



**RUSHMORE
RESOURCE
PARTNERS**



Sustainability Report

2022

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SETTING THE BAR FOR RESPONSIBLE ENERGY PRODUCTION

We believe – and have always believed – that sustainability and success go hand-in-hand. When Rushmore Resource Partners was founded, we put this same philosophy into practice, making health, safety, and environmental stewardship a critical part of each employee’s daily work and focus.

These pages are our inaugural Sustainability Report, which outlines our approach to responsible energy production. While we are in the business of oil and gas production, our focus is on operational excellence.

We are convinced that a focus on environmental, safety, and governance (ESG) considerations makes our business more profitable in the long-term, differentiating our company as both an investment and a partner. This report details the enduring operational enhancements we have already made, as well as the high standards we maintain for our workforce. Our mindset is always future-forward, building a resilient company of scale through a variety of commodity cycles and climate conditions.

We are committed to continuing to operate with prudent stewardship both of capital and of our assets, prioritizing responsible governance, transparency, and dependability on behalf of our stakeholders.

**MICHAEL
PIPKIN**

CEO & Founder

**BRADLEY
BRACEWELL**

COO & Founder

THE RRP CULTURE

Our ability to operate at peak performance and with the highest levels of responsibility is rooted in our culture. Our values encapsulate this ethos of commitment and accountability: to each other, to our communities, to our environment, and to our investors.

INTEGRITY

We are straightforward, honest, and principled

PRIDE

We take ownership of our assets and actions

RESPECT

We have respect for our people, our neighbors, and the environment

PROBLEM SOLVING

We think strategically to confront challenges

EXCELLENCE

We do our best and perform at a high level

SAFETY

We go home safely every day

TEAMWORK

We care for our people and work together to achieve our objectives

ACQUIRING PRODUCING OIL AND GAS ASSETS WITH RESPONSIBILITY

ABOUT US

Formed in 2020, Rushmore Resource Partners (RRP) acquires producing properties in Texas and the surrounding states. RRP currently owns and operates a position in the southern Midland Basin, with a focus on environmental and safety stewardship to deliver value as a sustainable, resilient business.

34+

years co-founders' industry experience

~75K

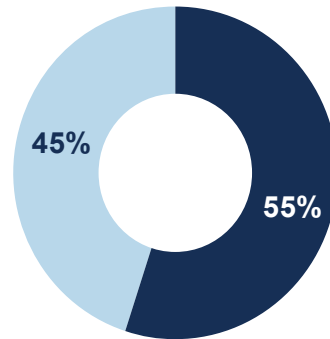
net acres held by production

370+

producing wells

99%+

operational control



■ oil and natural gas liquids
■ natural gas

RRP'S OPERATIONAL PHILOSOPHY

OPERATIONS

→ ENVIRONMENT →

- Meet or exceed regulatory standards
- Foster a culture of environmental stewardship
- Focus diligently on optimizing environmental technology
- Consistently seek to reduce our impact
- Conduct ongoing surveillance
- Minimize emissions and waste

SAFETY →

- Ensure a safe and healthy working environment
- Train for management leadership and employee compliance
- Maintain a goal of zero incidents and zero spills
- Record and learn from undesired results
- Measure and report thoroughly
- Utilize single-point accountability for field operations

OPERATING WITH AN ENVIRONMENTAL AND SAFETY FOCUS

SUSTAINABILITY COMMITMENT

Our environmental policies are rooted in a desire for continuous improvement, meeting or exceeding governmental requirements and investor expectations.

- We **assess and regularly re-assess the environmental effects** of RRP's activities.
- We **reduce and/or limit the production of pollutants** to water, land and air.
- We **minimize the production of waste** and employ, wherever and whenever possible, a system of recycling.
- We monitor our operations to cost-effectively **meet federal, state, and local requirements**, minimizing risk and liability.
- We **train operations employees** to understand environmental compliance requirements related to their job duties.
- We **work with suppliers and sub-contractors** to improve our combined environmental performance.
- We include language in our standard Master Service Agreements **requiring prudent contractor operatorship**.
- We provide **regular reports to Senior Management and our Board of Directors** regarding the status on our environmental initiatives.
- We employ the proper **environmental technologies** to reliably, responsibly and cost-effectively operate with environmental stewardship.



ROBUST INCIDENT PREVENTION AND RESPONSE



SPILL PREVENTION CONTROL AND COUNTERMEASURE PLAN

Rushmore Resource Partners, LLC



EMERGENCY RESPONSE PLAN

Rushmore Resource Partners, LLC



We report annually to the U.S. Environmental Protection Agency on

- **SCOPE 1 CO2**
- **SCOPE 1 CH4**
- **SCOPE 2 N2O**
- **FLARED HYDROCARBONS**
- **OTHER COMBUSTION**
- **PROCESS EMISSIONS**
- **OTHER VENTED EMISSIONS**
- **FUGITIVE EMISSIONS**

MAXIMIZING RESULTS AND MINIMIZING IMPACT

Since acquiring our Southern Midland Basin position in 2021, RRP has focused on a systematic approach to reducing greenhouse gas emissions and our overall operational footprint.

