UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-38183

RANGER ENERGY SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**81-5449572**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

10350 Richmond, Suite 550
Houston, Texas 77042
(713) 935-8900

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, $0.01 par value	RNGR	New York Stock Exchange

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐
Smaller reporting company ☒	Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2023, the aggregate market value of the Class A Common Stock of Ranger Energy Services, Inc. held by non-affiliates of the Registrant was $146.6 million, based on the closing market price as reported on the New York Stock Exchange of $10.24. As of February 29, 2024, the Registrant had 22,662,569 shares of Class A Common Stock and zero shares of Class B Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the 2024 Annual Meeting of Stockholders, to be filed no later than 120 days after the end of the fiscal year to which this Annual Report on Form 10-K relates, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information in this Annual Report on Form 10-K ("Annual Report") includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of historical fact included in this Annual Report, regarding our strategy, future operations, financial position, estimated revenue and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this Annual Report, the words "may," "should," "intend," "could," "believe," "anticipate," "intend," "estimate," "expect," "outlook," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events.

We caution you that these forward-looking statements are subject to risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, the risks described under "Part I, Item 1A. Risk Factors" in this Annual Report and those set forth from time-to-time in other filings by the Company with the SEC, including the following factors:

- reductions in capital spending by the oil and natural gas industry;
- volatility of oil and natural gas prices, as well as fuel conservation measures, impacting the supply and demand for oil and natural gas;
- capital expenditures for new equipment as we grow our operations and capital expenditures resulting from environmental initiatives, new regulatory requirements, and advancements in oilfield services technologies;
- reduced demand for our services due to fuel conservation measures and resulting reduction in demand for oil and natural gas;
- intense competition that may cause us to lose market share and could negatively affect our ability to market our services and expand our operations;
- difficulties we may have managing the growth of our business, including through potential future acquisitions and mergers, which could adversely affect our financial condition and results of operations;
- customer concentrations and reliance upon a few large customers that may adversely affect our revenue and operating results;
- increasing competition for workers that could create labor shortages;
- unsatisfactory safety performance may negatively affect our current and future customer relationships and, to the extent we fail to retain existing customers or attract new customers, adversely impact our revenue;
- accidents, blowouts, explosions, craterings, fires, oil spills and releases of drilling, completion or fracturing fluids or hazardous materials or pollutants into the environment;
- claims, including personal injury and property damages, which could materially and adversely affect our financial condition, results of operations and prospects;
- federal and state legislative and regulatory initiatives that could result in increased costs and additional operating restrictions or delays, as well as adversely affect demand for our support services;
- environmental and occupational health and safety laws and regulations that may expose us to significant costs and liabilities;
- risks arising from climate change, and increased attention and proposed and future requirements relating to sustainability, environmental, social, and governance ("ESG") matters and conservation measures may adversely impact our or our customers' businesses;
- seasonal weather conditions, severe weather events and natural disasters that could severely disrupt normal operations and harm our business;
- cybersecurity and data privacy risks, including interruptions, failures or attacks in our information technology systems;
- interest rate risk as a result of our revolving credit facility and financing agreement to fund operations;
- certain restrictions under the terms of our Wells Fargo Revolving Credit Facility may limit our future ability to pay cash dividends;
- commodity price risk due to fluctuations in the prices of oil and natural gas, and resulting impacts on the activity levels of our exploration and production ("E&P") customers;

- the impact of geopolitical, economic and market conditions on our industry and commodity prices;
- credit risk associated with our trade receivables;
- general economic conditions or a weakening of the broader energy industry, including as a result of inflation or recession; and
- risks related to our ownership and capital structure.

Our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in our current and past filings with the SEC. These documents are available through our website or through the SEC's Electronic Data Gathering and Analysis Retrieval ("EDGAR") system at www.sec.gov. Should one or more of the risks or uncertainties described occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this Annual Report are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this Annual Report.

Summary of our Risk Factors

The risk factors summarized below could materially harm our business, operating results and/or financial condition, impair our future prospects and/or cause the price of our common stock to decline. These are not all of the risks we face and other factors not presently known to us or that we currently believe are immaterial may also affect our business if they occur. Material risks that may affect our business, operating results and financial condition include, but are not limited to:

Risks Related to our Operations

- reductions in capital spending within the oil and natural gas industry;
- the volatility of oil and natural gas pricing, as well as fuel conservation measures, impacting the supply and demand of oil and natural gas;
- significant capital expenditures that we may incur for new equipment as we grow our operations or as technological advances take place within the industry;
- reduced demand for our services due to fuel conservation measures and resulting reduction in demand for oil and natural gas;
- the intense competition we face that may cause us to lose market share and could adversely affect our ability to market our services and expand our operations;
- difficulties we may have managing the growth of our business, including through potential future acquisitions and mergers, which could adversely affect our financial condition and results of operations;
- our reliance upon a few large customers may adversely affect our revenue and operating results;
- customers may be forced to curtail or shut in production due to a lack of storage capacity;
- increasing competition for workers that could create labor shortages;
- unsatisfactory safety performance may negatively affect our current and future customer relationships and, to the extent we fail to retain existing customers or attract new customers, adversely impact our revenue;
- accidents, blowouts, explosions, craterings, fires, oil spills and releases of drilling, completion or fracturing fluids or hazardous materials or pollutants into the environment;
- claims, including personal injury and property damages, which could materially and adversely affect our financial condition, results of operations and prospects;
- seasonal weather conditions, severe weather events and natural disasters that could severely disrupt normal operations and harm our business;
- federal and state legislative and regulatory initiatives that could result in increased costs and additional operating restrictions or delays, as well as adversely affect demand for our support services;
- environmental and occupational health and safety laws and regulations that may expose us to significant costs and liabilities;
- risks arising from climate change, and increased attention and proposed and future requirements relating to sustainability, environmental, social, and governance (“ESG”) matters and conservation measures may adversely impact our or our customers’ businesses; and
- cybersecurity and data privacy risks, including interruptions, failures or attacks in our information technology systems.

Risks Related to our Ownership and Capital Structure

- 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;
- interest rate risk as related to the debt instruments we use to fund operations;
- our ability or intention to pay dividends or to effectuate repurchases of our Class A Common Stock;
- certain restrictions under the terms of our Wells Fargo Revolving Credit Facility may limit our future ability to pay cash dividends;
- future issuance of additional Class A Common Stock in the public market, or the perception that such sales may occur, could reduce our stock price and any additional capital raised by us through the sale of equity or preferred stock or convertible securities may dilute your ownership in us;
- we may issue preferred stock, the terms of which could adversely affect the voting power or value of our Class A Common Stock;

- commodity price risk due to fluctuations in the prices of oil and natural gas, and resulting impacts on the activity levels of our E&P customers;
- the impact of geopolitical, economic and market conditions on our industry and commodity prices;
- volatility of oil and natural gas prices;
- credit risk associated with our trade receivables;
- we may experience difficulty in completing financial statements relating to acquisition opportunities, resulting in the inability to register securities with the SEC;
- CSL Capital Management ("CSL") and Bayou Wells Holdings Company, LLC ("Bayou Holdings") and their respective affiliates are not limited in their ability to compete with us; and
- certain of our directors have significant duties with, and spend significant time serving, entities that may compete with us in seeking acquisitions and business opportunities and, accordingly, may have conflicts of interest in allocating time or pursuing business opportunities.

PART I

Item 1. Business

Overview

Ranger Energy Services, Inc. ("Ranger, Inc.," "Ranger," "we," "us," "our" or the "Company") is a provider of onshore high specification well service rigs, wireline services, and additional processing solutions and ancillary services in the United States ("U.S."). The Company provides an extensive range of well site services to leading U.S. E&P companies that are fundamental to establishing and maintaining the flow of oil and natural gas throughout the productive life of a well.

Our service offerings consist of well completion support, well workover and maintenance, wireline associated services, and other complementary services, as well as installation, commissioning and operating of modular equipment, which are conducted in three reportable segments, as follows:

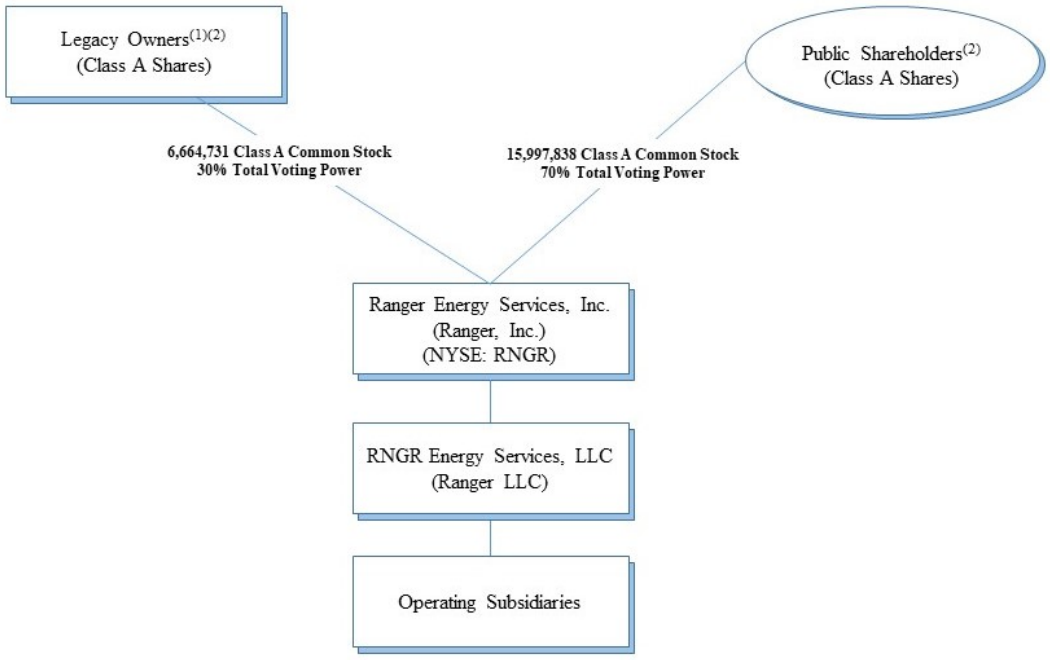
- *High Specification Rigs*. Provides high specification well service rigs and complementary equipment and services to facilitate operations throughout the lifecycle of a well.
- *Wireline Services*. Provides services necessary to bring and maintain a well on production and consists of our wireline completion, wireline production and pump down lines of business.
- *Processing Solutions and Ancillary Services*. Provides other services often utilized in conjunction with our High Specification Rigs and Wireline Services segments. These services include equipment rentals, plug and abandonment, logistics, snubbing and coil tubing, and processing solutions.

The Company's operations take place in most of the active oil and natural gas basins in the U.S., including the Permian Basin, Denver-Julesburg Basin, Bakken Shale, Eagle Ford Shale, Haynesville Shale, Gulf Coast, South Central Oklahoma Oil Province and Sooner Trend, Anadarko Basin, and Canadian and Kingfisher Counties plays. For further information related to our services and financial results of our operating segments, see "Part I, Item 1. Business—Our Segments" and "Part II, Item 7. Management Discussion and Analysis—Operating Results."

Organization

Ranger Inc. was incorporated as a Delaware corporation in February 2017. In conjunction with the initial public offering of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), which closed on August 16, 2017 (the "Offering"), and the corporate reorganization Ranger Inc. underwent in connection with the Offering, Ranger Inc. became a holding company, and its sole material assets consist of membership interests in RNGR Energy Services, LLC, a Delaware limited liability company ("Ranger LLC"). Ranger LLC owns all of the outstanding equity interests in Ranger Energy Services, LLC ("Ranger Services") and Torrent Energy Services, LLC ("Torrent Services"), and the other subsidiaries through which it operates its assets. Ranger LLC is the sole managing member of Ranger Services and Torrent Services, and is responsible for all operational, management and administrative decisions relating to Ranger Services, its subsidiaries, and Torrent Services' business and consolidates the financial results of Ranger Services, its subsidiaries, and Torrent Services.

The following diagram indicates our ownership structure as of February 29, 2024:



(1) CSL and Bayou Well Holdings Company, LLC (collectively the "Legacy Owners") own the equity interests, where CSL holds a majority.

(2) Inclusive of unvested restricted share awards.

Our Segments

We conduct our operations through multiple business lines that are organized into three reporting segments: High Specification Rigs, Wireline Services and Processing Solutions and Ancillary Services. Our services, when utilized in conjunction with one another, strategically enhance our operating footprint by creating operational efficiencies for our customers and allow us to capture a greater portion of their spending across the lifecycle of a well. The following provides additional detail on our reportable segments and the business lines within each segment.

High Specification Rigs

Our High Specification Rig segment provides high specification well and complementary equipment and services to facilitate operations throughout the lifecycle of a well. We provide services to E&P companies, particularly to those operating in unconventional oil and natural gas reservoirs and requiring technically and operationally advanced services. Our high-spec well service rigs are designed to support U.S. horizontal well demands.

Specifically, our high specification rig services consist of the following:

- *Well completion support*. Our well completion support services are utilized subsequent to hydraulic fracturing operations but prior to placing a well into production, and primarily include unconventional well completion operations, including milling out composite plugs, frac sand or other downhole debris or obstructions that were introduced in the well as part of the completion process and installing production tubing and other permanent downhole equipment necessary to facilitate production.

- *Workovers*. Our workover services primarily facilitate major well repairs or modifications required to sustain the flow of oil and natural gas in a producing well. Workovers, which may require a few days to several weeks to complete and generally require additional auxiliary equipment, are typically more complex and more time- consuming than well maintenance operations. Workover operations include major subsurface repairs such as the repair or replacement of well casing, recovery or replacement of tubing and removal of foreign objects from the wellbore. All of our high specification well service rigs are designed to perform complex workover operations.

- *Well maintenance*. Our well maintenance services provide periodic maintenance required throughout the life of a well to sustain optimal levels of oil and natural gas production. Our well maintenance services primarily include the removal and replacement of downhole production equipment, including artificial lift components such as sucker rods and downhole pumps, the repair of failed production tubing and the repair and removal of other downhole production-related byproducts such as frac sand or paraffin that impair well productivity. These and similar routine maintenance services involve relatively low-cost, short-duration operations that generally experience relatively stable demand notwithstanding changes in drilling activity.

The composition of our well service rig fleet makes it particularly well-suited to provide both completion-oriented services, the demand for which generally increases along with increased capital spending by E&P operators, and production-oriented services, the demand for which is less influenced, on a comparative basis, by such capital spending. The ability of our well service rigs to accommodate the needs of our E&P customers in a variety of economic conditions has historically allowed us to maintain relatively high rig utilization.

We currently have a fleet of 402 well service rigs, which we believe to be among the newest and most advanced in the industry and are considered to be high specification rigs, with higher operating horsepower ("HP") (450 HP or greater) and taller mast heights (102 feet or higher) than traditional well servicing rigs.

HP Rating [1]	Mast Height	Mast Rating [2]	Number of High Specification Rigs
550 — 600	112' — 117'	250,000 — 300,000'	94
500	104' — 108'	240,000 — 250,000'	234
450 — 475	102' — 104'	200,000 — 250,000'	74
Total High Specification Rigs			**402**

(1) Per manufacturer or historical records obtained through acquisitions.

(2) The mast ratings of our high specification well service rigs complement their high operating HP and tall mast heights by allowing such rigs to safely support the higher weights associated with the long tubing strings used in long-lateral well completion operations and is measured in pounds.

Wireline Services

Our Wireline Services segment provides wireline completion and production services necessary to bring a well on production. Our wireline services involve the use of wireline trucks equipped with a spool of cable that is unwound and lowered into oil and natural gas wells to convey specialized tools or equipment for well completion, intervention, pipe recovery, and plugging and abandonment purposes.

Our wireline services consist of the following:

- *Production Services*. Our wireline production and intervention services provide the information and the means to identify and resolve well production problems through our cased hole logging, perforating, mechanical, and pipe recovery services. Our cased hole logging services include cement bond evaluation, multi-arm calipers and ultrasonic logging services for casing and cement inspection. These are critical services to determine the integrity of the production casing, the cement outside of the production casing, and the production tubing. Our pipe recovery services are used to free drill pipe when it gets stuck in an open hole, or to cut tubing or casing for well intervention operations.

- *Completion Services*. Our wireline completion services are used primarily for pump down perforating operations to create perforations or entry holes through the production casing. These perforations are necessary to allow for hydraulic fracturing and producing from a hydrocarbon formation. In horizontal wellbores, the perforating guns are lowered into the vertical portion of the well and are then pumped out to the end of the horizontal wellbore. Then the perforating guns are detonated to perforate the casing and they are retrieved out of the well. This operation is typically repeated fifty to one hundred times to fully perforate, fracture and complete a one- or two-mile-long horizontal wellbore.

- *Pump Down.* Our pumping services can be used during completion or intervention operations as a standalone service or in a comprehensive completion pump down perforating solution. Combining Ranger's wireline perforating and pump down services maximizes operational efficiency through integrated safety, quality and communications systems. Our pumping services can be used during intervention operations for pressure testing casing, tubing and plugs, or for injecting and pumping acid into the reservoir to stimulate production. Our pumping services can also be used in conjunction with our high specification rigs or coiled tubing units to circulate composite frac plug cuttings, frac sand, and other debris out of the wellbore during completion operations. Ranger provides a range of high-pressure mobile pumps including ones that meet tier four emissions standards.

We have a fleet of 66 wireline units and 29 high-pressure pump trucks that are utilized in our wireline services. Our wireline services utilize high-pressure pump trucks to pump fracturing plugs and perforating guns into extended reach horizontal wells for pump down perforating completion purposes. From time-to-time our wireline units will be used in conjunction with our Ancillary Services.

Processing Solutions and Ancillary Services

Our processing solutions and ancillary services, which are described below, can be utilized exclusively or in conjunction with our High Specification Rigs and Wireline Services to establish and enhance the productive life of a well. Specifically, in connection with the operations of our high-spec well service rigs, we also maintain a supply of additional service and rental equipment, including accumulators, acid and frac tanks, motor vehicles, trailers, tractors, catwalks, cementing units, pipe racks, power swivels, ram block assemblies, fluid pumps and related items.

- *Well Service-Related Equipment Rentals.* Our well service-related equipment rentals consist of a diverse fleet of rental items, including fluid pumps (various horsepower pumping equipment utilized to circulate fluid in and out of wellbores), power swivels (hydraulic motor-driven, pipe-rotating machines used to deliver shock-free torque to the workstring or tubing during well service rig operations), well control packages (equipment used to ensure formation pressure is maintained within the wellbore during well service rig operations), hydraulic catwalks (mechanized lifting devices used to raise and lower drill pipe and tubing to and from the well service rig work floor), frac tanks, pipe racks and pipe handling tools. Our well service-related equipment rentals are typically used in conjunction with the services provided by our high specification well services.

- *Coil Tubing*. Our coiled tubing services utilize coiled tubing units to perform well intervention and other production and completion services on a well by injecting small diameter steel pipe, unwound from a reel, into an existing production string. Our coiled tubing services provide operators with a cost-effective way to workover, drill, or convey tools in live, producing wells and other extended reach, high angle wellbores.

- *Decommissioning.* Our decommissioning services primarily include plugging and abandonment, in which our well service rigs, wireline and cementing equipment are used to prepare oil and natural gas wells to be permanently sealed or temporarily shut in. Decommissioning work is typically less sensitive to oil and natural gas prices than our service lines as a result of decommissioning obligations imposed by state regulations.

- *Snubbing Services*. Our snubbing services consist of using our snubbing units together with our well service rigs in order to perform well completion, workover or maintenance activities. Our snubbing services enable operators to safely run or remove pipe and other associated downhole tools into pressurized or highly deviated wellbores.

- *Processing Solutions*. Our Processing Solutions services engage in the rental, installation, commissioning, start-up, operation and maintenance of Mechanical Refrigeration Units ("MRU"), Nitrogen Gas Liquid ("NGL") stabilizer units, NGL storage units and related equipment. Our Processing Solutions segment provides a range of proprietary, modular equipment for the processing of rich natural gas streams at the wellhead or central gathering points in basins where drilling and completion activity has outpaced the development of permanent processing infrastructure.

Other

We incur general corporate and administrative costs that are not attributable to any of the operating segments or business lines, which are reported as Other. For further information regarding the results of operations for each segment, please see "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

Competition

We provide services in various geographic regions across the United States, which are highly competitive. Our competitors include many large and small oilfield service providers. Our largest competitors in the current market include RPC, Inc., ProPetro Holding Corp., Select Water Solutions, Inc., Oil States International, Inc., KLX Energy Services Holdings, Inc., Dril-Quip, Inc., Mammoth Energy Services, Inc., Solaris Oilfield Infrastructure, Inc., and NINE Energy Service, Inc. In addition, our industry is highly fragmented and we compete regionally with a significant number of smaller service providers that are not publicly traded.

We believe that the principal competitive factors in the markets we serve are technical expertise, equipment capacity, work force competency, efficiency, safety record, reputation, experience and price. Additionally, projects are often awarded on a bid basis, which tends to create a highly competitive environment. We seek to differentiate ourselves from our competitors by striving to deliver the highest-quality services and equipment possible, coupled with superior execution and operating efficiency in a safe working environment.

Cyclical Nature of Industry

We operate in a highly cyclical industry and the key factor driving demand for our services is the level of drilling activity by E&P companies. In turn, the level of drilling depends largely on the current and anticipated economics of new well completions. Global supply and demand for oil and the domestic supply and demand for natural gas are critical in assessing industry outlook. Demand for oil and natural gas is cyclical and subject to large, rapid fluctuations. E&P companies tend to increase capital expenditures in response to increases in oil and natural gas prices, which generally results in greater revenue and profits for oilfield service companies. Increased capital expenditures also lead to greater production, which historically has resulted in increased inventories and reduced prices, consequently reducing demand for oilfield services. The results of our operations, therefore, may fluctuate from period to period, and these fluctuations may distort comparisons of results across periods.

Seasonality

Our results of operations have historically reflected seasonal tendencies relating to holiday seasons, inclement weather and the conclusion of our customers' annual drilling and completion of capital expenditure budgets. Our most notable declines generally occur in the fourth quarter of the calendar year. Additionally, some of the areas in which we have operations, including the Denver-Julesburg Basin and the Bakken Shale, are adversely affected by seasonal weather conditions, primarily during the winter months. During periods of heavy snow, ice, wind or rain, we may be unable to operate or move our equipment between locations, thereby reducing our ability to provide services and generate revenue, or we could suffer weather-related damage to our facilities and equipment resulting in delays in operations.

Sales and Marketing

Our sales and marketing activities are typically performed through local operations in each geographical region and are supported by sales representatives at our corporate headquarters. Our senior management takes an active role in supporting our sales and marketing personnel. We believe our field sales personnel understand the region-specific issues and customer operating procedures and, therefore, can more effectively target marketing activities. Our sales representatives work closely with our managers and field sales personnel to target market opportunities.

Significant Customers

During the year ended December 31, 2023, two customers accounted for approximately 10% each of our consolidated revenue. During the year ended December 31, 2022, one customer accounted for approximately 10% of our consolidated revenue. For the years ended December 31, 2023 and 2022, our top five revenue-generating customers represented approximately 43% and 36% of our consolidated revenue, respectively. No other customers represented more than 10% of our consolidated revenue for each of the years ended December 31, 2023 and 2022. We have a diverse portfolio of customers which included approximately 190 distinct customers that we served during 2023.

Suppliers

Our internal supply chain personnel manage sourcing and logistics to ensure flexibility and continuity of supply in a cost- effective manner across all areas of our operations. We have built long-term relationships with multiple industry leading suppliers of materials and equipment. We purchase a wide variety of materials, parts and components that are manufactured and supplied for our operations. We are not dependent on any single source of supply for those parts, supplies or materials. We have generally been able to obtain the equipment, parts and supplies necessary to support our operations on a timely basis.

Human Capital

We combine our services offerings with a highly skilled and experienced workforce, enabling us to consistently deliver exceptional service while maintaining high health, safety and environmental standards. We invest in attracting, developing and retaining talented personnel and believe we have good relationships with our employees. Our personnel are dedicated to redefining services for our customers, driving new thinking, raising standards and rising to challenges. We believe that our efficient operational performance, executed at a high level of integrity, strong safety record and low leverage provides a competitive advantage. As of December 31, 2023, we had approximately 2,000 full-time and part-time employees and we hire independent contractors on an as-needed basis. We are not a party to collective bargaining agreements, nor do we have any unionized labor.

Environmental and Occupational Safety and Health Matters

Our operations, which support the oil and natural gas exploration, development and production activities pursued by our customers, are subject to stringent and comprehensive federal, regional, state and local laws and regulations governing occupational safety and health, the discharge of materials into the environment, solid and hazardous waste management, fluid transportation and disposal and environmental protection. These laws and regulations may, among other things: (i) limit or prohibit our operations on certain lands lying within wilderness, wetlands and other protected areas; (ii) require remedial measures to mitigate or clean up pollution from former and ongoing operations; (iii) impose restrictions on the types, quantities and concentrations of various substances that can be released into the environment or injected in formations in connection with oil and natural gas drilling and production activities; (iv) impose specific safety and health standards or criteria addressing worker protection; and (v) impose substantial liabilities for pollution resulting from our operations.

Numerous governmental entities, including the U.S. Environmental Protection Agency ("EPA") and analogous state agencies, have the power to enforce compliance with these laws and regulations and the permits issued under them. Any failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil and criminal penalties, the imposition of investigatory, remedial or corrective action obligations or the incurrence of capital expenditures; the occurrence of delays in the permitting or performance of projects; the issuance of orders enjoining performance of some or all of our operations in a particular area; and governmental or private claims for personal injury or property or natural resource damages.

The trend in environmental regulation has been to place more restrictions and limitations on activities that may adversely affect the environment, and thus any changes in environmental laws and regulations or re-interpretation of enforcement policies that result in more stringent and costly regulatory requirements could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects. We may be unable to pass on such increased compliance costs to our customers. Moreover, accidental releases or spills may occur in the course of our operations, and we cannot assure you that we will not incur significant costs and liabilities as a result of such releases or spills, including any third-party claims for damage to property, natural resources or persons. Our customers may also incur increased costs or delays or restrictions in permitting or operating activities as a result of more stringent environmental laws and regulations, which may result in a curtailment of exploration, development or production activities that would reduce the demand for our services.

Worker Health and Safety

We are subject to the requirements of the federal Occupational Safety and Health Act ("OSHA"), and comparable state statutes that regulate the protection of the health and safety of workers. In addition, the OSHA hazard communication standard requires that information be maintained about hazardous materials used or produced in operations and that this information be provided to employees, state and local government authorities and the public.

Radioactive Materials

Naturally occurring radioactive materials ("NORM") may contaminate extraction and processing equipment used in the oil and natural gas industry, most often in the form of scale. The waste resulting from such contamination is regulated by federal and state laws. Standards have been developed for worker protection, treatment, storage, and disposal of NORM and NORM waste, management of NORM-contaminated waste piles, containers and tanks and limitations on the relinquishment of NORM-contaminated land for unrestricted use under the Resource Conservation and Recovery Act ("RCRA") and state laws. We may incur significant costs or liabilities associated with elevated levels of NORM.

Hazardous Substances and Wastes and Naturally Occurring Radioactive Materials

The RCRA, and comparable state statutes, regulate the generation, treatment, storage, transportation, disposal and clean-up of hazardous and non-hazardous wastes. Pursuant to rules issued by the EPA, individual states can have delegated

authority to administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements. In the course of our operations, we generate industrial wastes, such as paint wastes, waste solvents and oils that are regulated as hazardous materials. Drilling fluids, produced waters and other wastes associated with the exploration, development and production of oil or natural gas, if properly handled, are currently exempt from regulation as hazardous waste under RCRA and, instead, are regulated under RCRA's less stringent non-hazardous waste provisions, or other state or federal laws.

However, it is possible that certain oil and natural gas drilling and production wastes now classified as non-hazardous could be classified as hazardous wastes in the future. Reclassification of drilling fluids, produced waters and related wastes as hazardous under RCRA could result in an increase in our, as well as the oil and natural gas E&P industries', costs to manage and dispose of generated wastes, which could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects. Additionally, other wastes handled at E&P sites or generated in the course of providing well services may not fall within this exclusion.

The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and comparable state laws impose strict, joint and several liability for environmental contamination and damages to natural resources without regard to fault or the legality of the original conduct on certain classes of persons. These persons include owners and operators of real property impacted by a release of hazardous substances and any company that transported, disposed of or arranged for the transport or disposal of hazardous substances to or at the site. Under CERCLA, such persons may be liable for, among other things, the costs of remediating the hazardous substances that have been released into the environment, damages to natural resources and the costs of certain health studies. In addition, where contamination may be present, it is not uncommon for the neighboring landowners and other third parties to file claims for personal injury, property damage and recovery of response costs.

Water Discharges and Discharges into Belowground Formations

The Federal Water Pollution Control Act, also known as the Clean Water Act ("CWA"), and analogous state laws, impose restrictions and strict controls with respect to the discharge of pollutants, including spills and leaks of oil and hazardous substances, into state waters and waters of the United States. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. Spill prevention, control and countermeasure plan requirements imposed under the CWA require appropriate containment berms and similar structures to help prevent the contamination of navigable waters in the event of a petroleum hydrocarbon tank spill, rupture or leak. In addition, the CWA and analogous state laws require individual permits or coverage under general permits for discharges of stormwater runoff from certain types of facilities. The CWA also prohibits the discharge of dredge and fill material in regulated waters, including wetlands, unless authorized by permit. There has been substantial uncertainty regarding the scope of regulated waters in recent years, and any expansion in this scope could result in increased costs or timeframes to complete activities. The CWA and analogous state laws also may impose substantial civil and criminal penalties for noncompliance, including spills and other non-authorized discharges.

The Oil Pollution Act of 1990 ("OPA") sets minimum standards for prevention, containment and cleanup of oil spills. The OPA applies to vessels, offshore facilities and onshore facilities, including exploration and production facilities that may affect waters of the United States. Under the OPA, responsible parties including owners and operators of onshore facilities may be held strictly liable for oil cleanup costs and natural resource damages as well as a variety of public and private damages that may result from oil spills. The OPA also requires owners or operators of certain onshore facilities to prepare facility response plans ("FRP") for responding to a worst-case discharge of oil into waters of the United States.

Our oil and natural gas producing customers dispose of flowback and produced water or certain other oilfield fluids gathered from oil and natural gas producing operations in accordance with permits issued by government authorities overseeing such disposal activities. While these permits are issued pursuant to existing laws and regulations, these legal requirements are subject to change based on concerns of the public or governmental authorities regarding such disposal activities. One such concern relates to seismic events near underground disposal wells used for the disposal by injection of flowback and produced water or certain other oilfield fluids resulting from oil and natural gas activities. When caused by human activity, such events are called induced seismicity. In response to concerns regarding induced seismicity, regulators in some states have imposed, or are considering imposing, additional requirements in the permitting of produced water disposal wells or otherwise to assess any relationship between seismicity and the use of such wells. States may, from time to time, develop and implement plans directing certain wells where seismic incidents have occurred to restrict or suspend disposal well operations. In addition, a number of lawsuits have alleged that disposal well operations have caused damage to neighboring properties or otherwise violated state and federal rules regulating waste disposal. These developments could result in additional regulation and restrictions on the use of injection wells by our customers to dispose of flowback and

produced water and certain other oilfield fluids. Increased regulation and attention given to induced seismicity also could lead to greater opposition to, and litigation concerning, oil and natural gas activities utilizing injection wells for waste disposal.

Any one or more of these developments may necessitate that our customers limit disposal well volumes, rates or locations, or may require our customers or third-party disposal well operators that dispose of customer wastewater to shut down disposal wells, which could adversely affect our customers' business and result in a corresponding decrease in the need for our services, which could have a material adverse impact on our business, liquidity position, financial condition, results of operations and prospects.

Air Emissions

Some of our operations also result in emissions of regulated air pollutants. The federal Clean Air Act ("CAA") and analogous state laws require permits for certain facilities that have the potential to emit substances into the atmosphere that could adversely affect environmental quality. These laws and their implementing regulations also impose limitations on air emissions and require adherence to maintenance, work practice, reporting and record keeping and other requirements. Failure to obtain a permit or to comply with permit or other regulatory requirements could result in the imposition of sanctions, including administrative, civil and criminal penalties. In addition, we or our customers could be required to shut down or retrofit existing equipment, leading to additional capital or operating expenses and operational delays.

Many of these regulatory requirements, including New Source Performance Standards ("NSPS") and Maximum Achievable Control Technology standards, are expected to be made more stringent over time as a result of stricter ambient air quality standards and other air quality protection goals adopted by the EPA. Compliance with these or other new regulations could, among other things, require installation of new emission controls on some of our equipment, result in longer permitting timelines and significantly increase our capital expenditures and operating costs, which could adversely impact our business. Moreover, compliance with air pollution control and permitting requirements has the potential to delay the development of oil and natural gas projects and increase costs for us and our customers. Our business could be materially affected if these or other similar requirements increase the cost of doing business for us and our customers, or reduce the demand for the oil and natural gas our customers produce, and thus have an adverse effect on the demand for our services.

