UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 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: 001-33292

CORENERGY

CORENERGY INFRASTRUCTURE TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland	**20-3431375**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1100 Walnut, Ste. 3350 Kansas City, MO 64106
(Address of Registrant's Principal Executive Offices) (Zip Code)

(816) 875-3705
(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Common Stock, par value $0.001 per share	CORR	New York Stock Exchange
7.375% Series A Cumulative Redeemable Preferred Stock	CORRPrA	New York Stock Exchange

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 (§232.405 of this chapter) 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, a 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 is a shell company (as defined in Rule 12b-2 of the Act) Yes ☐ No ☒

As of August 10, 2023, the registrant had 15,353,833 shares of Common Stock outstanding and 683,761 shares of Class B Common Stock outstanding.

CorEnergy Infrastructure Trust, Inc.

FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 2023

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This Report on Form 10-Q should be read in its entirety. No one section of this report deals with all aspects of the subject matter disclosed herein. It should be read in conjunction with the unaudited consolidated financial statements, related notes, and with the Management's Discussion & Analysis included within, as well as provided in the CorEnergy Infrastructure Trust, Inc. Annual Report on Form 10-K, for the year ended December 31, 2022.

The unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information, the instructions to Form 10-Q, and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of Management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for the year ended December 31, 2023 or for any other interim or annual period. For further information, refer to the audited consolidated financial statements and footnotes thereto included in the CorEnergy Infrastructure Trust, Inc. Annual Report on Form 10-K, for the year ended December 31, 2022.

GLOSSARY OF DEFINED TERMS

Certain of the defined terms used in this Report as set forth below:

5.875% Convertible Notes: the Company's 5.875% Unsecured Convertible Senior Notes due 2025.

Adjusted SOFR: SOFR plus an adjustment based on tenor. The adjustment is 0.10% for one-month, 0.15% for three-month and 0.25% for six-month, SOFR rates. The adjustment was implemented when changing to SOFR to make the interest expense using SOFR as a reference rate equivalent to that using LIBOR.

ASC: FASB Accounting Standards Codification.

ASU: FASB Accounting Standard Update.

Bbls: standard barrel containing 42 U.S. gallons.

bpd: Barrels per day.

Cash Available for Distribution, or CAD (a non-GAAP financial measure): the Company's earnings before interest, taxes, depreciation and amortization, less (i) cash interest expense, (ii) preferred dividend requirements, including Crimson Class A-1 Units, (iii) regularly scheduled debt amortization, (iv) maintenance capital expenditures, and (v) reinvestment allocation and plus or minus other adjustments, but excluding the impact of extraordinary or nonrecurring expenses unrelated to the operations of Crimson and all of its subsidiaries, as defined in the Articles Supplementary for the Class B Common Stock and effective beginning with the quarter ending June 30, 2021.

Class B Common Stock: the Company's Class B Common Stock, par value $0.001 per share.

Code: the Internal Revenue Code of 1986, as amended.

Common Stock: the Company's Common Stock, par value $0.001 per share.

Company or CorEnergy: CorEnergy Infrastructure Trust, Inc. (NYSE: CORR).

Corridor MoGas: Corridor MoGas, Inc., a wholly owned taxable REIT subsidiary of CorEnergy, the holding company of MoGas, United Property Systems and CorEnergy Pipeline Company, LLC and a co-borrower under the Crimson Credit Facility.

CPUC: California Public Utility Commission.

Crimson: Crimson Midstream Holdings, LLC, the indirect owner of CPUC-regulated crude oil pipeline companies, of which the Company owns a 49.50% voting interest and all of the Class B-1 equity ownership interests.

Crimson Credit Facility: the Amended and Restated Credit Agreement, dated as of February 4, 2021, with Crimson Midstream Operating and Corridor MoGas, as co-borrowers, the lenders from time to time party thereto, and Wells Fargo Bank, National Association, as administrative agent, swingline lender and issuing bank, which provides borrowing capacity of up to $155.0 million, consisting of: the $50.0 million Crimson Revolver, the $80.0 million Crimson Term Loan and an uncommitted incremental facility of $25.0 million.

Crimson Midstream Operating: Crimson Midstream Operating, LLC, a wholly owned subsidiary of Crimson and a co-borrower under the Crimson Credit Facility and direct owner of CPUC-regulated crude oil pipeline companies.

Crimson Pipeline System: an approximately 2,000-mile crude oil transportation pipeline system, which includes approximately 1,100 active miles, with associated storage facilities located in southern California and the San Joaquin Valley, owned and operated by subsidiaries of Crimson.

Crimson Revolver: the $50.0 million secured revolving line of credit facility with Wells Fargo Bank, National Association entered into on February 4, 2021.

Crimson Term Loan: the $80.0 million secured term loan with Wells Fargo Bank, National Association entered into on February 4, 2021.

Crimson Transaction: the Company's acquisition of a 49.50% voting interest in Crimson effective February 1, 2021 with the right to acquire the remaining 50.50% voting interest upon receiving CPUC approval.

Exchange Act: the Securities Exchange Act of 1934, as amended.

FASB: Financial Accounting Standards Board.

FERC: Federal Energy Regulatory Commission.

Four Wood Corridor: Four Wood Corridor, LLC, a wholly owned subsidiary of CorEnergy.

GAAP: U.S. generally accepted accounting principles.

Grier Members: Mr. John D. Grier, Mrs. M. Bridget Grier and certain of their affiliated trusts, which collectively own all of the Class A-1, Class A-2, and Class A-3 equity ownership interests in Crimson, which is reflected as a non-controlling interest in the Company's financial statements. The Grier Members own a 50.5% voting interest in Crimson through their ownership of the Crimson C-1 Units.

Indenture: that certain Indenture, dated August 12, 2019, between the Company and U.S. Bank National Association, as Trustee for the 5.875% Convertible Notes.

Internalization: CorEnergy's acquisition of its former external manager, Corridor InfraTrust Management, LLC, which closed July 6, 2021.

IRS: Internal Revenue Service.

LIBOR: the London Interbank Offered Rate, a benchmark rate being replaced by SOFR.

MoGas: MoGas Pipeline LLC, an indirect wholly owned subsidiary of CorEnergy.

MoGas Pipeline System: an approximately 263-mile interstate natural gas pipeline system located in and around St. Louis and extending into central Missouri, which is owned and operated by MoGas.

Mowood: Mowood, LLC, a wholly owned subsidiary of CorEnergy and the holding company of Omega.

NYSE: New York Stock Exchange.

Omega: Omega Pipeline Company, LLC, a wholly owned subsidiary of Mowood.

Omega Pipeline System: a 75-mile natural gas distribution system providing unregulated service in south central Missouri, which is owned and operated by Omega.

Omnibus Plan: the CorEnergy Infrastructure Trust, Inc. Omnibus Equity Incentive Plan, which was approved by the Company's stockholders on May 25, 2022.

Pipeline Loss Allowance (or PLA): the portion of crude oil provided by or on behalf of each shipper, at no cost to the carrier, (as allowance for losses sustained due to evaporation, measurement and other losses in transit) and retained by the carrier in recognition of loss and shrinkage in carrier's system.

PLR: the Private Letter Ruling dated November 16, 2018 (PLR 201907001) issued to CorEnergy by the IRS.

REIT: real estate investment trust.

RSU: Restricted Stock Unit.

SEC: Securities and Exchange Commission.

Securities Act: the Securities Act of 1933, as amended.

Series A Preferred Stock: the Company's 7.375% Series A Cumulative Redeemable Preferred Stock, par value $0.001 per share, which are represented by depositary shares, each representing 1/100th of a whole share of Series A Preferred Stock.

SOFR: the Secured Overnight Financing Rate, a benchmark interest rate for dollar-denominated loans that will replace LIBOR. It reflects the pricing of overnight loans that are secured by U.S. Treasury securities.

United Property Systems: United Property Systems, LLC, an indirect wholly owned subsidiary of CorEnergy, acquired with the MoGas transaction in November 2014.

VIE: variable interest entity.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

With the exception of historical information, certain statements included or incorporated by reference in this Quarterly Report on Form 10-Q ("Report") may be deemed "forward-looking statements" within the meaning of the federal securities laws. In many cases, these forward-looking statements may be identified by the use of words such as "will," "may," "should," "could," "believes," "expects," "anticipates," "estimates," "intends," "projects," "goals," "objectives," "targets," "predicts," "plans," "seeks," or similar expressions. Any forward-looking statement speaks only as of the date on which it is made and is qualified in its entirety by reference to the factors discussed throughout this Report.

Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of future performance or results and we can give no assurance that these expectations will be attained. Our actual results may differ materially from those indicated by these forward-looking statements due to a variety of known and unknown risks and uncertainties. Therefore, you should not rely on any of these forward-looking statements. You should also understand that it is not possible to predict or identify all such factors and you should not consider the following list to be a complete statement of all potential risks and uncertainties. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include, among others, the following:

- the impact of regulatory actions in California to curtail oil production;
- our ability to complete the sale of our MoGas and Omega Pipeline Systems on terms that will allow us to repay our Crimson Credit Facility and a material portion of our 5.875% Convertible Notes;
- our ability to meet the NYSE continuous listing standards so as to avoid an obligation to repurchase 5.875% Convertible Notes at par value if our Common Stock is delisted;
- changes in economic and business conditions in the energy infrastructure sector where our investments are concentrated, including the financial condition of our customers or borrowers and general economic conditions in the U.S. and in the particular sectors of the energy industry served by each of our infrastructure assets, including inflationary and recessionary risks;
- systemic pressures in the banking system, including potential disruptions in credit markets;
- competitive and regulatory pressures on the revenues of our California intrastate crude oil transportation business and our interstate natural gas transmission business;
- risks associated with the receipt of CPUC approval for the Company to obtain operational control over Crimson's CPUC-regulated pipeline assets;
- the impact of environmental, pipeline safety and other laws and governmental regulations applicable to certain of our infrastructure assets, including additional costs imposed on our business or other adverse impacts as a result of any unfavorable changes in such laws or regulations;
- our ability to comply with covenants in instruments governing our indebtedness;
- the potential impact of greenhouse gas regulation and climate change on our or our customers' business, financial condition and results of operations;
- risks associated with security breaches through cyber-attacks or acts of cyber terrorism or other cyber intrusions, or any other significant disruptions of our information technology (IT) networks and related systems;
- risks associated with the age of Crimson's assets, which were constructed over many decades, and which may increase future inspection, maintenance or repair costs, or result in downtime that could have a material adverse effect on our business and results of operations;
- the loss of any member of our management team;

- our ability to refinance amounts outstanding under our credit facilities and our 5.875% Convertible Notes at maturity on terms favorable to us;
- changes in interest rates under our current credit facilities and under any additional variable rate debt arrangements that we may enter into in the future;
- our dependence on key customers for significant revenues, and the risk of defaults by any such customers;
- our customers' ability to secure adequate insurance and risk of potential uninsured losses, including from natural disasters;
- the continued availability of third-party pipelines or other facilities interconnected with certain of our infrastructure assets;
- risks associated with owning, operating or financing properties for which our customers' or our operations may be impacted by extreme weather patterns and other natural phenomena;
- our ability to sell properties at an attractive price;
- market conditions and related price volatility affecting our debt and equity securities;
- changes in federal or state tax rules or regulations that could have adverse tax consequences;
- our ability to maintain internal controls and processes to ensure that all transactions are properly accounted for, that all relevant disclosures and filings are timely made in accordance with all rules and regulations, and that any potential fraud or embezzlement is thwarted or detected;
- changes in federal income tax regulations (and applicable interpretations thereof), or in the composition or performance of our assets, that could impact our ability to continue to qualify as a REIT for federal income tax purposes;
- conflicts of interest that some of our directors and officers may have with respect to certain other business interests related to the Crimson Transaction;
- risks related to potential terrorist attacks, acts of cyber-terrorism, or similar disruptions that could disrupt access to our information technology systems or result in other significant damage to our business and properties, some of which may not be covered by insurance and all of which could adversely impact distributions to our stockholders; and
- the loss of crude oil volumes on pipelines indirectly owned by Crimson due to lower than expected oil production in California or changes in customer shipping practices.

Forward-looking statements speak only as of the date on which they are made. Except as otherwise required by law, we undertake no obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this Report or to reflect the occurrence of unanticipated events. For a further discussion of these and other factors that could impact our future results and performance, see Part I, Item 1A, "Risk Factors" in CorEnergy's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 29, 2023.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED BALANCE SHEETS

	June 30, 2023	December 31, 2022
Assets	*(Unaudited)*	
Property and equipment, net of accumulated depreciation of $30,066,195 and $52,908,191, respectively (Crimson VIE*: $339,790,197, and $340,205,058, respectively)	$ 339,805,290	$ 440,148,967
Leased property, net of accumulated depreciation of $— and $299,463, respectively	—	1,226,565
Financing notes and related accrued interest receivable, net of reserve of $50,000 and $600,000, respectively	710,467	858,079
Cash and cash equivalents (Crimson VIE: $2,118,199 and $1,874,319, respectively)	9,237,764	17,830,482
Accounts and other receivables (Crimson VIE: $9,026,092 and $10,343,769, respectively)	9,028,808	14,164,525
Due from affiliated companies (Crimson VIE: $5,416 and $167,743, respectively)	5,416	167,743
Deferred costs, net of accumulated amortization of $910,220 and $726,619, respectively	303,322	415,727
Inventory (Crimson VIE: $3,579,851 and $5,804,776, respectively)	3,579,851	5,950,051
Prepaid expenses and other assets (Crimson VIE: $3,091,963 and $3,414,372, respectively)	5,178,308	9,478,146
Operating right-of-use assets (Crimson VIE: $6,012,534 and $4,452,210, respectively)	6,096,799	4,722,361
Deferred tax asset, net (Crimson VIE: $217,430 and $—, respectively)	217,430	—
Assets held-for-sale	108,670,305	—
Total Assets	$ 482,833,760	$ 494,962,646
Liabilities and Equity		
Secured credit facilities, net of deferred financing costs of $403,951 and $665,547, respectively	$ 102,596,049	$ 100,334,453
Unsecured convertible senior notes, net of discount and debt issuance costs of $1,397,620 and $1,726,470, respectively	116,652,380	116,323,530
Accounts payable and other accrued liabilities (Crimson VIE: $11,181,628 and $16,889,980, respectively)	16,244,763	26,316,216
Income tax payable (Crimson VIE: $— and $85,437, respectively)	8,529	174,849
Due to affiliated companies (Crimson VIE: $156,274 and $209,750, respectively)	156,274	209,750
Operating lease liability (Crimson VIE: $5,983,720 and $4,454,196, respectively)	6,067,985	4,696,410
Deferred tax liability, net	—	1,292,300
Unearned revenue (Crimson VIE: $566,154 and $203,725, respectively)	566,154	5,948,621
Liabilities held-for-sale	7,234,513	—
Total Liabilities	$ 249,526,647	$ 255,296,129
Commitments and Contingencies (Note 9)		
Equity		
Series A Cumulative Redeemable Preferred Stock 7.375%, $134,301,935 liquidation preference at June 30, 2023 and $129,525,675 liquidation preference at December 31, 2022 ($2,500 per share, $0.001 par value); 69,367,000 authorized; 51,810 issued and outstanding at June 30, 2023 and December 31, 2022	$ 129,525,675	$ 129,525,675
Common stock, non-convertible, $0.001 par value; 15,350,883 and 15,253,958 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively (100,000,000 shares authorized)	15,351	15,254
Class B Common Stock, $0.001 par value; 683,761 shares issued and outstanding at June 30, 2023 and December 31, 2022 (11,896,100 shares authorized)	684	684
Additional paid-in capital	327,074,755	327,016,573
Retained deficit	(341,821,204)	(333,785,097)
Total CorEnergy Equity	114,795,261	122,773,089
Non-controlling interest	118,511,852	116,893,428
Total Equity	233,307,113	239,666,517
Total Liabilities and Equity	$ 482,833,760	$ 494,962,646

*Variable Interest Entity ("VIE") (Note 14)

See accompanying Notes to Consolidated Financial Statements.

CorEnergy

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS *(Unaudited)*

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenue				
Transportation and distribution	$ 28,540,632	$ 28,289,654	$ 57,779,747	$ 58,264,628
Pipeline loss allowance subsequent sales	7,009,996	3,074,436	7,009,996	5,806,199
Lease and other revenue	103,352	157,346	206,409	322,960
Total Revenue	35,653,980	31,521,436	64,996,152	64,393,787
Expenses				
Transportation and distribution	17,787,024	14,263,677	35,268,087	28,209,520
Pipeline loss allowance subsequent sales cost of revenue	7,050,776	2,438,987	7,050,776	4,631,636
General and administrative	7,447,410	5,276,363	14,218,992	10,419,228
Depreciation and amortization	3,237,526	3,992,314	7,269,153	7,968,981
Total Expenses	35,522,736	25,971,341	63,807,008	51,229,365
Operating Income	$ 131,244	$ 5,550,095	$ 1,189,144	$ 13,164,422
Other Income (expense)				
Other income	$ 195,678	$ 136,023	$ 337,491	$ 256,565
Interest expense	(4,426,351)	(3,342,906)	(8,830,916)	(6,489,761)
Total Other Expense	(4,230,673)	(3,206,883)	(8,493,425)	(6,233,196)
Income (Loss) before income taxes	(4,099,429)	2,343,212	(7,304,281)	6,931,226
Taxes				
Current tax expense	2,625	156,877	9,701	307,921
Deferred tax expense (benefit)	(934,704)	16,209	(946,299)	88,422
Income tax expense (benefit), net	(932,079)	173,086	(936,598)	396,343
Net Income (Loss)	(3,167,350)	2,170,126	(6,367,683)	6,534,883
Less: Net income attributable to non-controlling interest	809,212	809,212	1,618,424	1,618,424
Net Income (Loss) attributable to CorEnergy Infrastructure Trust, Inc.	$ (3,976,562)	$ 1,360,914	$ (7,986,107)	$ 4,916,459
Preferred dividend requirements	2,388,130	2,388,130	4,776,260	4,776,260
Net Income (Loss) attributable to Common Stockholders	$ (6,364,692)	$ (1,027,216)	$ (12,762,367)	$ 140,199
Common Stock				
Weighted average shares outstanding - basic	15,350,883	14,989,942	15,311,792	14,953,754
Basic net earnings (loss) per share	$ (0.40)	$ (0.06)	$ (0.80)	$ 0.01
Weighted average shares outstanding - diluted	15,815,840	15,454,899	15,776,749	15,460,047
Diluted net earnings (loss) per share	$ (0.40)	$ (0.07)	$ (0.81)	$ 0.01
Class B Common Stock				
Weighted average shares outstanding - basic and diluted	683,761	683,761	683,761	683,761
Basic and diluted net loss per share	$ (0.40)	$ (0.11)	$ (0.80)	$ (0.09)
Dividends declared per common share	$ —	$ 0.050	$ —	$ 0.100

See accompanying Notes to Consolidated Financial Statements.