CENTRAL PROCESSING FACILITY OPERATIONAL OPTIMIZATION

- Facility is responsible for the collection and separation of produced oil, liquids, and gas
- RRP retrofitted many of the Pneumatic Valves such that >85% now operate on compressed air
- The use of compressed air to power pneumatic actuators reduced fossil fuel usage

ELECTRIFICATION OF STRANDED WELL PAD LOCATIONS

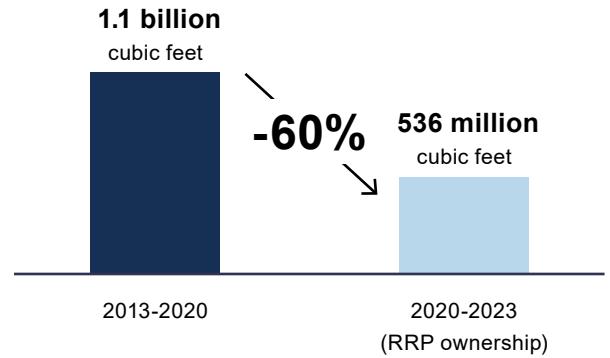
- Upon acquiring the position in 2021, several stranded locations on the far west of the field were running on diesel generators
- RRP invested in electrical lines to these locations, replacing 100% of their diesel usage

MITIGATING OPERATIONAL FLARING INTO PROFITABILITY

- RRP maintains a commitment to minimizing of flaring at all times unless posing a safety risk
- Our operational focus resulted in the diversion of previously flared production into 19 permitted gas injection wells
- When ready, this diverted gas was returned back into a sellable product



ANNUAL FLARING



RRP has reduced flaring over 60% during its first three years of ownership

THESE ACTIONS UNDERSCORE THE CONNECTION BETWEEN ECONOMIC PERFORMANCE AND ESG

HEALTH AND SAFETY COMMITMENT

In our view, a rigorous focus on safety and responsible production allows us to maximize the value of our operations while protecting our employees, contractors, and communities.

OUR EXPECTATION IS THAT EVERYBODY GOES HOME SAFELY EVERY DAY – NO EXCEPTIONS

AREAS OF FOCUS

PERSONAL SAFETY

- Tailgate Safety Meeting
- Driving
- PPE
- Right Tools for the Job
- Distractions
- Slips, Trips, Falls
- Hands
- Line on Fire
- Confined Spaces
- Working at Height
- Suspended Loads
- Fitness for Duty

PROCESS SAFETY

- Tailgate Safety Meeting
- Lock-out/Tag-out
- Isolate Energy Sources
- Do Not Bypass Safety Controls
- Permit to Work
- Management of Change
- Hot Work

TRAINING

- PPE
- Respiratory Protection
- Fire Protection
- Bloodborne Pathogens
- Lifting and Back Safety
- Electrical Safety
- Excavation and Trenching
- HazCom/GHS
- Fall Protection
- Hand Safety
- Hearing Conservation
- Emergency Action Plan
- NORM



HEALTH AND SAFETY MANUAL

Rushmore Resource Partners, LLC



RUSHMORE
RESOURCE
PARTNERS

Our approach to personal and process safety, as well as the training each employee receives, is underscored by robust policies – created by a third-party consultant – around health and safety standards, incident investigation, and enforcement and disciplinary systems.

ADVANCING BEST PRACTICES

DOING IT BETTER

At Rushmore, environmental and operational stewardship means that we consistently look to where we can deepen our commitments and advance our ESG-related performance. We are utilizing third-party industry partnerships to ensure our practices remain best-in-class – and to identify areas for continued environmental or safety performance.



MiQ certifies over 4% of the global gas supply. Rushmore is in the process of pursuing this certification to seek to improve the methane reductions we have made in our field.



Rushmore has contracted to use Kairos' patented LeakSurveyor™ methane spectrometer to conduct aerial surveys of our assets, detecting leaks in real-time.

COMMITMENT TO DIVERSITY, EQUITY & INCLUSION

We believe every individual in our organization serves a valuable purpose and must be valued for their unique contributions. Recognizing our employees as humans and prizing their differentiated backgrounds and experiences makes RRP stronger in every way. We are proud to maintain a commitment to diversity, equity, and inclusion (DE&I) in our recruiting processes and throughout the lifecycle of our employees' experience.

We are also proud to extend this commitment beyond our organization and into our communities. RRP actively engages with and supports non-profit organizations focused on advancing inclusivity and equity in our local operating area.

CHARITABLE GIVING



LOOKING AHEAD

Going forward, our operational focus will continue to be on prioritizing safety and protecting the environment, both to deliver value to our shareholders and to continue to hold ourselves to the highest operational standards. We plan to continue to look at flaring reduction opportunities as well as tightened control over spill production. And, we have contracted with a third-party to advance our overall ESG profile and design a roadmap forward for aligning these practices with our ability to grow as a business.

We look forward to continuing to report to our stakeholders with transparency and to holding ourselves accountable to our partners, our communities, our team, and our land.