Climate Change

The threat of climate change continues to attract considerable attention in the United States and in foreign countries. Numerous proposals have been made and could continue to be made at the international, national, regional and state levels of government to monitor and limit existing emissions of greenhouse gases ("GHG") as well as to restrict or eliminate such future emissions. As a result, our operations as well as the operations of our oil and natural gas exploration and production customers are subject to a series of regulatory, political, litigation, and financial risks associated with the production and processing of fossil fuels and emission of GHG.

In the United States, no comprehensive climate change legislation has been implemented at the federal level. However, there are a number of proposed federal initiatives for climate change legislation that may be passed into law. Moreover, following the U.S. Supreme Court finding that GHG emissions constitute a pollutant under the CAA, the EPA has adopted rules that, among other things, establish construction and operating permit reviews for GHG emissions from certain large stationary sources, require the monitoring and annual reporting of GHG emissions from certain petroleum and natural gas system sources in the United States, and together with the U.S. Department of Transportation ("DOT"), implement GHG emissions limits on vehicles manufactured for operation in the United States. Additionally, various states and groups of states have adopted or are considering adopting legislation, regulations or other regulatory initiatives that are focused on such areas as GHG cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of emissions. International developments focused on restricting GHG emissions include the United Nations Framework Convention on Climate Change, which includes implementation of the Paris Agreement and the Kyoto Protocol by the signatories. Caps or fees on carbon emissions, including in the U.S., have been and may continue to be established and the cost of such caps or fees could disproportionately affect the fossil-fuel sectors. The implementation of these agreements and other existing or future regulatory mandates, may adversely affect the demand for our products and services, require us or our customers to reduce GHG emissions or impose taxes on us or our customers, all of which could have a material adverse effect on our operations and results.

Litigation risks are also increasing, as a number of parties have sought to bring suit against certain oil and natural gas companies in state or federal court, alleging, among other things, that such companies created public nuisances by producing fuels that contributed to climate change or alleging that companies have been aware of the adverse effects of climate change for some time but defrauded their investors or customers by failing to adequately disclose those impacts.

There are also increasing financial risks for companies in the fossil fuel sector as stockholders currently invested in fossil fuel energy companies concerned about the potential effects of climate change may elect in the future to shift some or all of their investments into non-fossil fuel related sectors. Institutional lenders who provide financing to fossil fuel energy companies also have become more attentive to sustainable lending practices and some of them may elect not to provide funding for fossil fuel energy companies. There is also a risk that financial institutions will be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. Limitation of investments in and financings for fossil fuel energy companies could result in the restriction, delay or cancellation of drilling programs or development or production activities. Additionally, the Securities and Exchange Commission (the "SEC") has proposed new rules relating to the disclosure of a range of climate-related risks. We are currently assessing this proposed rule but at this time we cannot predict the costs of implementation or any potential adverse impacts resulting from the proposed rule. To the extent this rule is finalized, we could incur increased costs related to the assessment and disclosure of climate-related risks. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders restricting or seeking more stringent conditions with respect to their investments in certain carbon intensive sectors.

The adoption and implementation of new or more stringent international, federal or state legislation, regulations or other regulatory initiatives that impose more stringent standards for GHG emissions from the oil and natural gas sector or otherwise restrict the areas in which this sector may produce oil and natural gas or generate GHG emissions could result in increased costs of compliance or costs of consuming, and thereby reduce demand for, oil and natural gas, which could reduce demand for our services and products. Additionally, political, litigation and financial risks may result in our oil and natural gas customers restricting or cancelling production activities, incurring liability for infrastructure damages as a result of climatic changes, or impairing their ability to continue to operate in an economic manner, which also could reduce demand for our services and products. One or more of these developments could have a material adverse effect on our business, financial condition and results of operation.

Hydraulic Fracturing

Our customers are reliant on hydraulic fracturing services in connection with their production of oil and natural gas. Hydraulic fracturing stimulates production of oil and/or natural gas from dense subsurface rock formations by injecting water, sand and chemicals under pressure into the formation to fracture the surrounding rock and stimulate production.

Hydraulic fracturing typically is regulated by state oil and natural gas commissions, however the EPA has asserted federal regulatory authority pursuant to the Safe Drinking Water Act over certain hydraulic fracturing activities involving the use of diesel fuel and issued permitting guidance that applies to such activities. The EPA also finalized rules that prohibit the discharge of wastewater from hydraulic fracturing operations to publicly-owned wastewater treatment plants. In addition, the EPA released its final report on the potential impacts of hydraulic fracturing on drinking water resources which concluded that "water cycle" activities associated with hydraulic fracturing may impact drinking water resources under certain limited circumstances. The federal Bureau of Land Management ("BLM") has pursued rules governing hydraulic fracturing activities on federal lands. These requirements have been subject to legal challenge and the outcome remains uncertain. We cannot predict the final scope of regulations or restrictions that may apply to oil and gas operations on federal lands. However, any regulations that ban or effectively ban such operations may adversely impact demand for our products and services.

In addition, various state and local governments have implemented, or are considering, increased regulatory oversight of hydraulic fracturing through additional permit requirements, operational restrictions, disclosure requirements, well construction and temporary or permanent bans on hydraulic fracturing in certain areas. While we cannot predict the ultimate outcome of these actions, any action that temporarily or permanently restricts the availability of disposal capacity for produced water or other oilfield fluids may increase our customers' costs or require them to suspend operations, which may adversely impact demand for our products and services.

In addition to state laws, local land use restrictions, such as city ordinances, may restrict drilling in general and/or hydraulic fracturing in particular. If new federal, state or local laws or regulations that significantly restrict hydraulic fracturing are adopted, such legal requirements could result in delays, eliminate certain drilling and injection activities and make it more difficult or costly to perform hydraulic fracturing. Any such regulations limiting or prohibiting hydraulic fracturing could result in decreased oil and natural gas E&P activities and, therefore, adversely affect demand for our services and our business. Such laws or regulations could also materially increase our costs of compliance and doing business.

Historically, our environmental compliance costs have not had a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects; however, there can be no assurance that such costs will not be material in the future. It is possible that substantial costs for compliance or penalties for noncompliance may be incurred in the future. Moreover, it is possible that other developments, such as the adoption of stricter environmental laws, regulations and enforcement policies, could result in additional costs or liabilities that we cannot currently quantify.

State and Local Regulation

Our operations, and the operations of our customers, are subject to a variety of state and local environmental review and permitting requirements. Some states have state laws similar to major federal environmental laws and thus our operations are also subject to state requirements that may be more stringent than those imposed under federal law.

Our operations may require state-law based permits in addition to federal permits, requiring state agencies to consider a range of issues, many the same as federal agencies, including, among other things, a project's impact on wildlife and their habitats, historic and archaeological sites, aesthetics, agricultural operations and scenic areas. State agencies may impose different or additional monitoring or mitigation requirements than federal agencies. The development of new sites and our existing operations also are subject to a variety of local environmental and regulatory requirements, including land use, zoning, building and transportation requirements.

Motor Carrier Operations

We operate as a motor carrier and therefore are subject to regulation by DOT and various state agencies. These regulatory authorities exercise broad powers, governing activities such as the authorization to engage in motor carrier operations; regulatory safety; hazardous materials labeling, placarding and marking; financial reporting; and certain mergers, consolidations and acquisitions. There are additional regulations specifically relating to the trucking industry, including requirements related to testing and weight and dimension specifications of equipment, drug testing and product handling. The trucking industry is subject to possible regulatory and legislative changes that may affect the economics of the industry by requiring changes in operating practices or by changing the demand for common or contract carrier services or the cost of providing truckload services. Some of these possible changes include increasingly stringent environmental regulations and fuel economy requirements, changes in the hours of service regulations which govern the amount of time driven in any specific period and requiring onboard black box recorder devices or limits on vehicle weight and size.

Interstate motor carrier operations are subject to safety requirements prescribed by the DOT. Intrastate motor carrier operations are subject to safety regulations that often mirror federal regulations. Such matters as weight and dimension of equipment are also subject to federal and state regulations. DOT regulations also mandate drug testing of drivers. 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.

Available Information

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934 are available free of charge at our website at www.rangerenergy.com, as soon as reasonably practicable after having been electronically filed or furnished with the U.S. SEC. The SEC maintains an internet site that contains reports, proxy, information statements and other information regarding issuers that file electronically with the SEC at www.sec.gov, including us.

Item 1A. Risk Factors

You should carefully consider the information in this Annual Report, including the matters addressed under "Cautionary Statement Regarding Forward-Looking Statements" and the following risks before making an investment decision. If any of the following risks actually occur, the trading price of our Class A Common Stock could decline, and you may lose all or part of your investment. Additional risks not presently known to us or that we currently deem immaterial could also materially affect our business.

Risks Related to Our Operations

Our operations are subject to inherent risks, some of which are beyond our control. These risks may be self-insured, or may not be fully covered under our insurance policies.

Our operations are subject to hazards inherent in the oil and natural gas industry, such as, but not limited to, accidents, blowouts, explosions, craterings, fires, oil spills and releases of drilling, completion or fracturing fluids or hazardous materials or pollutants into the environment. These conditions can cause:

- disruption or suspension of operations;
- substantial repair or replacement costs;
- personal injury or loss of human life;
- significant damage to or destruction of property and equipment;
- environmental pollution, including groundwater contamination;
- unusual or unexpected geological formations or pressures and industrial accidents; and
- substantial revenue loss.

In addition, our operations are subject to, and exposed to, employee/employer liabilities and risks such as claims relating to wrongful termination, discrimination, labor organizing, retaliation and general human resource-related matters.

The occurrence of a significant event or adverse claim in excess of the insurance coverage that we maintain or that is not covered by insurance could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects and may increase our costs. Claims for loss of oil and natural gas production and damage to formations can occur in the well services industry. Litigation arising from a catastrophic occurrence at a location where our equipment and services are being used may result in our being named as a defendant in lawsuits asserting large claims. Similarly, our operations involve the storage, handling and use of explosives. Accidents resulting from the use of explosives in our operations could expose us to reputational risks and liability for damages or otherwise adversely impact our operations or the operations of our customers. Any such occurrences could have a material adverse effect on our operating results, financial condition and cash flows.

We do not have insurance against all risks, either because insurance is not available or because of high premium costs. The occurrence of an event not fully insured against or the failure of an insurer to meet its insurance obligations could result in substantial losses. In addition, we may not be able to maintain adequate insurance in the future at rates we consider reasonable. Insurance may not be available to cover any or all of the risks to which we are subject, or, even if available, it may be inadequate, or insurance premiums or other costs could rise significantly in the future so as to make such insurance prohibitively expensive.

Seasonal weather conditions, climate change, severe weather events and natural disasters could severely disrupt normal operations and harm our business.

Our operations are located in different regions of the United States. Some of these areas, including the Denver-Julesburg Basin and the Bakken Shale, are adversely affected by seasonal weather conditions. During periods of heavy snow, ice, wind or rain, we may be unable to move our equipment between locations, thereby reducing our ability to provide services and generate revenue, or we could suffer weather-related damage to our facilities and equipment, resulting in delays in operations. The exploration activities of our customers may also be affected during such periods of adverse weather conditions. Additionally, extended drought conditions in our operating regions could impact our ability or our customers' ability to source sufficient water or increase the cost for such water. As a result, a natural disaster, severe weather event, or

inclement weather conditions could severely disrupt the normal operation of our business and adversely impact our financial condition and results of operations.

Moreover, climate change may result in various physical risks, such as the increased frequency or intensity of extreme weather events or changes in meteorological and hydrological patterns that could adversely impact us, our customers', and our suppliers' operations. Such physical risks may result in damage to our customers' facilities or otherwise adversely impact our operations, such as if facilities are subject to water use curtailments in response to drought, or demand for our customers' products, such as to the extent warmer winters reduce the demand for energy for heating purposes, which may ultimately reduce demand for the products and services we provide. Such physical risks may also impact our suppliers, which may adversely affect our ability to provide our products and services. Extreme weather conditions can interfere with our operations and increase our costs, and damage resulting from extreme weather may not be fully insured.

Our business could be harmed by geographical and terrorist threats, armed conflicts or civil unrest.

The occurrence or threat of geographical or terrorist threats 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 or domestic civil unrest, may adversely affect the United States and global economies and could prevent us from meeting our financial and other obligations. For example, on February 24, 2022, Russia launched a large-scale invasion of Ukraine that has led to significant armed hostilities. As a result, the United States, the United Kingdom, the member states of the European Union and other public and private actors have levied severe sanctions on Russia. The geopolitical and macroeconomic consequences of this invasion and associated sanctions cannot be predicted, and such events could severely impact the world economy. If other current hostilities around the globe continue or escalate, or any other such 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 revenue. 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.

Industry and Economic Conditions and Competition

Our business depends on domestic capital spending by the oil and natural gas industry, and reductions in such capital spending could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects.

Our business is directly affected by our customers' capital spending to explore for, develop and produce oil and natural gas in the United States. A significant decline in oil and natural gas prices may cause a reduction in the exploration, development and production activities of most of our customers and their spending on our services. Cuts in spending may curtail drilling programs and result in a reduction in the demand for our services, as well as in the prices we can charge. In addition, certain of our customers could become unable to pay their vendors and service providers, including us, as a result of the decline in commodity prices. Reduced discovery rates of new oil and natural gas reserves in our areas of operation as a result of decreased capital spending may also have a negative long-term impact on our business, even in an environment of stronger oil and natural gas prices, to the extent the reduced number of wells that need our services or equipment more than offsets new drilling and completion activity and complexity. Any of these conditions or events could adversely affect our operating results. If the recent recovery does not continue or our customers fail to further increase their capital spending, it could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects.

Industry conditions are influenced by numerous factors over which we have no control, including:

- domestic and foreign economic conditions and 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 and cost of global and domestic oil and natural gas exploration, production, transportation of reserves and delivery;
- taxes and governmental regulations, including the policies of governments regarding the exploration for and production and development of their oil and natural gas reserves;
- political and economic conditions in oil and natural gas producing countries;

- actions by the members of the Organization of Petroleum Exporting Countries ("OPEC") and other countries, such as Russia and Saudi Arabia, with respect to oil production levels and announcements of potential changes in such levels, including the failure of such countries to comply with production cuts;
- sanctions and other restrictions placed on oil producing countries, such as Iran and Venezuela;
- global weather conditions and natural disasters;
- worldwide political, military and economic conditions;
- the discovery rates of new oil and natural gas reserves;
- stockholder activism or activities by non-governmental organizations to restrict the exploration, development and production of oil and natural gas; and
- uncertainty in capital and commodities markets.

Our business could be adversely affected by general economic conditions or a weakening of the broader energy industry, and inflation or recession may adversely affect our financial position and operating results.

A prolonged economic slowdown or recession, adverse events relating to the energy industry, or regional, national, or global economic conditions and factors, particularly a slowdown in the E&P industry, could negatively impact our operations and therefore adversely affect our results. The risks associated with our business are more acute during periods of economic slowdown or recession because such periods may be accompanied by decreased spending by our customers and decreased demand and prices for oil and natural gas. Inflationary factors, such as increases in the labor costs, material costs, and overhead costs, may also adversely affect our financial position and operating results.

The volatility of oil and natural gas prices may adversely affect the demand for our services and negatively impact our results of operations.

Prices of oil and gas products are set on a commodity basis. The demand for our services is primarily determined by current and anticipated oil and natural gas prices and the related levels of capital spending and drilling activity in the areas in which we have operations. Volatility, or the perception that oil or natural gas prices will decrease, affects the spending patterns of our customers and may result in the drilling of fewer new wells. This could lead to decreased demand for our services and lower utilization of our assets. 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. Prices for oil and natural gas historically have been extremely volatile and are expected to continue to be volatile.

Fuel conservation measures could reduce demand for oil and natural gas which would in turn reduce the demand for our services.

Fuel conservation measures, alternative fuel requirements and increasing consumer demand for alternatives to oil and natural gas products could reduce demand for oil and natural gas. The impact of the changing demand for oil and natural gas may have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects. Additionally, the increased competitiveness of alternative energy sources (such as wind, solar, geothermal, tidal, and biofuels) could reduce demand for hydrocarbons and therefore for our services, which would lead to a reduction in our revenue.

We may incur significant capital expenditures for new equipment as we grow our operations and may be required to incur further capital expenditures as a result of environmental initiatives, new regulatory requirements, and advancements in oilfield services technologies.

As we grow our operations, we may be required to incur significant capital expenditures to build, acquire, update or replace our existing fixed assets and other equipment. Such demands on our capital and the increase in cost of labor necessary to operate such assets and other equipment could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects and may increase our costs. To the extent we are unable to fund such projects, we may have less equipment available for service or our equipment may not be attractive to current or potential customers.

In addition, because the oilfield services industry is characterized by significant technological advancements and introductions of new products and services using new technologies, we may lose market share or be placed at a competitive disadvantage as competitors and others use or develop new technologies or technologies comparable to ours in the future. Further, we may choose to implement or acquire certain new technologies at a substantial cost to support environmental

initiatives, respond to competitive pressure, meet new regulatory requirements, or satisfy customer requirements. Some of our competitors may have greater financial, technical and personnel resources than we do, which may allow them to gain technological advantages or implement new technologies before we can. Additionally, we may be unable to implement new technologies or services on a timely basis, at an acceptable cost or at all.

In addition to technological advancements by our competitors, new technology could also make it easier for our customers to vertically integrate their operations or otherwise conduct their activities without the need for our equipment and services, thereby reducing or eliminating the need for our services. For example, if further advancements in drilling and completion techniques cause our E&P customers to require well service rigs with different or higher specifications than those in our existing and expected future fleet, or to otherwise require well service equipment that we do not currently own or operate, we may be required to incur significant additional capital expenditures to obtain any such new rigs or other equipment in an effort to meet customer demand. Limits on our ability to effectively obtain, use, implement or integrate new technologies may have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects.

We may have difficulty managing growth in our business, which could adversely affect our financial condition and results of operations.

Growth could place a significant strain on our financial, operational and management resources. As we expand the scope of our activities 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 oilfield services industry, could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects and our ability to successfully or timely execute our business plan.

We face intense competition that may cause us to lose market share and could negatively affect our ability to market our services and expand our operations.

The oilfield services business is highly competitive and fragmented. Some of our competitors are small companies capable of competing effectively in our markets on a local basis, while others have a broader geographic scope, greater financial and other resources, or other cost efficiencies. Our competitors may be able to respond more quickly to new or emerging technologies and services and changes in customer requirements. Our ability to maintain current revenue and cash flows, and our ability to market our services and expand our operations, could be adversely affected by the activities of our competitors and our customers. If our competitors substantially increase the resources they devote to the development and marketing of competitive services or substantially decrease the prices at which they offer their services, we may be unable to effectively compete. Many contracts are awarded on a bid basis, which may further increase competition based primarily on price. The competitive environment may be further intensified by mergers and acquisitions among oil and natural gas companies or other events that have the effect of reducing the number of available customers. All of these competitive pressures could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects. Some of our larger competitors provide a broader range of services on a regional, national or worldwide basis. These companies may have a greater ability to continue oilfield service activities during periods of low commodity prices and to absorb the burden of present and future federal, state, local and other laws and regulations. Any inability to compete effectively could have a material adverse impact on our financial condition and results of operations.

Increasing competition for workers, as well as labor shortages, could adversely affect our business.

A number of factors may adversely affect the labor force available to us or increase labor costs, including high employment levels, increased competition for employees both within the oilfield service industry and the larger labor market, federal unemployment subsidies and government regulations. Although we have not experienced any material labor shortages to date, we have observed an increasingly competitive labor market. The increasing competition for employees could result in higher compensation costs and difficulties in maintaining a capable workforce to operate our equipment. If we are unable to hire and retain employees, or if mitigation measures we may take to respond to a decrease in labor availability have unintended negative effects, our business could be adversely affected. A sustained labor shortage, lack of skilled labor force, increased turnover, or labor cost inflation, as a result of general macroeconomic and other factors, could lead to increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain employees, which could negatively affect our ability to efficiently staff and operate our equipment, deploy additional assets to meet customer demand, and have other adverse effects on our results of operations and financial condition.

Customers and Employees

Reliance upon a few large customers may adversely affect our revenue and operating results.

If a major customer fails to pay us, our revenue would be impacted and our operating results and financial condition could be materially harmed. During times when the natural gas or crude oil markets weaken, our customers are more likely to experience financial difficulties, including being unable to access debt or equity financing, which could result in a reduction in our customers' spending for our services and their non-payment or inability to perform obligations owed to us. Further, if a customer was to enter into bankruptcy, it could also result in the cancellation of all or a portion of our service contracts with such customer at significant expense or loss of expected revenue to us. If we were to lose any material customer, we may not be able to redeploy our equipment at similar utilization or pricing levels or within a short period of time and such loss could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects until the equipment is redeployed at similar utilization or pricing levels. 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.

During the year ended December 31, 2023, two customers accounted for approximately 10% each of our consolidated revenues. The table below presents the percentage of revenue, for each respective segment, from our top five customers for the years ended December 31, 2023 and 2022.

	Year Ended December 31,	
	2023	2022
High Specification Rigs	49 %	55 %
Wireline Services	25 %	16 %
Processing Solutions and Ancillary Services	26 %	29 %
Consolidated	43 %	36 %

Our customers may be forced to curtail or shut in production due to a lack of storage capacity.

The marketing of oil, natural gas and NGLs production depends in large part on the availability, proximity and capacity of trucks, pipelines and storage facilities, gas gathering systems and other transportation, processing and refining facilities, as well as the existence of adequate markets. Reduced demand for oil and natural gas and/or oversupply of oil and natural gas in the market may limit or make up available storage and transportation capacity for our customers' production. If there is insufficient capacity available on these systems, if these systems are unavailable to our customers, or if these systems are unavailable to our customers on commercially reasonable terms, the prices our customers receive for their production could be significantly depressed.

As a result of any further storage and/or transportation shortages, our customers could be forced to shut in some or all of their production or delay or discontinue drilling plans and commercial production following a discovery of hydrocarbons while they construct or purchase their own facilities or system. If our customers are forced to shut in production, it would result in decreased demand for our services and lower utilization of our assets.

Unsatisfactory safety performance may negatively affect our current and future customer relationships and, to the extent we fail to retain existing customers or attract new customers, adversely impact our revenue.

Our ability to retain existing customers and attract new business is dependent on many factors, including our ability to demonstrate that we can reliably and safely operate our business in a manner that is consistent with applicable laws, rules and permits, which legal requirements are subject to change. Existing and potential customers consider the safety record of their third-party service providers to be of high importance in their decision to engage such providers. If one or more accidents were to occur at one of our operating sites, the affected customer may seek to terminate or cancel its use of our equipment or services and may be less likely to continue to use our services, which could cause us to lose substantial revenue. Furthermore, our ability to attract new customers may be impaired if they view our safety record as unacceptable. In addition, it is possible that we will experience multiple or particularly severe accidents in the future, causing our safety record to deteriorate. This may be more likely as we continue to grow, if we experience high employee turnover or labor shortage, or hire inexperienced personnel to bolster our staffing needs.

We may be subject to claims for personal injury and property damage, or for catastrophic events, which could materially and adversely affect our financial condition, results of operations and prospects.

Our services are subject to inherent risks that can cause personal injury or loss of life, damage to or destruction of property, equipment or the environment or the suspension of our operations. Litigation arising from our operations may cause us to be named as a defendant in lawsuits asserting potentially large claims, including claims for defense, indemnity, and exemplary damages. We maintain what we believe is customary and reasonable insurance to protect our business against these potential losses, but such insurance may not be adequate to cover our liabilities, and we are not fully insured against all risks.

Subject to certain exceptions, our customers typically assume responsibility for, including control and removal of, all other pollution or contamination which may occur during operations and originate below the surface, including that which may result from blowout, seepage or any other uncontrolled flow of drilling and completion fluids. We may have liability in such cases if we are negligent or commit willful acts. Our customers generally agree to indemnify and defend us against claims relating to damage or loss of a well, reservoir, geological formation, underground strata, or water resources, or the loss of oil, gas, mineral, or water, but sometimes such indemnity and defense is subject to exceptions for claims for gross negligence or willful misconduct, or our assumption of capped liability. Our customers also generally assume responsibility for claims arising from their employees' personal injury or death, or the damage or loss of their property, to the extent that, in the case of our operations, their employees are injured or their properties are damaged by such operations, but sometimes such indemnity and defense is subject to exceptions for claims, resulting from our gross negligence or willful misconduct. In turn, we generally agree to indemnify and defend our customers for loss or destruction of our property or equipment and for liabilities arising from personal injury to or death of any of our employees, but sometimes such indemnity and defense is subject to exceptions for claims resulting from gross negligence or willful misconduct of the customer. However, we might not succeed in enforcing such contractual allocation or might incur an unforeseen liability falling outside the scope of such allocation. As a result, we may incur substantial losses which could materially and adversely affect our financial condition and results of operation.

We provide services to customers who operate on federal and tribal lands, which are subject to additional regulations.

We provide services to companies operating on federal and tribal lands. Various federal agencies within the U.S. Department of the Interior, particularly the BLM and the Bureau of Indian Affairs, along with certain Native American tribes, promulgate and enforce regulations pertaining to oil and natural gas operations on Native American tribal lands and minerals where some of our customers operate. Such operations are subject to additional regulatory requirements, including lease provisions, drilling and production requirements, surface use restrictions, environmental standards, royalty considerations and taxes. Operations on federal and tribal lands are frequently subject to delays.

Depending on the ultimate outcome of any agency reviews and pending litigation, these regulations could result in increased compliance costs or additional operating restrictions for us and our customers, and could have a material adverse effect on our business, liquidity position, cash flows, financial condition, results of operations, prospects and demand for our services.

Governmental and Regulatory Matters

Increases in the scope or pace of midstream infrastructure development, or decreased federal or state regulation of natural gas pipelines, could decrease demand for our services.

Increases in the scope or pace of midstream infrastructure development could decrease demand for our services. Our processing solutions are designed for the processing of rich natural gas streams at the wellhead or central gathering points in basins where drilling and completion activity has outpaced the development of permanent processing infrastructure. Specifically, our modular MRUs are used by our customers to meet pipeline specifications, extract higher value NGLs, provide fuel gas for well sites and facilities and reduce emissions at the flare tip, services that are generally required when E&P companies drill oil and natural gas wells in basins without immediate access to sufficient midstream infrastructure and takeaway capacity. To the extent that permanent midstream infrastructure is developed in the basins in which we operate, or the pace of existing development is accelerated as a result of customer demand, the demand for our processing solutions could decrease.

In addition, there has recently been increasing public controversy regarding construction of new natural gas pipelines and the stringency of current regulation of natural gas pipelines, creating uncertainty as to the probability and timing of such construction. Decreases to the stringency of regulation of existing natural gas pipelines at either the state or federal level

could reduce the demand for our services and could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects.

Delays or restrictions in obtaining permits by us for our operations or by our customers for their operations could impair our business.

In most states, our operations and the operations of our customers require permits from one or more governmental agencies in order to perform drilling and completion activities, secure water rights, or other regulated activities. Such permits are typically issued by state agencies, but federal and local governmental permits may also be required. The requirements for such permits vary depending on the location where such regulated activities will be conducted. As with all governmental permitting processes, there is a degree of uncertainty as to whether a permit will be granted, the time it will take for a permit to be issued, and the conditions that may be imposed in connection with the granting of the permit. In addition, some of our customers' drilling and completion activities may take place on federal land or Native American lands, requiring leases and other approvals from the federal government or Native American tribes to conduct such drilling and completion activities or other regulated activities. Under certain circumstances, federal agencies may cancel proposed leases for federal lands and refuse to grant or delay required approvals. Therefore, our customers' operations in certain areas of the United States may be interrupted or suspended for varying lengths of time, causing a loss of revenue to us and adversely affecting our results of operations in support of those customers.

Federal or state legislative and regulatory initiatives related to induced seismicity could result in operating restrictions or delays in the drilling and completion of oil and natural gas wells that may reduce demand for our services and could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects.

Our oil and natural gas customers dispose of flowback and produced water or certain other oilfield fluids gathered from oil and natural gas producing operations in accordance with permits issued by government authorities overseeing such disposal activities. While these permits are issued pursuant to existing laws and regulations, these legal requirements are subject to change based on concerns of the public or governmental authorities regarding such disposal activities. One such concern relates to seismic events near underground disposal wells used for the disposal by injection of flowback and produced water or certain other oilfield fluids resulting from oil and natural gas activities. When caused by human activity, such events are called induced seismicity.

In response to concerns regarding induced seismicity, regulators in some states have imposed, or are considering imposing, additional requirements in the permitting of produced water disposal wells or otherwise to assess any relationship between seismicity and the use of such wells. From time to time regulators develop and implement plans directing certain wells located in proximity to seismic incidents to restrict or suspend disposal well operations. In addition, ongoing lawsuits allege that disposal well operations have caused damage to neighboring properties or otherwise violated state and federal rules regulating waste disposal. These developments could result in additional regulation and restrictions on the use of injection wells by our customers to dispose of flowback and produced water and certain other oilfield fluids. Increased regulation and attention given to induced seismicity also could lead to greater opposition to, and litigation concerning, oil and natural gas activities utilizing injection wells for waste disposal.

Any one or more of these developments may result in our customers having to limit disposal well volumes, disposal rates or locations, or require our customers or third-party disposal well operators that are used to disposals of customers' wastewater to shut down disposal wells, which developments could adversely affect our customers' business and result in a corresponding decrease in the need for our services, which could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects.

Changes in transportation regulations may increase our costs and negatively impact our results of operations.

We are subject to various transportation regulations including as a motor carrier by the DOT and by various federal, state and tribal agencies, whose regulations include certain permit requirements of highway and safety authorities. These regulatory authorities exercise broad powers over our trucking operations, generally governing such matters as the authorization to engage in motor carrier operations, safety, equipment testing, driver requirements and specifications and insurance requirements. The trucking industry is subject to possible regulatory and legislative changes that may impact our operations, such as changes in fuel emissions limits, hours of service regulations that govern the amount of time a driver may drive or work in any specific period, requirements for onboard black box recorder devices or limits on vehicle weight and size. To the extent the federal government continues to develop and propose regulations relating to fuel quality, engine efficiency and GHG, we may experience an increase in costs related to truck purchases and maintenance, impairment of equipment productivity, a decrease in the residual value of vehicles, unpredictable fluctuations in fuel prices and an increase in operating expenses. Increased truck traffic may contribute to deteriorating road conditions in some areas where our operations are performed.

Further, our operations could be affected by road construction, road repairs, detours and state and local regulations and ordinances restricting access to certain roads, including through routing and weight restrictions. In recent years, certain states, such as North Dakota and Texas, and certain counties have increased enforcement of weight limits on trucks used to transport raw materials, such as the fluids that we transport in connection with our fluids management services, on their public roads. It is possible that the states, counties and cities in which we operate our business may modify their laws to further reduce truck weight limits or impose curfews or other restrictions on the use of roadways. Such legislation and enforcement efforts could result in delays, and increased costs, in transporting fluids and otherwise conduct our business. Proposals to increase federal, state or local taxes, including taxes on motor fuels, are also made from time to time, and any such increase would increase our operating costs. Also, state and local regulation of permitted routes and times on specific roadways could adversely affect our operations. We cannot predict whether, or in what form, any legislative or regulatory changes or municipal ordinances applicable to our logistics operations will be enacted and to what extent any such legislation or regulations could increase our costs or otherwise adversely affect our business or operations.

We are subject to environmental and occupational health and safety laws and regulations that may expose us to significant costs and liabilities.

Our operations are subject to numerous federal, regional, state and local laws and regulations relating to protection of natural resources and the environment, occupational health and safety, air emissions and water discharges, and the management, transportation and disposal of solid and hazardous wastes and other materials. These laws and regulations impose numerous obligations that may impact our operations, including the acquisition of permits to conduct regulated activities, the imposition of restrictions on the types, quantities and concentrations of various substances that can be released into the environment or injected in formations in connection with oil and natural gas drilling and production activities, the incurrence of capital expenditures to mitigate or prevent releases of materials from our equipment, facilities or from customer locations where we are providing services, the imposition of substantial liabilities for pollution resulting from our operations, and the application of specific health and safety standards or criteria addressing worker protection. Any failure on our part or the part of our customers to comply with these laws and regulations could result in prohibitions or restrictions on operations, assessment of sanctions including administrative, civil and criminal penalties, issuance of corrective action orders requiring the performance of investigatory, remedial or curative activities or enjoining performance of some or all of our operations in a particular area, the occurrence of delays in the permitting or performance of projects and/or government or private claims for personal injury or property or natural resources damages.