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED STATEMENTS OF EQUITY

	Preferred Stock	Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Deficit	Non-controlling Interest	Total
	Amount	Shares	Amount	Shares	Amount				
Balance at March 31, 2023 (Unaudited)	$ 129,525,675	15,350,883	$ 15,351	683,761	$ 684	$ 326,948,418	$ (337,844,642)	$ 117,702,640	$ 236,348,126
Net (loss) income	—	—	—	—	—	—	(3,976,562)	809,212	(3,167,350)
Stock-based compensation, net of forfeitures	—	—	—	—	—	102,718	—	—	102,718
Common stock, accrued dividend equivalent forfeiture	—	—	—	—	—	23,619	—	—	23,619
Balance at June 30, 2023 (Unaudited)	$ 129,525,675	15,350,883	$ 15,351	683,761	$ 684	$ 327,074,755	$ (341,821,204)	$ 118,511,852	$ 233,307,113

	Preferred Stock	Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Deficit	Non-controlling Interest	Total
	Amount	Shares	Amount	Shares	Amount				
Balance at December 31, 2022	$ 129,525,675	15,253,958	$ 15,254	683,761	$ 684	$ 327,016,573	$ (333,785,097)	$ 116,893,428	$ 239,666,517
Cumulative effect adjustment for the adoption of ASC 326, Financial Instruments -- Credit Losses	—	—	—	—	—	—	(50,000)	—	(50,000)
Net (loss) income	—	—	—	—	—	—	(7,986,107)	1,618,424	(6,367,683)
Shares issued on RSU vesting, net of shares withheld for taxes	—	96,925	97	—	—	(57,781)	—	—	(57,684)
Stock-based compensation, net of forfeitures	—	—	—	—	—	92,344	—	—	92,344
Common stock, accrued dividend equivalent forfeiture	—	—	—	—	—	23,619	—	—	23,619
Balance at June 30, 2023 (Unaudited)	$ 129,525,675	15,350,883	$ 15,351	683,761	$ 684	$ 327,074,755	$ (341,821,204)	$ 118,511,852	$ 233,307,113

See accompanying Notes to Consolidated Financial Statements.

	Preferred Stock	Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Deficit	Non-controlling Interest	Total
	Amount	Shares	Amount	Shares	Amount				
Balance at March 31, 2022 (Unaudited)	$ 129,525,675	14,960,628	$ 14,960	683,761	$ 684	$ 335,376,932	$ (317,473,035)	$ 116,816,116	$ 264,261,332
Net income	—	—	—	—	—	—	1,360,914	809,212	2,170,126
Series A preferred stock dividends	—	—	—	—	—	(2,388,130)	—	—	(2,388,130)
Common Stock dividends	—	—	—	—	—	(748,031)	—	—	(748,031)
Reinvestment of dividends paid to common stockholders	—	69,312	69	—	—	196,082	—	—	196,151
Crimson cash distribution on A-1 Units	—	—	—	—	—	—	—	(809,212)	(809,212)
Stock-based compensation	—	30,917	31	—	—	151,328	—	—	151,359
Balance at June 30, 2022 (Unaudited)	$ 129,525,675	15,060,857	$ 15,060	683,761	$ 684	$ 332,588,181	$ (316,112,121)	$ 116,816,116	$ 262,833,595

	Preferred Stock	Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Deficit	Non-controlling Interest	Total
	Amount	Shares	Amount	Shares	Amount				
Balance at December 31, 2021	$ 129,525,675	14,893,184	$ 14,893	683,761	$ 684	$ 338,302,735	$ (321,028,580)	$ 116,816,116	$ 263,631,523
Net income	—	—	—	—	—	—	4,916,459	1,618,424	6,534,883
Series A preferred stock dividends	—	—	—	—	—	(4,776,260)	—	—	(4,776,260)
Common Stock dividends	—	—	—	—	—	(1,492,690)	—	—	(1,492,690)
Reinvestment of dividends paid to common stockholders	—	136,756	136	—	—	403,068	—	—	403,204
Crimson cash distribution on A-1 Units	—	—	—	—	—	—	—	(1,618,424)	(1,618,424)
Stock-based compensation	—	30,917	31	—	—	151,328	—	—	151,359
Balance at June 30, 2022 (Unaudited)	$ 129,525,675	15,060,857	$ 15,060	683,761	$ 684	$ 332,588,181	$ (316,112,121)	$ 116,816,116	$ 262,833,595

See accompanying Notes to Consolidated Financial Statements.

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS *(Unaudited)*

	For the Six Months Ended	
	June 30, 2023	June 30, 2022
Operating Activities		
Net income (loss)	$ (6,367,683)	$ 6,534,883
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Deferred income tax, net	(946,299)	88,422
Depreciation and amortization	7,269,153	7,968,981
Amortization of debt issuance costs	774,047	824,120
Gain on sale of equipment	(1,074)	(22,678)
Stock-based compensation	92,344	151,359
Changes in assets and liabilities:		
Accounts and other receivables	1,482,880	1,024,635
Inventory	2,224,250	(587,295)
Prepaid expenses and other assets	4,095,376	1,785,571
Due from affiliated companies, net	108,852	140,509
Accounts payable and other accrued liabilities	(6,069,668)	1,071,089
Income tax payable	(166,320)	305,205
Unearned revenue	162,160	280,795
Other changes, net	(30,613)	(206,457)
Net cash provided by operating activities	$ 2,627,405	$ 19,359,139
Investing Activities		
Purchases of property and equipment	(7,967,423)	(4,141,485)
Proceeds from reimbursable projects	858,134	2,103,544
Other changes, net	(789,739)	124,701
Net cash used in investing activities	$ (7,899,028)	$ (1,913,240)
Financing Activities		
Dividends paid on Series A preferred stock	—	(4,776,260)
Dividends paid on Common Stock	—	(1,492,690)
Reinvestment of Dividends Paid to Common Stockholders	—	403,204
Distributions to non-controlling interest	—	(1,618,424)
Advances on the Crimson Revolver	7,000,000	4,000,000
Payments on the Crimson Revolver	(1,000,000)	(4,000,000)
Principal payments on the Crimson Term Loan	(4,000,000)	(4,000,000)
Dividends paid on Vested RSUs	(15,612)	—
Payments on financing arrangement	(2,203,747)	(1,170,635)
Net cash used in financing activities	$ (219,359)	$ (12,654,805)
Net change in Cash and Cash Equivalents	(5,490,982)	4,791,094
Cash and Cash Equivalents at beginning of period	17,830,482	11,540,576
Cash and Cash Equivalents at end of period[(1)]	$ 12,339,500	$ 16,331,670

	For the Six Months Ended	
	June 30, 2023	June 30, 2022
Supplemental Disclosure of Cash Flow Information		
Interest paid	$ 9,007,546	$ 4,999,845
Income taxes paid (net of refunds)	191,000	(12,055)
Non-Cash Investing Activities		
Purchases of property, plant and equipment in accounts payable and other accrued liabilities	$ 1,430,552	$ 771,180
Non-Cash Financing Activities		
Assets acquired under financing arrangement	$ —	$ 1,226,402

(1) Cash and Cash Equivalents at the end of the six months ended June 30, 2023 include $3.1 million held-for-sale. The Consolidated Statement of Cash Flows reflects assets and liabilities classified as held-for-sale that are presented in the Held-for-Sale Balance Sheet in Note 3. ("Held-for-Sale"). See Note 3. ("Held-for-Sale") for further information.

See accompanying Notes to Consolidated Financial Statements.

CorEnergy

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(Unaudited)*
June 30, 2023

1. INTRODUCTION AND BASIS OF PRESENTATION

Introduction

CorEnergy Infrastructure Trust, Inc. (referred to as "CorEnergy" or "the Company"), was organized as a Maryland corporation and commenced operations on December 8, 2005. The Company's common stock, par value $0.001 per share ("Common Stock"), is listed on the New York Stock Exchange ("NYSE") under the symbol "CORR" and its depositary shares representing the Company's 7.375% Series A Cumulative Redeemable Preferred Stock, par value $0.001 per share ("Series A Preferred Stock"), are listed on the NYSE under the symbol "CORR PrA". The Company's Class B Common Stock, par value $0.001 per share ("Class B Common Stock"), is not listed on an exchange.

The Company owns and operates critical energy midstream infrastructure connecting the upstream and downstream sectors within the industry. The Company currently generates revenue from the transportation, via pipeline systems, of crude oil and natural gas for its customers in California and Missouri, respectively. The pipelines are located in areas where it would be difficult to replicate rights-of-way or transport crude oil or natural gas via non-pipeline alternatives, resulting in the Company's assets providing utility-like criticality in the midstream supply chain for its customers.

CorEnergy's Private Letter Rulings ("PLRs") enable the Company to invest in a broader set of revenue contracts within its real estate investment trust ("REIT") structure, including the opportunity to both own and operate infrastructure assets. CorEnergy has determined its investments in these energy infrastructure assets to be a single reportable business segment and reports them accordingly in its consolidated financial statements.

The principal executive offices of the Company are located at 1100 Walnut, Suite 3350, Kansas City, Missouri 64106.

