



Letter from the CEO

It is my pleasure to introduce the 2020 Caerus Sustainability Report. This report highlights Caerus' programs and initiatives that protect the environment; ensure the health, safety, and professional development of our employees; promote high standards of integrity and business conduct; and positively impact the communities in which we live and work. These efforts are rooted in the Vision and Values of our company, championed by our executive leadership, and actively overseen by our Board of Managers.

We believe that the substitution of natural gas for coal in electricity generation and oil in transportation is vital to the reduction of global greenhouse gas emissions. Further, we believe that natural gas can play a vital role in replacing energy from solid fuels in developing countries. Caerus' mission is to be the Rocky Mountain region's leading producer of clean-burning, affordable, natural gas, focused on value, safety, environmental stewardship, technology, and community. We are committed to helping meet the world's need for abundant, affordable energy in an environmentally and socially responsible manner. Developing and maintaining sustainable business practices is critical to achieving this mission in the dynamic global energy market.

Greenhouse gas emissions are an important concern for Caerus and our stakeholders; accordingly, we proactively manage our environmental footprint and emissions. Caerus is an active member of both the Environmental Partnership and ONE Future, two organizations focused on reducing emissions from oil and gas development. We have developed best management practices and a proactive leak detection and repair program to minimize methane emissions from our operations. And we are excited about the role that responsibly produced natural gas can play in reducing greenhouse gas emissions from power generation and transportation fuels both in the U.S. and internationally, as well as the use of solid fuels in developing nations.

Caerus is also concerned about our water and wildlife resources. In Colorado, Caerus' extensive network of water gathering and processing facilities allows Caerus to recycle up to 100% of the produced water from its operations and dramatically reduce its reliance on fresh water, further reducing our environmental impact. Produced water that is not reused in operations is treated and injected back into the earth.

Caerus operates in areas of great natural beauty with abundant wildlife. Caerus owns over 40,000 acres of surface in rural western Colorado. There, Caerus has partnered with Colorado Parks and Wildlife on a best in class habitat restoration and wildlife mitigation program and is using regenerative grazing practices to enhance wildlife habitat.

In 2020, Caerus acquired a significant land position in Utah, including 150,000 acres of mineral leases on federal, tribal, state, and fee lands. A portion of our Utah operations are located on the Uintah and Ouray Reservation. Caerus provides employment opportunities for tribal members through the Ute Tribe's TERO program and partners with the Ute Tribe Energy and Minerals Office in responsibly developing our oil and gas assets on tribal lands.

People are important to us. Caerus is invested in both personal safety on the job and the well-being of our employees and communities. That investment has paid off: Since its inception in 2009,

Caerus employees have experienced only one lost time accident. Caerus actively partners with the communities in which our employees live and work, contributing significant amounts of time and money to local charitable organizations. We continued to look for ways to engage and positively impact the communities in which we operate, with a particular focus on children, families, and education.

From our Board of Managers to our front-line employees, the people at Caerus understand the importance of maintaining our social license to operate. Operating in a safe, efficient and sustainable manner is critical to our mission of becoming the Rockies' leading producer of clean-burning, affordable natural gas. We're proud to share the sustainability efforts we have made thus far and excited about additional projects in the years to come.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Keyte", written in a cursive style.