Our business activities present risks of incurring significant environmental costs and liabilities, including costs and liabilities resulting from our handling and disposal of oilfield and other wastes, air emissions and wastewater discharges related to our operations and the historical operations and waste disposal practices of our predecessors. Moreover, accidental releases or spills may occur in the course of our operations, and we could incur significant costs and liabilities as a result of such releases or spills, including any third-party claims for damage to property, natural resources or persons. In addition, private parties, including the owners of properties upon which we perform services and facilities where our wastes are taken for reclamation or disposal, also may have the right to pursue legal actions to enforce compliance as well as to seek damages for noncompliance with environmental laws and regulations or for personal injury or property or natural resource damages. Some environmental laws and regulations may impose strict liability, which means that in some situations we could be exposed to liability even if our conduct was lawful at the time it occurred or the conduct of, or conditions caused by, prior operators or other third parties.

The trend in environmental regulation has been to place more restrictions and limitations on activities that may adversely affect the environment, and thus any changes in environmental laws and regulations or reinterpretation of

enforcement policies that result in more stringent and costly regulatory requirements could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects if we are unable to pass on such increased compliance costs to our customers. Our customers may also incur increased costs or delays or restrictions in permitting or operating activities as a result of more stringent environmental laws and regulations, which may result in a curtailment of exploration, development or production activities that would reduce the demand for our services.

Federal and state legislative and regulatory initiatives relating to hydraulic fracturing could result in increased costs and additional operating restrictions or delays as well as adversely affect demand for our support services.

Hydraulic fracturing is an important and common practice that is used to stimulate production of natural gas and/or oil from dense subsurface rock formations. The hydraulic fracturing process involves the injection of water, sand and chemicals under pressure into the formation to fracture the surrounding rock and stimulate production. While we do not perform hydraulic fracturing, many of our customers do.

Hydraulic fracturing typically is regulated by state oil and natural gas commissions, but the EPA has asserted federal regulatory authority pursuant to the federal Safe Drinking Water Act over certain hydraulic fracturing activities involving the use of diesel fuel and issued permitting guidance that applies to such activities. In addition, the EPA finalized regulations that prohibit the discharge of wastewater from hydraulic fracturing operations to publicly owned wastewater treatment plants.

The EPA also released its final report on the potential impacts of hydraulic fracturing on drinking water resources. The final report concluded that "water cycle" activities associated with hydraulic fracturing may impact drinking water resources under certain limited circumstances.

Certain of our customers have operations on federal or tribal lands and the U.S. government has considered more stringent regulations for operations on such lands. We cannot predict the final scope of regulations or restrictions that may apply to oil and gas operations on federal or tribal lands. However, any regulations that ban or effectively ban such operations may adversely impact demand for our products and services.

Various state and local governments have also implemented, or are considering, increased regulatory oversight of hydraulic fracturing through additional permit requirements, operational restrictions, disclosure requirements, well construction, and temporary or permanent bans on hydraulic fracturing in certain areas. The adoption and implementation of any new laws or regulations that restrict our customers' ability to dispose of produced water could result in increased operating costs for the customer, which in turn could indirectly reduce demand for our services.

Local governments also may seek to adopt ordinances within their jurisdictions regulating the time, place and manner of drilling activities in general or hydraulic fracturing activities in particular or prohibit the performance of well drilling in general or hydraulic fracturing in particular. If new federal, state or local laws or regulations that significantly restrict hydraulic fracturing are adopted, such legal requirements could result in delays, eliminate certain drilling and injection activities and make it more difficult or costly to perform hydraulic fracturing. Any such regulations limiting or prohibiting hydraulic fracturing could result in decreased oil and natural gas E&P activities and, therefore, adversely affect demand for our services and our business. Such laws or regulations could also materially increase our costs of compliance and doing business.

Our operations, and those of our customers, are subject to a series of risks arising from climate change.

The threat of climate change continues to attract considerable attention in the United States and in foreign countries. Numerous proposals have been made and could continue to be made at the international, national, regional and state levels of government to monitor and limit existing GHG emissions, as well as to restrict or eliminate future emissions. As a result, our operations as well as the operations of our oil and natural gas exploration and production customers are subject to a series of regulatory, political, litigation, and financial risks associated with the production and processing of fossil fuels and emission of GHG.

In the United States, no comprehensive climate change legislation has been implemented at the federal level. However, there are a number of proposed federal initiatives for climate change legislation that may be passed into law. Moreover, following the U.S. Supreme Court finding that GHG emissions constitute a pollutant under the CAA, the EPA has adopted rules that, among other things, establish construction and operating permit reviews for GHG emissions from certain large stationary sources, require the monitoring and annual reporting of GHG emissions from certain petroleum and natural gas system sources in the United States, and together with the DOT, implement GHG emissions limits on vehicles manufactured for operation in the United States. The federal regulation of methane emissions from oil and gas facilities has been subject to substantially controversy in recent years. Additionally, various states and groups of states have adopted or are considering adopting legislation, regulations or other regulatory initiatives that are focused on such areas as GHG cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of emissions. International developments focused on restricting

GHG emissions include the United Nations Framework Convention on Climate Change, which includes implementation of the Paris Agreement and the Kyoto Protocol by the signatories. Caps or fees on carbon emissions, including in the U.S., have been and may continue to be established and the cost of such caps or fees could disproportionately affect the fossil-fuel sectors. The implementation of these agreements and other existing or future regulatory mandates, may adversely affect the demand for our products and services, require us or our customers to reduce GHG emissions or impose taxes on us or our customers, all of which could have a material adverse effect on our operations and results.

Litigation risks are also increasing, as a number of parties have sought to bring suit against certain oil and natural gas companies in state or federal court, alleging, among other things, that such companies created public nuisances by producing fuels that contributed to climate change or alleging that companies have been aware of the adverse effects of climate change for some time but defrauded their investors or customers by failing to adequately disclose those impacts.

There are also increasing financial risks for companies in the fossil fuel sector as stockholders currently invested in fossil fuel energy companies concerned about the potential effects of climate change may elect in the future to shift some or all of their investments into non-fossil fuel related sectors. Institutional lenders who provide financing to fossil fuel energy companies also have become more attentive to sustainable lending practices and some of them may elect not to provide funding for fossil fuel energy companies. There is also a risk that financial institutions will be required to adopt policies that have the effect of reducing the funding provided to the fossil fuel sector. Limitation of investments in and financings for fossil fuel energy companies could result in the restriction, delay or cancellation of drilling programs or development or production activities. Additionally, the Securities and Exchange Commission has proposed new rules relating to the disclosure of a range of climate-related risks. We are currently assessing this rule but, at this time, we cannot predict the costs of implementation or any potential adverse impacts resulting from the rule. To the extent this rule is finalized, we could incur increased costs related to the assessment and disclosure of climate-related risks. In addition, enhanced climate disclosure requirements could accelerate the trend of certain stakeholders and lenders restricting or seeking more stringent conditions with respect to their investments in certain carbon intensive sectors.

The adoption and implementation of new or more stringent international, federal or state legislation, regulations or other regulatory initiatives that impose more stringent standards for GHG emissions from the oil and natural gas sector or otherwise restrict the areas in which this sector may produce oil and natural gas or generate GHG emissions could result in increased costs of compliance or costs of consuming, and thereby reduce demand for, oil and natural gas, which could reduce demand for our services and products. Additionally, political, litigation and financial risks may result in our oil and natural gas customers restricting or cancelling production activities, incurring liability for infrastructure damages as a result of climatic changes, or impairing their ability to continue to operate in an economic manner, which also could reduce demand for our services and products. One or more of these developments could have a material adverse effect on our business, financial condition and results of operation.

Moreover, climate change may result in various physical risks, such as the increased frequency or intensity of extreme weather events or changes in meteorological and hydrological patterns that could adversely impact us, our customers', and our suppliers' operations. For more information, see our risk factor titled "Seasonal weather conditions and natural disasters could severely disrupt normal operations and harm our business."

Increased attention to sustainability, environmental, social, and governance ("ESG") matters and conservation measures may adversely impact our or our customers' business.

Increasing attention to, and societal expectations on companies to address, climate change and other environmental and social impacts, investor and societal expectations regarding voluntary sustainability and ESG disclosures, and consumer demand for alternative forms of energy may result in increased costs, reduced demand for our customers' products, reduced profits, increased investigations and litigation, and negative impacts on our stock price and access to capital markets. Increasing attention to climate change and environmental conservation, for example, may result in demand shifts for oil and natural gas products and additional governmental investigations and private litigation against us or our customers. To the extent that societal pressures or political or other factors are involved, it is possible that such liability could be imposed without regard to our causation of or contribution to the asserted damage, or to other mitigating factors. For more information, see our risk factor titled "Our operations, and those of our suppliers and customers, are subject to a series of risks arising from climate change."

Moreover, while we may create and publish voluntary disclosures regarding sustainability and ESG matters from time to time, certain statements in those voluntary disclosures may be based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring

and reporting on many sustainability and ESG matters. Additionally, we may announce various targets or product and service offerings in an attempt to improve our sustainability and ESG profile. However, we cannot guarantee that we will be able to meet any such targets or that such targets or offerings will have the intended results on our ESG profile, including but not limited to as a result of unforeseen costs, consequences, or technical difficulties associated with such targets or offerings. Also, despite any voluntary actions, we may receive pressure from certain investors, lenders, or other groups to adopt more aggressive climate or other sustainability and ESG-related goals or policies, but we cannot guarantee that we will be able to implement such goals because of potential costs or technical or operational obstacles.

In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to sustainability and ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable sustainability and ESG ratings and recent activism directed at shifting funding away from companies with energy-related assets could lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other industries, which could have a negative impact on our stock price and our access to and costs of capital. Additionally, to the extent sustainability and ESG matters negatively impact our reputation, we may not be able to compete as effectively to recruit or retain employees, which may adversely affect our operations.

The Endangered Species Act and Migratory Bird Treaty Act and other restrictions intended to protect certain species of wildlife govern our and our customers' operations and additional restrictions may be imposed in the future, which constraints could have an adverse impact on our ability to expand some of our existing operations or limit our customers' ability to develop new oil and natural gas wells.

Oil and natural gas operations in our operating areas can be adversely affected by seasonal or permanent restrictions on drilling activities designed to protect various wildlife, which may limit our ability to operate in protected areas. Permanent restrictions imposed to protect endangered species could prohibit drilling in certain areas or require the implementation of expensive mitigation measures.

For example, to the extent species that are listed under the Endangered Species Act or similar state laws, or are protected under the Migratory Bird Treaty Act, or the designation of previously unprotected species as threatened or endangered in areas where we or our customers operate could cause us or our customers to incur increased costs arising from species protection measures and could result in delays or limitations in our or our customers' performance of operations, which could adversely affect or reduce demand for our services.

Anti-indemnity provisions enacted by many states may restrict or prohibit a party's indemnification of us.

We typically enter into agreements with our customers governing the provision of our services, which usually include certain indemnification provisions for losses resulting from operations. Such agreements may require each party to indemnify the other against certain claims regardless of the negligence or other fault of the indemnified party; however, many states place limitations on contractual indemnity agreements, particularly agreements that indemnify a party against the consequences of its own negligence. Furthermore, certain states, including Louisiana, New Mexico, Texas and Wyoming, have enacted statutes generally referred to as "oilfield anti-indemnity acts" expressly prohibiting certain indemnity agreements contained in or related to oilfield services agreements. Such anti-indemnity acts may restrict or void a party's indemnification of us, which could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects.

Cybersecurity and Data Privacy

We may be subject to interruptions or failures in our information technology systems.

We rely on sophisticated information technology systems and infrastructure to support our business, including process control technology. Any of these systems are susceptible to outages due to fire, floods, power loss, telecommunications failures, usage errors by employees, computer viruses, cyberattacks or other security breaches or similar events. The failure of any of our information technology systems may cause disruptions in our operations, which could adversely affect our revenue and profitability.

We are subject to cybersecurity risks. A cyber incident could occur and result in information theft, data corruption, operational disruption and/or financial loss.

We depend on information technology systems that we manage, and others that are managed by third-party service and equipment providers, to conduct our day-to-day operations, including critical systems, and these systems are subject to risks associated with cyber incidents or attacks, especially originating from countries such as China, Russia, Iran, and North Korea as broadly reported in the media. Our technology systems and networks, and those of our vendors, suppliers and other

business partners, may become the target of cyberattacks or information security breaches. A cyber incident could negatively impact the Company in a number of ways, including but not limited to; (i) remediation costs, such as liability for stolen assets or information and repairs of system damage; (ii) increased cybersecurity protection costs, which may include the costs of making organizational changes, deploying additional personnel and protection technologies, training employees, and engaging third party experts and consultants; (iii) lost revenue resulting from downtime, operational disruptions, the unauthorized use of proprietary information or the failure to retain or attract customers following an attack; (iv) litigation and legal risks, including regulatory actions by state and federal governmental authorities and non-U.S. authorities and related investigation costs; (v) increased insurance premiums; (vi) reputational damage that adversely affects customer or investor confidence; (vii) the loss, theft, corruption or unauthorized release of intellectual property, proprietary information, customer and vendor data or other critical data and (viii) damage to the company's competitiveness, stock price, and long-term stockholder value. Certain cyber incidents, such as surveillance, may remain undetected for an extended period of time. As the sophistication of cyber incidents continues to evolve, we will likely 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. Our insurance coverage for cyberattacks may not be sufficient to cover all the losses we may experience as a result of such cyberattacks.

Risks Related to Our Ownership and Capital Structure

Financial Leverage and Liquidity

We have debt obligations, and any additional future indebtedness, could adversely affect our financial condition.

As of December 31, 2023 and 2022 our total debt was $0.1 million and $18.6 million, respectively.

We may also incur additional indebtedness in the future. If we do so, the risks related to our level of debt could intensify. Our indebtedness could have adverse consequences, including:

- we may fail to comply with the various covenants in instruments governing any existing or future indebtedness;
- we may be unable to obtain financing in the future for working capital, capital expenditures, acquisitions, share repurchases, general corporate or other purposes;
- we may be unable to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to service the debt;
- we could become more vulnerable to general adverse economic and industry conditions, including increases in interest rates, to the extent that we incur variable rate indebtedness; or
- we may be competitively disadvantaged compared to our competitors that have greater access to capital resources.

Our Wells Fargo Revolving Credit Facility subjects us to various financial and other restrictive covenants. These restrictions may limit our operational or financial flexibility and could subject us to potential defaults under our Wells Fargo Revolving Credit Facility.

Our Wells Fargo Revolving Credit Facility subjects us to significant financial and other restrictive covenants, such that our ability to comply with financial condition tests can be affected by events beyond our control, including economic, financial and industry conditions. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. Further, the borrowing base of our Wells Fargo Revolving Credit Facility is dependent upon our receivables, which may be significantly lower in the future due to reduced activity levels or decreases in pricing for our services. Changes to our operational activity levels have an impact on our total eligible accounts receivable, which could result in significant changes to our borrowing base and therefore our availability under our Wells Fargo Revolving Credit Facility. If we are unable to remain in compliance with the financial covenants of our Wells Fargo Revolving Credit Facility, then amounts outstanding thereunder may be accelerated and become due immediately. Any such acceleration could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects.

In the event that we are unable to access sufficient capital to fund our business and planned capital expenditures, we may be required to curtail potential acquisitions, strategic growth projects, portions of our current operations and other activities. A lack of capital could result in a decrease in our operations, subject us to claims of breach under customer and supplier contracts and may force us to sell some of our assets or issue additional equity on an untimely or unfavorable basis, each of which could adversely affect our business, financial condition, results of operations and cash flows.

Our Wells Fargo Revolving Credit Facility contains certain financial and other restrictive covenants, including a certain minimum fixed charge coverage ratio during certain testing periods. The Wells Fargo Revolving Credit Facility is

subject to a borrowing base that is calculated based upon a percentage of the Company's eligible accounts receivable less certain reserves. The Company's eligible accounts receivable serve as collateral for the borrowings under the Wells Fargo Revolving Credit Facility, which is scheduled to mature on May 31, 2028. The Wells Fargo Revolving Credit Facility includes an acceleration clause and cash dominion provisions under certain circumstances that permits the administrative agent to sweep cash daily from certain bank accounts into an account of the administrative agent to repay the Company's obligations under the Wells Fargo Revolving Credit Facility.

The growth of our business through potential future acquisitions or mergers may expose us to various risks, including those relating to difficulties in identifying suitable, accretive acquisition or merger 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.

We will continue to pursue selected, accretive acquisitions of complementary assets and businesses. Acquisitions and mergers involve numerous risks, including:

- unanticipated costs and exposure to liabilities assumed in connection with the acquired business or assets, 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;
- potential losses of key employees and customers of the acquired business;
- risks of entering markets in which we have limited prior experience; and
- increases in our expenses and working capital requirements.

Our ability to achieve the anticipated benefits of any acquisition will depend, in part, upon whether we can integrate the acquired or merged business and/or assets into our existing business in an efficient and effective manner. The process of integrating an acquired or merged business, including in connection with our corporate reorganization, may involve unforeseen costs and delays or other operational, technical and financial difficulties and may require a significant amount of time and resources. Our failure to incorporate the acquired or merged business and assets into our existing operations successfully or to minimize any unforeseen operational difficulties could have a material adverse effect on our business, liquidity position, financial condition, results of operations and prospects. Further, any acquisition may involve other risks that may cause our business to suffer, including:

- diversion of our management's attention to evaluating, negotiating for and integrating acquired assets;
- the challenge and cost of integrating acquired assets with those of ours while carrying on our ongoing business; and
- the failure to realize the full benefits anticipated from the acquisition or to realize these benefits within our expected time frame.

Because the historical utilization rates of any acquired assets may be lower than ours in recent periods, our utilization could decrease during the course of an initial integration period. Accordingly, there can be no assurance the utilization for acquired assets will align with the utilization of our existing fleet or on our anticipated timeline or at all. Furthermore, there is intense competition for acquisition opportunities in our industry. Competition for acquisitions may increase the cost of, or cause us to refrain from, completing acquisitions.

In addition, we may not have sufficient capital resources to complete any additional 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 as needed or on satisfactory terms.

Our ability to continue to grow through acquisitions or mergers 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, including in connection with our corporate reorganization, could reduce our focus on 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.

Continued increases in interest rates could adversely impact the price of our shares, our ability to issue equity or incur debt for acquisitions or other purposes.

Interest rates on future borrowings, credit facilities and debt offerings could be higher than current levels, causing our financing costs to increase accordingly. In addition, the Secured Overnight Financing Rate ("SOFR") and other "benchmark" rates are subject to ongoing national and international regulatory scrutiny and reform. Changes in interest rates, either positive or negative, may affect the yield requirements of investors who invest in our shares, and a rising interest rate environment could have an adverse impact on the price of our shares, our ability to issue equity or incur debt for acquisitions or other purposes.

Equity and Common Stock

We may identify material weaknesses or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our financial statements or cause us to fail to meet our periodic reporting obligations.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Any newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, we may be unable to prevent fraud, investors may lose confidence in our financial reporting, and our stock price may decline as a result. We cannot ensure that the measures we have taken to date, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses.

Our failure to implement and maintain effective internal control over financial reporting could result in errors in our financial statements that could result in a restatement of our financial statements and cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our Class A Common Stock.

Our Wells Fargo Revolving Credit Facility places certain restrictions on our ability to pay cash dividends on our Class A Stock. Consequently, in the future, if we no longer meet the Wells Fargo Revolving Credit Facility's criteria to pay cash dividends on Class A Stock, the Company will be restricted in its ability to pay a dividend until compliance with the stated criteria is regained.

In 2023, we initiated a quarterly dividend to holders of our Class A Common Stock. However, our Wells Fargo Revolving Credit Facility places certain restrictions on our ability to pay cash dividends on our Class A Common Stock, and, if, in the future, we no longer meet the criteria specified in our Wells Fargo Resolving Credit Facility that allows for cash dividend payments, our ability to pay a dividend will be restricted until such a time that the Company is once again in compliance with the necessary criteria. During any period where dividends are restricted, your only opportunity to achieve a return on your investment is if the price of our Class A Common Stock appreciates.

Future sales of our Class A Common Stock in the public market, or the perception that such sales may occur, could reduce our stock price, and any additional capital raised by us through the sale of equity or preferred stock or convertible securities may dilute your ownership in us.

We may sell additional shares of Class A Common Stock or preferred stock that is convertible into Class A Common Stock in subsequent public offerings. As of February 29, 2024, we had 22,662,569 shares of Class A Common Stock outstanding, which may be resold immediately in the public market. The Legacy Owners and the Bridge Loan Lenders are parties to a registration rights agreement, which requires us to affect the registration of any shares of Class A Common Stock held by a Legacy Owner or Bridge Loan Lender or that a Legacy Owner or Bridge Loan Lender receives upon redemption of its shares of Class B Common Stock.

We cannot predict the size of future issuances of our Class A Common Stock or preferred stock convertible into Class A Common Stock or the effect, if any, that future issuances and sales of shares of our Class A Common Stock will have on the market price of our Class A Common Stock. Sales of substantial amounts of our Class A Common Stock, or the perception that such sales could occur, may adversely affect prevailing market prices of our Class A Common Stock.

We may issue preferred stock, the terms of which could adversely affect the voting power or value of our Class A Common Stock.

Our amended and restated 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 Class A 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 Class A Common Stock. For example, we may 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 Class A Common Stock.

Risks Associated with Owning Our Common Stock

For as long as we are a smaller reporting company, we will not be required to comply with certain reporting requirements that apply to other public companies.

For as long as we are a smaller reporting company, we will have certain reduced disclosure requirements with the SEC, including the ability to provide two years of audited financial statements and corresponding Management's Discussion and Analysis disclosures. We lost our "emerging growth company" status on December 31, 2022, at the end of the five-year period following our initial public offering (IPO), and we are required to comply with all the reporting requirements applicable to other public companies including, but not limited to, the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002. We will remain a smaller reporting company until the aggregate market value of our outstanding common stock held by non-affiliates, calculated as of the end of our most recently complete second fiscal quarter, exceeds $250 million. We cannot predict whether investors will find our common stock less attractive because we are no longer able to rely upon any certain reduced disclosure requirements and exemptions. If some investors find our common stock less attractive, there may be a less active trading market for our common stock and our stock price may be more volatile.

To the extent that we rely on any of the exemptions available to small reporting companies, you will receive less information about our executive compensation and internal control over financial reporting than issuers that are not small reporting companies. If some investors find our Class A Common Stock to be less attractive as a result, there may be a less active trading market for our Class A Common Stock and our stock price may be more volatile.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our Class A Common Stock or if our operating results do not meet their expectations, our stock price could decline.

The trading market for our Class A 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 adversely changes his or her recommendation with respect to our Class A Common Stock or if our operating results do not meet their expectations, our stock price could decline.

CSL and Other Directors

CSL, Bayou Holdings and their respective affiliates are not limited in their ability to compete with us, and the corporate opportunity provisions in our amended and restated certificate of incorporation could enable CSL and Bayou Holdings to benefit from corporate opportunities that might otherwise be available to us.

Our governing documents provide that CSL, Bayou Holdings and their respective affiliates (including portfolio investments of CSL and its affiliates) are not restricted from owning assets or engaging in businesses that compete directly or indirectly with us. In particular, subject to the limitations of applicable law, our amended and restated certificate of incorporation, among other things:

- permits CSL, Bayou Holdings and their respective affiliates 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 CSL, Bayou Holdings or their respective affiliates, or any employee, partner, member, manager, officer or director of CSL, Bayou Holdings or their respective affiliates who is also one of our directors or

officers, becomes aware of a potential business opportunity, transaction or other matter, they will have no duty to communicate or offer that opportunity to us.

CSL, Bayou Holdings or their respective affiliates may become aware, from time to time, of certain business opportunities and may direct such opportunities to other businesses in which they have invested, in which case we may not become aware of or otherwise have the ability to pursue such opportunity. As a result, our renouncing our interest and expectancy in any business opportunity that may be from time to time presented to CSL, Bayou Holdings and their respective affiliates could adversely impact our business or prospects if attractive business opportunities are procured by such parties for their own benefit rather than for ours.

CSL owns a significant portion of our voting stock, and their interests may conflict with those of our other stockholders.

CSL and its affiliates beneficially own an aggregate of approximately 17% of the outstanding shares of our Common Stock. As long as CSL owns a large portion of our voting stock, it may be able to significantly influence the election of the Board of Directors and the outcome of all matters involving a stockholder vote. Moreover, CSL's concentration of stock ownership may adversely affect the trading price of our Class A Common Stock to the extent investors perceive a disadvantage in owning stock of a company with a significant stockholder. CSL's interests may differ from the interests of other stockholders and the status of their ownership could change at their discretion.

A significant reduction of CSL's ownership interests in the Company could adversely affect us.

We believe that CSL's ownership interest in the Company provides with it an economic incentive to assist us to be successful. CSL 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 CSL sells all or a substantial portion of its ownership interest in us, it may have less incentive to assist in our success and its affiliate(s) that are expected to serve as members of our Board of Directors may resign.

Certain of our directors have significant duties with, and spend significant time serving, entities that may compete with us in seeking acquisitions and business opportunities and, accordingly, may have conflicts of interest in allocating time or pursuing business opportunities.

Certain of our directors, who are responsible for managing the direction of our operations, hold positions of responsibility with other entities (including affiliated entities) that are in the oil and natural gas industry. These executive officers and directors may become aware of business opportunities that may be appropriate for presentation to us as well as to the other entities with which they are or may become affiliated. Due to these existing and potential future affiliations, these individuals may present potential business opportunities to other entities prior to presenting them to us, which could cause additional conflicts of interest. They may also decide that certain opportunities are more appropriate for other entities with which they are affiliated, and as a result, they may elect not to present those opportunities to us. These conflicts may not be resolved in our favor.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

We recognize the critical importance of cybersecurity in safeguarding sensitive information, protecting our stakeholders, and maintaining customer trust. Our approach to managing cybersecurity risks, which includes periodic risk assessments, implementing and overseeing governance and policies, an incident response plan, ongoing training and awareness programs, and a commitment to continuous improvement.

Our risk assessment process involves periodic vulnerability assessments and monitoring of emerging threats. Our policies and procedures are designed to ensure compliance with relevant regulations, to consider industry practices, and we periodically review and update them to address evolving cybersecurity risks.

In the event of a cybersecurity incident, we have an incident response plan in place. This plan includes detection, response, and communication with stakeholders. Incident response is supported by appropriate third-party experts to address, assess and respond to the event. The plan calls for the mobilization of a response team including both internal and external resources as well as communication protocols so that event information is shared on a proactive basis. We aim to prioritize transparency and accountability, and we are committed to providing timely and accurate information to our stakeholders in the event of a breach.

We understand the importance of educating our employees about cybersecurity risks, and, over the past two years have initiated awareness and training programs internally specifically targeted to employees with a goal of continually increasing employee education. This initiative aims to foster a culture of cybersecurity awareness and empower our employees to be vigilant in identifying and mitigating potential threats.

Our Vice President of Information Technology reports to the Company's Chief Financial Officer and is the head of the Company's cybersecurity team. This role is responsible for assessing and managing the Company's cyber risk management program, informing senior management regarding the prevention, detection, mitigation, and remediation of cybersecurity incidents and supervising such efforts. Senior leadership has been specifically trained and is credentialed in cybersecurity risk assessment and oversight.

The Audit Committee of the Board of Directors oversees the Company's cybersecurity posture and the steps taken by management to monitor, identify, and mitigate cybersecurity risks. The Information Technology team briefs the Audit Committee on the effectiveness of the Company's cyber risk management program, typically on an annual basis.

We are dedicated to continuous improvement in our cybersecurity program. We regularly monitor, evaluate, and aim to enhance our capabilities through investments in technology, infrastructure, and personnel. Our goal is to try to stay ahead of emerging threats and maintain the highest level of cybersecurity resilience.

In conclusion, by prioritizing cybersecurity, we aim to protect the interests of our stakeholders, promote business continuity, and uphold the trust that our customers place in us. Notwithstanding the approach we take to cybersecurity, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. While the Company maintains cybersecurity insurance, the costs related to cybersecurity threats or disruptions may not be fully insured. See Item 1A. "Risk Factors" for a discussion of cybersecurity risks.

Item 2. Properties

We lease our principal executive offices, which are located at 10350 Richmond, Suite 550, Houston, Texas 77042. As of December 31, 2023, we owned or leased maintenance facilities, yards and field offices around the U.S. and our material properties include the following:

Facility Location and Description	Size of Location*		Leased / Owned	Lease Expiration
High Specification Rigs	(square feet)	(acres)		
Milliken, Colorado	131,390	23.0	Leased	2036
Williston, North Dakota	11,100	5.0	Leased	2029
Pleasanton, Texas	23,325	15.9	Leased	2027
Wharton, Texas	4,200	4.0	Leased	**
Artesia, New Mexico	5,368	1.7	Leased	**
Hobbs, New Mexico	25,950	4.5	Owned	***
Belfield, North Dakota	34,280	34.5	Owned	***
Denver City, Texas	23,000	60.4	Owned	***
Midland, Texas	14,000	16.7	Owned	***
Midland, Texas	47,000	25.9	Owned	***
Odessa, Texas	17,500	1.3	Owned	***
Andrews, Texas	15,341	39.3	Owned	***
Wireline Services				
Midland, Texas	36,320	12.0	Leased	2027
Williston, North Dakota	71,239	13.8	Leased	2027
Casper, Wyoming	12,950	3.2	Leased	**
Processing Solutions and Ancillary Services				
Milliken, Colorado	131,390	23.3	Leased	2036
Ft. Morgan, Colorado	106,700	23.6	Leased	2027

* Includes approximations.

** Month-to-Month lease.

*** Not applicable.

In addition to the properties listed above, we own and lease several smaller facilities, which generally have shorter terms. We do not believe that any single facility is material to our operations and, if necessary, we could readily obtain a replacement facility.

Item 3. Legal Proceedings

Our operations are subject to a variety of risks and disputes normally incident to our business. As a result, we may, at any given time, be a defendant in various legal proceedings and litigation arising in the ordinary course of business. We are not currently a party to any legal proceedings that, if determined adversely against us, individually or in the aggregate, would have a material adverse effect on our business, liquidity position, financial condition, results of operations or prospects. We are, however, named defendants in certain lawsuits, investigations and claims arising in the ordinary course of conducting our business, including employee-related matters, and we expect that we will be named defendants in similar lawsuits, investigations and claims in the future. We maintain insurance policies with insurers in amounts and with coverage and deductibles that we, with the advice of our insurance advisers and brokers, believe are reasonable and prudent. We cannot, however, assure you that this insurance will be adequate to protect us from all material expenses related to potential future claims for personal injury and property damage or that these levels of insurance will be available in the future at economical prices. While the outcome of these lawsuits, investigations and claims cannot be predicted with certainty, we do not expect these matters to have a material adverse impact on our business, results of operations, cash flows or financial condition. Information regarding legal proceedings is presented in “Part II, Item 8. Financial Statements and Supplementary Data—Note 14 — Commitments and Contingencies.”

Item 4. Mine Safety Disclosure

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholders' Matters and Issuer Purchases of Equity Securities

Market Information

Our Class A Common Stock is listed on the NYSE under the symbol “RNGR.” We have a significant number of beneficial stockholders or stockholders whose shares are held in “street name,” where such shares are held by a broker or other nominee, thereby increasing the number holders of record. As of February 29, 2024, there were approximately 90 stockholders of record of our Class A Common Stock.

On March 7, 2023, the Board of Directors announced an intention to initiate a quarterly dividend of $0.05 per share during the year. The Board of Directors approved the initiation of the quarterly dividend, which first became payable on September 8, 2023 to all stockholders of record as of August 18, 2023. Additionally, the Board of Directors declared a second quarterly cash dividend of $0.05 per share payable December 1, 2023 to all stockholders of record as of November 13, 2023. The declaration of any future dividends is subject to the Board of Directors’ discretion and approval.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

We had no sales of unregistered equity securities during the period covered by this Annual Report that were not previously reported in a Current Report on Form 8-K or Quarterly Report on Form 10-Q.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On March 7, 2023, the Company announced that its Board of Directors authorized a share repurchase program, allowing the Company to purchase currently outstanding Class A Common Stock held by non-affiliates, not to exceed $35.0 million in aggregate value. Share repurchases may take place from time to time on the open market or through privately negotiated transactions. The duration of the share repurchase program is 36 months and may be accelerated, suspended or discontinued at any time without notice.

On March 4, 2024, the Company announced that its Board of Directors approved for a new share repurchase program authorization not to exceed $50.0 million in aggregate value. Share repurchases may take place from time to time on the open market or through privately negotiated transactions. The duration of the share repurchase program is 36 months and may be accelerated, suspended or discontinued at any time without notice.