Basis of Presentation and Consolidation

The accompanying unaudited consolidated financial statements include CorEnergy accounts and the accounts of its wholly owned subsidiaries and variable interest entities ("VIEs") for which CorEnergy is the primary beneficiary. The unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") set forth in the Accounting Standards Codification ("ASC"), as published by the Financial Accounting Standards Board ("FASB"), and with the Securities and Exchange Commission ("SEC") instructions to Form 10-Q, and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The accompanying unaudited consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the Company's financial position, results of operations, and cash flows for the periods presented. There were no adjustments that, in the opinion of management, were not of a normal and recurring nature. All intercompany transactions and balances have been eliminated in consolidation, and the Company's net earnings have been reduced by the portion of net earnings attributable to non-controlling interests, when applicable. Prior reporting period amounts have been recast to conform with the current period presentation. In preparing the unaudited consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses for the period. Actual results could differ significantly from those estimates.

Operating results for the three and six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023 or any other interim or annual period. Amounts as of December 31, 2022 have been derived from the audited consolidated financial statements as of that date but do not include all of the information and footnotes required by GAAP for complete financial statements and, as a result, should be read in conjunction with the audited consolidated financial statements and the notes thereto included in CorEnergy's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 29, 2023.

Subsidiaries of the Company and Crimson Midstream Holdings, LLC, a VIE of the Company ("Crimson"), are co-borrowers under that certain Amended and Restated Credit Agreement, dated as February 4, 2021, which provides for borrowing capacity of up to $155.0 million (the "Crimson Credit Facility"). The Crimson Credit Facility is scheduled to mature on May 3, 2024, which is within twelve months of the date of issuance of these financial statements for the period ended June 30, 2023.

On May 25, 2023, the Company announced entry into a definitive agreement to sell the MoGas and Omega pipeline systems to Spire, Inc. for approximately $175.0 million in cash, subject to final working capital adjustments. The transaction is currently expected to close around the end of the calendar year, pending U.S. Federal Trade Commission ("FTC") review and subject to customary closing conditions. The Company is required to use the proceeds from such sale to repay the Crimson Credit Facility

If the MoGas and Omega sale does not occur in early 2024, the Company's operating cash flows may not be sufficient to service our debt instruments in 2024. If the Company is unable to extend the maturity date of the Crimson Credit Facility, or to repay or refinance it by May 3, 2024, the Company's ability to meet its obligations would be adversely affected. Failure to extend the maturity date or repay the debt prior to its contractual maturity would result in the potential foreclosure on the collateral securing such debt and could cause a cross-default under other agreements, which could also result in the acceleration of those obligations by the counterparties to those agreements.

The Company’s management believes it is probable the sale of MoGas and Omega will be successful and enable the Company to fully retire the Crimson Credit Facility before its contractual maturity and allow the Company to sufficiently service debt instruments in 2024, although no such assurance can be given.

During March 2023, the Company determined that the MoGas and Omega pipeline assets have met the criteria of "held-for- sale" accounting, as specified by FASB's ASC 360, "*Property, Plant and Equipment*." The carrying value of the assets and liabilities of this component is less than the fair value less costs to sell. Therefore, amounts are presented at carrying value within the Company's Consolidated Balance Sheet.

2. RECENT ACCOUNTING PRONOUNCEMENTS

In June of 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13 "*Financial Instruments - Credit Losses*" ("ASU 2016-13"), which introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments. The new model, referred to as the current expected credit losses model ("CECL model"), applies to financial assets subject to credit losses and measured at amortized cost, as well as certain off-balance sheet credit exposures. Consistent with the guidance for smaller reporting companies, the Company has adopted this standard as of January 1, 2023.

Trade receivables - Accounts receivable from the transportation and distribution of crude oil and natural gas are generally settled with counterparties within 60 days of the service month. The Company has a high historical rate of collectibility of greater than 99% of total revenue and, as such, has adopted an impairment model based on an evaluation of its aging schedule. As of June 30, 2023 the Company's calculated allowance for doubtful accounts was immaterial.

Financing note receivable - Refer to Note 6 ("Financing Notes Receivable") for further discussion.

The Company utilized the modified retrospective approach for implementation and recorded a $50 thousand cumulative-effect adjustment to beginning retained earnings as of January 1, 2023.

3. HELD-FOR-SALE

MoGas Pipeline and Omega Pipeline Systems

As of June 30, 2023, the Company's MoGas and Omega pipeline systems were classified as assets and liabilities held-for-sale. The Company is disposing of these assets to address upcoming debt maturities on the Crimson Credit Facility and to reduce outstanding debt associated with the Company's 5.875% Unsecured Convertible Senior Notes due 2025 (the "5.875% Convertible Notes").

On May 25, 2023, the Company announced entry into a definitive agreement to sell the MoGas and Omega pipeline systems to Spire, Inc. for $175.0 million in cash, subject to final working capital adjustments. On July 3, 2023, the Company received a request for additional information ("Second Request") from the FTC with regard to this proposed acquisition. The Company is fully cooperating with the FTC regarding the Second Request and expects to close around the end of the calendar year subject to receiving FTC approval.

The pre-tax profit from the disposal group held for sale is summarized in the table below for each period the statement of operations is presented:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Pre-tax profit[(1)]	$ 1,216,053	$ 1,913,585	$ 1,849,788	$ 4,217,235
Allocated interest related to the sale to repay the Crimson Credit Facility	2,528,059	1,444,622	5,034,340	2,693,193

(1) The Company is contractually obligated to use the proceeds from the anticipated sale to repay the Crimson Credit Facility. As such, the aforementioned pre-tax profit includes allocated interest related to the sale and repayment of the Crimson Credit Facility.

Held-for-Sale Balance Sheet

	June 30, 2023
Assets	*(Unaudited)*
Property and equipment, net of accumulated depreciation of $30,077,502	$ 99,208,653
Leased property, net of accumulated depreciation of $309,778	1,216,249
Cash and cash equivalents	3,101,736
Accounts and other receivables	3,864,022
Inventory	145,950
Prepaid expenses and other assets	1,002,723
Operating right-of-use assets	130,972
Total Assets	$ 108,670,305
Liabilities	
Accounts payable and other accrued liabilities	1,023,233
Operating lease liability	103,222
Deferred tax liability, net[(1)]	563,431
Unearned revenue	5,544,627
Total Liabilities	$ 7,234,513

(1) The deferred tax liability is recorded within certain parent entities that are not part of the disposal group, however, because the liability was generated from the operations of the disposal group, the Company has included it within liabilities held-for-sale on the Consolidated Balance Sheet.

4. TRANSPORTATION AND DISTRIBUTION REVENUE

The Company's contracts related to transportation and distribution revenue are primarily comprised of a mix of crude oil, natural gas supply and natural gas transportation and distribution performance obligations, as well as limited performance obligations related to system maintenance and improvement.

Crude Oil and Natural Gas Transportation and Distribution

Under the Company's (i) crude oil and natural gas transportation, (ii) natural gas supply and (iii) natural gas distribution performance obligations, the customer simultaneously receives and consumes the benefit of the services as the commodity is delivered. Therefore, the transaction price is allocated proportionally over the series of identical performance obligations with each contract, and the Company satisfies performance obligations over time as transportation and distribution services are performed. The transaction price is calculated based on (i) index price, plus a contractual markup in the case of natural gas supply agreements (considered variable due to fluctuations in the index), (ii) CPUC and Federal Energy Regulatory Commission ("FERC") regulated rates or negotiated rates in the case of transportation agreements and (iii) contracted amounts (with annual Consumer Price Index escalators) in the case of the Company's distribution agreement.

The Company's crude oil transportation revenue also includes amounts earned for pipeline loss allowance ("PLA"). PLA revenue, recorded within transportation revenue, represents the estimated realizable value of the earned loss allowance volumes received by the Company as applicable under the tariff or contract. As is common in the pipeline transportation industry, as crude oil is transported, the Company earns a small percentage of the crude oil volume transported to offset any measurement uncertainty or actual volumes lost in transit. The Company will settle the PLA with its shippers either in-kind or in cash. PLA received by the Company typically exceeds actual pipeline losses in transit and typically results in a benefit to the Company.

When PLA is paid in-kind, the barrels are valued at current market price less standard deductions, recorded as inventory and recognized as non-cash consideration revenue, concurrent with related transportation services. PLA paid in cash is treated in the same way as in-kind, but no inventory is created. In accordance with ASC 606, *"Revenue from Contracts with*

Customers" ("ASC 606") when control of the PLA volumes have been transferred to the purchaser, the Company records this non-cash consideration as revenue at the contractual sales price within PLA revenue and PLA cost of revenues.

Based on the nature of the agreements, revenue for all but one of the Company's natural gas supply, transportation and distribution performance obligations is recognized on a right-to-invoice basis as the performance obligations are met, which represents what the Company expects to receive in consideration and is representative of value delivered to the customer.

System Maintenance & Improvement

System maintenance and improvement contracts are specific and tailored to the customer's needs, have no alternative use and have an enforceable right to payment as the services are provided. Revenue is recognized on an input method, based on the actual cost of service as a measure of the performance obligation satisfaction. Differences between amounts invoiced and revenue recognized under the input method are reflected as an asset or liability on the Consolidated Balance Sheets. The costs of system improvement projects are recognized as a financing arrangement in accordance with guidance in ASC 842, *"Leases,"* while the margin is recognized in accordance with the ASC 606 revenue standard as discussed above.