David H. Keyte

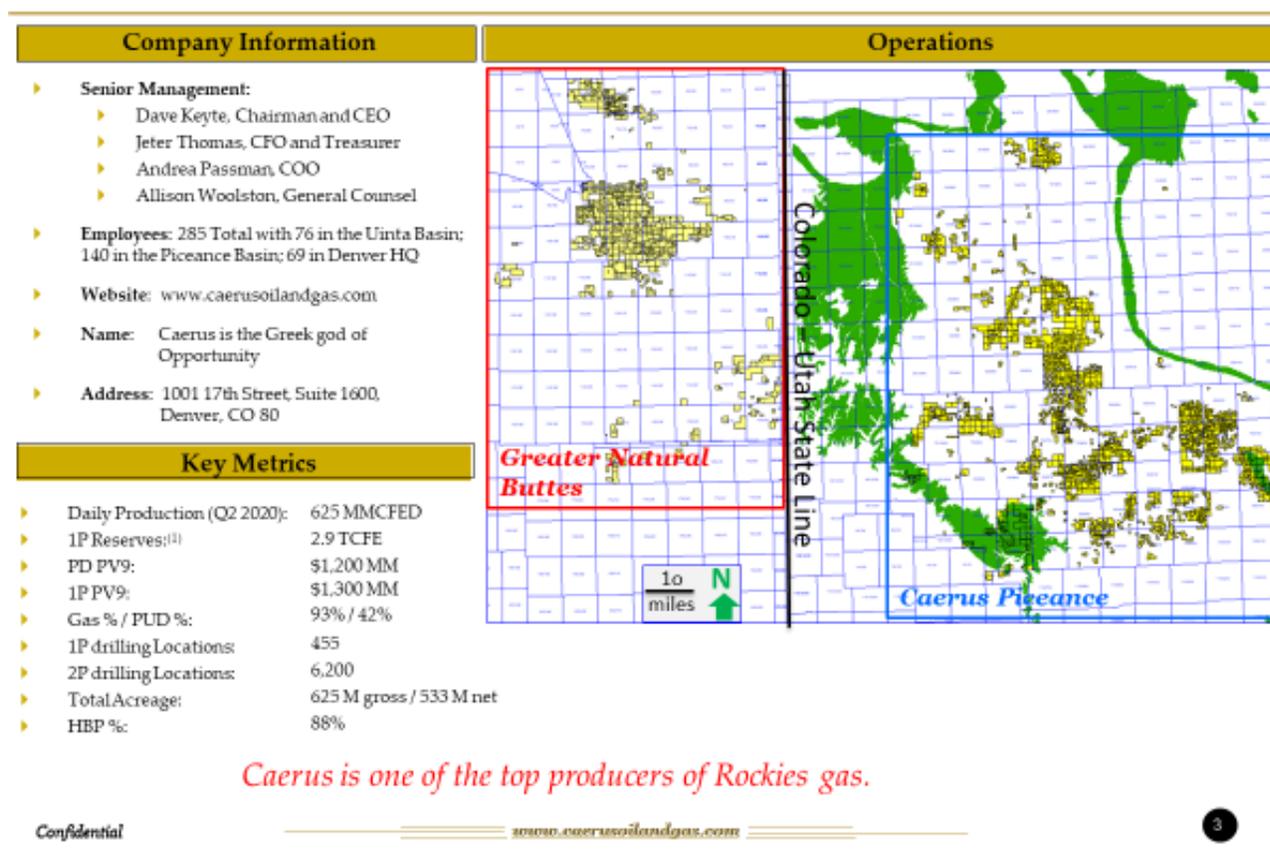
Chairman and Chief Executive Officer

COMPANY OVERVIEW AND STRATEGY

Caerus is a privately held company engaged in the acquisition, development, and production of conventional natural gas and liquids with its primary operations in the Piceance Basin of Colorado and the Uinta Basin in Utah. As a holder of significant surface and mineral acreage, we take seriously our commitment to the environment and the communities in which we operate.

Caerus' mission is to be the Rockies' leading producer of clean-burning, affordable, natural gas, focused on value, safety, environmental stewardship, and community. We are committed to helping meet the world's need for abundant, affordable energy in an environmentally and socially responsible manner. Developing and maintaining sustainable business practices is critical to achieving this mission in the dynamic global energy market.

Caerus Operating Snapshot



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In 2020, Caerus will produce approximately 625 mmcf/d of natural gas, or approximately 7% of natural gas production in the Western region, servicing markets from the West Coast to the Midwest. Caerus operates on 533 million net mineral acres, including approximately 38,000 acres of Caerus owned surface and minerals. With approximately 7,000 operated wells and more than 8,000 potential future drilling locations and estimated proved natural gas reserves of more than 2.9 TCFE of dry gas in the Piceance and Uinta Basins, Caerus has set an ambitious goal of delivering the highest return to our investors of any owner and operator of natural gas assets by 2021. We will achieve that vision by:

- OPERATING SAFELY AND SUSTAINABLY
- ENGAGING, DEVELOPING, AND REWARDING OUR EMPLOYEES
- PROACTIVELY MANAGING BUSINESS RISKS
- APPLYING RIGOROUS ANALYSIS TO OUR BUSINESS DECISIONS
- DILIGENTLY OPTIMIZING OUR PROFITABILITY

In addition to its significant acreage position, Caerus’ midstream subsidiaries, Caerus Energy Services LLC and Caerus Natural Buttes Midstream LLC, operate an extensive network of gathering infrastructure, with a combined 1400 miles of gas and water gathering and distribution pipelines, and 4 water treatment and storage facilities with 1.2 million barrels of produced water storage capacity. est.