The following table provides information with respect to Class A Common Stock purchases made by the Company during the three months ended December 31, 2023.

Period	Total Number of Shares Repurchased [1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs [3]
October 1, 2023 - October 31, 2023	474	$ 13.94	—	2,272,778
November 1, 2023 - November 30, 2023	326,100	10.47	326,100	2,356,237
December 1, 2023 - December 31, 2023	698,400	10.19	698,400	1,549,992
Total	1,024,974	$ 10.28	1,024,500	1,549,992

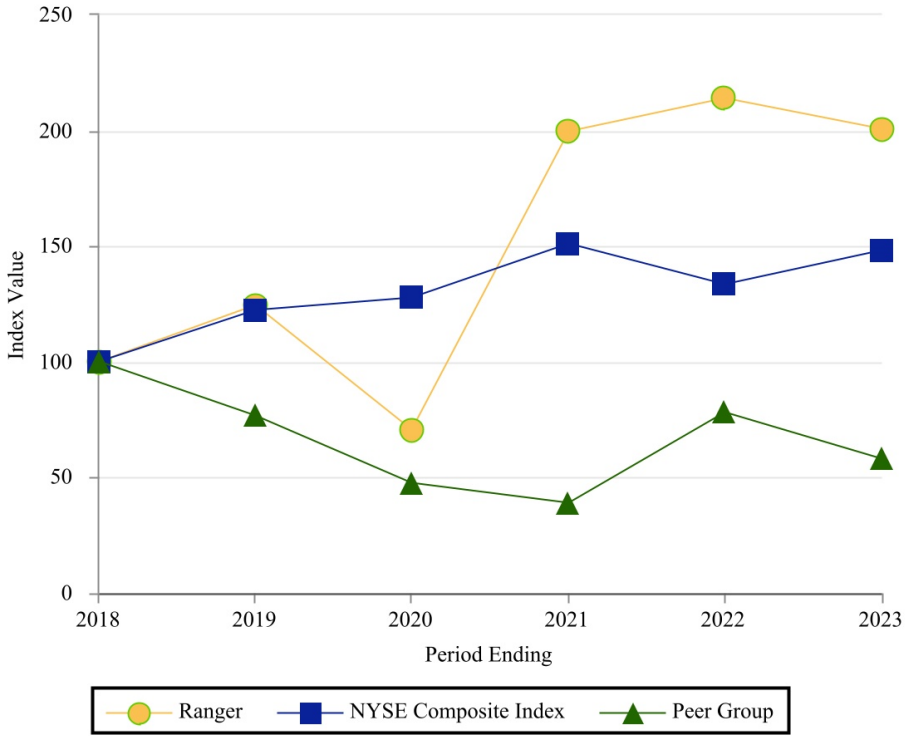
(1) Total number of shares repurchased in the fourth quarter of 2023 consists of 1,024,974 shares of Class A Common Stock, at an average price paid per share of $10.28, withheld by the Company in satisfaction of withholding taxes due upon the vesting of restricted shares granted to our employees under the Ranger Energy Services, Inc. 2017 Long-Term Incentive Plan and 1,024,500 shares of Class A Common Stock, at an average price paid per share of $10.28, repurchased pursuant to the repurchase program that was announced on March 7, 2023.

(2) As of December 31, 2023, an aggregate of 1,806,000 shares of Class A Common Stock were purchased for a total of $19.3 million, net of tax since the inception of the repurchase plan announced on March 7, 2023.

(3) As of December 31, 2023, the maximum number of shares that may yet be purchased under the plan is 1,549,992 shares of Class A Common Stock. This is based on the closing price of $10.23 of Ranger Energy Services, Inc.’s Class A Common Stock on the New York Stock Exchange as of December 31, 2023.

Stock Performance Graph

The graph below presents a comparison of the cumulative total return on our Class A Common Stock, assuming $100 was invested on December 31, 2018 in each of the Company's Class A Common Stock. the NYSE Composite Index and a self- determined peer group, which includes RPC, Inc., ProPetro Holding Corp., Select Water Solutions, Inc., Oil States International, Inc., KLX Energy Services Holdings, Inc., Dril-Quip, Inc., Mammoth Energy Services, Inc., Solaris Oilfield Infrastructure, Inc., and NINE Energy Service, Inc.



The graph and related information should not be deemed "soliciting material" or to be "filed" with the SEC, nor should such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate such information by reference into such a filing. The graph and information is included for historical and comparative purposes only and should not be considered indicative of future stock performance.

Item 6. Selected Financial Data

Reserved.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the historical financial statements and related notes included elsewhere in this Annual Report. This discussion contains "forward-looking statements" reflecting our current expectations, estimates and assumptions concerning events and financial trends that may affect our future operating results or financial position. These statements include certain risks and uncertainties. Please read "Cautionary Statement Regarding Forward-Looking Statements" and he risk factors described under "Part I, Item 1A.-Risk Factors" for more details.

2023 Business Update

Business Outlook

We are a provider of onshore high specification well service rigs and complementary services in the United States. We provide an extensive range of well site services to leading U.S. exploration and production ("E&P") companies that are fundamental to establishing, maintaining and enhancing the flow of oil and natural gas throughout the productive life of a well. Additionally, we serve to assist our customers in decommissioning wells at the end of their economic life. A comprehensive discussion of each of our reporting segments is included below in the section titled How We Evaluate Our Operations.

We operate in most of the active oil and natural gas basins in the United States, including the Permian Basin, Denver-Julesburg Basin, Bakken Shale, Eagle Ford Shale, Haynesville Shale, Gulf Coast, South Central Oklahoma Oil Province and Sooner Trend Anadarko Basin Canadian and Kingfisher Counties plays.

As the Company looks forward in 2024, we expect business opportunities to remain steady as both the U.S. and global economy continues to show resilience and we further expect our financial results to show slight improvement year over year. The International Energy Agency stated that global oil demand is expected to increase by a moderate 1.2 million barrels per day in 2024 as compared to growth of 2.3 million barrels during 2023. Prevailing views anticipate that North and South America production increases will meet this increase in demand keeping the market in balance. With supply and demand to remain in balance, commodity price stability is expected to continue and is expected to be approximately $82 per barrel during 2024.

Acquisitions and Integrations

During 2021, 2022 and 2023, the Company has placed significant focus on acquiring and integrating assets and associated operations, described below, into current business processes. Through these acquisitions and their subsequent integrations, Ranger has continued to refine its business strategies and processes to focus on the performance of the Company and anticipates that acquisitions will continue to play a key role in the business going forward.

The largest of its recent acquisitions took place during the fall of 2021 when Ranger Energy Acquisition, LLC, entered into an Asset Purchase Agreement for certain assets of Basic and certain of its subsidiaries. As consideration for the assets acquired, the Company paid $36.7 million in cash, where such cash was generated through the issuance of Series A Preferred Stock. Purchased assets included well servicing rigs, fishing and rental assets, coiled tubing units, and rolling stock assets required to support the operating assets as well as certain real property. Separately, during 2021, the Company made two additional acquisitions of wireline service providers that operated through Permian, Denver-Julesburg and Powder River Basins and Bakken Shale basins. These acquisitions significantly expanded the scale and scope of the existing wireline business.

During 2023, the Company complemented the earlier acquisitions with the purchase of certain pumping assets and associated equipment to continue to bolster its wireline segment capabilities and remains active in the pursuit of accretive opportunities during 2024.

Internal Controls and Procedures

We and our independent registered public accounting firm identified material weaknesses in our internal control over financial reporting as of December 31, 2022. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023 based on the guidelines established in the Internal Control—Integrated Framework (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on its assessment, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2023. For further information, please see "Part II, Item 9A. Controls and Procedures."

How We Evaluate Our Operations

We provide services within the United States that are organized into three reporting segments, which include: High Specification Rigs, Wireline Services, and Processing Solutions and Ancillary Services, which are described below. The reportable segments have been categorized based on the nature of services provided within each line of business.

Our service offerings consist of well completion support, workover, well maintenance, wireline, other complementary services, as well as installation, commissioning and operating of modular equipment, which are conducted in three reportable segments, as follows:

- *High Specification Rigs.* Provides high specification well service rigs to facilitate operations throughout the life cycle of a well.
- *Wireline Services.* Provides services necessary to bring and maintain a well on production and consists of our completion, production and pump down service lines.
- *Processing Solutions and Ancillary Services.* Provides complimentary services often utilized in conjunction with our High Specification Rigs and Wireline Services segments. The services primarily include equipment rentals, coil tubing, plug and abandonment, snubbing and processing solutions.
- *Other.* Other represents costs not allocable to the reporting segments and includes corporate general and administrative expense and depreciation of corporate furniture and fixtures, amortization, impairments, debt retirements and other items similar in nature.

Financial Metrics

How we Generate Revenue

Rig hours and stage counts, as it relates to our High Specification Rigs and Wireline Services segments, respectively, are important indicators of our activity levels and profitability. Rig hours represent the aggregate number of hours that our well service rigs actively worked, whereas stage counts represent the number of completed stages during the periods presented for the completion service line within our Wireline Services segment. Generally, during the period our services are being provided, our customers are billed on an hourly basis for our high specification rig services or, as it relates to our wireline services, they are billed on an hourly basis for our high specification rigs services. As it relates to our wireline services, services are billed upon the completion of the well, on a monthly basis, or on a per job basis. The rates for which the customer is billed is generally predetermined based upon a contractual agreement.

Costs of Conducting Our Business

The principal costs associated with conducting our business are personnel, repairs and maintenance, general and administrative, and depreciation expense.

Cost of Services. Our primary costs associated with our cost of services are related to personnel expenses, repairs and maintenance of our fixed assets and, additionally, as it relates to our Wireline Services segment, perforating and gun costs. A significant portion of these expenses are variable, and therefore typically managed based on industry conditions and demand for our services. Further, there is generally a correlation between our revenue generated and personnel and repairs and maintenance costs, which are dependent upon the operational activity.

Personnel costs associated with our operational employees represent the most significant cost of our business. A substantial portion of our labor costs is attributable to our field crews and is partly variable based on the requirements of specific customers. A key component of personnel costs relates to the ongoing training of our employees, which improves safety rates and reduces attrition.

General & Administrative. General and administrative expenses are corporate in nature and are included within Other. These costs include the majority of centrally-located company management and administrative personnel and are not attributable to any of our lines of businesses nor reporting segments.

Operating Income or Loss

We analyze our operating income or loss by segment, which we have defined as revenue less cost of services and depreciation expense. We believe this is a key financial metric as it provides insight on profitability and operational performance based on the historical cost basis of our assets.

Adjusted EBITDA

We view Adjusted EBITDA, which is a non-GAAP financial measure, as an important indicator of performance. We define Adjusted EBITDA as net income or loss before net interest expense, income tax expense, depreciation and amortization, equity-based compensation, acquisition-related and severance costs, gain or loss on disposal of assets, significant and unusual legal fees and settlements, and other non-cash and certain other items that we do not view as indicative of our ongoing performance. See "—Results of Operations" and "—Note Regarding Non-GAAP Financial Measure" for more information and reconciliations of net income (loss) to Adjusted EBITDA, the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

Results of Operations

The Year Ended December 31, 2023 compared to the Year Ended December 31, 2022

The following is an analysis of our operating results. See "—How We Evaluate Our Operations" for definitions of rig hours, stage counts and other analogous information, as well as key operating metrics.

	Year Ended December 31,		Variance	
	2023	2022	$	%
Revenue				
High specification rigs	$ 313.3	$ 293.2	$ 20.1	7 %
Wireline Services	199.1	197.0	2.1	1 %
Processing Solutions and Ancillary Services	124.2	118.3	5.9	5 %
Total revenue	636.6	608.5	28.1	5 %
Operating expenses				
Cost of services (exclusive of depreciation and amortization):				
High specification rigs	249.2	232.7	16.5	7 %
Wireline Services	180.7	178.4	2.3	1 %
Processing Solutions and Ancillary Services	101.8	92.8	9.0	10 %
Total cost of services	531.7	503.9	27.8	6 %
General and administrative	29.5	39.9	(10.4)	(26)%
Depreciation and amortization	39.9	44.4	(4.5)	(10)%
Impairment of fixed assets	0.4	1.3	(0.9)	(69)%
Gain on sale of assets	(1.8)	(0.7)	(1.1)	(157)%
Total operating expenses	599.7	588.8	10.9	2 %
Operating income	36.9	19.7	17.2	(87)%
Other (income) expenses				
Interest expense, net	3.5	7.3	(3.8)	(52)%
Loss on debt retirement	2.4	—	2.4	(100)%
Gain on bargain purchase, net of tax	—	(3.6)	3.6	(100)%
Total other (income) expenses	5.9	3.7	2.2	59 %
Income before income tax expense	31.0	16.0	15.0	94 %
Income tax expense	7.2	0.9	6.3	700 %
Net income	$ 23.8	$ 15.1	$ 8.7	58 %

Revenue. Revenue increased $28.1 million, or 5%, to $636.6 million for the year ended December 31, 2023 from $608.5 million for the year ended December 31, 2022. The change in revenue by segment was as follows:

High Specification Rigs. High Specification Rig revenue increased $20.1 million, or 7%, to $313.3 million for the year ended December 31, 2023 from $293.2 million for the year ended December 31, 2022. The increased rig services revenue included an average per rig hour increase of 12% to $703 compared to $625 for the year ended December 31, 2022. Total rig hours decreased 5% to 446,000 for the year ended December 31, 2023 from 469,000 for the year ended December 31, 2022.

Wireline Services. Wireline Services revenue increased $2.1 million, or 1%, to $199.1 million for the year ended December 31, 2023 from $197.0 million for the year ended December 31, 2022. The increased wireline services revenue was primarily attributable to the pump down and production services which accounted for $5.6 million and $5.4 million of the segment increase, respectively. The increase in revenue in production and pump down service lines was offset by a decrease in completion services which accounted for $8.9 million of the segment revenue decrease and included an 18% decrease in completed stage count to 25,600 for the year ended December 31, 2023 from 31,400 for the year ended December 31, 2022. This decrease in completion services was due to the Company's decision to close the completions service line in the South and shift activity from completions work to production.

Processing Solutions and Ancillary Services. Processing Solutions and Ancillary Services revenue increased $5.9 million, or 5%, to $124.2 million for the year ended December 31, 2023 from $118.3 million for the year ended December 31, 2022. The increase in processing solutions and ancillary services revenue is primarily attributable to our plugging and

abandonment, coil tubing and logistics services which accounted for $7.0 million, $4.1 million, and $1.3 million of the segment increase, respectively. This was offset by a decrease in our rentals and snubbing services which accounted for $4.6 million and $2.3 million of the segment decrease, respectively.

Cost of services (exclusive of depreciation and amortization). Cost of services (exclusive of depreciation and amortization) increased $27.8 million, or 6%, to $531.7 million for the year ended December 31, 2023 from $503.9 million for the year ended December 31, 2022. As a percentage of revenue, cost of services was approximately 84% and 83% for the years ended December 31, 2023 and 2022, respectively. The change in cost of services by segment was as follows:

High Specification Rigs. High Specification Rig cost of services increased $16.5 million, or 7%, to $249.2 million for the year ended December 31, 2023 from $232.7 million for the year ended December 31, 2022. The increase was primarily attributable to an increase in variable expenses, notably employee-related labor costs, travel costs, and repair and maintenance costs of $10.6 million, $3.7 million and $2.4 million, respectively. As a percentage of revenue, cost of services increased 1% from the prior year, mostly due to an increase in medical costs of $1.9 million. The increased costs largely correspond with the increase in revenues as inflationary pressures on costs continued during the year.

Wireline Services. Wireline Services cost of services increased $2.3 million, or 1%, to $180.7 million for the year ended December 31, 2023 from $178.4 million for the year ended December 31, 2022. The increase was primarily attributable to the production and pump down service lines which accounted for $7.0 million and $5.3 million of the segment increase, respectively. Costs in these service lines were affected by increasing operational activity, inflationary pressures and investments in growing in select basins. These cost increases were offset by a decrease in completion services costs of $10.2 million as the Company reorganized this service line during the year to focus on more profitable service lines. The Company incurred $1.7 million in related severance and reorganization costs and an $0.8 million increase in medical costs. As a percentage of revenue, cost of services remained flat from the prior year. Across service lines, employee-related labor costs increased most significantly by $1.1 million.

Processing Solutions and Ancillary Services. Processing Solutions and Ancillary Services cost of services increased $9.0 million, or 10%, to $101.8 million for the year ended December 31, 2023 from $92.8 million for the year ended December 31, 2022. The increase in processing solutions and ancillary services is primarily attributable to our plugging and abandonment, coil tubing and logistics services which accounted for $7.7 million, $3.9 million and $0.9 million of the segment increase, respectively. Cost increases in this segment were driven by increasing operational activity, inflationary pressures and growth initiatives.

General and Administrative. General and administrative expenses decreased $10.4 million, or 26%, to $29.5 million for the year ended December 31, 2023 from $39.9 million for the year ended December 31, 2022. The decrease in general and administrative expenses is primarily due to decreases in acquisition and integration related costs in legal, accounting, and professional fees and other integration related matters of $5.3 million. This is slightly offset by an increase in compensation expense due to the build out of internal capabilities.

Depreciation and Amortization. Depreciation and amortization decreased $4.5 million, or 10%, to $39.9 million for the year ended December 31, 2023 from $44.4 million for the year ended December 31, 2022. The decrease was largely attributable to fixed assets disposed of during the year ended December 31, 2023.

Impairment of Fixed Assets. Impairment of fixed assets for the year ended December 31, 2023 decreased $0.9 million, or 69%, to $0.4 million from $1.3 million for the year ended December 31, 2022. The decrease was attributable impairment recognized on a property during the year ended December 31, 2022, which was greater than the impairments recognized during the year ended December 31, 2023.

Interest Expense, net. Net interest expense decreased $3.8 million, or 52%, to $3.5 million for the year ended December 31, 2023 from $7.3 million for the year ended December 31, 2022. The decrease in net interest expense was attributable the decreased principal balances on the debt instruments offset by increases in interest rates across certain instruments.

Income Tax Expense. Income tax expense increased $6.3 million, or 700%, to $7.2 million for the year ended December 31, 2023 from $0.9 million for the year ended December 31, 2022. The increase in income tax expense was attributable to the increased operational activity during the year ended December 31, 2023.

Net Income. Net income for the year ended December 31, 2023 increased $8.7 million, or 58%, to $23.8 million from $15.1 million for the year ended December 31, 2022. Net income for the year ended December 31, 2022 was impacted by expenses related to the Basic Acquisition and lower operating activity and profitability.

Note Regarding Non-GAAP Financial Measure

Adjusted EBITDA is not a financial measure determined in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). We define Adjusted EBITDA as net income or loss before net interest expense, income tax expense, depreciation and amortization, equity-based compensation, gain on disposal of assets, significant and unusual legal fees and settlements legal fees and settlements, and other non-cash and certain other items that we do not view as indicative of our ongoing performance.

We believe Adjusted EBITDA is a useful performance measure because it allows for an effective evaluation of our operating performance when compared to our peers, without regard to our financing methods or capital structure. We exclude the items listed above from net income in arriving at Adjusted EBITDA because these amounts can vary substantially within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income determined in accordance with U.S. GAAP. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are reflected in Adjusted EBITDA. Our presentation of Adjusted EBITDA should not be construed as an indication that our results will be unaffected by the items excluded from Adjusted EBITDA. Our computations of Adjusted EBITDA may not be identical to other similarly titled measures of other companies. The following table presents reconciliations of net income to Adjusted EBITDA, our most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

The Year Ended December 31, 2023 compared to The Year Ended December 31, 2022

The following is an analysis of our Adjusted EBITDA. See "Item 1. Financial Information—Note 15—Segment Reporting" and "—Results of Operations" for further details (in millions).

	High Specification Rigs	Wireline Services	Processing Solutions and Ancillary Services	Other	Total
	Year Ended December 31, 2023				
Net income (loss)	**$ 44.0**	**$ 7.1**	**$ 15.5**	**$ (42.8)**	**$ 23.8**
Interest expense, net	—	—	—	3.5	3.5
Tax expense	—	—	—	7.2	7.2
Depreciation and amortization	20.1	11.3	6.9	1.6	39.9
EBITDA	64.1	18.4	22.4	(30.5)	74.4
Equity based compensation	—	—	—	4.8	4.8
Loss on retirement of debt	—	—	—	2.4	2.4
Gain on disposal of property and equipment	—	—	—	(1.8)	(1.8)
Severance and reorganization costs	—	1.7	—	0.4	2.1
Acquisition related costs	—	—	—	2.1	2.1
Impairment of fixed assets	—	—	—	0.4	0.4
Adjusted EBITDA	$ 64.1	$ 20.1	$ 22.4	$ (22.2)	$ 84.4

	High Specification Rigs	Wireline Services	Processing Solutions and Ancillary Services	Other	Total
	Year Ended December 31, 2022				
Net income (loss)	**$ 34.3**	**$ 7.6**	**$ 20.2**	**$ (47.0)**	**$ 15.1**
Interest expense, net	—	—	—	7.3	7.3
Tax expense	—	—	—	0.9	0.9
Depreciation and amortization	26.2	11.0	5.3	1.9	44.4
EBITDA	60.5	18.6	25.5	(36.9)	67.7
Equity based compensation	—	—	—	3.8	3.8
Gain on disposal of property and equipment	—	—	—	(0.7)	(0.7)
Severance and reorganization costs	—	—	—	1.6	1.6
Acquisition related costs	—	—	—	7.9	7.9
Legal fees and settlements	—	—	—	1.5	1.5
Impairment of fixed assets	—	—	—	1.3	1.3
Gain on bargain purchase, net of tax	—	—	—	(3.6)	(3.6)
Adjusted EBITDA	$ 60.5	$ 18.6	$ 25.5	$ (25.1)	$ 79.5

	High Specification Rigs	Wireline Services	Processing Solutions and Ancillary Services	Other	Total
	Variance ($)				
Net income (loss)	**$ 9.7**	**$ (0.5)**	**$ (4.7)**	**$ 4.2**	**$ 8.7**
Interest expense, net	—	—	—	(3.8)	(3.8)
Tax expense	—	—	—	6.3	6.3
Depreciation and amortization	(6.1)	0.3	1.6	(0.3)	(4.5)
EBITDA	3.6	(0.2)	(3.1)	6.4	6.7
Equity based compensation	—	—	—	1.0	1.0
Loss on retirement of debt	—	—	—	2.4	2.4
Gain on disposal of property and equipment	—	—	—	(1.1)	(1.1)
Severance and reorganization costs	—	1.7	—	(1.2)	0.5
Acquisition related costs	—	—	—	(5.8)	(5.8)
Legal fees and settlements	—	—	—	(1.5)	(1.5)
Impairment of fixed assets	—	—	—	(0.9)	(0.9)
Gain on bargain purchase, net of tax	—	—	—	3.6	3.6
Adjusted EBITDA	$ 3.6	$ 1.5	$ (3.1)	$ 2.9	$ 4.9

Adjusted EBITDA for the year ended December 31, 2023 increased $4.9 million to $84.4 million from $79.5 million for the year ended December 31, 2022. The change by segment was as follows:

High Specification Rigs. High Specification Rigs Adjusted EBITDA increased $3.6 million to $64.1 million from $60.5 million primarily due to an increase in revenue of $20.1 million partially offset by an increase in cost of services of $16.5 million.

Wireline Services. Wireline Services Adjusted EBITDA increased $1.5 million to $20.1 million from $18.6 million due to a strategic decision to close the completions service line in the South U.S. and, as a result of this closure, $1.7 million was added back to Adjusted EBITDA for associated closure costs.

Processing Solutions and Ancillary Services. Processing Solutions and Ancillary Services Adjusted EBITDA decreased $3.1 million to $22.4 million from $25.5 million due to an increase in cost of services of $9.0 million, driven by increasing operational activity, partially offset by an increase in revenue of $5.9 million.

Other. Other Adjusted EBITDA improved $2.9 million for the year ended December 31, 2023 to a loss of $22.2 million from a loss of $25.1 million due to decreased general and administrative expenses, which was related to elevated acquisition and integration costs in legal, accounting and professional fees in the latter half of the prior year. The balances

included in Other reflect other general and administrative costs, which are not directly attributable to High Specification Rigs, Wireline Services or Processing Solutions and Ancillary Services.

Liquidity and Capital Resources

Overview

We require capital to fund ongoing operations, including maintenance expenditures on our existing fleet and equipment, organic growth initiatives, investments and acquisitions. Our primary sources of liquidity have historically been cash generated from operations and borrowings under our credit facilities. As of December 31, 2023, we had total liquidity of $85.1 million, consisting of $15.7 million of cash on hand and availability under our Wells Fargo Revolving Credit Facility of $69.4 million. Under the Wells Fargo Revolving Credit Facility, the total loan capacity was $72.6 million, net of zero borrowings and $3.2 million in Letters of Credit open under the facility. This compares to the Company's available borrowings under the Eclipse Business Capital LLC ("EBC") Revolving Credit Facility of $57.3 million as of December 31, 2022, with the increased liquidity related to reduced debt, new debt instruments and increased operating activity. We strive to maintain financial flexibility and proactively monitor potential capital sources to meet our investment and target liquidity requirements that permit us to manage the cyclicality associated with our business. We currently expect to have sufficient funds to meet the Company's short and long term liquidity requirements and comply with our covenants of our debt agreements. For further details, see "— Debt Agreements."

Cash Flows

The following table presents our cash flows for the periods indicated:

	Year Ended December 31,		Variance	
	2023	2022	$	%
	(in millions)			
Net cash provided by operating activities	$ 90.8	$ 44.5	$ 46.3	104 %
Net cash provided by (used in) investing activities	(29.7)	11.3	(41.0)	(363)%
Net cash used in financing activities	(49.1)	(52.7)	3.6	7 %
Net change in cash	$ 12.0	$ 3.1	$ 8.9	287 %

Operating Activities

Net cash flows from operating activities increased $46.3 million to $90.8 million for the year ended December 31, 2023 compared to $44.5 million for the year ended December 31, 2022. The change in cash flows provided by operating activities is attributable to increased operational activity and efficiencies. Cash provided by working capital increased to $12.9 million for the year ended December 31, 2023 from cash used of $19.1 million for the year ended December 31, 2022 which was largely due to increased cash receipts on outstanding accounts receivable.

Investing Activities

Net cash flows from investing activities decreased $41.0 million to cash used of $29.7 million for the year ended December 31, 2023 compared to cash generated of $11.3 million for the year ended December 31, 2022. When comparing the year ended December 31, 2023 to the year ended December 31, 2022, the change in cash flows used by investing activities can be attributed to significant asset sales during the former period, whereas the latter period involved cash outlay for purchases including the acquisition of certain pumping assets for consideration of $7.3 million as well as certain capital upgrades to place those assets into service estimated at $2 million once complete.

Financing Activities

Net cash flows used in financing activities decreased $3.6 million, or 7%, to cash used of $49.1 million for the year ended December 31, 2023 compared $52.7 million for the year ended December 31, 2022. The change in cash flow is attributable to the utilization of cash generated from operations to pay debt outstanding and initiate a share repurchase program. During the year ended December 31, 2023 the Company paid $2.5 million, net to the Credit Facility, $10.4 million to retire Term Loan A, $19.3 million, net of tax to repurchase Class A Common Stock, and $2.4 million in cash dividends to Class A Common Stock stockholders.

Supplemental Cash Flow Disclosures

During the year ended December 31, 2023, the Company added fixed assets of $10.0 million and $1.1 million primarily related to finance leased assets and asset trades, respectively, across all operating segments. Additionally, the Company paid approximately $1.4 million in interest related to debt and finance leased assets.

Working Capital

Our working capital, which we define as total current assets less total current liabilities, was $66.4 million and $65.6 million as of December 31, 2023 and 2022, respectively. Increasing cash balances coupled with efforts to pay down debt, contributed most significantly to the working capital increase year over year.

Debt Agreements

Wells Fargo Bank, N.A. Credit Agreement

On May 31, 2023, the Company entered into a Credit Agreement with Wells Fargo Bank, N.A., providing the Company with a secured credit facility ("Wells Fargo Revolving Credit Facility") in an aggregate principal amount of up to $75.0 million. Debt under the Credit Agreement is secured by a lien on substantially all of the Company's assets. The Company was in compliance with the Credit Agreement covenant by maintaining a fixed charge coverage ratio of greater than 1.0 as of December 31, 2023.

In addition, on September 25, 2023, the Company entered into an agreement with Wells Fargo Bank, N.A. which designated an additional Letter of Credit in the amount of $1.6 million as part of incremental collateral requirements for the Company's 2023 insurance renewal. This line of credit falls under the Wells Fargo Revolving Credit Facility aggregate principal amount and matures on September 25, 2024. The interest rate for this Letter of Credit was approximately 1.8% for the month ended December 31, 2023.

The Wells Fargo Revolving Credit Facility was drawn in part on May 31, 2023, to repay the Revolving Credit Facility, M&E Term Loan Facility, and the Secured Promissory Note. The undrawn portion of the Wells Fargo Revolving Credit Facility is available to fund working capital and other general corporate expenses and for other-permitted uses, including the financing of permitted investments and restricted payments, such as dividends and share repurchases. The Wells Fargo Revolving Credit Facility is subject to a borrowing base that is calculated based upon a percentage of the Company's eligible accounts receivable less certain reserves. The Company's eligible accounts receivable serve as collateral for the borrowings under the Wells Fargo Revolving Credit Facility, which is scheduled to mature on May 31, 2028. The Wells Fargo Revolving Credit Facility includes an acceleration clause and cash dominion provisions under certain circumstances that permits the administrative agent to sweep cash daily from certain bank accounts into an account of the administrative agent to repay the Company's obligations under the Wells Fargo Revolving Credit Facility. The borrowings of the Wells Fargo Revolving Credit Facility, therefore, will be classified as Long-term debt, current portion on the Condensed Consolidated Balance Sheet.

Under the Wells Fargo Revolving Credit Facility, the total loan capacity is $72.6 million, which is based on a borrowing base certificate in effect as of December 31, 2023. The Company did not have any borrowings under the Wells Fargo Revolving Credit Facility. The Company does have a $3.2 million in Letters of Credit open under the facility, leaving a residual $69.4 million available for borrowings as of December 31, 2023. Borrowings under the Revolving Credit Facility bear interest at a rate per annum ranging from 1.75% to 2.25% in excess of SOFR and 0.75% to 1.25% in excess of the Base Rate, dependent on the average excess availability. The weighted average interest rate for the loan was approximately 7.0% for the year ended December 31, 2023.

Eclipse Loan and Security Agreement

On September 27, 2021, the Company entered into a loan and security agreement with Eclipse Business Capital LLC ("EBC") and Eclipse Business Capital SPV, LLC, as administrative agent providing the Company with a senior secured credit facility in an aggregate principal amount of $77.5 million (the "EBC Credit Facility"), consisting of (i) a revolving credit facility in an aggregate principal amount of up to $50.0 million (the "Revolving Credit Facility"), (ii) a machinery and equipment term loan facility in an aggregate principal amount of up to $12.5 million (the "M&E Term Loan Facility") and (iii) a term loan B facility in an aggregate principal amount of up to $15.0 million (the "Term Loan B Facility").

On May 31, 2023, the Company extinguished the Eclipse Revolving Credit Facility and Eclipse M&E Term Loan Facility, paying the remaining principal amount of $10.4 million associated with the Eclipse M&E Term Loan Facility for the five months ended May 31, 2023. Of this amount, $8.4 million was outstanding at the time of debt extinguishment, and repaid utilizing funds from the Wells Fargo Revolving Credit Facility. The Company recognized a loss on the retirement of debt of $2.4 million in connection with the initiation of the Wells Fargo Revolving Credit Facility.

For the nine months ended September 30, 2022, the Company made principal payments totaling $12.4 million towards the Eclipse Term Loan B Facility, which was fully repaid on August 16, 2022, and $1.5 million towards the Eclipse M&E Term Loan Facility.

Secured Promissory Note

On July 8, 2021, the Company acquired the assets of PerfX Wireline Services ("PerfX"), a provider of wireline services that operated in Williston, North Dakota and Midland, Texas. In connection with the PerfX acquisition, Bravo Wireline, LLC, a wholly owned subsidiary of Ranger, entered into a security agreement with Chief Investments, LLC, as administrative agent, for the financing of certain assets acquired. Borrowings under the Secured Promissory Note bear interest at a rate of 8.5% per annum and was scheduled to mature in January 2024.

For the five months ended May 31, 2023, the Company made principal payments to the Secured Promissory Note totaling $6.2 million, of which $5.4 million was related to the debt extinguishment and was repaid utilizing funds from the Wells Fargo Revolving Credit Facility.