The table below summarizes the Company's contract liability balance related to its transportation and distribution revenue contracts:

	Contract Liability[1]	
	June 30, 2023	December 31, 2022
Beginning Balance January 1	$ 5,927,873	$ 5,339,364
Unrecognized Performance Obligations	531,062	1,175,824
Recognized Performance Obligations	(348,154)	(587,315)
Ending Balance [2]	$ 6,110,781	$ 5,927,873

(1) As of June 30, 2023, the contract liability balance is included in unearned revenue (Crimson portion) and liabilities held-for-sale (MoGas and Omega portion) in the Consolidated Balance Sheets. As of December 31, 2022, the contract liability balance was included in unearned revenue in the Consolidated Balance Sheets.

(2) As of June 30, 2023, the contract liability balance for MoGas and Omega was $5.5 million and is recorded in liabilities held-for-sale on the Consolidated Balance Sheets.

The Company's contract asset balances were immaterial as of both June 30, 2023 and December 31, 2022. The Company also recognized deferred contract costs related to incremental costs to obtain a transportation performance obligation contract, which are amortized on a straight-line basis over the remaining term of the contract. As of June 30, 2023, the remaining unamortized deferred contract costs balance was approximately $708 thousand. The contract asset and deferred contract costs balances are included in assets held-for-sale and prepaid expenses and other assets in the Consolidated Balance Sheets as of June 30, 2023 and December 31, 2022, respectively.

The following is a breakout of the Company's transportation and distribution revenue for the three and six months ended June 30, 2023 and 2022:

	For the Three Months Ended				For the Six Months Ended			
	June 30, 2023		June 30, 2022		June 30, 2023		June 30, 2022	
Crude oil transportation revenue	$ 23,205,929	81 %	$ 22,759,790	81 %	$ 47,072,520	82 %	$ 47,102,774	81 %
Natural gas transportation revenue	3,596,338	13 %	4,077,445	14 %	7,348,937	13 %	8,138,721	14 %
Natural gas distribution revenue	1,271,553	4 %	1,236,261	4 %	2,510,081	4 %	2,434,166	4 %
Other	466,812	2 %	216,158	1 %	848,209	1 %	588,967	1 %
Total	$ 28,540,632	100 %	$ 28,289,654	100 %	$ 57,779,747	100 %	$ 58,264,628	100 %

5. LEASES

The Company and its subsidiaries currently lease land, corporate office space, single-use office space, and equipment. During 2022, Crimson entered into a new corporate office lease that commenced upon possession of the property on April 15, 2023. No lease payments are due for the first year. The Company's leases are classified as operating leases and presented as operating right-of-use assets (assets held-for-sale for MoGas and Omega) and operating lease liabilities (liabilities held-for-sale for MoGas and Omega) on the Consolidated Balance Sheets as of June 30, 2023. The Company's leases are presented as operating right-of-use assets and operating lease liabilities on the Consolidated Balance Sheets as of December 31, 2022. The Company recognizes lease expense in the Consolidated Statements of Operations on a straight-line basis over the remaining lease term. The Company noted the following information regarding its operating leases for the three and six months ended June 30, 2023 and 2022:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Lease cost:				
Operating lease cost	$ 535,329	$ 446,601	$ 981,930	$ 893,202
Other Information:				
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$ 265,316	$ 341,185	$ 1,030,526	$ 1,100,034
Supplemental disclosure of non-cash leasing activities:				
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 2,233,521	$ —	$ 2,233,521	$ —

Variable lease costs were immaterial for the three and six months ended June 30, 2023 and 2022.

The following table reflects the weighted average lease term and discount rate for leases in which the Company is a lessee:

	June 30, 2023	December 31, 2022
Weighted average remaining lease term - operating leases (in years)	10.4	11.0
Weighted average discount rate - operating leases	8.36 %	7.45 %

6. FINANCING NOTES RECEIVABLE

On December 12, 2018, Four Wood Corridor, LLC, a subsidiary of the Company, entered into a $1.3 million note receivable with Compass SWD, LLC related to the sale of real and personal property that provide saltwater disposal services for the oil and natural gas industry (the "Compass REIT Loan"). Subsequent to amendments to the Compass REIT Loan in 2019, 2020 and 2021, the Compass REIT Loan matures on July 31, 2026 and accrues interest at an annual rate of 12.0%, with monthly payments of $24 thousand.

As of June 30, 2023 and December 31, 2022, the Compass REIT Loan balance was $710 thousand and $858 thousand, respectively, net of reserves of $50 thousand and zero, respectively. The Company uses the discounted cash flow method to estimate expected credit losses and also reviews other factors that may affect the collectability of the balance, including timeliness of required payments, past due status and discussions with obligors. As of June 30, 2023, there were no past due payments associated with the Compass REIT Loan.

7. INCOME TAXES

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting and tax purposes. Components of the Company's deferred tax assets and liabilities as of June 30, 2023 and December 31, 2022, are as follows:

Deferred Tax Assets and Liabilities

	June 30, 2023	December 31, 2022
Deferred Tax Assets:		
Deferred contract revenue	$ —	$ 1,230,985
Net operating loss carryforwards	217,430	7,027,439
Capital loss carryforward	—	92,418
Other	—	338
Sub-total	$ 217,430	$ 8,351,180
Valuation allowance	—	(5,168,148)
Sub-total	$ 217,430	$ 3,183,032
Deferred Tax Liabilities:		
Cost recovery of leased and fixed assets	$ —	$ (4,386,744)
Other	—	(88,588)
Sub-total		$ (4,475,332)
Total net deferred tax asset (liability)	$ 217,430	$ (1,292,300)

Deferred Tax Assets and Liabilities - Held-For-Sale

	June 30, 2023
Deferred Tax Assets:	
Deferred contract revenue	$ 1,146,872
Net operating loss carryforwards	7,230,269
Capital loss carryforward	92,418
Other	324
Sub-total	$ 8,469,883
Valuation allowance	(4,027,069)
Sub-total	$ 4,442,814
Deferred Tax Liabilities:	
Cost recovery of leased and fixed assets	$ (4,908,800)
Other	(97,445)
Sub-total	$ (5,006,245)
Total net deferred tax liability[(1)]	$ (563,431)

(1) The deferred tax liability is recorded within certain parent entities that are not part of the disposal group, however, because the liability was generated from the operations of the disposal group, the Company has included it within liabilities held-for-sale on the Consolidated Balance Sheet.

The total deferred tax assets and liabilities presented above relate to the Company's taxable REIT subsidiaries ("TRSs"). The Company recognizes the tax benefits of uncertain tax positions only when the position is "more likely than not" to be sustained upon examination by the tax authorities based on the technical merits of the tax position. The Company's policy is to record interest and penalties on uncertain tax positions as part of tax expense. As of June 30, 2023, the Company had no uncertain tax positions. Tax years beginning with the year ended December 31, 2019 remain open to examination by federal and state tax authorities.

As of June 30, 2023 and December 31, 2022, the TRSs had cumulative net operating loss carryforwards ("NOLs") of$30.8 million and $29.2 million, respectively. As of June 30, 2023 and December 31, 2022, NOLs of $28.3 million and $26.4 million, respectively, that were generated during the periods ended June 30, 2023, December 31, 2022, 2021, 2020, 2019, and 2018 may be carried forward indefinitely, subject to limitation. NOLs generated for years prior to December 31, 2018 may be carried forward for 20 years.

Management assessed the available evidence and determined that it is more likely than not that the capital loss carryforwards will not be utilized prior to expiration. Due to the uncertainty of realizing this deferred tax asset, a valuation allowance of $92 thousand was recorded, equal to the amount of the tax benefit of this carryforward at both June 30, 2023 and December 31, 2022. Additionally, the Company determined that certain of the federal and state NOLs may not be utilized prior to their expiration. Due to the uncertainty of realizing these deferred tax assets, a valuation allowance of $3.9 million and $5.2 million was recorded at June 30, 2023 and December 31, 2022, respectively. As a result of certain assets and liabilities being classified as held-for-sale, the Company reassessed the period used to recognize temporary differences which resulted in a lower valuation allowance requirement for the current period. In the future, if the Company concludes, based on existence of sufficient evidence, that it should realize more or less of the deferred tax assets, the valuation allowance will be adjusted accordingly in the period such conclusion is made.

The Company provides for income taxes during interim periods based on the estimated effective tax rate for the year and any discrete adjustments. The effective tax rate is subject to change in the future due to various factors such as the operating performance of the TRSs, tax law changes, and future business acquisitions or divestitures. The TRSs' effective tax rates were (96.6)% and 12.6% for the six months ended June 30, 2023 and 2022, respectively. The negative tax rate for the current period is a result of the tax benefit received from the lower valuation allowance requirement described in the preceding paragraph.