Currently Caerus has approximately 280 employees, 137 of whom were employed in our office in Parachute, Colorado, 76 in Vernal, Utah, and the remainder in our headquarters in Denver. Building on the Board of Manager’s active oversight role, employees in leadership and management administer and execute Caerus’ strategy, guided by the specific standards of conduct prescribed in our Vision and Values and Caerus’ Code of Ethics and Business Conduct.

✓ *Values*

Achieving our mission requires that we stay true to our Values, the driving principles by which Caerus has chosen to live:

OUR VALUES
CAERUS OPERATING LLC

SAFETY	OWNERSHIP	INTEGRITY	COMMUNITY
<ul style="list-style-type: none"> • Safety and environmental stewardship are ingrained in everything we do • We take responsibility for our own and each other’s work health and safety 	<ul style="list-style-type: none"> • We plan for success and deliver on our commitments • We take responsibility for our actions • We expect and reward excellence • We own our individual and collective success 	<ul style="list-style-type: none"> • We demonstrate the highest ethical standards • We communicate openly, honestly and respectfully • We initiate crucial conversations • We build trust in our relationships 	<ul style="list-style-type: none"> • We treat everyone with respect • We invest in our communities • We care about the well being of our employees and their families • We help our communities thrive
BOLDNESS	ENTREPRENEURIAL SPIRIT	LEADERSHIP	
<ul style="list-style-type: none"> • We proactively identify and address risks • We confront realities • We look for creative solutions • We aggressively execute decisions 	<ul style="list-style-type: none"> • We question consensus • We embrace possibilities • We learn from our mistakes • We innovate • We stretch ourselves to achieve more 	<ul style="list-style-type: none"> • We lead in our industry, our communities, and in our respective disciplines • We support each others’ professional growth • We value teamwork above individual achievement • We develop leaders 	

✓ *Commitment to Ethical Operations*

Caerus has an unwavering commitment to ethics and integrity. Our Code of Ethics and Business Conduct represents the standards of integrity and business conduct that every Caerus employee, officer and manager must uphold and follow. As a means of protecting both our company and our employees, Caerus supports multiple methods of reporting compliance concerns, including anonymous reporting, and we strictly prohibit retaliation against any person for providing truthful information relating to a possible violation of law or company policy.

NATURAL GAS – COMBATTING CLIMATE CHANGE

As a producer of natural gas under some of the strictest regulatory regimes in the nation, Caerus is poised to play an important role in the fight against climate change.

The United States has reduced greenhouse gas emissions 14 percent since 2005, and in 2019, the United States saw the largest decline in energy-related CO₂ emissions in the world on a per country basis. The primary driver of that reduction has been increased use of natural gas. Natural gas continues to play a key role in the climate agenda due to its ability to reduce energy-related CO₂ emissions in a cost-efficient manner by replacing carbon intensive fuels, serving as a reliable backup to renewables, and by increasing energy efficiency. Natural gas power plants ability to quickly scale their electricity production up or down and enables them to act as an effective hedge against the intermittency of renewables. In addition to its role in reducing carbon emissions, natural gas has undeniable benefits in reducing emissions of hazardous pollutants that are responsible for air quality degradation, such as nitrogen oxides (“NOX”), sulphur oxides (particularly sulphur dioxide, SO₂), and particulate matter (“PM”). Based on the respective emission factor, natural gas emits 50% less NOX and 98% less SO₂ than coal, and 85% less NOX and 96% less SO₂ than oil. Additionally, natural gas emits almost no fine particulate matter.

Caerus’ commitment to lowering its emissions footprint to meet the standards promulgated by ONE Future means that natural gas produced by Caerus has the potential to meet the stringent requirements of utilities that have mandated sustainable sourcing standards for their energy supply mix. Caerus is looking forward to being a significant provider of sustainably sourced natural gas.