Other Installment Purchases

During the year ended December 31, 2021, the Company entered into various Installment and Security Agreements (collectively, the "Installment Agreements") in connection with the purchase of certain ancillary equipment, where such assets are being held as collateral. As of December 31, 2023, the aggregate principal balance outstanding under the Installment Agreements was $0.1 million and is payable ratably over 36 months from the time of each purchase. For the year ended December 31, 2023, the Company paid down the Installment Agreements by $0.4 million. The monthly installment payments contain an imputed interest rate that are consistent with the Company's incremental borrowing rate and is not significant to the Company.

Capital Returns Program

On March 7, 2023, the Company announced a share repurchase program authorizing the Company to purchase up to $35 million of Class A Common Stock that can be utilized for up to 36 months. Additionally, the Board of Directors announced an intention to initiate a quarterly dividend of $0.05 per share. The Board of Directors approved the initiation of the quarterly dividend, the first of which became payable on September 8, 2023 to all stockholders of record as of August 18, 2023. Additionally, the Board of Directors declared a second quarterly cash dividend of $0.05 per share payable December 1, 2023 to all stockholders of record as of November 13, 2023. The Company believes that a share repurchase and dividend framework provides the best overall value creation potential for investors.

On March 4, 2024, the Company announced that its Board of Directors approved for a new share repurchase program authorization not to exceed $50.0 million in aggregate value that can be utilized for up to 36 months.

Critical Accounting Estimates and Policies

Our financial statements are prepared in accordance with U.S. GAAP. In connection with preparing our financial statements, we are required to make assumptions and estimates about future events, and apply judgments that affect the reported amounts of assets, liabilities, revenue, expense and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time we prepare our Consolidated Financial Statements. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our Consolidated Financial Statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ materially from our assumptions and estimates.

Our significant accounting policies are discussed in our audited Consolidated Financial Statements included elsewhere in this Annual Report. Management believes that the following accounting estimates are those most critical to fully understanding and evaluating our reported financial results, and they require management's most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain.

Property and Equipment

Policy description

Property and equipment is stated at cost or estimated fair market value at the acquisition date less accumulated depreciation. Depreciation is charged to expense on the straight-line basis over the estimated useful life of each asset, with estimated useful lives reviewed by management on an annual basis. Expenditures for major renewals and betterments are capitalized while expenditures for maintenance and repairs are charged to expenses as incurred. Assets under finance lease obligations and leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives. Depreciation does not begin until property and equipment is placed in service. Once placed in service, depreciation on property and equipment continues while being repaired, refurbished or between periods of deployment.

Judgments and assumptions

Accounting for our property and equipment requires us to estimate the expected useful lives of our fleet and related equipment and any related salvage value. The range of estimated useful lives is based on overall size and specifications of the fleet, expected utilization along with continuous repairs and maintenance that may or may not extend the estimated useful lives. To the extent the expenditures extends the expected useful life, these expenditures are capitalized and depreciated over the extended useful life.

Assets Acquired and Liabilities Assumed in Business Combinations

Policy description

The Company accounts for its business combinations under the provisions of Accounting Standards Codification Topic 805-10, Business Combinations ("ASC 805-10"), which requires that the purchase method of accounting be used for all business combinations. Assets acquired and liabilities assumed are recorded at the date of acquisition at their respective fair values. For transactions that are business combinations, the Company evaluates the existence of goodwill. Goodwill represents the excess purchase price over the fair value of the tangible net assets and intangible assets acquired in a business combination. ASC 805-10 also specifies criteria that intangible assets acquired in a business combination must meet to be recognized and reported apart from goodwill. Acquisition-related expenses are recognized separately from the business combinations and are expensed as incurred.

Judgments and assumptions

The determination and allocation of fair values to the identifiable assets acquired and liabilities assumed are based on various assumptions and valuation methodologies requiring considerable management judgment. The most significant variables in these valuations are discount rates and the number of years on which to base the cash flow projections, as well as other assumptions and estimates used to determine the cash inflows and outflows. Management determines discount rates based on the risk inherent in the acquired assets, specific risks, industry beta and capital structure of guideline companies. The valuation of an acquired business is based on available information at the acquisition date and assumptions that are believed to be reasonable. However, a change in facts and circumstances as of the acquisition date can result in subsequent adjustments during the measurement period, but no later than one year from the acquisition date.

Long-lived Asset Impairment

Policy description

We evaluate the recoverability of the carrying value of long-lived assets, including property and equipment and intangible assets, whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

Judgments and assumptions

Our impairment analysis requires us to apply judgment in identifying impairment indicators and estimating future undiscounted cash flows of our fleets. If actual results are not consistent with our assumptions and estimates or our assumptions and estimates change due to new information, we may be exposed to an impairment charge. Key assumptions used to determine the undiscounted future cash flows include estimates of future fleet utilization and demands based on our assumptions around future commodity prices and capital expenditures of our customers.

Income Taxes

Policy description

The Company provides for income tax expense based on the liability method of accounting for income taxes. Deferred tax assets and liabilities are recorded based upon differences between the tax basis of assets and liabilities and their carrying values for financial reporting purposes and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized. A release of a valuation allowance would result in the recognition of an increase in deferred tax assets and an income tax benefit in the period in which the release occurs, although the exact timing and amount of the release is subject to change based on numerous factors, including our projections of future taxable income, which we continue to assess based on available information each reporting period.

Judgments and assumptions

The establishment of a valuation allowance requires significant judgment and is impacted by various estimates. Both positive and negative evidence, as well as the objectivity and verifiability of that evidence, is considered in determining the appropriateness of recording a valuation allowance on deferred tax assets. Under U.S. GAAP, the valuation allowance is recorded to reduce the Company's deferred tax assets to an amount that is more likely than not to be realized and is based upon the uncertainty of the realization of certain federal and state deferred tax assets related to net operating loss carryforwards and other tax attributes.

Equity-Based Compensation

Policy description

We record equity-based payments at fair value on the date of the grant, and expense the value of these awards in compensation expense over the applicable vesting periods.

Judgments and assumptions

We estimate the fair value of our performance stock units using an option pricing model that includes certain assumptions, such as volatility, dividend yield and the risk-free interest rate. Changes in these assumptions could change the fair value of our unit-based awards and associated compensation expense in our consolidated statements of operations.

Recent Accounting Pronouncements

For information regarding new accounting policies or updates to existing accounting policies as a result of new accounting pronouncements, please refer to Recent Accounting Pronouncements included in "Item 8. Financial Statements and Supplementary Data—Note 2 — Summary of Significant Accounting Policies"

Smaller Reporting Company Status

The Company is a "smaller reporting company" as defined by Rule 12b-2 of the Exchange Act. Smaller reporting company means an issuer that is not an investment company, an asset-back issuer, or a majority-owned subsidiary of a parent that is not a smaller reporting company and that (i) has a market value of common stock held by non-affiliates of less than $250 million; or (i) has annual revenue of less than $100 million and either no common stock held by non-affiliates or a market value of common stock held by non-affiliates of less than $700 million. Smaller reporting company status is determined on an annual basis.

Item 7A. Quantitative and Qualitative Disclosures about Market Risks

The demand, pricing and terms for oil and natural gas services provided by us are largely dependent upon the level of activity for the U.S. oil and natural gas industry. Industry conditions are influenced by numerous factors over which we have no control, including, but not limited to: the supply of and demand for oil and natural gas; the level of prices, and expectations about future prices of oil and natural gas; the cost of exploring for, developing, producing and delivering oil and natural gas; the expected rates of declining current production; the discovery rates of new oil and natural gas reserves; available pipeline and other transportation capacity; weather conditions; domestic and worldwide economic conditions; political instability in oil-producing countries; environmental regulations; technical advances affecting energy consumption; the price and availability of alternative fuels; the ability of oil and natural gas producers to raise equity capital and debt financing; and merger and divestiture activity among oil and natural gas producers.

Interest Rate Risk

We are exposed to interest rate risk, primarily associated with our Wells Fargo Revolving Credit Facility and Financing Agreement. As of December 31, 2023, the Company had no debt outstanding under the Wells Fargo Revolving Credit Facility, with a weighted average interest rate of 7.0%. We do not currently hedge our interest rate exposure. We do not engage in derivative transactions for speculative or trading purposes.

Credit Risk

The majority of our trade receivables have payment terms of 30 days or less. As of December 31, 2023, the top three trade net receivable balances represented 14%, 13% and 7%, respectively, of consolidated accounts receivable. Within our High Specification Rig segment, the top three net trade receivable balances represented 20%, 20% and 12%, respectively, of total High Specification Rig net accounts receivable. Within our Wireline Services segment, the top three net trade receivable balances represented 13%, 10% and 10%, respectively, of total Wireline Services net accounts receivable. Within our Processing Solutions and Ancillary Services segment, the top three trade receivable balances represented 15%, 13% and 11%, respectively, of total Processing Solutions and Ancillary Services net accounts receivable. We mitigate the associated credit risk by performing credit evaluations and monitoring the payment patterns of our customers.

Commodity Price Risk

The market for our services is indirectly exposed to fluctuations in the prices of oil and natural gas to the extent such fluctuations impact the activity levels of our E&P customers. Any prolonged substantial reduction in oil and natural gas prices would likely affect oil and natural gas production levels and therefore affect demand for our services. We do not currently intend to hedge our indirect exposure to commodity price risk.

Item 8. Financial Statements and Supplementary Data

RANGER ENERGY SERVICES, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and the Stockholders of
Ranger Energy Services, Inc.
Houston, Texas

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Ranger Energy Services, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2023, the related consolidated statements of operations, stockholders' equity, and cash flows for the year ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated March 5, 2024 expressed an unqualified opinion.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Section 382 Ownership Change

As described further in Note 12 to the consolidated financial statements, the Company concluded an ownership change occurred during the year as defined by Section 382 of the Internal Revenue Code of 1986 ("Section 382"). Upon the occurrence of a Section 382 ownership change, there are limitations on the utilization of certain net operating loss carryforwards. We identified the conclusion that an ownership change occurred under Section 382 as a critical audit matter.

The principal consideration for our determination that the conclusion that an ownership change occurring under Section 382 is a critical audit matter is that there are significant judgments required by management in interpreting and applying Section

382 to determine whether an ownership change has occurred. This determination required challenging and complex auditor judgment and the need to involve tax specialists when performing audit procedures to evaluate management's conclusion.

Our audit procedures related to the critical audit matter included the following, among others:

- We tested the effectiveness of controls over the review of the analysis and conclusion related to the Company's determination of whether a change in ownership occurred under Section 382.
- We tested the mathematical accuracy of the calculations in management's analysis.
- With the assistance of our tax specialists, we evaluated the Company's analysis of whether a change in ownership occurred, including management's process for interpreting Section 382.

/s/ Grant Thornton, LLP

We have served as the Company's auditor since 2023.

Houston, Texas

March 5, 2024

Report of Independent Registered Public Accounting Firm

To the Board of Directors and the Stockholders of
Ranger Energy Services, Inc.
Houston, Texas

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Ranger Energy Services, Inc. (the "Company") as of December 31, 2022, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022, and the results of its operations and its cash flows for the year then ended**,** in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provide a reasonable basis for our opinion.

/s/ BDO USA, LLP

We served as the Company's auditor from 2016 to 2022.

Houston, Texas

March 13, 2023

RANGER ENERGY SERVICES, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except share and per share amounts)

	December 31,	
	2023	**2022**
Assets		
Cash and cash equivalents	$ 15.7	$ 3.7
Accounts receivable, net	85.4	91.2
Contract assets	17.7	26.9
Inventory	6.4	5.9
Prepaid expenses	9.6	9.2
Assets held for sale	0.6	3.2
Total current assets	135.4	140.1
Property and equipment, net	226.3	221.6
Intangible assets, net	6.3	7.1
Operating leases, right-of-use assets	9.0	11.2
Other assets	1.0	1.6
Total assets	$ 378.0	$ 381.6
Liabilities and Stockholders' Equity		
Accounts payable	$ 31.3	$ 24.3
Accrued expenses	29.6	36.1
Other financing liability, current portion	0.6	0.7
Long-term debt, current portion	0.1	6.8
Short-term lease liability	7.3	6.6
Other current liabilities	0.1	—
Total current liabilities	69.0	74.5
Long-term lease liability	14.9	13.1
Other financing liability	11.0	11.6
Long-term debt, net	—	11.6
Deferred tax liability	11.3	4.6
Total liabilities	106.2	115.4
Commitments and contingencies (Note 14)		
Stockholders' equity		
Preferred stock, $0.01 per share; 50,000,000 shares authorized; no Series A shares issued and outstanding as of December 31, 2023 and 2022	—	—
Class A Common Stock, $0.01 par value, 100,000,000 shares authorized; 25,756,017 shares issued and 23,398,689 shares outstanding as of December 31, 2023; 25,446,292 shares issued and 24,894,464 shares outstanding as of December 31, 2022	0.3	0.3
Class B Common Stock, $0.01 par value, 100,000,000 shares authorized; no shares issued or outstanding as of December 31, 2023 and 2022	—	—
Less: Class A Common Stock held in treasury at cost; 2,357,328 treasury shares as of December 31, 2023 and 551,828 treasury shares as of December 31, 2022	(23.1)	(3.8)
Retained earnings	28.4	7.1
Additional paid-in capital	266.2	262.6
Total stockholders' equity	271.8	266.2
Total liabilities and stockholders' equity	$ 378.0	$ 381.6

The accompanying notes are an integral part of these Consolidated Financial Statements.

RANGER ENERGY SERVICES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except share and per share amounts)

	Years Ended December 31,	
	2023	**2022**
Revenue		
High specification rigs	$ 313.3	$ 293.2
Wireline services	199.1	197.0
Processing solutions and ancillary services	124.2	118.3
Total revenue	636.6	608.5
Operating expenses		
Cost of services (exclusive of depreciation and amortization):		
High specification rigs	249.2	232.7
Wireline services	180.7	178.4
Processing solutions and ancillary services	101.8	92.8
Total cost of services	531.7	503.9
General and administrative	29.5	39.9
Depreciation and amortization	39.9	44.4
Impairment of fixed assets	0.4	1.3
Gain on sale of assets	(1.8)	(0.7)
Total operating expenses	599.7	588.8
Operating income	36.9	19.7
Other (income) expenses		
Interest expense, net	3.5	7.3
Loss on debt retirement	2.4	—
Gain on bargain purchase, net of tax	—	(3.6)
Total other (income) expenses	5.9	3.7
Income before income tax expense	31.0	16.0
Income tax expense	7.2	0.9
Net income	23.8	15.1
Income per common share		
Basic	$ 0.97	$ 0.66
Diluted	$ 0.95	$ 0.65
Weighted average common shares outstanding		
Basic	24,600,151	22,969,623
Diluted	24,991,494	23,370,598

The accompanying notes are an integral part of these Consolidated Financial Statements.

RANGER ENERGY SERVICES, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in millions, except shares)

	Years Ended December 31,			
	2023	2022	2023	2022
	Quantity		Amount	
Series A Preferred Stock				
Balance, beginning of year	—	6,000,001	$ —	$ 0.1
Shares converted to Class A Common Stock	—	(6,000,001)	—	(0.1)
Balance, end of year	—	—	$ —	$ —
Shares, Class A Common Stock				
Balance, beginning of year	25,446,292	18,981,172	$ 0.3	$ 0.2
Issuance of shares under share-based compensation plans	403,034	484,459	—	—
Shares withheld for taxes on equity transactions	(93,309)	(119,340)	—	—
Issuance of shares from Series A Preferred Stock conversion	—	6,000,001	—	0.1
Issuance in connection with acquisitions	—	100,000	—	—
Balance, end of year	25,756,017	25,446,292	$ 0.3	$ 0.3
Treasury Stock				
Balance, beginning of year	(551,828)	(551,828)	$ (3.8)	$ (3.8)
Repurchase of Class A Common Stock	(1,805,500)	—	$ (19.3)	$ —
Balance, end of year	(2,357,328)	(551,828)	$ (23.1)	$ (3.8)
Retained earnings				
Balance, beginning of year			$ 7.1	$ (8.0)
Net income			23.8	15.1
Dividends declared			(2.5)	—
Balance, end of year			$ 28.4	$ 7.1
Additional paid-in capital				
Balance, beginning of year			$ 262.6	$ 260.2
Equity based compensation			4.6	3.6
Shares withheld for taxes on equity transactions			(1.0)	(1.2)
Balance, end of year			$ 266.2	$ 262.6
Total stockholder's equity				
Balance, beginning of year			$ 266.2	$ 248.7
Net income			23.8	15.1
Dividends declared			(2.5)	—
Equity based compensation			4.6	3.6
Shares withheld for taxes on equity transactions			(1.0)	(1.2)
Repurchase of Class A Common Stock			(19.3)	—
Balance, end of year			$ 271.8	$ 266.2

The accompanying notes are an integral part of these Consolidated Financial Statements.

RANGER ENERGY SERVICES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Years Ended December 31,	
	2023	**2022**
Cash Flows from Operating Activities		
Net income	$ 23.8	$ 15.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	39.9	44.4
Equity based compensation	4.8	3.8
Gain on disposal of property and equipment	(1.8)	(0.7)
Impairment of fixed assets	0.4	1.3
Gain on bargain purchase, net of tax	—	(3.6)
Deferred income tax expense	6.6	0.4
Loss on debt retirement	2.4	—
Other expense, net	2.3	1.1
Changes in operating assets and liabilities		
Accounts receivable	5.3	(10.7)
Contract assets	9.2	(13.9)
Inventory	(0.9)	(3.4)
Prepaid expenses and other current assets	(0.4)	(0.8)
Other assets	2.1	(1.9)
Accounts payable	6.6	2.8
Accrued expenses	(7.2)	5.8
Other current liabilities	0.3	1.1
Other long-term liabilities	(2.6)	3.7
Net cash provided by operating activities	90.8	44.5
Cash Flows from Investing Activities		
Purchase of property and equipment	(36.5)	(13.8)
Proceeds from disposal of property and equipment	6.8	24.3
Purchase of businesses, net of cash received	—	0.8
Net cash provided by (used in) investing activities	(29.7)	11.3
Cash Flows from Financing Activities		
Borrowings under Revolving Credit Facility	325.2	582.8
Principal payments on Revolving Credit Facility	(327.7)	(608.4)
Principal payments on Eclipse M&E Term Loan Facility	(10.4)	(2.1)
Principal payments under Eclipse Term Loan B Facility	—	(12.4)
Deferred financing costs	(0.7)	—
Principal payments on Secured Promissory Note	(6.2)	(4.1)
Payments on Other Installment Purchases	(0.4)	(0.5)
Principal payments on financing lease obligations	(5.4)	(4.5)
Principal payments on other financing liabilities	(0.8)	(2.3)
Shares withheld on equity transactions	(1.0)	(1.2)
Dividends paid to Class A Common Stock stockholders	(2.4)	—
Repurchase of Class A Common Stock	(19.3)	—
Net cash used in financing activities	(49.1)	(52.7)
Increase in Cash and Cash equivalents	12.0	3.1
Cash and Cash Equivalents, Beginning of Year	3.7	0.6
Cash and Cash Equivalents, End of Year	$ 15.7	$ 3.7
Supplemental Cash Flow Information		
Interest paid	$ 1.4	$ 1.2
Supplemental Disclosure of Non-cash Investing and Financing Activities		
Capital expenditures included in accounts payable and accrued liabilities	$ (0.5)	$ 0.2
Additions to fixed assets through installment purchases and financing leases	$ (10.0)	$ (5.5)
Additions to fixed assets through asset trades	$ (1.1)	$ —

The accompanying notes are an integral part of these Consolidated Financial Statements.

RANGER ENERGY SERVICES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Organization and Business Operations

Business

Ranger Energy Services, Inc. ("Ranger, Inc.," "Ranger," "we," "us," "our" or the "Company") is a provider of onshore high specification well service rigs, wireline services, and additional processing solutions and ancillary services in the U.S. The Company provides an extensive range of well site services to leading U.S. E&P companies that are fundamental to establishing and maintaining the flow of oil and natural gas throughout the productive life of a well.

Our service offerings consist of well completion support, workover, well maintenance, wireline, and other complementary services, as well as installation, commissioning and operating of modular equipment, which are conducted in three reportable segments, as follows:

- *High Specification Rigs*. Provides high specification well service rigs and complementary equipment and services to facilitate operations throughout the lifecycle of a well.
- *Wireline Services*. Provides services necessary to bring and maintain a well on production and consists of our wireline completion, wireline production and pump down lines of business.
- *Processing Solutions and Ancillary Services*. Provides other services often utilized in conjunction with our High Specification Rigs and Wireline Services segments. These services include equipment rentals, plug and abandonment, logistics, snubbing and coil tubing, and processing solutions.

The Company's operations take place in most of the active oil and natural gas basins in the U.S., including the Permian Basin, Denver-Julesburg Basin, Bakken Shale, Eagle Ford Shale, Haynesville, Gulf Coast, South Central Oklahoma Oil Province and Sooner Trend, Anadarko Basin, and Canadian and Kingfisher Counties plays.

Organization

Ranger Inc. was incorporated as a Delaware corporation in February 2017. In conjunction with the initial public offering of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), which closed on August 16, 2017 (the "Offering"), and the corporate reorganization Ranger Inc. underwent in connection with the Offering, Ranger Inc. became a holding company, and its sole material assets consist of membership interests in RNGR Energy Services, LLC, a Delaware limited liability company ("Ranger LLC"). Ranger LLC owns all of the outstanding equity interests in Ranger Energy Services, LLC ("Ranger Services") and Torrent Energy Services, LLC ("Torrent Services"), and the other subsidiaries through which it operates its assets. Ranger LLC is the sole managing member of Ranger Services and Torrent Services, and is responsible for all operational, management and administrative decisions relating to Ranger Services, its subsidiaries, and Torrent Services' business and consolidates the financial results of Ranger Services, its subsidiaries, and Torrent Services.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying audited Consolidated Financial Statements of the Company have been prepared in accordance with U.S. GAAP and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). In the opinion of management, all material adjustments, which are of a normal and recurring nature, necessary for the fair presentation of the financial results for all periods presented have been reflected. All intercompany balances and transactions have been eliminated.

We have made a certain reclassification to our prior period operating activities amount where Gain on disposal of property and equipment has been itemized separately from Other expense, net for year-over-year comparability purposes. This reclassification does not have an impact on our consolidated operating results, cash flows or financial position.

Use of Estimates

The preparation of Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenue and expenses during the reporting period. Management uses historical and other pertinent information to determine these estimates. Actual results could differ from such estimates. Areas where critical accounting estimates are made by management include:

- Depreciation and amortization of property and equipment and intangible assets;
- Assets acquired and liabilities assumed in business combinations;
- Impairment of property and equipment and intangible assets;
- Income taxes; and
- Equity-based compensation.

Significant Accounting Policies

Cash and Cash Equivalents

All highly liquid investments with an original maturity of three months or less are considered cash equivalents. The Company maintains its cash accounts in financial institutions that are insured by the Federal Deposit Insurance Corporation. From time to time, cash balances may exceed the insured amounts, however, the Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks.

Accounts Receivable, net

Accounts receivable, net are stated at the amount management expects to collect from outstanding balances. Before extending credit, the Company reviews a customer's credit history and generally does not require collateral from its customers. The allowance for credit losses is established as losses are estimated and are recorded through a provision for bad debts. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for credit losses is evaluated on a regular basis by management and based on past experience and other factors, which, in management's judgment, deserve current recognition in estimating possible bad debts. Such factors include growth and composition of accounts receivable, the relationship of the allowance for credit losses to accounts receivable and current economic conditions. The allowance for credit losses was $3.8 million and $3.0 million for the years ended December 31, 2023 and 2022, respectively. Bad debt expense recorded for the years ended December 31, 2023 and 2022 was $0.9 million and $0.2 million, respectively.

	Balance at Beginning of Year	Charged to Operations	Written Off	Balance at End of Year
Allowance for Credit Losses				
2023	$ 3.0	$ 0.9	$ (0.1)	$ 3.8
2022	$ 2.8	$ 0.2	$ —	$ 3.0

Inventories

Inventories are carried at the lower of cost or net realizable value and primarily consists of supplies held for the Wireline Services segment. The Company accounts for inventory using the weighted average cost method.

Leases

Right-of-use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease, discounted at an annual incremental borrowing rate ("IBR"). ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Variable lease payments are excluded from the ROU asset and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. For certain leases, where variable lease payments are incurred and relate primarily to common area maintenance, in substance fixed payments are included in the ROU asset and lease liability. For those leases that do not provide an implicit rate, we use an IBR based on the estimated rate of interest for a fully collateralized, fully amortizing loan over a similar term of the lease payments at commencement date. ROU assets also include any lease payments made and exclude lease incentives. Lease terms do not include options to extend or terminate the lease, as management does not consider them reasonably certain to exercise at this time. Leases with terms of 12 months or less are considered short-term leases and therefore payments are recorded as an expense on a straight-line basis over the lease term. Any lease and non-components are combined.

Operating Leases

The Company enters into operating leases, primarily for real estate, with terms that vary from less than 12 months to nine years, where certain of the leases contain escalation clauses. The operating leases are included in Short-term lease liability and Long-term lease liability in the Consolidated Balance Sheets. Lease costs associated with our yards and field

offices are included in Cost of Services and our executive offices are included in General and Administrative expenses in the Consolidated Statements of Operations.

Finance Leases

The Company enters into lease arrangements for certain equipment, which are considered finance leases and generally have a term of three to five years. The assets and liabilities under finance leases are recorded at the lower of present value of the minimum lease payments or the fair value of the assets. The assets are amortized over the shorter of the estimated useful lives or over the lease term. The finance leases are included in Property and equipment, net, Short-term lease liability and Long-term lease liability in our Consolidated Balance Sheets.

Property and Equipment, net

Property and equipment is stated at cost or estimated fair market value at the acquisition date less accumulated depreciation. Depreciation is charged to expense on the straight-line basis over the estimated useful life of each asset. Expenditures for major renewals and betterments are capitalized while expenditures for maintenance and repairs are charged to expenses as incurred. Depreciation does not begin until property and equipment is placed in service. Once placed in service, depreciation on property and equipment continues while being repaired, refurbished or between periods of deployment.

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets, including property and equipment and intangible assets, whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

Intangible Assets

Identified intangible assets with determinable lives consist of customer relationships. Customer relationships are straight-line amortized over their estimated useful lives.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. In valuing certain assets and liabilities, the inputs used to measure fair value may fall into different levels of the fair value hierarchy, which are summarized, as follows:

Level 1—Quoted prices in active markets for identical assets and liabilities.

Level 2—Other significant observable inputs.

Level 3—Significant unobservable inputs.

The Company’s financial instruments consist of cash and cash equivalents, accounts receivables and accounts payables and debt. The fair value of cash and cash equivalents, accounts receivables and accounts payables, which are determined to be Level 1 measurements, approximate fair value due to the short-term nature of these instruments. The carrying value reported for debt approximates fair value because the underlying instruments are at interest rates which approximate current market rates and is considered Level 3 in the fair value hierarchy The Company did not have any assets or liabilities that were measured at fair value on a recurring basis at December 31, 2023 and 2022.

Revenue Recognition

In determining the appropriate amount of revenue to be recognized as the Company fulfills the obligations under its contracts with customers, the following steps must be performed at contract inception: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when, or as the Company satisfies each performance obligation.

The services of each segment are based on mutually agreed upon pricing with the customer prior to the services being performed and, given the nature of the services, do not include any warranty or right of return. Pricing for services are offered at hourly or daily rates, where the rates are, in part, determined by when services are performed and the nature of the specific

job, with consideration for the extent of equipment, labor and consumables needed. Accordingly, the agreed-upon pricing is considered to be variable consideration. Pricing for equipment rentals is based on fixed monthly service fees.

We satisfy our performance obligation over time as the services are performed. The Company believes the output method is a reasonable measure of progress for the satisfaction of our performance obligations, which are satisfied over time, as it provides a faithful depiction of (i) our performance toward complete satisfaction of the performance obligation under the contract and (ii) the value transferred to the customer of the services performed under the contract. The Company elected the "right to invoice" practical expedient for recognizing revenue. The Company invoices customers upon completion of the specified services and collection generally occurs within the payment terms agreed upon with customers. Accordingly, there is no financing component to our arrangements with customers.

The Company will periodically incur costs to fulfill contracts with customers and will defer such costs over the earlier of 12 months or the estimated number of months in which they are expected to be consumed. The deferred costs are included within Prepaid assets on the Consolidated Balance Sheets as of December 31, 2023 and 2022. During the years ended December 31, 2023 and 2022, the Company recognized deferred expenses of $0.8 million and $0.7 million, respectively.

All revenue transactions are presented on a net of sales tax in the Consolidated Statements of Operations.

Contract Balances

Contract assets representing the Company's rights to consideration for work completed but not billed amounted to $17.7 million and $26.9 million as of December 31, 2023 and 2022, respectively. Substantially all of the contract assets as of December 31, 2023 and 2022 were invoiced during the subsequent periods.

The Company does not have any contract liabilities included in the Consolidated Balance Sheets as of December 31, 2023 and 2022.

Income Taxes

The Company provides for income tax expense based on the liability method of accounting for income taxes. Deferred tax assets and liabilities are recorded based upon differences between the tax basis of assets and liabilities and their carrying values for financial reporting purposes and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The establishment of a valuation allowance requires significant judgment and is impacted by various estimates. Both positive and negative evidence, as well as the objectivity and verifiability of that evidence, is considered in determining the appropriateness of recording a valuation allowance on deferred tax assets. Under U.S. GAAP, the valuation allowance is recorded to reduce the Company's deferred tax assets to an amount that is more likely than not to be realized and is based upon the uncertainty of the realization of certain federal and state deferred tax assets related to net operating loss carryforwards and other tax attributes. The ultimate realization of the deferred tax assets depends on the generation of sufficient taxable income.

As the Company continues to experience increasing profits and no longer has a trailing 3-year cumulative taxable loss, we currently believe that it is more likely than not to fully utilize all deferred tax assets including those associated with the net operating loss carry-forward. Accordingly, the Company released all valuation allowances of $1.7 million previously recorded resulting in a discrete tax benefit for the year ended December 31, 2023. Deferred tax expense or benefit is the result of changes in deferred tax assets and liabilities and associated valuation allowances during the period. The impact of an uncertain tax position taken or expected to be taken on an income tax return is recognized in the financial statements at the largest amount that is more likely than not to be sustained upon examination by the relevant taxing authority.

The income tax provision reflects the full benefit of all positions that have been taken in the Company's income tax returns, except to the extent that such positions are uncertain and fall below the recognition requirements. In the event that the Company determines that a tax position meets the uncertainty criteria, an additional liability or benefit will result. The amount of unrecognized tax benefit requires management to make significant assumptions about the expected outcomes of certain tax positions included in filed or yet to be filed tax returns. As of December 31, 2023 and 2022, the Company did not have any uncertain tax positions. The Company is subject to income taxes in the United States and in numerous state tax jurisdictions. The Company's tax filings for 2023, 2022, 2021 and 2020 are subject to audit by the federal and state taxing authorities in most jurisdictions where we conduct business. None of the Company's federal or state tax returns are currently under examination. In the event our tax filings are audited, we may be subject to assessments of additional taxes that are resolved with the authorities or through the courts.

Equity-Based Compensation

The Consolidated Financial Statements reflect various equity-based compensation awards granted by Ranger Inc. These awards include restricted stock awards and performance stock units. The Company recognizes compensation expense related to equity-based awards based on the estimated fair value of the awards on the date of grant. The fair value of the equity-based awards on the grant date is generally recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the respective awards. The fair value of the restricted stock awards are estimated using the market price of the Company's shares on the grant date. The fair value of the performance stock units are estimated using an option pricing model that includes certain assumptions, such as volatility, dividend yield and the risk-free interest rate. Changes in these assumptions could change the fair value of our unit-based awards and associated compensation expense in our Consolidated Statements of Operations. Forfeitures of all equity-based compensation are recognized as they occur.

New Accounting Pronouncements

Recently adopted accounting standards

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses, which replaces the incurred loss impairment methodology to reflect expected credit losses. The amendment requires the measurement of all expected credit losses for financial assets held at the reporting date to be performed based on historical experience, current conditions and reasonable and supportable forecasts. ASU 2016-13 is effective for annual and interim periods beginning after December 15, 2022. The Company adopted this standard on January 1, 2023. This adoption did not have a material impact on the Company's Consolidated Financial Statements.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform - Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions for accounting contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships and other transactions that reference the London Interbank Offering Rate ("LIBOR") or another reference rate expected to be discontinued due to the reference rate reform. ASU 2020-04 became effective as of March 12, 2020 and can be applied through December 31, 2022, recently amended by ASU 2022-06 which has delayed the application date through December 31, 2024. On September 23, 2022, the Company entered into the Fourth Amendment to the Loan and Security Agreement (the Eclipse Loan and Security Agreement, as amended through and including the Fourth Amendment, the "Amended Loan Agreement") with Eclipse Business Capital LLC ("EBC") and Eclipse Business Capital SPV, LLC where the Secured Overnight Financing Rate ("SOFR") replaced LIBOR as the reference rate for interest on borrowings, effective October 1, 2022. On May 31, 2023, the Company entered into a Credit Agreement with Wells Fargo, NA. with SOFR as the reference rate for interest on borrowings.