The components of income tax expense (benefit) include the following for the periods presented:

Components of Income Tax Expense (Benefit)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Current tax expense				
Federal	$ 2,282	$ 104,579	$ 8,432	$ 210,147
State (net of federal tax expense)	343	52,298	1,269	97,774
Total current tax expense	$ 2,625	$ 156,877	$ 9,701	$ 307,921
Deferred tax expense (benefit)				
Federal	$ (803,525)	$ 13,358	$ (803,124)	$ 72,782
State (net of federal tax expense)	(131,179)	2,851	(143,175)	15,640
Total deferred tax expense (benefit)	$ (934,704)	$ 16,209	$ (946,299)	$ 88,422
Total income tax expense (benefit), net	$ (932,079)	$ 173,086	$ (936,598)	$ 396,343

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Property and Equipment

	June 30, 2023	December 31, 2022
Land	$ 24,303,454	$ 24,989,784
Crude oil pipelines	186,018,051	185,047,366
Natural gas pipeline	—	105,322,987
Right-of-way agreements	65,159,200	87,206,374
Pipeline related facilities	43,642,440	42,647,865
Tanks	34,389,952	33,092,825
Vehicles, trailers and other equipment	1,811,967	2,684,993
Office equipment and computers	1,301,139	1,569,698
Construction work in progress	13,245,282	10,495,266
Gross property and equipment	$ 369,871,485	$ 493,057,158
Less: accumulated depreciation	(30,066,195)	(52,908,191)
Net property and equipment	$ 339,805,290	$ 440,148,967

Depreciation expense was $3.2 million and $7.2 million for the three and six months ended June 30, 2023, respectively. Depreciation expense was $4.0 million and $7.9 million for the three and six months ended June 30, 2022, respectively.

Held-for-sale property and equipment consist of the following:

Property and Equipment

	June 30, 2023
Land	686,330
Natural gas pipeline	105,387,405
Right-of-way agreements	22,047,174
Vehicles, trailers and other equipment	876,686
Office equipment and computers	268,559
Construction work in process	20,000
Gross Property and equipment	$ 129,286,154
Less: accumulated depreciation	(30,077,501)
Net property and equipment	$ 99,208,653

Depreciation expense was $0 and $785 thousand for the three and six months ended June 30, 2023, respectively.

9. COMMITMENTS AND CONTINGENCIES

Crimson Legal Proceedings

As a transporter of crude oil, the Company is subject to various environmental regulations that could subject the Company to future monetary obligations. Crimson has received notices of violations and potential fines under various federal, state and local provisions relating to the discharge of materials into the environment or protection of the environment. Management believes that if any one or more of these environmental proceedings were decided against Crimson, it would not be material to the Company's financial position, results of operations or cash flows. Additionally, the Company maintains insurance coverage for environmental liabilities in amounts that management believes are appropriate and customary for the Company's business.

The Company is also subject to various other claims and legal proceedings covering a wide range of matters that arose in the ordinary course of business. In the opinion of management, all such matters are without merit or are of such kind, or involve such amounts, as would not have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Restructuring Costs

During the first quarter of 2023, the Company approved a restructuring plan associated with changes in management structure and the corresponding reorganization of Crimson management. The Company recognized restructuring expense of $324 thousand and $2.0 million during the three and six months ended June 30, 2023, respectively. These costs are recorded in transportation and distribution and in general and administrative within the Consolidated Statement of Operations. The Company does not anticipate additional restructuring-related costs over the remainder of 2023 related to this plan. As of June 30, 2023, the remaining liability related to these restructuring costs was $815 thousand, which is recorded in accounts payable and other accrued liabilities on the Consolidated Balance Sheets.

Long Term Incentive Awards

On March 15, 2023, the Company awarded $2.1 million in "Cash Units" under the Omnibus Plan (as defined below) 2023 Annual Long Term Incentive Awards. Each Cash Unit represents the right to receive $1 at a future date with such amount not tied to the Company's operating performance or stock price. The Cash Units vest overthree years, with 1/3 vesting on March 15th each year. The expense related to these awards was $198 thousand for both the three and six months ended June 30, 2023.

California Bonds Indemnification

The Company maintains certain agreements for indemnity and surety bonds with various California regulatory bodies. The total annual premium paid for the bonds currently outstanding is approximately $148 thousand, recorded in general and administrative expense.

10. FAIR VALUE

The following section describes the valuation methodologies used by the Company for estimating fair value for financial instruments for disclosure purposes only, as required under disclosure guidance related to the fair value of financial instruments.

Cash and Cash Equivalents — The carrying value of cash, amounts due from banks, federal funds sold and securities purchased under resale agreements approximates fair value.

Financing Notes Receivable — The carrying value of financing notes receivable approximates fair value. The Company uses the discounted cash flow method to estimate expected credit losses and also reviews other factors that may affect the collectability of the balance, including timeliness of required payments, past due status and discussions with obligors. There are no past due payments associated with the loan. Estimates of realizable value are determined based on unobservable inputs, including estimates of future cash flow generation and value of collateral underlying the notes.

Inventory — Inventory primarily consists of crude oil earned as in-kind PLA payments and is valued using an average costing method at the lower of cost or net realizable value.

Secured Credit Facilities — The fair value of the Company's long-term variable-rate debt under its secured credit facilities approximates carrying value.

Unsecured Convertible Senior Notes — The fair value of the 5.875% Convertible Notes is estimated using quoted market prices from either active (Level 1) or generally active (Level 2) markets.

Carrying and Fair Value Amounts

		June 30, 2023		December 31, 2022	
	Level within fair value hierarchy	Carrying Amount (1)	Fair Value	Carrying Amount (1)	Fair Value
5.875% Convertible Notes	Level 2	$ 116,652,380	$ 99,213,942	$ 116,323,530	$ 79,093,500

(1) The carrying value of debt balances are presented net of unamortized original issuance discount and debt issuance costs.

11. DEBT

The following is a summary of the Company's debt facilities and balances as of June 30, 2023 and December 31, 2022:

	Total Commitment or Original Principal	Quarterly Principal Payments(2)	Maturity Date	June 30, 2023 Amount Outstanding	June 30, 2023 Interest Rate	December 31, 2022 Amount Outstanding	December 31, 2022 Interest Rate
Crimson Credit Facility:							
Crimson Revolver	$ 50,000,000	$ —	5/3/2024	$ 41,000,000	9.71 %	$ 35,000,000	8.41 %
Crimson Term Loan	80,000,000	2,000,000	5/3/2024	62,000,000	9.70 %	66,000,000	8.22 %
Crimson Uncommitted Incremental Credit Facility	25,000,000	—	5/3/2024	—	— %	—	— %
5.875% Convertible Notes	120,000,000	—	8/15/2025	118,050,000	5.875 %	118,050,000	5.875 %
Total Debt				$ 221,050,000		$ 219,050,000	
Less:							
Unamortized deferred financing costs on 5.875% Convertible Notes				$ 176,951		$ 218,587	
Unamortized discount on 5.875% Convertible Notes				1,220,669		1,507,883	
Unamortized deferred financing costs on Crimson Term Loan(1)				403,951		665,547	
Total Debt, net of deferred financing costs				$ 219,248,429		$ 216,657,983	
Debt due within one year				$ 103,000,000		$ 10,000,000	

(1) Unamortized deferred financing costs related to the Company's revolving credit facilities are included in Deferred Costs in the Assets section of the Consolidated Balance Sheets.
(2) The required quarterly principal payments will increase from $2.0 million to $3.0 million beginning with the payment due September 30, 2023.

Crimson Credit Facility

The Crimson Credit Facility provides borrowing capacity of up to $155.0 million, consisting of: a $50.0 million revolving credit facility ("Crimson Revolver"), an $80.0 million term loan ("Crimson Term Loan") and an uncommitted incremental credit facility of $25.0 million. On September 14, 2022, the Borrowers completed the first amendment to the Amended and Restated Credit Agreement, which replaced the use of a LIBOR reference rate with the Secured Overnight Financing Rate ("SOFR"). On March 6, 2023, the Company completed the second amendment to the Amended and Restated Credit Agreement, which extended the maturity of the Crimson Credit Facility from its maturity on February 4, 2024 to May 3, 2024 and amended the applicable total leverage ratio in the first two quarters of 2023 from 2.50 to 2.75, as well as increased the required quarterly amortization of the term loan from $2.0 million to $3.0 million beginning in the third quarter of 2023. The Company's total leverage ratio of 2.80 for the second quarter of 2023 violated the 2.75 covenant requirement and the Company utilized an equity cure as allowed by the terms of the Amended and Restated Credit Agreement to remedy the violation. On August 14, 2023, the parties entered into the third amendment to the Amended and Restated Credit Agreement (the "Third Agreement"), which amended the applicable total leverage ratio in the third and fourth quarters of 2023 from 2.50 to 3.75, which is anticipated to prevent any additional covenant violations before the completion of the sale of the MoGas and Omega assets around the end of the calendar year, although no such assurance can be given.

Crimson Credit Facility Contractual Payments

The remaining contractual principal payments as of June 30, 2023 under the Crimson Credit Facility are as follows:

Year	Crimson Term Loan	Crimson Revolver	Total
2023	$ 6,000,000	$ —	$ 6,000,000
2024	56,000,000	41,000,000	97,000,000
Total Remaining Contractual Payments	$ 62,000,000	$ 41,000,000	$ 103,000,000

Crimson Credit Facility Interest Expense

A summary of the Crimson Credit Facility interest expense and deferred debt cost amortization expense for the three and six months ended June 30, 2023 and 2022 is as follows:

Crimson Credit Facility Interest Expense	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Interest Expense	$ 2,543,140	$ 1,294,463	$ 4,953,026	$ 2,365,141
Deferred Debt Cost Amortization Expense(1)(2)	191,630	247,635	445,198	495,270
Less: Capitalized Interest	206,703	97,476	363,876	167,218
Total Crimson Credit Facility Interest Expense	$ 2,528,067	$ 1,444,622	$ 5,034,348	$ 2,693,193

(1) Amortization of deferred debt issuance costs is included in interest expense in the Consolidated Statements of Operations.