The benefits of natural gas in reducing emissions can—and should—be extended to the rest of the world. In 2017, worldwide CO₂ emissions increased 1.4%. So, despite large reductions in the United States, the rest of the world continues to increase emissions. The increase is largely attributable to increased energy demand in Asia, China, and India. Liquefied natural gas has the potential to assist the rest of the world in meeting its greenhouse gas (“GHG”) emissions goals. By displacing coal and other heavier hydrocarbon fuels, U.S. LNG can help other nations reduce their GHG emissions. As renewables penetrate global markets, U.S. LNG, like natural gas in the U.S., can provide a reliable baseload energy source to offset the intermittency of wind and solar. Further, exporting gas to Asia will help to reduce energy poverty by providing an abundant and affordable fuel resource. In 2017, 992 million people worldwide did not have access to electricity and almost 40% of the earth's population (nearly 2 billion people) relied on open fires or stoves fueled by kerosene, wood, animal dung or crop waste to fuel their homes, energy sources that pose a significant health risk due to the release of fine particulate matter. Using natural gas to reduce use of solid fuels is a key focus to improving the lives of citizens in developing countries,

Further, natural gas plays a significant role in U.S. energy independence and national security. Natural gas exports can help reduce Europe and Asia’s reliance on Russian natural gas. Collectively, the European Union is currently the world’s largest natural energy importer, and it has been dependent on Russian natural gas. Russia has used its natural gas exports to wield influence over its neighbors—most notably in threatening to cut off supplies to Ukraine. U.S. LNG exports could help counter European and Asian dependence on Russian energy, reducing Russia’s ability to influence nations in those spheres.

SUSTAINABILITY PROGRAMS

✓ *Responsible Operations*

Complying with applicable health, safety and environmental laws, regulations and policies is only the beginning of our commitment to operating our business in a responsible manner. Caerus maintains a proactive compliance program to identify and correct any operational deficiencies we find, working in direct cooperation with appropriate government agencies. Caerus' collaborative and interdisciplinary frontline efforts are led by our Environmental, Health, and Safety ("EHS") team, which seeks continuous improvement in those key areas.

✓ *Safety and Health*

We are dedicated to protecting the health and safety of everyone involved in and around Caerus' facilities and operating areas by enforcing high standards, strict corporate policies, and responsible and ethical procedures. Safety starts with solid governance and committed senior managers, and our Manager of EHS sets the direction and vision for programs in our operating areas. The heart of Caerus' safety program lies within the field office EHS professionals, who are responsible for evaluating safety observations, reporting and discussing safety concerns, reviewing incident investigations, assisting with field inspections, and developing and reviewing corporate standard operating procedures ("SOPs"). Caerus conducts a rigorous internal review before contractors are added to the Approved Vendor List and contractors are subject to ongoing safety and environmental compliance monitoring.

✓ *Safety Training and Performance*

Caerus has designed and implemented effective training programs to reduce the occurrence and severity of accidents. Our employee training programs are in compliance with pertinent OSHA General Industry and Construction standards; among the topics covered are hazard recognition, hazard communication, accident prevention, personal protective equipment, safe operating practices, chemical material precaution, and typical workplace hazards. All Caerus employees and contractors are expected to possess first aid/CPR/AED training, as well as general safety awareness training through OSHA 10, OSHA 5810, or PEC Safeland USA. In 2019, Caerus' training team provided more than 1,400 combined hours of safety training to Caerus employees and more than 50 combined hours of training and collaboration on SOPs with foremen and supervisors.

Caerus records safety performance based on requirements from OSHA, including recordable/non-recordable injuries and reportable lost-time injuries. Since its inception in 2009, Caerus has had only **one** employee reportable lost-time incident and **zero** OSHA violations.

✓ *Vehicle Safety*

Safe driving is critical to a safe working environment. Our light-duty fleet vehicles are equipped with GPS tracking technology to help monitor driving practices, improve driver safety, and ultimately reduce the number of incidents and injuries related to operating our vehicles. In 2019, Caerus revised its driving policy and initiated a continuous motor vehicle record monitoring program. Overall, Caerus employees drove a total of approximately 3.48 million miles in 2019 and completed approximately 100 combined hours of driver safety training courses. Caerus tracks Motor Vehicle Incident Rate ("MVIR"), a metric more encompassing than Preventable Vehicle Accidents, to help monitor the effectiveness of fleet safety

programs. Caerus' overall MVIR in 2019 was 3.2 meaning our employees had approximately one motor vehicle incident for every 311,111 miles driven.