Recent Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued Accounting Standards Update No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"), which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance is to be applied retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued Accounting Standards Update No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"), which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures.

Note 3 — Assets Held for Sale

Assets held for sale include the net book value of assets the Company plans to sell within the next 12 months and are related to excess assets acquired from the Basic Energy Services, In. ("Basic") acquisition. Long-lived assets that meet the held for sale criteria are held for sale and reported at the lower of their carrying value or fair value less estimated costs to sell.

As of December 31, 2023, the Company classified $0.6 million of land and buildings within our High Specification Rigs segment as held for sale as they are being actively marketed. For the year ended December 31, 2023, the Company recognized a gain on assets previously classified as held for sale of $1.9 million and recognized a loss on the sale of assets previously held in Property and equipment, net of $0.1 million, which nets to the $1.8 million gain on sale of assets on the Consolidated Statements of Operations.

Note 4 — Property and Equipment, Net

Property and equipment include the following (in millions):

	Estimated Useful Life (Years)	December 31, 2023	December 31, 2022
High specification rigs	15	$ 138.4	$ 138.0
Machinery and equipment	3 - 30	189.2	179.3
Vehicles	3 - 15	53.8	46.9
Other property and equipment	5 - 25	19.9	21.3
Property and equipment		401.3	385.5
Less: accumulated depreciation		(196.6)	(167.2)
Construction in progress		21.6	3.3
Property and equipment, net		$ 226.3	$ 221.6

On August 9, 2023, pursuant to an asset purchase agreement dated August 4, 2023, the Company acquired certain fixed assets from Pegaso Energy Services, LLC ("Pegaso acquisition") for consideration of $7.3 million paid in cash. The fixed assets acquired from Pegaso were primarily engaged in pump down services for its customers. Under ASC 805 Business Combination, the Company accounted for the Pegaso acquisition as an asset acquisition. The consideration paid is similar to the fair value of the assets acquired and the Company allocated the consideration paid to each of the assets following the cost accumulation model. As of December 31, 2023, eight of the fifteen acquired pumps are in service. As of December 31, 2023, all acquired assets are classified as construction in progress. The Company is completing repairs on these assets prior to transfer to depreciable fixed asset accounts.

Depreciation expense was $39.2 million and $43.7 million for the years ended December 31, 2023 and 2022, respectively. For the year ended December 31, 2022, the Company modified the estimated useful life of high specification rigs from 20 years to 15 years and determined the impact on depreciation was immaterial. The Company had assets under finance leases of $12.4 million and $11.7 million for the years ended December 31, 2023 and 2022, respectively. The Company reclassified $0.6 million and $9.0 million of property and equipment to Assets held for sale for the years ended December 31, 2023 and 2022, respectively.

Impairment expense on fixed assets consists of non-cash impairment charges relating to long-lived assets. Impairments are determined using management's judgment about our anticipated ability to continue to use fixed assets in-service and under development, current economic and market conditions and their effects based on information available as of the date of these unaudited interim condensed financial statements. During the years ended December 31, 2023 and 2022, the Company recognized a fixed assets impairment charge of $0.4 million and $1.3 million, respectively, to reduce the carrying value of the property to estimated net realizable value.

Note 5 — Intangible Assets, Net

Definite lived intangible assets are comprised of the following (in millions):

	Estimated Useful Life (Years)	December 31, 2023	December 31, 2022
Customer relationships	10-18	$ 11.4	$ 11.4
Less: accumulated amortization		(5.1)	(4.3)
Intangible assets, net		$ 6.3	$ 7.1

Amortization expense was $0.7 million for each of the years ended December 31, 2023 and 2022. Amortization expense for the future periods is expected to be as follows (in millions):

For the years ending December 31,	Amount
2024	$ 0.7
2025	0.7
2026	0.7
2027	0.7
2028	0.5
Thereafter	3.0
Total	$ 6.3

Note 6 — Accrued Expenses

Accrued expenses are comprised of the following (in millions):

	December 31,	
	2023	2022
Accrued payables	$ 13.0	$ 15.9
Accrued compensation	13.7	12.5
Accrued taxes	1.7	2.1
Accrued insurance	1.2	5.6
Accrued expenses	$ 29.6	$ 36.1

Note 7 — Leases

Operating Leases

The Company has operating leases, primarily for real estate and equipment, with terms that vary from one to nine years, included in operating lease costs in the table below. The operating leases are included in Short-term lease liability and Long-term lease liability in the Consolidated Balance Sheets.

Lease costs associated with yard and field offices are included in cost of services and executive offices are included in general and administrative costs in the Consolidated Statements of Operations. Lease costs and other information related to operating leases are as follows (in millions):

	Years Ended December 31,	
	2023	2022
Short-term lease costs	$ 16.6	$ 13.9
Operating lease cost	$ 3.2	$ 3.0
Operating cash outflows from operating leases	$ 3.1	$ 2.8
Weighted average remaining lease term	3.5 years	4.5 years
Weighted average discount rate	8.1 %	8.1 %

As of December 31, 2023, aggregate future minimum lease payments under operating leases are as follows (in millions):

For the years ending December 31,	Total
2024	$ 3.2
2025	3.3
2026	2.9
2027	1.7
2028	0.2
Total future minimum lease payments	11.3
Less: amount representing interest	(1.5)
Present value of future minimum lease payments	9.8
Less: current portion of operating lease obligations	(2.6)
Long-term portion of operating lease obligations	$ 7.2

Finance Leases

The Company leases certain assets, primarily automobiles, under finance leases with terms that are generally three to five years. The assets and liabilities under finance leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are amortized over the shorter of the estimated useful lives or over the lease term. The finance leases are included in Property and equipment, net, Short-term lease liability and Long-term lease liability in the Consolidated Balance Sheets.

Lease costs and other information related to finance leases are as follows (in millions):

	Years Ended December 31,	
	2023	2022
Amortization of finance leases	$ 4.0	$ 2.2
Interest on lease liabilities	$ 1.7	$ 0.9
Financing cash outflows from finance leases	$ 5.4	$ 4.5
Weighted average remaining lease term	2.7 years	1.6 years
Weighted average discount rate	5.8 %	3.7 %

As of December 31, 2023, aggregate future minimum lease payments under finance leases are as follows (in millions):

For the years ending December 31,	2023
2024	$ 5.7
2025	4.3
2026	2.8
2027	1.5
Total future minimum lease payments	14.3
Less: amount representing interest	(1.9)
Present value of future minimum lease payments	12.4
Less: current portion of finance lease obligations	(4.7)
Long-term portion of finance lease obligations	$ 7.7

Note 8 — Other Financing Liabilities

The Company has sale, lease-back agreements for land and certain other fixed assets with terms that vary from 18 months to 13 years. The sales did not qualify for sale accounting, therefore these leases were classified as finance leases and no gain or loss was recorded. The net book value of the assets remained in Property and equipment, net and are depreciating over their original useful lives.

As of the year ended December 31, 2023, aggregate future lease payments of the financing liabilities are as follows (in millions):

For the twelve months ending December 31,	Total
2024	$ 0.6
2025	0.7
2026	0.7
2027	0.8
2028	0.8
Thereafter	8.0
Total future minimum lease payments	$ 11.6

Note 9 — Debt

The aggregate carrying amounts, net of issuance costs, of the Company's debt consists of the following (in millions):

	December 31,	
	2023	2022
Wells Fargo Revolving Credit Facility	$ —	$ —
Eclipse Revolving Credit Facility	$ —	$ 1.4
Eclipse M&E Term Loan, net	—	10.4
Secured Promissory Note	—	6.1
Installment Purchases	0.1	0.5
Total Debt	0.1	18.4
Current portion of long-term debt	(0.1)	(6.8)
Long term-debt, net	$ —	$ 11.6

Wells Fargo Bank, N.A. Credit Agreement

On May 31, 2023, the Company entered into a Credit Agreement with Wells Fargo Bank, N.A., providing the Company with a secured credit facility ("Wells Fargo Revolving Credit Facility") in an aggregate principal amount of up to $75.0 million. Debt under the Credit Agreement is secured by a lien on substantially all of the Company's assets. The Company was in compliance with the Credit Agreement covenant by maintaining a fixed charge coverage ratio of greater than 1.0 as of December 31, 2023.

In addition, on September 25, 2023, the Company entered into an agreement with Wells Fargo Bank, N.A. which designated an additional Letter of Credit in the amount of $1.6 million as part of incremental collateral requirements for the Company's 2023 insurance renewal. This line of credit falls under the Wells Fargo Revolving Credit Facility aggregate principal amount and matures on September 25, 2024. The interest rate for this Letter of Credit was approximately 1.8% for the month ended December 31, 2023.

The Wells Fargo Revolving Credit Facility was drawn in part on May 31, 2023, to repay the Revolving Credit Facility, M&E Term Loan Facility, and the Secured Promissory Note. The undrawn portion of the Wells Fargo Revolving Credit Facility is available to fund working capital and other general corporate expenses and for other-permitted uses, including the financing of permitted investments and restricted payments, such as dividends and share repurchases. The Wells Fargo Revolving Credit Facility is subject to a borrowing base that is calculated based upon a percentage of the Company's eligible accounts receivable less certain reserves. The Company's eligible accounts receivable serve as collateral for the borrowings under the Wells Fargo Revolving Credit Facility, which is scheduled to mature on May 31, 2028. The Wells Fargo Revolving Credit Facility includes an acceleration clause and cash dominion provisions under certain circumstances that permits the administrative agent to sweep cash daily from certain bank accounts into an account of the administrative agent to repay the Company's obligations under the Wells Fargo Revolving Credit Facility. The borrowings of the Wells Fargo Revolving Credit Facility, therefore, will be classified as Long-term debt, current portion on the Condensed Consolidated Balance Sheet.

Under the Wells Fargo Revolving Credit Facility, the total loan capacity is $72.6 million, which is based on a borrowing base certificate in effect as of December 31, 2023. The Company did not have any borrowings under the Wells Fargo Revolving Credit Facility. The Company does have a $3.2 million in Letters of Credit open under the facility, leaving a residual $69.4 million available for borrowings as of December 31, 2023. Borrowings under the Revolving Credit Facility bear interest at a rate per annum ranging from 1.75% to 2.25% in excess of SOFR and 0.75% to 1.25% in excess of the Base Rate, dependent on the average excess availability. The weighted average interest rate for the loan was approximately 7.0% for the year ended December 31, 2023.

Eclipse Loan and Security Agreement

On September 27, 2021, the Company entered into a loan and security agreement with Eclipse Business Capital LLC ("EBC") and Eclipse Business Capital SPV, LLC, as administrative agent providing the Company with a senior secured credit facility in an aggregate principal amount of $77.5 million (the "EBC Credit Facility"), consisting of (i) a revolving credit facility in an aggregate principal amount of up to $50.0 million (the "Revolving Credit Facility"), (ii) a machinery and equipment term loan facility in an aggregate principal amount of up to $12.5 million (the "M&E Term Loan Facility") and (iii) a term loan B facility in an aggregate principal amount of up to $15.0 million (the "Term Loan B Facility").

On May 31, 2023, the Company extinguished the Eclipse Revolving Credit Facility and Eclipse M&E Term Loan Facility, paying the remaining principal amount of $10.4 million associated with the Eclipse M&E Term Loan Facility for the five months ended May 31, 2023. Of this amount, $8.4 million was outstanding at the time of debt extinguishment, and repaid utilizing funds from the Wells Fargo Revolving Credit Facility. The Company recognized a loss on the retirement of debt of $2.4 million in connection with the initiation of the Wells Fargo Revolving Credit Facility.

For the nine months ended September 30, 2022, the Company made principal payments totaling $12.4 million towards the Eclipse Term Loan B Facility, which was fully repaid on August 16, 2022, and $1.5 million towards the Eclipse M&E Term Loan Facility

Secured Promissory Note

On July 8, 2021, the Company acquired the assets of PerfX Wireline Services ("PerfX"), a provider of wireline services that operated in Williston, North Dakota and Midland, Texas. In connection with the PerfX acquisition, Bravo Wireline, LLC, a wholly owned subsidiary of Ranger, entered into a security agreement with Chief Investments, LLC, as administrative agent, for the financing of certain assets acquired. Borrowings under the Secured Promissory Note bear interest at a rate of 8.5% per annum and was scheduled to mature in January 2024.

For the five months ended May 31, 2023, the Company made principal payments to the Secured Promissory Note totaling $6.2 million, of which $5.4 million was related to the debt extinguishment and was repaid utilizing funds from the Wells Fargo Revolving Credit Facility.

Other Installment Purchases

During the year ended December 31, 2021, the Company entered into various Installment and Security Agreements (collectively, the "Installment Agreements") in connection with the purchase of certain ancillary equipment, where such assets are being held as collateral. As of December 31, 2023, the aggregate principal balance outstanding under the Installment Agreements was $0.1 million and is payable ratably over 36 months from the time of each purchase. For the year ended December 31, 2023, the Company paid down the Installment Agreements by $0.4 million. The monthly installment payments contain an imputed interest rate that are consistent with the Company's incremental borrowing rate and is not significant to the Company.

Debt Obligations and Scheduled Maturities

As of December 31, 2023, the $0.1 million aggregate future principal repayments of total debt is scheduled to mature in 2024.

Note 10 — Equity

Class A Common Stock

Equity Based Compensation

Overview

The Company has a Long-Term Incentive Plan ("LTIP") for executives, employees, consultants and non-employee directors, under which awards can be granted in the form of stock options, stock appreciation rights, restricted stock awards ("RSAs"), restricted stock units, performance awards, dividend equivalents, other stock-based awards, cash awards and substitute awards. Subject to adjustment in accordance with the terms of the LTIP, 3,850,000 shares of Class A Common Stock have been reserved for issuance pursuant to awards under the LTIP. Class A Common Stock withheld to satisfy exercise prices or tax withholding obligations will be available for delivery pursuant to other awards. The LTIP will be administered by the Board or an alternative committee appointed by the Board.

RSAs

The Company has granted RSAs, which generally vest in three equal annual installments beginning on the first anniversary date of the grant. The aggregate fair value of RSAs granted during the years ended December 31, 2023 and 2022 was $4.7 million and $4.9 million, respectively. As of December 31, 2023, there was an aggregate of $4.0 million of unrecognized expense related to RSAs issued, which are expected to be recognized over a weighted average period of 1.5 years.

The following table summarizes the unvested activity for RSAs during the years ended December 31, 2023 and 2022:

	Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Vesting Period
Unvested at January 1, 2022	840,461		
Granted	490,447	$ 9.95	1.9 years
Forfeited	(141,562)		
Vested	(446,322)		
Unvested at December 31, 2022	743,024	$ 8.27	1.5 years
Granted	436,231	$ 10.83	1.9 years
Forfeited	(181,714)		
Vested	(381,319)		
Unvested at December 31, 2023	616,222	$ 10.04	1.5 years

Performance Stock Units ("PSUs")

The Company has granted performance awards to certain key employees, in the form of PSUs, which are earned based on the achievement of certain market factors and performance targets at the discretion of the Board of Directors. The PSUs are subject to a three-year measurement period during which the number of Class A Common Stock to be issued in settlement of the PSUs remains uncertain until the end of the measurement period and will generally cliff vest based on the level of achievement with respect to the applicable performance criteria. Subsequent to such measurement period, the vesting of PSUs is subject to certification by the Board of Directors. As defined in the respective PSU agreements, the performance criteria applicable to these awards is relative and absolute total stockholder return ("TSR"). Achievement with respect to the relative TSR criteria is determined by the Company's TSR compared to the TSR of the defined peer group during the measurement period. Achievement with respect to the absolute TSR criteria is based on a measurement of the Company's stock price growth during the measurement period.

The PSUs that were granted during the years ended December 31, 2023 and 2022 will cliff vest, subject to the achievement of applicable performance criteria and certification by the Board of Directors, on March 15, 2024, December 31, 2024 and December 31, 2025, respectively. As of December 31, 2023, there was an aggregate of $2.5 million of unrecognized compensation cost related to PSUs.

The following table summarizes the unvested activity for PSUs during the years ended December 31, 2023 and 2022:

	Relative			Absolute		
	Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Vesting Period	Shares	Weighted Average Grant Date Fair Value	Weighted Average Remaining Vesting Period
Unvested at January 1, 2022	106,101			106,103		
Granted	50,448	$ 14.11		50,447	$ 12.69	
Forfeited	(35,777)			(35,776)		
Vested	(19,068)			(19,069)		
Unvested at December 31, 2022	101,704			101,705		
Granted	87,176	$ 15.08	2.8 years	85,573	$ 12.08	2.8 years
Vested	(11,659)			(10,056)		
Unvested at December 31, 2023	177,221		1.2 years	177,222		1.2 years

Share Repurchases

On March 7, 2023, the Company announced a share repurchase program allowing the Company to purchase Class A Common Stock held by non-affiliates, not to exceed $35.0 million in aggregate value. Share repurchases may take place in any transaction form as allowable by the Securities and Exchange Commission. Approval of the program by the Board of Directors of the Company is specific for the next 36 months.

During the year ended December 31, 2023, the Company repurchased 1,806,000 shares of the Company's Class A Common Stock for an aggregate $19.3 million, net of tax on the open market. The Company has accrued stock repurchase excise tax of $0.2 million for the year ended December 31, 2023.

On March 4, 2024, the Company announced that its Board of Directors approved for a new share repurchase program authorization not to exceed $50.0 million in aggregate value. Share repurchases may take place in any transaction form as allowable by the Securities and Exchange Commission. Approval of the program by the Board of Directors of the Company is specific for the next 36 months.

Dividends

On August 7, 2023, the Company's Board of Directors declared a cash dividend of $0.05 per share of Class A Common Stock. On September 8, 2023, the Company paid dividend distributions totaling $1.2 million to stockholders of record as of the close of business on August 18, 2023. The declaration of any future dividends is subject to the Board of Directors' discretion and approval.

On October 31, 2023, the Company's Board of Directors declared a cash dividend of $0.05 per share of Class A Common Stock. On December 1, 2023, the Company paid dividend distributions totaling $1.2 million to stockholders of record as of the close of business on November 13, 2023. The declaration of any future dividends is subject to the Board of Directors' discretion and approval.

Warrant from PerfX Acquisition

The PerfX acquisition purchase price included a warrant to acquire a 30% ownership in the XConnect Business ("XConnect"), which expires on July 8, 2031. XConnect is the manufacturer of a perforating gun system developed by the PerfX sellers alongside the PerfX wireline service business. The warrant requires the Company to maintain a specific minimum level of purchases of XConnect's manufactured products. Should the Company fail to maintain the specified minimum level of purchases, a forfeiture event would occur; however, the Company may elect to cure the forfeiture event through a cash payment to XConnect. If the Company elects to not cure the forfeiture event, the ownership percentage would reduce to 15%. Upon the occurrence of a second uncured forfeiture event, the warrant is deemed to be cancelled. The value of the warrant by the Company is negligible as of December 31, 2023. The Company finalized the purchase price allocation in the fourth quarter of 2021.

Note 11 — Risk Concentrations

Customer Concentrations

During the year ended December 31, 2023, two customers, accounted for approximately 10% each of the Company's consolidated revenue. As of December 31, 2023, approximately 20% of the consolidated accounts receivable balance was due from these customers.

For the year ended December 31, 2022, one customer accounted for approximately 10% of the Company's consolidated revenue. As of December 31, 2022, approximately 9% of the consolidated accounts receivable balance, in aggregate, was due from this customer.

Note 12 — Income Taxes

The Company operates exclusively within the U.S. and is subject to U.S. federal and various state income tax. The effective U.S. federal income tax rate applicable to the Company for the years ended December 31, 2023 and 2022 was 23% and 6%, respectively. Total income tax expense for the year ended December 31, 2023 differed from amounts computed by applying the U.S. federal statutory tax rate of 21% primarily due to the impact of state income taxes as well as certain non-deductible expenses offset by the benefit from the release of a previously recorded valuation allowance against deferred tax assets and for the year ended December 31, 2022 primarily due to the change in valuation allowance of $1.5 million and bargain purchase gain of $0.8 million.

Historically, utilization of a portion of the Company's net operating loss carryforwards has been subject to limitations of utilization under Section 382 of the Internal Revenue Code of 1986 ("Section 382"), as amended. The Company incurred an ownership change, triggering another Section 382 loss limitation, during the three months ended June 30, 2023.

As the Company continues to experience increasing profits and no longer has a trailing 3-year cumulative taxable loss, we currently believe that it is more likely than not to fully utilize all deferred tax assets including those associated with the net operating loss carry-forward. Accordingly, the Company released all valuation allowances previously recorded resulting in a discrete tax benefit for the period ended September 30, 2023.

	Years Ended December 31,	
	2023	2022
Current expense		
Federal	$ 0.1	$ —
State	0.2	0.5
Total current expense	0.3	0.5
Deferred expense		
Federal	5.6	0.2
State	1.3	0.2
Total deferred expense	6.9	0.4
Income tax expense	$ 7.2	$ 0.9

A reconciliation of the expected income tax expense on income before income taxes using the statutory federal income tax rate of 21% for 2023 and 2022 to income tax expense follows (in millions):

	December 31,	
	2023	2022
Income before income taxes	$ 31.0	$ 16.0
Statutory rate	21 %	21 %
Income tax expense computed at statutory rate	$ 6.5	$ 3.4
Reconciling items		
State income taxes, net of federal tax benefit	1.2	0.7
Bargain purchase gain	—	(0.8)
Valuation allowance	(1.7)	(1.5)
Meals	0.7	—
Non-deductible expenses and other	0.5	(0.9)
Income tax expense	$ 7.2	$ 0.9

As of December 31, 2023, the Company has net operating loss carryforwards of approximately $57.9 million, all of which are subject to section 382 limitations. Of this amount, $51.5 million of losses carryforward indefinitely with the remaining loss carried forward expiring beginning in 2034.

The tax effects of the cumulative temporary differences resulting in the net deferred income tax liability, which are shown in Deferred tax liability on the consolidated balance sheet, are as follows (in millions):

	December 31,	
	2023	2022
Deferred income tax assets		
Net operating loss carryforward	$ 12.9	$ 16.0
Stock based compensation	1.6	1.2
Valuation allowance	—	(1.7)
Right-of-use liability	2.2	2.7
Other	1.7	1.8
Net deferred income tax asset	$ 18.4	$ 20.0
Deferred income tax liabilities		
Property and equipment	(27.3)	(21.8)
Right-of-use assets	(2.1)	(2.5)
Other	(0.3)	(0.3)
Deferred income tax liability	(29.7)	(24.6)
Net deferred income tax liability	$ (11.3)	$ (4.6)

Other tax matters

The Company is subject to the following material taxing jurisdictions: the United States and Texas. As of December 31, 2023, the Company had no current tax years under audit. The Company remains subject to examination for federal income taxes and state income taxes for tax years 2020 through 2023.

The Company has evaluated all tax positions for which the statute of limitations remains open and believes that the material positions taken would more likely than not be sustained upon examination. Therefore, as of December 31, 2023, the Company had not established any reserves for, nor recorded any unrecognized benefits related to, uncertain tax positions.

Note 13 — Earnings per Share

Earnings per share is based on the amount of earnings allocated to the stockholders and the weighted average number of shares outstanding during the period for each class of common stock. Diluted earnings, or loss, per share is computed giving effect to all potentially dilutive shares. The following table presents the Company's calculation of basic and diluted loss per share for the years ended December 31, 2023 and 2022 (in millions, except share and per share data):

	Years Ended December 31,	
	2023	2022
Income (numerator):		
Basic:		
Income attributable to Ranger Energy Services, Inc.	$ 23.8	$ 15.1
Net income attributable to Class A Common Stock	$ 23.8	$ 15.1
Diluted:		
Income attributable to Ranger Energy Services, Inc.	$ 23.8	$ 15.1
Net income attributable to Class A Common Stock	$ 23.8	$ 15.1
Weighted average shares (denominator):		
Weighted average number of shares - basic	24,600,151	22,969,623
Equity compensation awards	391,343	400,975
Weighted average number of shares - diluted	24,991,494	23,370,598
Basic earnings per share	$ 0.97	$ 0.66
Diluted earnings per share	$ 0.95	$ 0.65

Note 14 — Commitments and Contingencies

Legal Matters

From time to time, the Company is involved in various legal matters arising in the normal course of business. The Company does not believe that the ultimate resolution of these currently pending matters will have a material adverse effect on its consolidated financial position or results of operations.

Note 15 — Related Party Transactions

Stockholders' Agreement

In connection with the Offering, Ranger entered into a stockholders' agreement (the "Stockholders' Agreement") with the Legacy Owners and the Bridge Loan Lenders (defined below). Among other things, the Stockholders' Agreement provides CSL and Bayou Wells Holdings Company, LLC ("Bayou Holdings") with the right to designate nominees to Ranger's Board of Directors (each, as applicable, a "CSL Director" or "Bayou Director") as follows:

- for so long as CSL beneficially owns at least 50% of Ranger's common stock, at least three members of the Board of Directors shall be CSL Directors and at least two members of the Board of Directors shall be Bayou Directors (which may include Brett Agee or any other person that may be designated by Bayou Holdings in accordance with the terms of the Stockholders' Agreement);
- for so long as CSL beneficially owns less than 50% but at least 30% of Ranger's common stock, at least three members of the Board of Directors shall be CSL Directors;
- for so long as CSL beneficially owns less than 30% but at least 20% of Ranger's common stock, at least two members of the Board of Directors shall be CSL Directors;
- for so long as CSL beneficially owns less than 20% but at least 10% of Ranger's common stock, at least one member of the Board of Directors shall be a CSL Director; and
- once CSL beneficially owns less than 10% of Ranger's common stock, CSL will not have any Board designation rights.

In the event the size of Ranger's Board of Directors is increased or decreased at any time to other than eight directors, CSL's nomination rights will be proportionately increased or decreased, respectively, rounded up to the nearest whole number.

Registration Rights Agreement

On August 16, 2017, in connection with the closing of the Offering, the Company entered into a Registration Rights Agreement (the "Registration Rights Agreement") with certain stockholders (the "Holders").

Pursuant to, and subject to the limitations set forth in the Registration Rights Agreement, at any time after the 180-day lock-up period, the Holders have the right to require the Company, by written notice, to prepare and file a registration statement registering the offer and sale of a number of their shares of Class A Common Stock. Reasonably in advance of the filing of any such registration statement, the Company is required to provide notice of the request to all other Holders who may participate in the registration. The Company is required to use all commercially reasonable efforts to maintain the effectiveness of any such registration statement until all shares covered by such registration statement have been sold. Subject to certain exceptions, the Company is not obligated to effect such a registration within 90 days after the closing of any underwritten offering of shares of Class A Common Stock requested by the Holders pursuant to the Registration Rights Agreements. The Company is also not obligated to effect any registration where such registration has been requested by the holders of Registrable Securities (as defined in the Registration Rights Agreement) which represent less than $25 million, based on the five-day volume weighted average trading price of the Class A Common Stock on the New York Stock Exchange.

In addition, pursuant to the Registration Rights Agreement, the Holders have the right to require the Company, subject to certain limitations set forth therein, to effect a distribution of any or all of their shares of Class A Common Stock by means of an underwritten offering. Further, subject to certain exceptions, if at any time the Company proposes to register an offering of its equity securities or conduct an underwritten offering, whether or not for its account, then the Company must notify the Holders of such proposal at least three business days before the anticipated filing date or commencement of the underwritten offering, as applicable, to allow them to include a specified number of their shares in that registration statement or underwritten offering, as applicable.

These registration rights are subject to certain conditions and limitations, including the right of the underwriters to limit the number of shares to be included in a registration or offering and the Company's right to delay or withdraw a registration statement under certain circumstances. The Company will generally pay all registration expenses in connection with its obligations under the Registration Rights Agreement, regardless of whether a registration statement is filed or becomes effective.

The obligations to register shares under the Registration Rights Agreement will terminate as to any Holder when the Registrable Securities held by such Holder are no longer subject to any restrictions on trading under the provisions of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), including any volume or manner of sale restrictions. Registrable Securities means all shares of Class A Common Stock owned at any particular point in time by a Holder other than shares (i) sold pursuant to an effective registration statement under the Securities Act, (ii) sold in a transaction pursuant to Rule 144 under the Securities Act, (iii) that have ceased to be outstanding or (iv) that are eligible for resale without restriction and without the need for current public information pursuant to any section of Rule 144 under the Securities Act.

Payments and Purchases

The Company incurred $0.2 million and $0.3 million in expenses to CSL and other board members for the years ended December 31, 2023 and 2022, respectively. For the year ended December 31, 2022, amounts collected from Board member Brett Agee was approximately $0.2 million for asset sales.

Note 16 — Segment Reporting

The Company's operations are located in the United States and organized into three reporting segments: High Specification Rigs, Wireline Services, and Processing Solutions and Ancillary Services. The reportable segments comprise the structure used by the Chief Operating Decision Maker ("CODM") to make key operating decisions and assess performance during the years presented in the accompanying Consolidated Financial Statements. The reportable segments have been categorized based on services provided in each line of business. The tables below present the operating income (loss) measurement, as the Company believes this is most consistent with the principals used in measuring the financial statements.

During the fourth quarter of 2022, the Company determined fixed assets are routinely utilized across multiple segments and Management does not utilize the net property and equipment value as a metric to evaluate the profitability of the respective segments. Therefore, the net property and equipment values have been removed from the segment data presented below.

Segment information for the years ended December 31, 2023 and 2022 is as follows (in millions):

	Year Ended December 31, 2023				
	High Specification Rigs	Wireline Services	Processing Solutions and Ancillary Services	Other	Total
Revenue	$ 313.3	$ 199.1	$ 124.2	$ —	$ 636.6
Cost of services	249.2	180.7	101.8	—	531.7
General and administrative	—	—	—	29.5	29.5
Depreciation and amortization	20.1	11.3	6.9	1.6	39.9
Impairment of fixed assets	—	—	—	0.4	0.4
Gain on sale of assets	—	—	—	(1.8)	(1.8)
Operating income (loss)	44.0	7.1	15.5	(29.7)	36.9
Interest expense, net	—	—	—	3.5	3.5
Income tax expense	—	—	—	7.2	7.2
Loss on debt retirement	—	—	—	2.4	2.4
Net income (loss)	$ 44.0	$ 7.1	$ 15.5	$ (42.8)	$ 23.8
Capital expenditures	$ 17.7	$ 16.7	$ 13.7	$ —	$ 48.1

	Year Ended December 31, 2022				
	High Specification Rigs	Wireline Services	Processing Solutions and Ancillary Services	Other	Total
Revenue	$ 293.2	$ 197.0	$ 118.3	$ —	$ 608.5
Cost of services	232.7	178.4	92.8	—	503.9
General and administrative	—	—	—	39.9	39.9
Depreciation and amortization	26.2	11.0	5.3	1.9	44.4
Impairment of fixed assets	—	—	—	1.3	1.3
Gain on sale of assets	—	—	—	(0.7)	(0.7)
Operating income (loss)	34.3	7.6	20.2	(42.4)	19.7
Interest expense, net	—	—	—	7.3	7.3
Income tax expense	—	—	—	0.9	0.9
Gain on bargain purchase, net of tax	—	—	—	(3.6)	(3.6)
Net income (loss)	$ 34.3	$ 7.6	$ 20.2	$ (47.0)	$ 15.1
Capital expenditures	$ 8.2	$ 4.4	$ 6.5	$ —	$ 19.1

Note 17 — Subsequent Events

In 2020, the U.S. government enacted the Coronavirus Aid, Relief and Security Act (the "CARES Act") as a response to the COVID-19 pandemic, aiming to offer certain reliefs. Among the stimulus measures included in the CARES Act is a provision for an Employee Retention Credit ("ERC"), a refundable tax credit for employers who retained employees on the payroll during the pandemic. We are currently in the process of finalizing claims and anticipate receiving payment from the United States Internal Revenue Service with respect to the ERC in 2024.

In 2024, the Company has continued repurchasing shares in the open market. Total shares repurchased through February 29, 2024 amounts to 736,800 shares of the Company's Class A Common Stock for an aggregate $7.3 million.