(2) For the amount of deferred debt cost amortization relating to the convertible notes included in the Consolidated Statements of Operations, refer to the Convertible Notes Interest Expense table below.

Convertible Debt Interest Expense

A summary of the 5.875% Convertible Notes interest expense, discount amortization, and deferred debt issuance amortization expense for the three and six months ended June 30, 2023 and 2022 is as follows:

Convertible Note Interest Expense	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
5.875% Convertible Notes:				
Interest Expense	$ 1,733,859	$ 1,733,859	$ 3,467,718	$ 3,467,718
Discount Amortization	143,607	143,607	287,214	287,214
Deferred Debt Issuance Amortization	20,818	20,818	41,636	41,636
Total 5.875% Convertible Note Interest Expense	$ 1,898,284	$ 1,898,284	$ 3,796,568	$ 3,796,568

Including the impact of the convertible debt discount and related deferred debt issuance costs, the effective interest rate on the 5.875% Convertible Notes was approximately 6.4% for each of the three and six months ended June 30, 2023 and 2022.

Note Payable

During the fourth quarter of 2022, the Company entered into a short-term financing agreement in order to fund Company insurance needs. As of June 30, 2023 and December 31, 2022, the outstanding balance on the note payable was $882 thousand and $3.5 million, respectively. The note bears interest at 5.7% with monthly payments due until September 2023.

12. STOCKHOLDERS' EQUITY

STOCK-BASED COMPENSATION

On May 25, 2022, the Company's stockholders approved the CorEnergy Infrastructure Trust, Inc. Omnibus Equity Incentive Plan (the "Omnibus Plan") (3,000,000 shares of Common Stock authorized) which allows the Company to grant equity awards to its employees, non-employee directors, and consultants in its employ or service (or the employ or service of any parent, subsidiary or affiliate). Incentive compensation programs play a pivotal role in the Company's effort to (i) attract and retain key personnel essential to its long-term growth and financial success, and (ii) align long term interests of recipients with the Company's stockholders. Under the Omnibus Plan, awards may be granted in the form of options, restricted stock, restricted stock units, stock appreciation rights, Common Stock awards, cash-based awards and performance-based awards.

On May 26, 2022, the Company filed a Form S-8 registration statement with the SEC, pursuant to which it registered 3,000,000 shares of Common Stock for issuance under the Omnibus Plan. As of June 30, 2023, the Company had remaining availability of 2,446,080 shares of Common Stock under the plan.

Restricted Stock Units

The Company's Board of Directors (the "Board") has granted awards of restricted stock units ("RSUs") to certain of the Company's employees under the Omnibus Plan. The Company did not grant any RSUs during the three and six months ended June 30, 2023. The Company records stock-based compensation expense on a straight-line recognition method over the requisite service period for the entire award. Each RSU represents the right to receive one share of Common Stock at a future date. The RSUs vest over three years, with 1/3 vesting on March 15th each year. These RSUs will be settled within 30 days of vesting, and will accrue dividend equivalents, when and if declared, over the vesting period, which will be paid to the holder in cash or, at the discretion of the Compensation and Corporate Governance Committee of the Board, in the form of additional shares of Common Stock having a fair market value equal to the amount of such dividends upon vesting of the units. Forfeitures will be accounted for when they occur.

The following tables represent the RSU activity for the six months ended June 30, 2023 and 2022:

	Restricted Stock Units	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2023	674,312	$ 2.58
Granted	—	—
Vested	(148,219)	2.58
Forfeited	(201,209)	2.58
Outstanding at June 30, 2023	324,884	$ 2.58
Expected to vest as of June 30, 2023	324,884	

	Restricted Stock Units	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2022	—	$ —
Granted	654,497	2.58
Vested	—	—
Forfeited	—	—
Outstanding at June 30, 2022	654,497	$ 2.58
Expected to vest as of June 30, 2022	654,497	

As of June 30, 2023, the estimated remaining unrecognized compensation cost related to stock-based compensation arrangements was $696 thousand. The weighted average period over which this remaining compensation expense is expected to be recognized is 1.7 years.

The following table presents the Company's stock-based compensation expense:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
General and administrative expense	$ 83,100	$ 139,394	$ 95,330	$ 139,394
Transportation and distribution expense	19,618	11,965	(2,986)	11,965
Total	$ 102,718	$ 151,359	$ 92,344	$ 151,359

DIVIDENDS

On February 3, 2023, the Board suspended dividend payments on the Company's Common Stock and Series A Preferred Stock. The Series A Preferred Stock dividends are cumulative and will accrue at their stated rate during any period in which dividends are not paid. Any accrued Series A Preferred Stock dividends must be paid prior to the Company resuming common dividend payments. Based on the suspension of dividend payments to CorEnergy's public equity holders, the Crimson Class A-1, Class A-2 and Class A-3 Units and CorEnergy's Class B Common Stock will not receive dividend payments. As of June 30, 2023, the Company had $ 4.8 million in cumulative unpaid dividends related to its Series A Preferred Stock, which will be paid upon declaration by the Board or upon liquidation of the Company. The preferred return on the Crimson A-1 Units are pari passu to the Series A Preferred Stock dividends. As of June 30, 2023, the Company had $ 1.6 million in cumulative unpaid distributions related to the Crimson Class A-1 Units.

NON-CONTROLLING INTEREST

In February 2021, the Company completed the acquisition of a 49.50% voting interest in Crimson (the "Crimson Transaction"). John D. Grier, M. Bridget Grier and certain of their affiliated trusts (collectively, the "Grier Members") own the remaining 50.50% voting interest in Crimson. As part of the Crimson Transaction, the Company and the Grier Members entered into a Third Amended and Restated LLC Agreement of Crimson (the "Third LLC Agreement"). Pursuant to the terms of the Third LLC Agreement, the Grier Members and the Company's interests in Crimson are summarized in the table below:

	As of June 30, 2023	
	Grier Members	CorEnergy
	(in units, except as noted)	
Economic ownership interests in Crimson Midstream Holdings, LLC		
Class A-1 Units	1,650,245	—
Class A-2 Units	2,460,414	—
Class A-3 Units	2,450,142	—
Class B-1 Units	—	10,000
Voting ownership interests in Crimson Midstream Holdings, LLC		
Class C-1 Units	505,000	495,000
Voting interests of C-1 Units (%)	50.50 %	49.50 %

The Crimson Class A-1, Class A-2 and Class A-3 Units held by the Grier Members and the Crimson Class B-1 Units held by the Company represent economic interests in Crimson while the Crimson Class C-1 Units represent voting interests.

Upon receipt of CPUC approval for a change of control of Crimson's CPUC-regulated assets ("CPUC Approval"), the parties will enter into a Fourth Amended and Restated LLC Agreement of Crimson (the "Fourth LLC Agreement"), which will, among other things, (i) give the Company control of Crimson and its assets in connection with an anticipated further restructuring of the Company's asset ownership structure, and (ii) provide the Grier Members and management members the right to exchange their entire interest in Crimson for securities of the Company as follows:

- Crimson Class A-1 Units will become exchangeable for up to 1,755,579 (which includes the addition of 37,043 shares as a result of the working capital adjustment) of the Company's depositary shares, each representing 1/100th of a share of the Company's Series A Preferred Stock.
- Crimson Class A-2 Units will become exchangeable for up to 8,762,158 shares of the Company's non-listed Class B Common Stock. After the conversion of the Company's Class B Common Stock into Common Stock, the Class A-2 Units will be directly exchangeable for Common Stock.

- Crimson Class A-3 Units will become exchangeable for up to 2,450,142 shares of the Company's non-listed Class B Common Stock. After the conversion of the Company's Class B Common Stock into Common Stock, the Class A-3 Units will be directly exchangeable for Common Stock.

Class B Common Stock will eventually be converted into the Common Stock of the Company on the occurrence of the earlier of the following: (i) the occurrence of the third anniversary of the closing date of the Crimson Transaction or (ii) the satisfaction of certain conditions related to an increase in the relative dividend rate of the Common Stock.

Prior to exchange of the Crimson Class A-1, Class A-2 and Class A-3 Units into corresponding Company securities (and after giving effect to the changes to the Company securities into which the Crimson Class A-1 and Class A-2 Units may be exchanged, as described above), the Grier Members only have the right to receive distributions to the extent that the Board determines dividends would be payable if they held the shares of Series A Preferred (for the Crimson Class A-1 Units), and Class B Common Stock (for the Crimson Class A-2 Units and Class A-3 Units), respectively, regardless of whether the securities are outstanding. If the respective shares of Series A Preferred and Class B Common Stock are not outstanding, the Board must consider that they would be outstanding when declaring dividends on the Common Stock. Following CPUC Approval, the terms of the Fourth LLC Agreement will provide that such rights will continue until the Grier Members elect to exchange the Crimson Class A-1, Class A-2 and Class A-3 Units for the corresponding securities of the Company. The following table summarizes the distributions payable under the Crimson Class A-1, Class A-2 and Class A-3 Units as if the Grier Members held the respective underlying Company securities. The Crimson Class A-1, Class A-2 and Class A-3 Units are entitled to the distribution regardless of whether the corresponding Company security is outstanding.