✓ *Proppantless Fracs*

Caerus' hydraulic fracturing operations are conducted without the use of proppants or sand. The use of proppantless fracs reduces Caerus' environmental footprint by removing trucks from the road that would otherwise be hauling sand or proppant, and it decreases the potential risks to our employees by removing a source for possible silica dust inhalation. Additionally, the mines that produce the sand for hydraulic fracturing are located outside of Colorado; by eschewing the use of sand in its fracs, Caerus is reducing the potential environmental impact of mining additional proppant in those sand producing states and transporting the sand to Colorado.

✓ *Pipeline Infrastructure*

Caerus operates over 1400 miles of gas and water gathering infrastructure, 4 water treatment and storage facilities with approximately 1.2 million barrels of produced water storage capacity. Caerus' extensive pipeline infrastructure allows Caerus to reduce truck traffic on the roads, thereby reducing dust and vehicle emissions and risk of accidents. It also allows for recycling of production water; reducing and, in some cases, eliminating Caerus' dependence on fresh water sources.

✓ *Spill Prevention and Management*

Caerus dedicates substantial resources to ensuring our operations are performed in a manner that protects the environment. We believe all spills are preventable, and we train employees to prevent them. Caerus engineers design and build facilities with spill prevention in mind to protect the environment. We invest in containment equipment, perform regular inspections, and update our spill response plans to comply with regulations. When a spill occurs, we respond quickly and aggressively to stop any further release and collaborate with regulators to remediate impacted areas to applicable regulatory standards. We investigate all spills to determine the cause and appropriate corrective actions. In 2019, we had 28 produced water spills of more than 1 barrel (42 gallons), totaling 3,414 barrels; this represents less than .0009% of the 37.5 million barrels of produced water transferred through the Caerus gathering system.

✓ *Pipeline Integrity Management Program*

Caerus was an active participant in the 2017 Colorado Oil and Gas Conservation Commission ("COGCC") Flowline Rulemaking. This rulemaking resulted in the creation of a rigorous annual pipeline testing program to be followed by oil and gas operators. Caerus has implemented an Integrity Management Program that strives to go above and beyond the requirements of the COGCC flowline regulations, both in scope and in frequency of testing. Caerus has created a risk matrix for its pipeline infrastructure to determine frequency of testing and uses a variety of techniques to assess its pipelines for structural integrity, including smart pigging and pressure testing. Caerus continues to evaluate new technologies for leak detection.

✓ *Air Quality and Emissions Management*

Even though Caerus' assets are located primarily in remote, rural areas, methane and other hydrocarbon emissions remain an important concern for Caerus and our stakeholders. As such, our strategy is to proactively manage our environmental footprint and limit emissions of methane and other greenhouse gases from our operations. From 2011 to 2017, Colorado's oil and natural gas industry saw a nearly 50

percent reduction in emissions, with further decreases projected in the years to come. We are committed to working with industry and communities to address our impacts to the environment while ensuring the supply of sustainable, abundant and affordable energy.

Here are few of the ways in which Caerus is working to minimize emissions:

- When bringing new wells on production, Caerus has implemented flowback separation technology that precludes any need to flare produced gas. This technology allows us to capture gas as soon as its saleable from flowback separators.
- After flowline installation on new wells, flowlines and all connections are tested under pressure to identify any leaks prior to being put in service.
- On existing pipelines and facilities, Caerus conducts scheduled leak inspections with its own licensed professional staff that utilize forward looking infrared (“FLIR”) cameras to identify the presence or absence of natural gas leaks in accordance with local, state, and federal air quality compliance regulations.
- Caerus lease operators conduct frequent audio, visual, and olfactory (“AVO”) inspections at Caerus locations to identify any releases of natural gas from Caerus facilities.
- Leaks identified during leak inspections are repaired promptly upon discovery.
- Caerus has developed a Best Management Practice (“BMP”)/SOP for minimizing gas venting during all well liquids unloading events as well as methods to decrease the frequency of well unloading events that result in gas venting.
- Caerus is voluntarily performing FLIR inspections to check for potential leaks on all of our low producing, older locations that are not otherwise subject to required FLIR camera inspections.
- Caerus continues to evaluate new technologies, such as drone mounted FLIR inspections.
- In the fall of 2020, Caerus will initiate a preventative maintenance program on all of our enclosed combustors in the Piceance Basin to ensure that all of our tank vapor controls are performing optimally. This program will be extended to our Uinta Basin assets in 2021.