On March 4, 2024, the Company announced that its Board of Directors approved for a new share repurchase program authorization not to exceed $50.0 million in aggregate value. Additionally, the Board of Directors declared a quarterly cash dividend of $0.05 per share payable April 5, 2024 to common stockholders of record at the close of business on March 15, 2024. The declaration of any future dividends is subject to the Board of Directors' discretion and approval.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

Not applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company's reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Internal control over financial reporting includes policies and procedures that provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external reporting purposes in accordance with U.S. GAAP. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded properly to allow for the preparation of financial statements in accordance with GAAP and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use, or disposition of our assets that could have a material effect on the Consolidated Financial Statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Also, any evaluation of the effectiveness of controls in future periods are subject to the risk that those internal controls may become inadequate because of changes in business conditions, or that the degree of compliance with the policies or procedures my deteriorate.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023 based on the guidelines established in the Internal Control—Integrated Framework (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on its assessment, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2023.

Grant Thornton, LLP, the independent registered public accounting firm, has audited the consolidated financial statements as of and for the year ended December 31, 2023 and the effectiveness of the Company's internal control over financial reporting as of December 31, 2023, as stated in their report which appears under Item 8.

Remediation of Previously Reported Material Weaknesses

As previously disclosed in Part II, 9A. Controls and Procedures from the Company's Form 10-K for the year ended December 31, 2022, management identified the following deficiencies in our control environment that constituted material weaknesses in the Company's internal control over financial reporting as of December 31, 2022:

- Ineffective controls over segregation of duties related to the review of manual journal entries and account reconciliations. Specifically, certain personnel had the ability to both (a) create and post journal entries within our general ledger system, and (b) review account reconciliations.
- Ineffective information technology general controls related to administrative user access to the Company's information systems that are relevant to the preparation of financial statements to ensure appropriate segregation of duties and to adequately restrict access to financial applications and data.

- Ineffective controls over the accounting for complex transactions.

During the year ended December 31, 2023, the Company completed its previously disclosed internal control procedures to remediate the control deficiencies that led to the material weaknesses. The following remedial actions have been taken:

- Management implemented a remediation plan to update its design and implementation of controls to remediate the deficiency related to manual journal entries and enhanced the Company's internal control environment. The Company has designed and implemented controls to prevent or detect a material misstatement resulting from certain personnel with the ability to create and post journal entries within the Company's general ledger system. Management has designed and implemented controls over the review of all manual journal entries initiated and approved to ensure appropriate segregation of duties.
- Management has also implemented measures to design information technology general controls related to administrative user access by restricting privileged access, implemented controls over user access and enforced proper segregation of duties within IT environments based on roles and responsibilities.
- Management enhanced processes and designed and implemented additional internal controls to properly account for complex transactions. Additionally, the Company has hired additional accounting personnel and implemented training of new and existing personnel on proper execution of designed control procedures.

Any failure to maintain the improvements in the controls over our financial reporting could cause us to fail to meet our reporting obligations, cause misstatements (whether or not material) in our consolidated financial statements, and/or also cause investors to lose confidence in our reported financial information, which could have a negative impact on the trading price of our stock.

Changes in Internal Control over Financial Reporting

Except for the remediation of the material weaknesses noted above, there were no other changes in our internal control over financial reporting during the three months ended December 31, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the three months ended December 31, 2023, no director or executive officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Report of Independent Registered Public Accounting Firm

Stockholders and Board of Directors
Ranger Energy Services, Inc.
Houston, Texas

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Ranger Energy Services, Inc. a Delaware corporation and subsidiaries (collectively, the "Company") as of December 31, 2023, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2023, and our report dated March 5, 2024 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Grant Thornton, LLP

Houston, Texas

March 5, 2024

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Please see the information appearing in the proposal for the election of directors and under the headings “Executive Officers,” “Information Concerning Meetings and Committees of the Board of Directors,” “Code of Business Conduct and Ethics and Corporate Governance Guidelines” and “Delinquent Section 16(a) Reports” in the definitive proxy statement for our 2024 Annual Meeting of Stockholders for the information this Item 10 requires that is incorporated herein by reference.

We have adopted a code of ethics entitled “Code of Business Ethics,” which applies to all our employees, officers and directors, a copy of which can also be found at www.rangerenergy.com.

We intend to satisfy the requirement under Item 5.05 of Form 8-K to disclose any amendments to our Code of Business Ethics and any waiver from any provision to it by posting such information on our website at www.rangerenergy.com.

Item 11. Executive Compensation

Please see the information appearing under the headings “Compensation Discussion and Analysis,” “Director Compensation,” “Executive Compensation,” “Compensation Committee Interlocks and Insider Participation” and “Report of the Compensation Committee” in the definitive proxy statement for our 2024 Annual Meeting of Stockholders for the information this Item 11 requires that is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Please see the information appearing under the heading “Security Ownership of Certain Beneficial Owners and Management” in the definitive proxy statement for our 2024 Annual Meeting of Stockholders for the information this Item 12 requires that is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

Please see the information appearing in the proposal for the election of directors and under the heading “Certain Relationships and Related Transactions” in the definitive proxy statement for our 2024 Annual Meeting of Stockholders for the information this Item 13 requires that is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

Our independent registered public accounting firm is Grant Thornton, LLP, Houston, Texas, Auditor Firm ID: 248. The information required by this Item 14 will be included in the definitive proxy statement for our 2024 Annual Meeting of Stockholders, and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

Financial Statements.

See index to Consolidated Financial Statements included beginning on Page 48.

Financial Statement Schedules.

No other financial statement schedules are submitted because either they are inapplicable or because the required information is included in the Consolidated Financial Statements or notes thereto.

Exhibits.

The exhibits listed on the accompanying Exhibit Index are filed, furnished or incorporated by reference as part of this Annual Report, and such Exhibit Index is incorporated herein by reference.

Exhibit Number	Description
2.1††	Amended and Restated Asset Purchase Agreement dated as of July 31, 2017, by and among ESCO Leasing, LLC, Ranger Energy Services, LLC and Tim Hall (incorporated by reference to Exhibit 2.3 to the Registrant's Form S-1 (File No. 333-218139) filed with the Commission on August 1, 2017).
2.2	Asset Purchase Agreement, dated July 8, 2021 by and among PerfX Wireline Services, LLC, Bravo Wireline, LLC, Ranger Energy Services, Inc., Charlie Thomas, Shelby Sullivan, Jeff Thomas and Jimmie Hayes (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on July 14, 2021
2.3	Asset Purchase Agreement dated as of September 15, 2021, by and among Ranger Energy Acquisition, LLC, Basic Energy Services, Inc., Basic Energy Services, L.P., C&J Well Services, Inc., Taylor Industries, LLC and KVS Transportation, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on October 4, 2021).
2.4	Closing Agreement and Amendment No. 1 to Asset Purchase Agreement, dated as of October 1, 2021, by and among Ranger Energy Acquisition, LLC, Basic Energy Services, Inc., Basic Energy Services, L.P., C&J Well Services, Inc., Taylor Industries, LLC and KVS Transportation Inc. (incorporated by reference to Exhibit 2.2 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on October 4, 2021).
3.1	Amended and Restated Certificate of Incorporation of Ranger Energy Services, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on August 22, 2017)
3.2	Amended and Restated Bylaws of Ranger Energy Services, Inc. adopted October 26, 2023 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on October 31, 2023)
*4.1	Description of Registered Securities
4.2	Registration Rights Agreement (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on August 22, 2017)
4.3	Stockholders' Agreement (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on August 22, 2017)
10.1	Amended and Restated Limited Liability Company Agreement of RNGR Energy Services, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on August 22, 2017)
10.2†	Ranger Energy Services, Inc. 2017 Long Term Incentive Plan (incorporated by reference to Exhibit 4.7 to the Registrant's Form S-8 Registration Statement (File No. 333-220018) filed with the Commission on August 17, 2017)
10.3†	Amendment to Ranger Energy Services, Inc. 2017 Long Term Incentive Plan dated May 30, 2019. (incorporated by reference to Exhibit 4.2 to the Registrant's Form S-8 Registration Statement (File No. 333-220018) filed with the Commission on May 30, 2019)
10.4†	Amendment to Ranger Energy Services, Inc. 2017 Long Term Incentive Plan dated May 20, 2022. (incorporated by reference to Exhibit 4.4 to the Registrant's Form S-8 Registration Statement (File No. 333-220018) filed with the Commission on June 1, 2022)
10.5†	Form of Restricted Stock Agreement (Employees) under the Ranger Energy Services, Inc. 2017 Long Term Incentive Plan. (incorporated by reference to Exhibit 4.9 to the Registrant's Form S-8 Registration Statement (File No. 333-220018) filed with the Commission on August 17, 2017)

10.6†	Form of Restricted Stock Agreement (Employees) under the Ranger Energy Services, Inc. 2017 Long Term Incentive Plan.(2023) (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q (File No. 001-38183) filed with the Commission on May 5, 2023)
10.7†	Form of Restricted Stock Agreement (Directors) under the Ranger Energy Services, Inc. 2017 Long Term Incentive Plan. (incorporated by reference to Exhibit 4.9 to the Registrant's Form S-8 Registration Statement(File No. 333-220018) filed with the Commission on August 17, 2017)
10.8†	Form of Restricted Stock Agreement (Directors) under the Ranger Energy Services, Inc. 2017 Long-Term Incentive Plan dated 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q (File No. 001-38183) filed with the Commission on October 31, 2023)
10.9†	Form of Ranger Energy Services, Inc. Performance Stock Unit Award Incentive Agreement (2020) (incorporated by reference to Exhibit 10.25 to the Registrant's Form 10-K (File No. 001-38183) filed with the Commission on February 26, 2021)
10.10†	Form of Ranger Energy Services, Inc. Performance Stock Unit Award Incentive Agreement (2021) (incorporated by reference to Exhibit 10.8 to the Registrant's Form 10-K (File No. 001-38183) filed with the Commission on March 13, 2023).
10.11†	Form of Ranger Energy Services, Inc. Performance Stock Unit Award Incentive Agreement (2022) (incorporated by reference to Exhibit 10.9 to the Registrant's Form 10-K (File No. 001-38183) filed with the Commission on March 13, 2023).
10.12†	Form of Ranger Energy Services, Inc. Performance Stock Unit Award Incentive Agreement (2023) (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q (File No. 001-38183) filed with the Commission on May 5, 2023).
10.13†	Form of Ranger Energy Services, Inc. Performance Stock Unit Award Incentive Agreement with Floor (2023) (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q (File No. 001-38183) filed with the Commission on May 5, 2023).
10.14	Tax Receivable Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on August 22, 2017)
10.15	Tax Receivable Termination and Settlement Agreement entered into as of September 10, 2021, by and among Ranger Energy Services, Inc., affiliates of CSL Capital Management, L.P., and Bayou Well Holdings Company, LLC. (incorporated by reference to Exhibit 10.4 of the Registrant's Form 8-K (File No. 001- 38183) filed with the Commission on October 4, 2021).
10.16†	Indemnification Agreement (Brett T. Agee) (incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on August 22, 2017)
10.17†	Indemnification Agreement (Charles S. Leykum) (incorporated by reference to Exhibit 10.9 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on August 22, 2017)
10.18†	Indemnification Agreement (Krishna Shivram) (incorporated by reference to Exhibit 10.14 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on August 22, 2017)
10.19†	Indemnification Agreement (Michael C. Kearney) (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed with the Commission on July 31, 2018)
*10.20†	Indemnification Agreement (Carla Mashinski)
*10.21†	Indemnification Agreement (Sean Woolverton)
10.22†	Indemnification Agreement, dated as of June 15, 2022, by and between the Company and Melissa Cougle (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K (File No. 001-38183) filed with the SEC on June 9, 2022).
10.23†	Indemnification Agreement, dated as of September 1, 2021, by and between the Ranger Energy Services, Inc. and Stuart Bodden (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on September 8, 2021).
10.24†	Employment Agreement, dated as of September 1, 2021, by and between Ranger Energy Services, Inc. and Stuart Bodden (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on September 8, 2021).
10.25†	Employment Agreement, dated as of June 15, 2022, by and between the Company and Melissa Cougle (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K (File No. 001-38183) filed with the SEC on June 9, 2022).
10.26	Master Financing and Security Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed with the Commission on June 22, 2018)
10.27	Credit Agreement dated May 31, 2023, by and among RNGR Energy Services, LLC and certain of its subsidiaries and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on May 31, 2023).

10.28	Debt, Commitment Letter, dated as of September 10, 2021, by and among RNGR Energy Services, LLC, Eclipse Business Capital, LLC and Eclipse Business Capital SPV, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on September 29, 2021).
10.29	Loan and Security Agreement, dated as of September 27, 2021, by and among RNGR Energy Services, LLC and certain of its subsidiaries, Ranger Energy Services, Inc., the lenders party thereto, and Eclipse Business Capital LLC, as agent (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K (File No. 001- 38183) filed with the Commission on September 29, 2021).
10.30	First Amendment to the Loan and Security Agreement, dated January 7, 2022, by and among RNGR Energy Services, LLC and certain of its subsidiaries, Ranger Energy Services, Inc., the lenders party thereto, and Eclipse Business Capital, LLC, as agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on January 13, 2022).
10.31	Fourth Amendment to the Loan and Security Agreement, dated September 23, 2022, by and among RNGR Energy Services, LLC and certain of its subsidiaries, Ranger Energy Services, Inc., the lenders party thereto, and Eclipse Business Capital, LLC, as agent (incorporated by reference to Exhibit 10.28 to the Registrant's Form 10-K (File No. 001-38183) filed with the Commission on March 13, 2023).
10.32	Secured Promissory Note, date July 8, 2021 by and among Bravo Wireline, LLC and Chief Investments, LLC (incorporated by reference to Exhibit 2.2 to the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on July 14, 2021).
10.33	Guaranty Agreement, dated as of July 8, 2021 by Ranger Energy Services, Inc. in favor of Chief Investments, LLC (incorporated by reference to Exhibit 10.2 of the Registrant's Form 10-Q (File No. 001-38183) filed with the Commission on July 30, 2021).
10.34†	Securities Purchase Agreement entered into as of September 10, 2021, by and between Ranger Energy Services, Inc., and the purchasers named therein (incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on October 4, 2021).
10.35	Registration Rights Agreement made and entered into as of September 10, 2021, by and among Ranger Energy Services, Inc., and each of the parties listed on the signature pages therein (incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on October 4, 2021).
10.36†	Voting Agreement, dated as of September 10, 2021, entered into by and among Ranger Energy Services, Inc., affiliates of CSL Capital Management, L.P., and Bayou Well Holdings Company, LLC (incorporated by reference to Exhibit 10.3 of the Registrant's Form 8-K (File No. 001-38183) filed with the Commission on October 4, 2021).
*21.1	List of subsidiaries of Ranger Energy Services, Inc.
*23.1	Consent of Grant Thornton, LLP
*23.2	Consent of BDO USA, P.C.
*31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934
*31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934
**32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
**32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*97.1	Ranger Energy Services, Inc. Clawback Policy
*101.CAL	XBRL Calculation Linkbase Document
*101.DEF	XBRL Definition Linkbase Document
*101.INS	XBRL Instance Document
*101.LAB	XBRL Labels Linkbase Document
*101.PRE	XBRL Presentation Linkbase Document
*101.SCH	XBRL Schema Document

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* Filed as an exhibit to this Annual Report on Form 10-K

** Furnished as an exhibit to this Annual Report on Form 10-K

† Compensatory plan or arrangement

†† Schedules and similar attachments have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant will furnish a supplemental copy of any omitted schedule or similar attachment to the SEC upon request.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ranger Energy Services, Inc.

/s/ Stuart N. Bodden	March 5, 2024
Stuart N. Bodden President, Chief Executive Officer and Director (Principal Executive Officer)	Date

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Stuart N. Bodden Stuart N. Bodden	President, Chief Executive Officer and Director (Principal Executive Officer)	March 5, 2024
/s/ Melissa K. Cougle Melissa K. Cougle	Chief Financial Officer (Principal Financial Officer)	March 5, 2024
/s/ Michael Kearney Michael Kearney	Chairman of the Board	March 5, 2024
/s/ Brett T. Agee Brett T. Agee	Director	March 5, 2024
/s/ Krishna Shivram Krishna Shivram	Director	March 5, 2024
/s/ Charles S. Leykum Charles S. Leykum	Director	March 5, 2024
/s/ Carla Mashinski Carla Mashinski	Director	March 5, 2024
/s/ Sean Woolverton Sean Woolverton	Director	March 5, 2024

DESCRIPTION OF REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

DESCRIPTION OF CAPITAL STOCK

The following description of the capital stock of Ranger Energy Services, Inc. (the "Company" or "we") is based upon the Company's amended and restated certificate of incorporation ("Certificate of Incorporation"), the Company's amended and restated bylaws adopted ("Bylaws") and applicable provisions of law. We have summarized certain portions of the Company's Certificate of Incorporation and Bylaws below. The summary is not complete and is subject to, and is qualified in its entirety by express reference to, the provisions of applicable law and to the Company's Certificate of Incorporation and Bylaws.

Authorized Capital Stock

The authorized capital stock of the Company consists of 100,000,000 shares of Class A common stock, $0.01 par value per share, 100,000,000 shares of Class B common stock, $0.01 par value per share and 50,000,000 shares of preferred stock, $0.01 par value per share. As of February 29, 2024, we had 22,662,569 shares of Class A common stock and no shares of Class B Common Stock outstanding, and no shares issued and outstanding of preferred stock. As of February 29, 2024, the Company had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): Class A common stock.

Class A Common Stock

Voting Rights. Holders of shares of Class A common stock are entitled to one vote per share held of record on all matters to be voted upon by the stockholders. The holders of Class A common stock do not have cumulative voting rights in the election of directors. Except as described below or as required by law, all matters to be voted on by stockholders must be approved by the affirmative vote of a majority of the voting power of the outstanding shares present in person or represented by proxy at the meeting and entitled to vote on the matter. Subject to the rights of holders of any preferred stock, directors shall be elected by a plurality of votes validly cast in such director election. Non-binding advisory matters with more than two possible vote choices require the affirmative vote of a plurality of the voting power of the outstanding shares present in person or represented by proxy at the meeting and entitled to vote on the matter.

Dividend Rights. Holders of shares of our Class A common stock are entitled to ratably receive dividends when and if declared by our board of directors out of funds legally available for that purpose, subject to any statutory or contractual restrictions on the payment of dividends and to any prior rights and preferences that may be applicable to any outstanding preferred stock.

Liquidation Rights. Upon our liquidation, dissolution, distribution of assets or other winding up, the holders of Class A common stock are entitled to receive ratably the assets available for distribution to the stockholders after payment of liabilities and the liquidation preference of any of our outstanding shares of preferred stock.

Other Matters. The shares of Class A common stock have no preemptive or conversion rights and are not subject to further calls or assessment by us. There are no redemption or sinking fund provisions applicable to the Class A common stock.

Preferred Stock

Under our Certificate of Incorporation, our board of directors has the authority to issue preferred stock in one or more series, and to fix for each series the voting powers, designations, preferences and relative, participating, optional or other rights and the qualifications, limitations or restrictions, as may be stated and expressed in any resolution or resolutions adopted by our board of directors providing for the issuance of such series as may be permitted by the DGCL, including dividend rates, conversion rights, terms of redemption and liquidation preferences and the number of shares constituting each such series, without any further vote or action by our stockholders.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our

outstanding voting stock. Additionally, the issuance of preferred stock may restrict dividends on our common stock, dilute the voting power of our common stock or subordinate the liquidation rights of our common stock.

The board of directors approved a Certificate of Designation of Preferences, Powers, Preferences and Rights relating to the Series A Convertible Preferred Stock, providing for the authorization and issuance of 6,000,001 shares of Series A Convertible Preferred Stock ("Series A Preferred Stock") in connections with the entry into that certain Securities Purchase Agreement, by and between the Company and the purchasers thereof, dated September 10, 2021. The Series A Preferred Stock automatically converted into shares of the Company's Class A common stock, on April 18, 2022, upon effectiveness of a registration statement filed on Form S-1 by the Company on March 31, 2022 (File No. 001-699-039).

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Anti-Takeover Effects of Provisions of Our Certificate of Incorporation, Our Bylaws and Delaware Law

Some provisions of Delaware law, and our Certificate of Incorporation and our Bylaws described below, contain provisions that could make the following transactions more difficult: acquisitions of us by means of a tender offer, a proxy contest or otherwise; or removal of our incumbent officers and directors. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We are not subject to the provisions of Section 203 of the DGCL, regulating corporate takeovers. In general, those provisions prohibit a Delaware corporation, including those whose securities are listed for trading on the NYSE, from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

- the transaction is approved by the board of directors before the date the interested stockholder attained that status;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- on or after such time the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Certificate of Incorporation and Bylaws

Provisions of our Certificate of Incorporation and our Bylaws may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our Class A common stock.

Provisions in our Certificate of Incorporation and Bylaws:

- establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. Our Bylaws specify the requirements as to form and content of all stockholders'

notices. These requirements may preclude stockholders from bringing matters before the stockholders at an annual or special meeting;

- provide our board of directors the ability to authorize undesignated preferred stock. This ability makes it possible for our board of directors to issue, without stockholder approval, preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of our company;

- provide that the authorized number of directors may be changed only by resolution of the board of directors;

- provide that, after our legacy investors, including CSL Capital Management, LLC ("CSL") and its affiliates no longer collectively hold more than 50% of the voting power of our common stock, all vacancies, including newly created directorships, may, except as otherwise required by law or, if applicable, the rights of holders of a series of preferred stock, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum (prior to such time, vacancies may also be filled by stockholders holding a majority of the outstanding shares entitled to vote);

- provide that, after CSL and its affiliates no longer collectively hold more than 50% of the voting power of our common stock, any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing in lieu of a meeting of such stockholders, subject to the rights of the holders of any series of preferred stock with respect to such series;

- provide that, after CSL and its affiliates no longer collectively hold more than 50% of the voting power of our common stock, our Certificate of Incorporation and Bylaws may be amended by the affirmative vote of the holders of at least two-thirds of our then-outstanding shares of stock entitled to vote thereon;

- provide that, after CSL and its affiliates no longer collectively hold more than 50% of the voting power of our common stock, special meetings of our stockholders may only be called by the board of directors;

- provide, after CSL and its affiliates no longer collectively hold more than 50% of the voting power of our common stock, for our board of directors to be divided into three classes of directors, with each class as nearly equal in number as possible, serving staggered three-year terms, other than directors that may be elected by holders of preferred stock, if any. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors;

- provide that we renounce any interest in existing and future investments in other entities by, or the business opportunities of, CSL and its affiliates and that they have no obligation to offer us those investments or opportunities; and

- provide that our Bylaws can be amended by the board of directors.

LISTING

Our Class A common stock is traded on the New York Stock Exchange under the trading symbol "RNGR".

TRANSFER AGENT

The transfer agent and registrar for our Class A common stock is Computershare Trust Company, N. A.

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (**"Agreement"**) is made as of January 1, 2024, by and between Ranger Energy Services, Inc., a Delaware corporation (the "Company"), and Carla Mashinski ("Indemnitee").

RECITALS

WHEREAS, directors, officers and other persons in service to corporations or business enterprises are subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself;

WHEREAS, highly competent persons have become more reluctant to serve as directors, officers or in other capacities unless they are provided with adequate protection through insurance and adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, (i) the Amended and Restated Bylaws of the Company (as may be amended, the "Bylaws") require indemnification of the officers and directors of the Company, (ii) Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("DGCL") and (iii) the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws and the Amended and Restated Certificate of Incorporation of the Company (as may be amended, the "Certificate of Incorporation") and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, (i) Indemnitee does not regard the protection available under the Bylaws and insurance as adequate in the present circumstances, (ii) Indemnitee may not be willing to serve or continue to serve as a director or officer of the Company without adequate protection, (iii) the Company desires Indemnitee to serve in such capacity and (iv) Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be so indemnified.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions. (a) As used in this Agreement:

"Affiliate" of any specified Person shall mean any other Person directly or indirectly controlling, controlled by or under common control with such specified Person.

"Corporate Status" describes the status of a person who is or was a director, officer, employee or agent of (i) the Company or (ii) any other corporation, limited liability company, partnership or joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

"Disinterested Director" shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

"Enterprise" shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, employee, trustee, agent or fiduciary.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Expenses" shall mean all reasonable costs, expenses, fees and charges, including, without limitation, attorneys' fees, document and e-discovery costs, litigation expenses, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or
otherwise participating in, a Proceeding. Expenses also shall include, without limitation, (i) expenses incurred in connection with any appeal resulting from, incurred by Indemnitee in connection with, arising out of, or in respect of or relating to, any Proceeding, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedes bond, or other appeal bond or its equivalent, (ii) for purposes of Section 12(d) hereof only, expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise, (iii) any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any

payments under this Agreement and (iv) any interest, assessments or other charges in respect of the foregoing. "Expenses" shall not include "Liabilities."

"Indemnity Obligations" shall mean all obligations of the Company to Indemnitee under this Agreement, including the Company's obligations to provide indemnification to Indemnitee and advance Expenses to Indemnitee under this Agreement.

"Independent Counsel" shall mean a law firm of fifty (50) or more attorneys, or a member of a law firm of fifty (50) or more attorneys, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for
indemnification hereunder; provided, however, that the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

"Liabilities" shall mean all claims, liabilities, damages, losses, judgments, orders, fines, penalties and other amounts payable in connection with, arising out of, or in respect of or relating to any Proceeding, including, without limitation, amounts paid in settlement in any Proceeding and all costs and expenses in complying with any judgment, order or decree issued or entered in connection with any Proceeding or any settlement agreement, stipulation or consent decree entered into or issued in settlement of any Proceeding.

"Person" shall mean any individual, corporation, partnership, limited partnership, limited liability company, trust, governmental agency or body or any other legal entity.

"Proceeding" shall mean any threatened, pending or completed action, claim, suit, arbitration, alternate dispute resolution mechanism, formal or informal hearing, inquiry or investigation, litigation, inquiry, administrative hearing or any other actual, threatened or completed judicial, administrative or arbitration proceeding (including, without limitation, any such proceeding under the Securities Act of 1933, as amended, or the Exchange Act or any other federal law, state law, statute or regulation), whether brought in the right of the Company or otherwise, and whether of a civil, criminal, administrative or investigative nature, in each case, in which Indemnitee was, is or will be, or is threatened to be, involved as a party, witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any actual or alleged action taken by Indemnitee (or a failure to take action by Indemnitee) or of any action (or inaction) on Indemnitee's part while acting as director or officer of the Company, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, trustee, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, in each case whether or not serving in such

capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement can be provided under this Agreement.

"Sponsor Entities" means (i) CSL Capital Management, LLC, Ranger Energy Holdings, LLC and Torrent Energy Holdings, LLC and (ii) any of their respective Affiliates and any investment fund or other Person advised or managed by any Sponsor Entity; provided, however, that neither the Company nor any of its subsidiaries shall be considered Sponsor Entities hereunder.

(b) For the purpose hereof, references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a Person who acted in good faith and in a manner such Person reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

Section 2. Indemnity in Third-Party Proceedings. The Company shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, from and against all Liabilities and Expenses suffered or reasonably incurred (and, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee's behalf in connection with any Proceeding (other than any Proceeding brought by or in the right of the Company to procure a judgment in its favor, which is provided for in Section 3 below), or any claim, issue or matter therein.

Section 3. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, from and against all Liabilities and Expenses suffered or incurred (and, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee's behalf in connection with any Proceeding brought by or in the right of the Company to procure a judgment in its favor, or any claim, issue or matter therein. No indemnification for Liabilities and Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to such indemnification.

Section 4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, and without limiting the rights of Indemnitee under any other provision hereof, including any rights to indemnification pursuant to Sections 2 or 3 hereof, to the fullest extent permitted by applicable law, to the extent that

Indemnitee is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred (and, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee's behalf in connection with each successfully resolved Proceeding, claim, issue or matter. For purposes of this Section 4 and without limitation, the termination of any Proceeding or claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 5. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness or otherwise a participant, including by a request to respond to discovery requests, receipt of a subpoena or similar demand for documents or testimony, in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, Indemnitee shall be indemnified against all Expenses suffered or incurred (or, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee's behalf in connection therewith.

Section 6. Additional Indemnification. Notwithstanding any limitation in Sections 2 , 3 or 4 hereof, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Liabilities and Expenses suffered or reasonably incurred (and, in the case of retainers, reasonably expected to be incurred) by Indemnitee in connection with such Proceeding, including but not limited to:

(a) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL; and

(b) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 7. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to indemnify or hold harmless Indemnitee, or, in the case of (a) and (d), to advance Expenses to Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy obtained by the Company except with respect to any excess beyond the amount paid under such insurance policy;

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law;

(c) for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the " Sarbanes-Oxley Act "), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements) or in respect of claw-back provisions promulgated under the rules and regulations of the Securities and Exchange Commission pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act;

(d) except as provided in Section 12(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee or, if Indemnitee was nominated to the Board by one or more of the Sponsor Entities, such Sponsor Entity, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee or, if Indemnitee was nominated to the Board by one or more of the Sponsor Entities, such Sponsor Entity, against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law or (iii) such Proceeding is being brought by Indemnitee to assert, interpret or enforce Indemnitee's rights under this Agreement (for the avoidance of doubt, Indemnitee shall not be deemed, for purposes of this subsection, to have initiated or brought any claim by reason of (A) having asserted any affirmative defenses in connection with a claim not initiated by Indemnitee or (B) having made any counterclaim (whether permissive or mandatory) in connection with any claim not initiated by Indemnitee); or

(e) if a final decision by a court having jurisdiction in the matter that is not subject to appeal shall determine that such indemnification is not lawful.

Section 8. Advancement. In accordance with the pre-existing requirements of the Bylaws, and notwithstanding any provision of this Agreement to the contrary, the Company shall advance, to the extent not prohibited by applicable law, the Expenses and Liabilities reasonably incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within ten (10) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to

repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all Expenses reasonably incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that Indemnitee undertakes to repay the amounts advanced to the extent that it is ultimately determined by final judicial decision from which there is no further right to appeal that the Indemnitee is not entitled to be indemnified by the Company. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(d) of this Agreement. This Section 8 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Sections 7(a) or (d) hereof.

Section 9. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall promptly notify the Company in writing of any Proceeding with respect to which Indemnitee intends to seek indemnification or advancement hereunder following the receipt by Indemnitee of written notice thereof (the date of such notification, the " Submission Date "). The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding, including any appeal therein. Any delay or failure by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay or failure in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) In the event Indemnitee is entitled to indemnification and/or advancement with respect to any Proceeding, Indemnitee may, at Indemnitee's option, (i) retain counsel (including local counsel) selected by Indemnitee and approved by the Company to defend Indemnitee in such Proceeding, at the sole expense of the Company (which approval shall not be unreasonably withheld, conditioned or delayed), or (ii) have the Company assume the defense of Indemnitee in such Proceeding, in which case the Company shall assume the defense of such Proceeding with counsel selected by the Company and approved by Indemnitee (which approval shall not be unreasonably withheld, conditioned or delayed) within ten (10) days of the Company's receipt of written notice of Indemnitee's election to cause the Company to do so. If the Company is required to assume the defense of any such Proceeding, it shall engage legal counsel for such defense, and the Company shall be solely responsible for all fees and expenses of such legal counsel and otherwise of such defense.

