designates courts in the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees. Our certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for: • Any derivative action or proceeding brought on our behalf; • Any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders; • Any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law; or • Any other action asserting a claim against us that is governed by the internal affairs doctrine. In addition, our certificate of incorporation provides that if any action specified above (each is referred to herein as a covered proceeding), is filed in a court other than the specified Delaware courts without the approval of our board of directors (each is referred to herein as a foreign action), the claiming party will be deemed to have consented to (i) the personal jurisdiction of the specified Delaware courts in connection with any action brought in any such courts to enforce the exclusive forum provision described above and (ii) having service of process made upon such claiming party in any such enforcement action by service upon such claiming party' s counsel in the foreign action as agent for such claiming party. These provisions may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the covered proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition. The declaration of dividends on our common stock is within the discretion of our board of directors based upon a review of relevant considerations, and there is no guarantee that we will pay any dividends in the future or at levels anticipated by our stockholders. On July 16, 2018, our board of directors initiated a quarterly dividend policy on shares of our common stock payable quarterly beginning with the second quarter of 2018. In July 2019, as a result of oilfield market conditions and other factors, which included the status of collections from PREPA, our board of directors suspended the quarterly cash dividend. The decision to pay dividends is solely within the discretion of, and subject to approval by, our board of directors. Our board of directors' determination with respect to any such dividends, including the record date, the payment date and the actual amount of the dividend, will depend upon our profitability and financial condition, contractual restrictions, restrictions imposed by applicable law and other factors that the board deems relevant at the time of such determination. Based on its evaluation of these factors, the board of directors may determine not to declare a dividend, or declare dividends at rates that are less than anticipated, either of which could reduce returns to our stockholders. **On August 10, 2023, our board of directors approved a stock repurchase program pursuant to which we would be authorized to repurchase up to the lesser of $ 55 million or 10 million shares of its common stock, subject to the factors discussed below. Following the completion of the refinancing transactions discussed in this report, any stock repurchases under this program may be made opportunistically from time to time in open market or privately negotiated transactions in compliance with Rule 10b- 18 under the Securities Act of 1934, as amended, including any 10b5- 1 plan, and will be subject to market conditions, applicable legal and contractual restrictions, liquidity requirements and other factors. The repurchase program has no time limit, does not require us to repurchase any specific number of shares and may be suspended from time to time, modified or discontinued by our board of directors at any time. Any common stock repurchased as part of such stock repurchase program will be cancelled and retired. No assurance can be given that we will effectuate stock buybacks in the future, which could materially and adversely affect the market price of our common stock. We have not repurchased any shares of our common stock under the stock repurchase program as of December 31, 2023 or to date.**