The Caerus EHS team is actively engaged with regulators, industry peers, and trade groups on new and proposed federal and state air quality rules, fostering dialogue and facilitating understanding of how these regulatory changes can impact the natural gas industry. Caerus has taken an active role in Colorado’s SHER Working Group, a partnership between regulators and industry looking at ways to lower the emissions footprint of the oil and gas industry. Caerus prides itself on being an industry leader in air quality compliance.

In Colorado, our LDAR program has been developed to meet the specific requirements of Colorado Regulation 7 requirements. Colorado’s Regulation 7 requires oil and gas producers to inspect and repair hydrocarbon leaks from components at all existing and newly constructed well production facilities and compressor stations, followed by ongoing, regular inspections dedicated to leak detection, repair and reporting. Our companywide program was updated in 2016 to comply with EPA New Source Performance Standards OOOOa requirements which enacted an LDAR program for new or modified upstream facilities and compressor stations. Further, as part of our commitment to the Environmental Partnership, Caerus will complete LDAR monitoring using FLIR cameras at all of our wellhead locations

every other year, even where not required by regulation. As state and federal requirements for emissions change, Caerus adapts its emissions reduction program to meet or exceed those requirements.

In addition to Caerus' vigilant monitoring of its facilities for methane emissions, Caerus has taken other steps to reduce its carbon footprint and control emissions:

- Drilling rigs used on Caerus locations utilize natural gas as a fuel source, instead of diesel, to minimize pollutant air emissions.
- Completions operations are fueled using natural gas instead of diesel when feasible.
- Whenever possible, Caerus uses pipelines to move water and oil, reducing vehicle use and emissions.
- Caerus uses solar panels as an alternative energy source for on-location measurement and production equipment where feasible.

✓ *Environmental Leadership*

The Environmental Partnership

Caerus is a member of the Environmental Partnership. The Environmental Partnership is a group of oil and gas producers committed to continuously improving the industry's environmental performance. Participants in The Environmental Partnership believe that addressing environmental impacts is an important component of securing America's long-term energy future. To that end, The Environmental Partnership focuses on solutions that are technically feasible, commercially proven and will result in significant emissions reductions. The Environmental Partnership provides a forum for participants to share information on best practices and technological breakthroughs in order to help improve the understanding of emissions and how best to reduce them.



ONE Future

Caerus is a member of the ONE Future Coalition. The ONE Future Coalition is a group of 30 natural gas companies working together to voluntarily reduce methane emissions across the natural gas value chain to 1% (or less) by 2025. The coalition is comprised of some of the largest natural gas production, gathering & boosting, processing, transmission & storage and distribution companies in the U.S. and represents approximately 15% of the U.S. natural gas value chain.



Western States and Tribal Nations Natural Gas Initiative

Caerus is an active supporter of the Western States and Tribal Nations Initiative. Western States and Tribal Nations ("WSTN") is a unique initiative created to foster economic development in the rural communities of Western States, promote tribal self-determination, and improve the environment by eliminating natural gas flaring and making cleaner fuels available to Asian energy markets. WSTN advocates for the development of LNG facilities on North America's West Coast to facilitate LNG exports to Asia.



✓ *Water Protection*

Wellbore Construction

Caerus designs, builds, and maintains its wells to protect groundwater quality during and after wellbore construction. For decades, state regulators have imposed strict requirements on oil and gas well construction. Each well must be encased in multiple layers of protective industrial-grade steel casing, which is surrounded by cement to create a secondary safeguard for underground fresh water. We test the casing integrity on all wells we drill.

This highly regulated safety system—and the thousands of feet of rock between the hydrocarbon and freshwater zones—keeps oil and gas out of the fresh water, and fresh water out of the oil and gas. For more than 70 years, the industry has successfully drilled and produced wells using these drilling techniques. As additional protection, Caerus installs pressure gauges during completions to monitor and test the space between the inner and outer well casing (annular space).

Pipeline Construction

Caerus uses horizontal boring where feasible to enable pipelines to cross stream beds, but where boring is not feasible, Caerus utilizes best management practices for sediment control and a pumping system to mitigate the impacts of the construction activity. During trenching activities, Caerus installs trench plugs (sloped to allow wildlife or livestock to exit the trench should they enter) at known wildlife or livestock trails to allow safe crossing on long spans of open trench. Where feasible, pipeline crossings are at right angles to streambeds, drainages, and wetlands. As an additional protective measure, Caerus ensures that a minimum of five feet of soil cover lie between the pipeline and the lowest point of the drainage or water body channel.