Such legal counsel may represent both Indemnitee and the Company (and any other party or parties entitled to be indemnified by the Company with respect to such matter) unless, in the reasonable opinion of legal counsel to Indemnitee, there is a conflict of interest between Indemnitee and the Company (or any other such party or parties) or there are legal defenses available to Indemnitee that are not available to the Company (or any such other party or parties). Notwithstanding either party's assumption of responsibility for defense of a Proceeding, each party shall have the right to engage separate counsel at its own expense. If the Company has responsibility for defense of a Proceeding, the Company shall provide the Indemnitee and its counsel with all copies of pleadings and material correspondence relating to the Proceeding. Indemnitee and the Company shall reasonably cooperate in the defense of any Proceeding with respect to which indemnification is sought hereunder, regardless of whether the Company or Indemnitee assumes the defense thereof. Indemnitee may not settle or compromise any Proceeding without the prior written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed. The Company may not settle or compromise any Proceeding without the prior written consent of Indemnitee, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a) hereof, if any determination by the Company is required by applicable law with respect to Indemnitee's entitlement thereto, such determination shall be made (i) if Indemnitee shall request such determination be made by Independent Counsel, by Independent Counsel, and (ii) in all other circumstances, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (D) if so directed by the Board, by the stockholders of the Company holding a majority of the securities of the Company entitled to vote; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall, to the fullest extent permitted by law, be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Company will not deny

any written request for indemnification hereunder made in good faith by Indemnitee unless a determination as to Indemnitee's entitlement to such indemnification described in this Section 10(a) has been made. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Liabilities and Expenses arising out of or relating to this Agreement or its engagement pursuant hereto.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a) hereof, (i) the Independent Counsel shall be selected by the Company within ten (10) days of the Submission Date (the cost of such Independent Counsel to be paid by the Company), (ii) the Company shall give written notice to Indemnitee advising it of the identity of the Independent Counsel so selected and (iii) Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company Indemnitee's written objection to such selection. Such objection by Indemnitee may be asserted only on the ground that the Independent Counsel selected does not meet the requirements of "Independent Counsel" as defined in this Agreement. If such written objection is made and substantiated, the Independent Counsel selected shall not serve as Independent Counsel unless and until Indemnitee withdraws the objection or a court has determined that such objection is without merit. Absent a timely objection, the person so selected shall act as Independent Counsel. If no Independent Counsel shall have been selected and not objected to before the later of (A) thirty (30) days after the Submission Date and (B) ten (10) days after the final disposition of the Proceeding, including any appeal therein, each of the Company and Indemnitee shall select a law firm or member of a law firm meeting the qualifications to serve as Independent Counsel, and such law firms or members of law firms shall select the Independent Counsel. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by applicable law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by applicable law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company

(including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 12(d) hereof, if the person, persons or entity empowered or selected under Section 10 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by applicable law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if (i) the determination is to be made by Independent Counsel and Indemnitee objects to the Company's selection of Independent Counsel and (ii) the Independent Counsel ultimately selected requires such additional time for the obtaining or evaluating of documentation or information relating thereto; provided further, however, that such 60-day period may also be extended for a reasonable time, not to exceed an additional sixty (60) days, if the determination of entitlement to indemnification is to be made by the stockholders of the Company.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not except as otherwise expressly provided in this Agreement) adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

(d) Reliance as Safe Harbor . For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 11(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Actions of Others . The knowledge or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(d) hereof, in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been timely made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Sections 4 or 5 or the third to the last sentence of Section 10(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Sections 2 , 3 or 6 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other Person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of Indemnitee's entitlement to such indemnification or advancement. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12 , absent a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by applicable law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that Indemnitee not be required to incur Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or

otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by applicable law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or the Bylaws, or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement or insurance recovery, as the case may be.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein; provided that, in absence of any such determination with respect to such Proceeding, the Company shall advance Expenses with respect to such Proceeding.

Section 13. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. The Company shall not adopt any amendment or alteration to, or repeal of, the Certificate of Incorporation or the Bylaws, the effect of which would be to deny, diminish or encumber the Indemnitee's rights to indemnification pursuant to this Agreement, the Certificate of Incorporation, the Bylaws or applicable law relative to such rights prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement and insurance provided by one or more Persons with whom or

hich Indemnitee may be associated (including, without limitation, any Sponsor Entity). The Company hereby acknowledges and agrees that (i) the Company shall be the indemnitor of first resort with respect to any Proceeding, Expense, Liability or matter that is the subject of the Indemnity Obligations, (ii) the Company shall be primarily liable for all Indemnity Obligations and any indemnification afforded to Indemnitee in respect of any Proceeding, Expense, Liability or matter that is the subject of Indemnity Obligations, whether created by applicable law, organizational or constituent documents, contract (including this Agreement) or otherwise, (iii) any obligation of any other Persons with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) to indemnify Indemnitee or advance Expenses or Liabilities to Indemnitee in respect of any Proceeding shall be secondary to the obligations of the Company hereunder, (iv) the Company shall be required to indemnify Indemnitee and advance Expenses or Liabilities to Indemnitee hereunder to the fullest extent provided herein without regard to any rights Indemnitee may have against any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) or insurer of any such Person and (v) the Company irrevocably waives, relinquishes and releases any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) from any claim of contribution, subrogation or any other recovery of any kind in respect of amounts paid by the Company hereunder. In the event any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) or their insurers advances or extinguishes any liability or loss which is the subject of any Indemnity Obligation owed by the Company or payable under any Company insurance policy, the payor shall have a right of subrogation against the Company or its insurer or insurers for all amounts so paid which would otherwise be payable by the Company or its insurer or insurers under this Agreement. In no event will payment of an Indemnity Obligation by any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) or their insurers affect the obligations of the Company hereunder or shift primary liability for any Indemnity Obligation to any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity). Any indemnification, insurance or advancement provided by any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) with respect to any liability arising as a result of Indemnitee's Corporate Status or capacity as an officer or director of any Person is specifically in excess over any Indemnity Obligation of the Company or valid and any collectible insurance (including but not limited to any malpractice insurance or professional errors and omissions insurance) provided by the Company under this Agreement.

(c) The Company shall maintain an insurance policy or policies providing liability insurance providing reasonable and customary coverage as compared with similarly situated companies (as determined by the Board in its reasonable discretion) for directors, officers, employees, trustees, or agents of any Enterprise, and Indemnitee shall be covered by such

policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee, trustee or agent under such policy or policies and such policies shall provide for and recognize that the insurance policies are primary to any rights to indemnification, advancement or insurance proceeds to which Indemnitee may be entitled from one or more Persons with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) to the same extent as the Company's indemnification and advancement obligations set forth in this Agreement. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result

of such Proceeding in accordance with the terms of such policies.

(d) In the event of any payment under this Agreement, the Company shall be subrogated to the rights of recovery of Indemnitee, including rights of indemnification provided to Indemnitee from any other person or entity with whom Indemnitee may be associated; provided, however, that the Company shall not be subrogated to the extent of any such payment of all rights of recovery of Indemnitee with respect to any Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity).

(e) The indemnification and contribution provided for in this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of Indemnitee.

Section 14. Duration of Agreement; Not Employment Contract. This Agreement shall continue until and terminate upon the latest of: (i) ten (10) years after the date that Indemnitee shall have ceased to serve as director, officer, employee or agent of the Company or any other Enterprise, (ii) one (1) year after the date of final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding, including any appeal, commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto or (iii) the expiration of all statutes of limitation applicable to possible Proceedings to which Indemnitee may be subject arising out of Indemnitee's Corporate Status. The indemnification provided under this Agreement shall continue as to the Indemnitee even though he or she may have ceased to be a director or officer of the Company or of any of the Company's direct or indirect subsidiaries or to have Corporate Status. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. The Company shall require and cause any successor, and any direct or indirect parent of any successor, whether direct or indirect by purchase, merger, consolidation or otherwise, to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be

required to perform if no such succession had taken place. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any other Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries or any other Enterprise), if any, is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries or any other Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director of the Company, by the Certificate of Incorporation, the Bylaws or the DGCL.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by applicable law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director, officer, employee or agent of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer, employee or agent of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

Section 18. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(i) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(ii) If to the Company to
Ranger Energy Services, Inc.
10350 Richmond Ave, Suite 550
Houston, Texas 77042
Attention: Board of Directors

or to any other address as may have been furnished to Indemnitee by the Company.

Section 19. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for Liabilities or for Expenses, in connection with any Proceeding, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (a) the relative benefits received by the Company and Indemnitee as a result of the event(s) and transaction(s) giving cause to such Proceeding; and (b) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and transaction(s).

Section 20. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the " Delaware Court "), and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) consent to service of process at the address set forth in Section 18 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware; (d) waive any objection to the

laying of venue of any such action or proceeding in the Delaware Court, and (e) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware ourt has been brought in an improper or inconvenient forum.

Section 21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 22. Third-Party Beneficiaries. The Sponsor Entities are intended third-party beneficiaries of this Agreement and shall have all of the rights afforded to Indemnitee under this Agreement.

Section 23. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

[Signature Page Follows]

TO INDEMNIFICATION AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

RANGER ENERGY SERVICES, INC.

By: /s/ Stuart Bodden
Name: Stuart Bodden
Title: President & CEO

INDEMNITEE

By: /s/ Carla Mashinski
Name: Carla Mashinski
Title: Director

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (**"Agreement"**) is made as of January 1, 2024, by and between Ranger Energy Services, Inc., a Delaware corporation (the "Company"), and Sean Woolverton ("Indemnitee").

RECITALS

WHEREAS, directors, officers and other persons in service to corporations or business enterprises are subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself;

WHEREAS, highly competent persons have become more reluctant to serve as directors, officers or in other capacities unless they are provided with adequate protection through insurance and adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, (i) the Amended and Restated Bylaws of the Company (as may be amended, the "Bylaws") require indemnification of the officers and directors of the Company, (ii) Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("DGCL") and (iii) the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws and the Amended and Restated Certificate of Incorporation of the Company (as may be amended, the "Certificate of Incorporation") and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, (i) Indemnitee does not regard the protection available under the Bylaws and insurance as adequate in the present circumstances, (ii) Indemnitee may not be willing to serve or continue to serve as a director or officer of the Company without adequate protection, (iii) the Company desires Indemnitee to serve in such capacity and (iv) Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be so indemnified.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions. (a) As used in this Agreement:

"Affiliate" of any specified Person shall mean any other Person directly or indirectly controlling, controlled by or under common control with such specified Person.

"Corporate Status" describes the status of a person who is or was a director, officer, employee or agent of (i) the Company or (ii) any other corporation, limited liability company, partnership or joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

"Disinterested Director" shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

"Enterprise" shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, employee, trustee, agent or fiduciary.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Expenses" shall mean all reasonable costs, expenses, fees and charges, including, without limitation, attorneys' fees, document and e-discovery costs, litigation expenses, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or
otherwise participating in, a Proceeding. Expenses also shall include, without limitation, (i) expenses incurred in connection with any appeal resulting from, incurred by Indemnitee in connection with, arising out of, or in respect of or relating to, any Proceeding, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedes bond, or other appeal bond or its equivalent, (ii) for purposes of Section 12(d) hereof only, expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise, (iii) any federal, state, local

or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement and (iv) any interest, assessments or other charges in respect of the foregoing. "Expenses" shall not include "Liabilities."

"Indemnity Obligations" shall mean all obligations of the Company to Indemnitee under this Agreement, including the Company's obligations to provide indemnification to Indemnitee and advance Expenses to Indemnitee under this Agreement.

"Independent Counsel" shall mean a law firm of fifty (50) or more attorneys, or a member of a law firm of fifty (50) or more attorneys, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for
indemnification hereunder; provided, however, that the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

"Liabilities" shall mean all claims, liabilities, damages, losses, judgments, orders, fines, penalties and other amounts payable in connection with, arising out of, or in respect of or relating to any Proceeding, including, without limitation, amounts paid in settlement in any Proceeding and all costs and expenses in complying with any judgment, order or decree issued or entered in connection with any Proceeding or any settlement agreement, stipulation or consent decree entered into or issued in settlement of any Proceeding.

"Person" shall mean any individual, corporation, partnership, limited partnership, limited liability company, trust, governmental agency or body or any other legal entity.

"Proceeding" shall mean any threatened, pending or completed action, claim, suit, arbitration, alternate dispute resolution mechanism, formal or informal hearing, inquiry or investigation, litigation, inquiry, administrative hearing or any other actual, threatened or completed judicial, administrative or arbitration proceeding (including, without limitation, any such proceeding under the Securities Act of 1933, as amended, or the Exchange Act or any other federal law, state law, statute or regulation), whether brought in the right of the Company or otherwise, and whether of a civil, criminal, administrative or investigative nature, in each case, in which Indemnitee was, is or will be, or is threatened to be, involved as a party, witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any actual or alleged action taken by Indemnitee (or a failure to take action by Indemnitee) or of any action (or inaction) on Indemnitee's part while acting as director or officer of the Company, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, trustee, employee or agent of another corporation, limited liability company,

partnership, joint venture, trust or other enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement can be provided under this Agreement.

"Sponsor Entities" means (i) CSL Capital Management, LLC, Ranger Energy Holdings, LLC and Torrent Energy Holdings, LLC and (ii) any of their respective Affiliates and any investment fund or other Person advised or managed by any Sponsor Entity; provided, however, that neither the Company nor any of its subsidiaries shall be considered Sponsor Entities hereunder.

(b) For the purpose hereof, references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a Person who acted in good faith and in a manner such Person reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

Section 2. Indemnity in Third-Party Proceedings. The Company shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, from and against all Liabilities and Expenses suffered or reasonably incurred (and, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee's behalf in connection with any Proceeding (other than any Proceeding brought by or in the right of the Company to procure a judgment in its favor, which is provided for in Section 3 below), or any claim, issue or matter therein.

Section 3. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, from and against all Liabilities and Expenses suffered or incurred (and, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee's behalf in connection with any Proceeding brought by or in the right of the Company to procure a judgment in its favor, or any claim, issue or matter therein. No indemnification for Liabilities and Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to such indemnification.

Section 4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, and without limiting the rights of Indemnitee under any other provision hereof, including any rights to indemnification pursuant to

Sections 2 or 3 hereof, to the fullest extent permitted by applicable law, to the extent that Indemnitee is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred (and, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee's behalf in connection with each successfully resolved Proceeding, claim, issue or matter. For purposes of this Section 4 and without limitation, the termination of any Proceeding or claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 5. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness or otherwise a participant, including by a request to respond to discovery requests, receipt of a subpoena or similar demand for documents or testimony, in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, Indemnitee shall be indemnified against all Expenses suffered or incurred (or, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee's behalf in connection therewith.

Section 6. Additional Indemnification. Notwithstanding any limitation in Sections 2 , 3 or 4 hereof, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Liabilities and Expenses suffered or reasonably incurred (and, in the case of retainers, reasonably expected to be incurred) by Indemnitee in connection with such Proceeding, including but not limited to:

(a) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL; and

(b) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 7. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to indemnify or hold harmless Indemnitee, or, in the case of (a) and (d), to advance Expenses to Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy obtained by the Company except with respect to any excess beyond the amount paid under such insurance policy;

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law;

(c) for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the " Sarbanes-Oxley Act "), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements) or in respect of claw-back provisions promulgated under the rules and regulations of the Securities and Exchange Commission pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act;

(d) except as provided in Section 12(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee or, if Indemnitee was nominated to the Board by one or more of the Sponsor Entities, such Sponsor Entity, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee or, if Indemnitee was nominated to the Board by one or more of the Sponsor Entities, such Sponsor Entity, against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law or (iii) such Proceeding is being brought by Indemnitee to assert, interpret or enforce Indemnitee's rights under this Agreement (for the avoidance of doubt, Indemnitee shall not be deemed, for purposes of this subsection, to have initiated or brought any claim by reason of (A) having asserted any affirmative defenses in connection with a claim not initiated by Indemnitee or (B) having made any counterclaim (whether permissive or mandatory) in connection with any claim not initiated by Indemnitee); or

(e) if a final decision by a court having jurisdiction in the matter that is not subject to appeal shall determine that such indemnification is not lawful.

Section 8. Advancement. In accordance with the pre-existing requirements of the Bylaws, and notwithstanding any provision of this Agreement to the contrary, the Company shall advance, to the extent not prohibited by applicable law, the Expenses and Liabilities reasonably incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within ten (10) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to

repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all Expenses reasonably incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that Indemnitee undertakes to repay the amounts advanced to the extent that it is ultimately determined by final judicial decision from which there is no further right to appeal that the Indemnitee is not entitled to be indemnified by the Company. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(d) of this Agreement. This Section 8 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Sections 7(a) or (d) hereof.

Section 9. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall promptly notify the Company in writing of any Proceeding with respect to which Indemnitee intends to seek indemnification or advancement hereunder following the receipt by Indemnitee of written notice thereof (the date of such notification, the " Submission Date "). The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding, including any appeal therein. Any delay or failure by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay or failure in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) In the event Indemnitee is entitled to indemnification and/or advancement with respect to any Proceeding, Indemnitee may, at Indemnitee's option, (i) retain counsel (including local counsel) selected by Indemnitee and approved by the Company to defend Indemnitee in such Proceeding, at the sole expense of the Company (which approval shall not be unreasonably withheld, conditioned or delayed), or (ii) have the Company assume the defense of Indemnitee in such Proceeding, in which case the Company shall assume the defense of such Proceeding with counsel selected by the Company and approved by Indemnitee (which approval shall not be unreasonably withheld, conditioned or delayed) within ten (10) days of the Company's receipt of written notice of Indemnitee's election to cause the Company to do so. If the Company is required to assume the defense of any such Proceeding, it shall engage legal counsel for such defense, and the Company shall be solely responsible for all fees and expenses of such legal counsel and otherwise of such defense.

Such legal counsel may represent both Indemnitee and the Company (and any other party or parties entitled to be indemnified by the Company with respect to such matter) unless, in the reasonable opinion of legal counsel to Indemnitee, there is a conflict of interest between Indemnitee and the Company (or any other such party or parties) or there are legal defenses available to Indemnitee that are not available to the Company (or any such other party or parties). Notwithstanding either party's assumption of responsibility for defense of a Proceeding, each party shall have the right to engage separate counsel at its own expense. If the Company has responsibility for defense of a Proceeding, the Company shall provide the Indemnitee and its counsel with all copies of pleadings and material correspondence relating to the Proceeding. Indemnitee and the Company shall reasonably cooperate in the defense of any Proceeding with respect to which indemnification is sought hereunder, regardless of whether the Company or Indemnitee assumes the defense thereof. Indemnitee may not settle or compromise any Proceeding without the prior written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed. The Company may not settle or compromise any Proceeding without the prior written consent of Indemnitee, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a) hereof, if any determination by the Company is required by applicable law with respect to Indemnitee's entitlement thereto, such determination shall be made (i) if Indemnitee shall request such determination be made by Independent Counsel, by Independent Counsel, and (ii) in all other circumstances, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (D) if so directed by the Board, by the stockholders of the Company holding a majority of the securities of the Company entitled to vote; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall, to the fullest extent permitted by law, be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Company will not deny

any written request for indemnification hereunder made in good faith by Indemnitee unless a determination as to Indemnitee's entitlement to such indemnification described in this Section 10(a) has been made. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Liabilities and Expenses arising out of or relating to this Agreement or its engagement pursuant hereto.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a) hereof, (i) the Independent Counsel shall be selected by the Company within ten (10) days of the Submission Date (the cost of such Independent Counsel to be paid by the Company), (ii) the Company shall give written notice to Indemnitee advising it of the identity of the Independent Counsel so selected and (iii) Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company Indemnitee's written objection to such selection. Such objection by Indemnitee may be asserted only on the ground that the Independent Counsel selected does not meet the requirements of "Independent Counsel" as defined in this Agreement. If such written objection is made and substantiated, the Independent Counsel selected shall not serve as Independent Counsel unless and until Indemnitee withdraws the objection or a court has determined that such objection is without merit. Absent a timely objection, the person so selected shall act as Independent Counsel. If no Independent Counsel shall have been selected and not objected to before the later of (A) thirty (30) days after the Submission Date and (B) ten (10) days after the final disposition of the Proceeding, including any appeal therein, each of the Company and Indemnitee shall select a law firm or member of a law firm meeting the qualifications to serve as Independent Counsel, and such law firms or members of law firms shall select the Independent Counsel. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by applicable law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by applicable law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company

(including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 12(d) hereof, if the person, persons or entity empowered or selected under Section 10 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by applicable law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if (i) the determination is to be made by Independent Counsel and Indemnitee objects to the Company's selection of Independent Counsel and (ii) the Independent Counsel ultimately selected requires such additional time for the obtaining or evaluating of documentation or information relating thereto; provided further, however, that such 60-day period may also be extended for a reasonable time, not to exceed an additional sixty (60) days, if the determination of entitlement to indemnification is to be made by the stockholders of the Company.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not except as otherwise expressly provided in this Agreement) adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

(d) Reliance as Safe Harbor . For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 11(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Actions of Others . The knowledge or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(d) hereof, in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been timely made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Sections 4 or 5 or the third to the last sentence of Section 10(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Sections 2 , 3 or 6 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other Person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of Indemnitee's entitlement to such indemnification or advancement. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12 , absent a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by applicable law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that Indemnitee not be required to incur Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or

otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by applicable law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or the Bylaws, or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement or insurance recovery, as the case may be.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein; provided that, in absence of any such determination with respect to such Proceeding, the Company shall advance Expenses with respect to such Proceeding.

Section 13. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. The Company shall not adopt any amendment or alteration to, or repeal of, the Certificate of Incorporation or the Bylaws, the effect of which would be to deny, diminish or encumber the Indemnitee's rights to indemnification pursuant to this Agreement, the Certificate of Incorporation, the Bylaws or applicable law relative to such rights prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement and insurance provided by one or more Persons with whom or

hich Indemnitee may be associated (including, without limitation, any Sponsor Entity). The Company hereby acknowledges and agrees that (i) the Company shall be the indemnitor of first resort with respect to any Proceeding, Expense, Liability or matter that is the subject of the Indemnity Obligations, (ii) the Company shall be primarily liable for all Indemnity Obligations and any indemnification afforded to Indemnitee in respect of any Proceeding, Expense, Liability or matter that is the subject of Indemnity Obligations, whether created by applicable law, organizational or constituent documents, contract (including this Agreement) or otherwise, (iii) any obligation of any other Persons with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) to indemnify Indemnitee or advance Expenses or Liabilities to Indemnitee in respect of any Proceeding shall be secondary to the obligations of the Company hereunder, (iv) the Company shall be required to indemnify Indemnitee and advance Expenses or Liabilities to Indemnitee hereunder to the fullest extent provided herein without regard to any rights Indemnitee may have against any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) or insurer of any such Person and (v) the Company irrevocably waives, relinquishes and releases any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) from any claim of contribution, subrogation or any other recovery of any kind in respect of amounts paid by the Company hereunder. In the event any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) or their insurers advances or extinguishes any liability or loss which is the subject of any Indemnity Obligation owed by the Company or payable under any Company insurance policy, the payor shall have a right of subrogation against the Company or its insurer or insurers for all amounts so paid which would otherwise be payable by the Company or its insurer or insurers under this Agreement. In no event will payment of an Indemnity Obligation by any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) or their insurers affect the obligations of the Company hereunder or shift primary liability for any Indemnity Obligation to any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity). Any indemnification, insurance or advancement provided by any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) with respect to any liability arising as a result of Indemnitee's Corporate Status or capacity as an officer or director of any Person is specifically in excess over any Indemnity Obligation of the Company or valid and any collectible insurance (including but not limited to any malpractice insurance or professional errors and omissions insurance) provided by the Company under this Agreement.

(c) The Company shall maintain an insurance policy or policies providing liability insurance providing reasonable and customary coverage as compared with similarly situated companies (as determined by the Board in its reasonable discretion) for directors, officers, employees, trustees, or agents of any Enterprise, and Indemnitee shall be covered by such

policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee, trustee or agent under such policy or policies and such policies shall provide for and recognize that the insurance policies are primary to any rights to indemnification, advancement or insurance proceeds to which Indemnitee may be entitled from one or more Persons with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) to the same extent as the Company's indemnification and advancement obligations set forth in this Agreement. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result

of such Proceeding in accordance with the terms of such policies.

(d) In the event of any payment under this Agreement, the Company shall be subrogated to the rights of recovery of Indemnitee, including rights of indemnification provided to Indemnitee from any other person or entity with whom Indemnitee may be associated; provided, however, that the Company shall not be subrogated to the extent of any such payment of all rights of recovery of Indemnitee with respect to any Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity).

(e) The indemnification and contribution provided for in this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of Indemnitee.

Section 14. Duration of Agreement; Not Employment Contract. This Agreement shall continue until and terminate upon the latest of: (i) ten (10) years after the date that Indemnitee shall have ceased to serve as director, officer, employee or agent of the Company or any other Enterprise, (ii) one (1) year after the date of final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding, including any appeal, commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto or (iii) the expiration of all statutes of limitation applicable to possible Proceedings to which Indemnitee may be subject arising out of Indemnitee's Corporate Status. The indemnification provided under this Agreement shall continue as to the Indemnitee even though he or she may have ceased to be a director or officer of the Company or of any of the Company's direct or indirect subsidiaries or to have Corporate Status. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. The Company shall require and cause any successor, and any direct or indirect parent of any successor, whether direct or indirect by purchase, merger, consolidation or otherwise, to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be

required to perform if no such succession had taken place. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any other Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries or any other Enterprise), if any, is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries or any other Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director of the Company, by the Certificate of Incorporation, the Bylaws or the DGCL.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by applicable law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director, officer, employee or agent of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer, employee or agent of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

Section 18. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(i) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(ii) If to the Company to
Ranger Energy Services, Inc.
10350 Richmond Ave, Suite 550
Houston, Texas 77042
Attention: Board of Directors

or to any other address as may have been furnished to Indemnitee by the Company.

Section 19. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for Liabilities or for Expenses, in connection with any Proceeding, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (a) the relative benefits received by the Company and Indemnitee as a result of the event(s) and transaction(s) giving cause to such Proceeding; and (b) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and transaction(s).

Section 20. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the " Delaware Court "), and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) consent to service of process at the address set forth in Section 18 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware; (d) waive any objection to the

laying of venue of any such action or proceeding in the Delaware Court, and (e) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware ourt has been brought in an improper or inconvenient forum.

Section 21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 22. Third-Party Beneficiaries. The Sponsor Entities are intended third-party beneficiaries of this Agreement and shall have all of the rights afforded to Indemnitee under this Agreement.

Section 23. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

[Signature Page Follows]

SIGNATURE PAGE TO INDEMNIFICATION AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

RANGER ENERGY SERVICES, INC.

By: /s/ Stuart Bodden
Name: Stuart Bodden
Title: President & CEO

INDEMNITEE

By: /s/ Sean Woolverton
Name: Sean Woolverton
Title: Director

Exhibit 21.1

RANGER ENERGY SERVICES, INC.
Subsidiaries

Company	Jurisdiction of Organization
RNGR Energy Services, LLC	Delaware
Torrent Energy Services, LLC	Delaware
Ranger Energy Services, LLC	Delaware
Academy Oilfield Rentals, LLC	Delaware
Bravo Wireline, LLC	Delaware
Patriot Completion Solutions LLC	Delaware
Ranger Energy Equipment, LLC	Delaware
Ranger Energy Leasing, LLC	Delaware
Ranger Energy Properties, LLC	Delaware
Ranger Energy Acquisition, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ranger Energy Services, Inc.
Houston, Texas

We have issued our reports dated March 5, 2024, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Ranger Energy Services, Inc. on Form 10-K for the year ended December 31, 2023. We consent to the incorporation by reference of said reports in the Registration Statements of Ranger Energy Services, Inc. on Forms S-8 (File No. 333-220018, File No. 333-231818 and File No. 333-265359) and on Form S-1 (File No. 333-264037).

/s/ Grant Thornton, LLP

Houston, Texas
March 5, 2024

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ranger Energy Services, Inc.
Houston, Texas

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-220018, 333-231818 and 333-265359) and Form S-1 (No. 333-264037) of Ranger Energy Services, Inc. of our report dated March 13, 2023, relating to the consolidated financial statements, which appears in this Annual Report on Form 10-K.

/s/ BDO USA, P.C.

Houston, Texas
March 5, 2024

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stuart N. Bodden, certify that:

1. I have reviewed this annual report on Form 10-K of Ranger Energy Services, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Exhibit 31.1

Dated: March 5, 2024

/s/ Stuart N. Bodden

Stuart N. Bodden

President, Chief Executive Officer and Director

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Melissa Cougle, certify that:

1. I have reviewed this annual report on Form 10-K of Ranger Energy Services, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Exhibit 31.2

Dated: March 5, 2024

/s/ Melissa Cougle

Melissa Cougle
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
UNDER SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002, 18 U.S.C. SECTION 1350

In connection with the Annual Report on Form 10-K of Ranger Energy Services, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stuart N. Bodden, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 5, 2024

/s/ Stuart N. Bodden

Stuart N. Bodden
President, Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
UNDER SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002, 18 U.S.C. SECTION 1350

In connection with the Annual Report on Form 10-K of Ranger Energy Services, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Melissa Cougle, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 5, 2024

/s/ Melissa Cougle

Melissa Cougle
Chief Financial Officer
(Principal Financial Officer)

RANGER ENERGY SERVICES, INC. CLAWBACK POLICY

Purpose

The Board of Directors (the "**Board**") of Ranger Energy Services, Inc. (the "**Company**") has oversight of the Company's executive compensation and financial reporting. To that end, this Clawback Policy (the "**Policy"**) is designed to comply with, and will be interpreted to be consistent with, the requirements of Section 303A.14 of the New York Stock Exchange Listed Company Manual regarding the recoupment of certain executive compensation in the event of an accounting restatement as described herein. This Policy will be administered by the Compensation Committee of the Company's Board of Directors (the "**Committee**"), whose determinations will be final, binding and conclusive.

Definitions

Unless the context otherwise requires, the following definitions apply for purposes of this Policy:

"Executive Officer" means any current or former employee who is or was the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice president of the Company in charge of a principal business unit, division, or function, any other officer who performs a policy-making function or any other person who performs similar policymaking functions for the Company. Executive officers of the Company's subsidiaries are deemed Executive Officers of the Company if they perform such policy-making functions for the Company. Policy-making function is not intended to include policymaking functions that are not significant. Identification of an Executive Officer for purposes of this Policy will include at a minimum executive officers identified pursuant to 17 CFR 229.401(b).

"**Financial Reporting Measures**" means any of the following: (i) measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures, (ii) share price and (iii) total shareholder return. A Financial Reporting Measure need not be presented within the Company's financial statements or included in a filing with the Securities and Exchange Commission.

"**Incentive Compensation**" means any compensation that is granted, earned or vested on or after the Effective Date based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive Compensation is deemed "**Received**" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

For clarity, Incentive Compensation **does not include** annual base salary, compensation which is awarded based purely on service to the Company (e.g. a time-vested award, including time-vesting stock options or restricted stock units) or compensation which is

awarded solely at the discretion of the Board, nor does it include compensation which is awarded based on subjective standards, strategic measures (e.g. completion of a merger) or operational measures (e.g. attainment of a certain market share).

"**Relevant Recovery Period**" means the three completed fiscal years immediately preceding the Restatement Date and any transition period resulting from a change in the Company's fiscal year within or immediately following the three completed fiscal years. However, a transition period between the last day of the Company's previous fiscal year end and the first day of the Company's new fiscal year that comprises a period of nine to 12 months will be deemed a completed fiscal year.

"**Restatement**" means an accounting restatement of the Company's financial statements due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"**Restatement Date**" means the date that is the earlier to occur of (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement.

Recoupment

In the event that the Company is required to prepare a Restatement, the Board shall reasonably promptly, as to any Executive Officer who received Incentive Compensation during the Relevant Recovery Period, cause the Company to recover from the Executive Officer the amount of erroneously awarded Incentive Compensation.

This Policy applies to all Incentive Compensation received by a person:

- after beginning service as an Executive Officer,
- who served as an Executive Officer at any time during the performance period for that Incentive Compensation,
- while the Company has a class of securities listed on the New York Stock Exchange, and
- during the Relevant Recovery Period.

Notwithstanding this look-back requirement, the Company is only required to apply this Policy to Incentive Compensation received on or after June 9, 2023 (the "**Effective Date**"). The Company shall recover erroneously awarded Incentive Compensation in compliance with this Policy except to the extent provided under the section entitled "Exceptions" herein. For clarity, the Company's obligation to recover erroneously awarded Incentive Compensation under this Policy is not dependent on if or when a Restatement is filed.

a) ***Recoverable Amount.*** The amount of Incentive Compensation subject to recovery under this Policy is the amount of Incentive Compensation that was Received that exceeds the amount of Incentive Compensation that otherwise would have been received had it been determined based upon the restated amounts, computed without regard to any taxes paid.

b) ***Incentive Compensation Based on Share Price or Shareholder Return***. For Incentive Compensation based on the Company's share price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the Restatement:

- the recoverable amount will be based on a reasonable estimate of the effect of the Restatement on the share price or total shareholder return upon which the Incentive Compensation was received, which may be determined or assisted through consultation with third-party advisors; and
- the Company will maintain documentation of the determination of that reasonable estimate and provide such documentation to the New York Stock Exchange.

Exceptions

The Company must recover erroneously awarded Incentive Compensation pursuant to this Policy, except to the extent that the following conditions of (a) or (b) are met, and the Compensation Committee, or in the absence of the entire Compensation Committee, a majority of the independent directors serving on the Board, has made a determination that recovery would be impracticable.

a) The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of erroneously awarded Incentive Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such erroneously awarded Incentive Compensation, document such reasonable attempts to recover, and provide that documentation to the New York Stock Exchange.

b) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

Prohibition Against Indemnification

The Company shall not indemnify any Executive Officer against the loss of erroneously awarded Incentive Compensation. Executive Officers shall not seek and waive any right to indemnification or contribution from the Company for any amounts reimbursed or clawed back.

Disclosure

The Company shall file all disclosures with respect to recoveries under this Policy in accordance with the requirements of the U.S. federal securities laws, including the disclosure required in connection with applicable Securities and Exchange Commission filings.

Amendment and Termination

The Compensation Committee may amend this Policy from time to time and may terminate this Policy at any time, in each case in its sole discretion.

Effectiveness and Other Recoupment Rights

This Policy shall be effective as of the Effective Date. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company and its subsidiaries and affiliates under applicable law or pursuant to the terms of any similar policy or similar provision in any employment agreement, equity award agreement, or similar agreement.