✓ *FracFocus.org*

Disclosure of chemicals used in hydraulic fracturing is important. Caerus actively supports this national initiative and complies with state regulations on reporting. Caerus carefully selects the chemicals used downhole and prohibits the use of diesel fuel as an additive in hydraulic fracturing fluids.

✓ *Reducing Our Footprint*

Caerus takes seriously its responsibility to future generations to limit its environmental footprint. Caerus utilizes the Caerus Wildlife Resources Matrix to identify and document (where appropriate) potential impacts or concerns during the project planning phase for proposed drilling operations and construction of roads, pads and pipelines. Before commencing a new development, Caerus performs on-site biological surveys, using the most recent data sets for wildlife and aquatic resources. In certain cases, Caerus performs a second biological survey pre-disturbance.

Caerus works closely with the regulatory agencies to adhere to requirements for threatened, endangered and sensitive plant species. Caerus has built an extensive vegetation and monitoring system to protect those species. In the Uinta Basin, where Uinta Basin Hookless cactus is a species of concern, Caerus employs a geodatabase to manage and report on its population.

Post-disturbance, proper reclamation is required to prevent erosion and the growth of noxious weeds. In addition to storm water management, impacted areas of surface must be reseeded to stabilize the ground and restore native grasses. Caerus works with state and federal agencies to determine the proper seed mix

to restore native vegetation to impacted surface area. Caerus complements its surface restoration activities with a voluntary annual weed management program across its entire surface acreage.

To reduce environmental impacts from Caerus operated roads, Caerus strategically applies fugitive dust control measures, including enforcing established speed limits on Caerus' private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.

Caerus further works to reduce its surface impacts by drilling multiple wellbores from a single location and the use of centralized production facilities. Caerus' drilling team uses a closed loop drill cutting system, replacing the need for reserve pits. Drill cutting are stored and dried on location, thus reducing truck hauling or the need for cuttings vaults. These practices not only significantly reduce the area impacted by pad construction, but also minimize the number of roadways and easements required to reach a drilling location. To reduce the number of pipeline corridors on its surface, when installing new gathering lines, Caerus places multiple gathering lines in a single trench and reuses existing rights-of-way to minimize disturbance and construction where possible. Upon the conclusion of drilling and completion activities, Caerus reclaims a portion of the well pad, reducing the area of disturbance by approximately 70%, and upon cessation of operations, the entire surface of the well pad is reclaimed. Caerus continues to look for ways to innovate in the area of multi-well pad drilling to reduce the overall area of disturbance.

✓ *Grazing management*



Rangeland restoration through proper management of livestock grazing has the potential to remove excess atmospheric carbon from the air. Caerus has implemented a regenerative grazing program and conducts annual vegetation monitoring to measure grazing utilization. Caerus adjusts grazing based on the vegetation monitoring results to maintain the health of its rangelands and ensure an abundance of forage for both wildlife and livestock. Future initiatives include development of additional water resources and installation of cross fences and additional infrastructure to

encourage uniform utilization of forage.

✓ *Wildlife Management*

In the Piceance Basin, Caerus has partnered with the Colorado Department of Parks and Wildlife (“CPW”) on a best-in-class wildlife mitigation plan. Caerus manages its wildlife resources to maintain healthy and viable herds of mule deer and elk and sustainable populations of bears and mountain lions. CPW performs annual mule deer studies on Caerus' lands and uses the information as part of a statewide study on mule deer populations. Caerus has worked with CPW on habitat restoration and studies on sensitive wildlife, such as the Native Cutthroat Trout and Sage Grouse.



WORKPLACE INITIATIVES AND COMMUNITY INVOLVEMENT

Caerus' core values are focused on people, including employees, contractors, and those with whom we interact in the communities where we live and work.

✓ Diversity and Inclusion

Caerus is committed to creating an inclusive environment where all employees feel respected, valued and connected to the business. Caerus complies with all state and federal regulations, including the Colorado Equal Pay Act. An inclusive workplace enables us to embrace the diverse backgrounds and perspectives of our employees and attract the best talent.

A portion of our Utah operations are located on the Uintah and Ouray Reservation. Caerus provides employment opportunities for tribal members through the Ute Tribe's TERO program and partners with the Ute Tribe Energy and Minerals Office in responsibly developing our oil and gas assets on tribal lands.

✓ Management Training and Development

Caerus has instituted leadership and management training to instill Caerus' Vision and Values through all levels of the organization and engender best management practices. Caerus is committed to developing a highly qualified workforce through programs such as Multiskilled Operator training and Financial Literacy training. Additionally, Caerus prides itself on its ability to identify and develop young leaders.

✓ Charitable Contributions and Community Partners

Caerus is deeply committed to the communities in which our employees live and work. Caerus has an active charitable giving program targeting families, children and education, among many other worthy causes and organizations. Our employees volunteer with numerous charitable organizations and value the opportunity to enrich the communities in which they live and work. They seek out events, organizations, and initiatives to support with their own time, talents, and donations. In 2020, Caerus received the Utah Department of Oil Gas and Minerals Environmental Excellence Community Outreach Award in recognition of the positive community impacts made by Caerus' Utah employees. A sampling of organization that benefited from Caerus' support are:

- ✓ ***The Heart & Hand Center***
 - *Provides after-school and summer enrichment to children in grades K-12 in North Denver*
- ✓ ***National Western Scholarship Trust***
 - *Provides scholarships to students studying agriculture, rural medicine, and veterinary science*
- ✓ ***Colorado Mesa University***
- ✓ ***Special Olympics***
- ✓ ***Vernal Boy Scout Breakfast***
- ✓ ***4H in Garfield, Mesa, and Rio Blanco Counties, Colorado and in Uinta and Duchesne Counties, Utah***
- ✓ ***Ducks Unlimited***
- ✓ ***Kids Aid Backpack Program***
 - *Provides weekend food to children who would otherwise go hungry in Grand Junction, CO*

- ✓ **Vernal Chamber of Commerce Back to School Backpack Project 2020**
- ✓ **Riverside Educational Center**
 - Provides structured after-school tutoring and enrichment activities for K-12 students in Grand Junction, CO
- ✓ **Pauline S. Schneegas Wildlife Foundation**
 - Provides quality, professional care to injured and orphaned wildlife in conjunction with educational programs on wildlife and the environment.
- ✓ **Shop with a Cop**
 - A police officer is paired with a child for breakfast and a morning of shopping for warm clothing and holiday gifts.
- ✓ **Uinta Basin Miracle Project/Farmers Feeding Utah**
 - Partnered with the Utah Petroleum Association and the Utah Farm Bureau to distribute food to Uinta Basin residents struggling with food insecurity

Caerus is also a member of the Colorado Chamber of Commerce, the Grand Junction Chamber of Commerce, Club 20, and the Vernal Chamber of Commerce.

OUR ECONOMIC IMPACT

Caerus is a significant contributor to the economies of the states and communities in which we operate and where our employees live and work. In 2019, Caerus paid \$19.5 million in ad valorem and severance taxes in Colorado. In 2020, Caerus anticipates paying \$22 million in Colorado ad valorem and severance taxes and \$5.3 million in Utah ad valorem and severance taxes. Production, or severance, taxes are levied by the state on companies producing natural resources. Ad valorem taxes are levied at a county level, and the producing resources are taxed according to their appraised fair market value. The majority of this tax revenue goes to benefit the counties in which Caerus operates, funding schools, hospitals, libraries, and essential services.

OUR ADVOCACY

Caerus believes industry collaboration is key to ensuring policymakers and the public are informed with facts. Caerus actively participates in a number of national, regional and state trade associations representing the oil and gas industry. These associations allow us to join others in the industry in sharing information and advancing a common agenda on legislative and regulatory matters. Their purposes include education about the oil and gas industry and issues that affect it, industry best practices and standards, and enhancement of the public image of the industry. Caerus also takes an active role in state and local regulatory rulemakings, bringing industry knowledge and subject matter expertise to inform and educate the regulators.



Caerus is a member of the Colorado Oil and Gas Association, the Utah Petroleum Association, West Slope Colorado Oil and Gas Association, Western Energy Alliance, Western States and Tribal Nations, the Independent Petroleum Association of America, the Environmental Partnership, and ONE Future Coalition.