Units	Distribution Rights of CorEnergy Securities	Liquidation Preference	Annual Distribution per Share
Class A-1 Units	7.375% Series A Cumulative Redeemable Preferred Stock(1)	$ 25.92	$ 1.84
Class A-2 Units	Class B Common Stock(2)(3)	N/A	Varies(2)
Class A-3 Units	Class B Common Stock(2) (3)	N/A	Varies(2)

(1) The Series A Preferred Stock will accumulate quarterly dividends and will be paid upon declaration by the Board. The liquidation preference is made up of the $25.00 liquidation preference and the $0.92 unpaid cumulative quarterly dividend for Q1 and Q2 of 2023.

(2) For each fiscal quarter ending June 30, 2021 through and including the fiscal quarter ending March 31, 2024, each share of Class B Common Stock will be entitled to receive dividends (the "Class B Common Stock Dividends"), subject to Board approval, equal to the quotient of (i) difference of (A) Cash Available for Distribution of the most recently completed quarter and (B) 1.25 multiplied by the Common Stock Base Dividend (as defined in footnote 2 below), divided by (ii) shares of Class B Common Stock issued and outstanding multiplied by 1.25.

(3) (A) For the fiscal quarters of the Company ended June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022, the Common Stock Base Dividend Per Share was $0.05 per share per quarter; (B) for the fiscal quarters of the Company ended June 30, 2022, September 30, 2022, December 31, 2022 and March 31, 2023, the Common Stock Base Dividend Per Share was $0.055 per share per quarter; and (C) for the fiscal quarters of the Company ending June 30, 2023, September 30, 2023, December 31, 2023 and March 30, 2024, the Common Stock Base Dividend Per Share shall equal $0.06 per share per quarter. The Class B Common Stock Dividend is subordinated to Common Stock with respect to dividends.

During each of the three and six months ended June 30, 2023 and 2022, preferred returns of $809 thousand and $1.6 million, respectively, were earned by the Grier Members for the Crimson Class A-1 Units. Therefore, for each quarterly period, there was an allocation of Crimson net income to non-controlling interest in the amount of $809 thousand.

13. EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share data is computed using the two-class method based on the weighted average number of shares of Common Stock and Class B Common Stock outstanding during the periods. The undistributed earnings and losses are allocated between Common Stock and Class B Common Stock as if all earnings and losses had been distributed during the period. Common Stock and Class B Common Stock have equal rights to undistributed earnings and losses.

The following table sets forth the computation of basic net income (loss) and diluted net income (loss) per share under the two-class method for the three and six months ended June 30, 2023 and 2022.

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Numerator for basic and diluted earnings (loss) per Common Stock and Class B Common Stock share:				
Net Income (loss)	$ (3,167,350)	$ 2,170,126	$ (6,367,683)	$ 6,534,883
Less: Net income attributable to non-controlling interests	809,212	809,212	1,618,424	1,618,424
Net income (loss) attributable to CorEnergy Infrastructure Trust, Inc.	$ (3,976,562)	$ 1,360,914	$ (7,986,107)	$ 4,916,459
Less dividends / distributions:				
Preferred dividend requirements	$ 2,388,130	$ 2,388,130	4,776,260	4,776,260
Common Stock dividends	—	748,031	—	1,492,690
Total undistributed loss	$ (6,364,692)	$ (1,775,247)	$ (12,762,367)	$ (1,352,491)
Common Stock undistributed loss - basic	$ (6,093,284)	$ (1,697,802)	$ (12,216,815)	$ (1,293,352)
Class B Common Stock undistributed loss - basic	(271,408)	(77,445)	(545,552)	(59,139)
Total undistributed loss - basic	$ (6,364,692)	$ (1,775,247)	$ (12,762,367)	$ (1,352,491)
Common Stock undistributed loss - diluted	$ (6,364,692)	$ (1,775,247)	$ (12,762,367)	$ (1,352,491)
Class B Common Stock undistributed loss - diluted	(271,408)	(77,445)	(545,552)	(59,139)
Total undistributed loss - diluted	$ (6,636,100)	$ (1,852,692)	$ (13,307,919)	$ (1,411,630)
Common Stock dividends	$ —	$ 748,031	$ —	$ 1,492,690
Common Stock undistributed loss - basic	(6,093,284)	(1,697,802)	(12,216,815)	(1,293,352)
Numerator for basic net earnings (loss) per Common Stock share	$ (6,093,284)	$ (949,771)	$ (12,216,815)	$ 199,338
Class B Common Stock dividends	$ —	$ —	$ —	$ —
Class B Common Stock undistributed loss - basic	(271,408)	(77,445)	(545,552)	(59,139)
Numerator for basic net loss per Class B Common Stock share	$ (271,408)	$ (77,445)	$ (545,552)	$ (59,139)
Common Stock dividends	$ —	$ 748,031	$ —	$ 1,492,690
Common Stock undistributed loss - diluted	(6,364,692)	(1,775,247)	(12,762,367)	(1,352,491)
Numerator for diluted net earnings (loss) per Common Stock share	$ (6,364,692)	$ (1,027,216)	$ (12,762,367)	$ 140,199
Class B Common Stock dividends	$ —	$ —	$ —	$ —
Class B Common Stock undistributed loss - diluted	(271,408)	(77,445)	(545,552)	(59,139)
Numerator for diluted net loss per Class B Common Stock share	$ (271,408)	$ (77,445) - 77445	$ (545,552)	$ (59,139)
Denominator for basic net earnings (loss) per Common Stock and Class B Common Stock share:				
Common Stock weighted average shares outstanding - basic	15,350,883	14,989,942	15,311,792	14,953,754

Class B Common Stock weighted average shares outstanding - basic	683,761	683,761	683,761	683,761
Denominator for diluted net earnings (loss) per Common Stock and Class B Common Stock share:				
Common Stock weighted average shares outstanding - diluted(1)(2)	15,815,840	15,454,899	15,776,749	15,460,047
Class B Common Stock weighted average shares outstanding - diluted(3)	683,761	683,761	683,761	683,761
Basic net earnings (loss) per share:				
Common Stock	$ (0.40)	$ (0.06)	$ (0.80)	$ 0.01
Class B Common Stock	(0.40)	(0.11)	(0.80)	(0.09)
Diluted net earnings (loss) per share:				
Common Stock	$ (0.40)	$ (0.07)	$ (0.81)	$ 0.01
Class B Common Stock	(0.40)	(0.11)	(0.80)	(0.09)

(1) For purposes of the diluted net earnings per share computation for Common Stock, all shares of Class B Common Stock are assumed to be converted at a ratio of 1.00 Class B Common Stock share to 0.68 Common Stock share; therefore, 100.00% of undistributed earnings is allocated to Common Stock.

(2) For the three and six months ended June 30, 2023 and 2022,2,361,000 shares of Common Stock are excluded from the computation of diluted net earnings per share because their effect would be antidilutive. These shares are related to the 5.875% Convertible Notes.

(3) For purposes of the diluted net earnings per share computation for Class B Common Stock, weighted average shares of Class B Common Stock are assumed not converted to Common Stock.

14. VARIABLE INTEREST ENTITY

Crimson Midstream Holdings

Since February 1, 2021, CorEnergy has held a49.50% voting interest in Crimson and the Grier Members have held the remaining50.50% voting interest. Crimson is a VIE because the legal entity is structured with non-substantive voting rights resulting from (i) the disproportionality between the voting interests of its members and certain economics of the distribution waterfall in the Third LLC Agreement and (ii) the *de facto* agent relationship between CorEnergy and Mr. Grier, who was appointed to the Board and as Chief Operating Officer of the Company upon closing of the Crimson Transaction. As a result of this related-party relationship, substantially all of Crimson's activities either involve or are conducted on behalf of CorEnergy, which has disproportionately few voting rights, including Mr. Grier as a *de facto* agent.

Crimson is managed by the Crimson Board, which is made up of four managers of which the Company and the Grier Members are each represented by two managers. The Crimson Board is responsible for governing the significant activities that impact Crimson's economic performance, including a number of activities managed by an approved budget that requires super-majority approval or joint approval. In assessing the primary beneficiary, the Company determined that power is shared; however, the Company and the Grier Members as a related-party group have characteristics of a primary beneficiary. The Company performed the "most closely associated" test and determined that CorEnergy is the entity in the related-party group most closely associated with the VIE. In performing this assessment, the Company considered, among other factors, (i) its influence over the tax structure of Crimson so its operations could be included in the Company's REIT structure under its PLR, which allows fees received for the usage of storage and pipeline capacity to qualify as rents from real property; (ii) that the activities of the Company are substantially similar in nature to the activities of Crimson as the Company owns existing transportation and distribution assets at MoGas and Omega; (iii) that Crimson's assets represent a substantial portion of the Company's total assets; and (iv) that the Grier Members' interest in Crimson Class A-1, Class A-2 and Class A-3 Units will earn distributions if the Board declares a common or preferred dividend for Series A Preferred Stock and Class B Common Stock. Therefore, CorEnergy is the primary beneficiary and consolidates the Crimson VIE and the Grier Members' equity ownership interest (after the working capital adjustment and paid-in-kind dividends), which is reflected as a non-controlling interest in the consolidated financial statements.

The Company noted that Crimson's assets cannot be used to settle CorEnergy's liabilities, with the exception of quarterly distributions if declared by the Crimson Board. The quarterly distributions are used to fund current obligations, projected working capital requirements, debt service payments and dividend payments. Cash distributions to the Company from the borrowers under the Crimson Credit Facility are subject to certain restrictions, including without limitation, no default or event of default, compliance with financial covenants, minimum undrawn availability and available free cash flow. Further, the Crimson Credit Facility is secured by assets at both Crimson Midstream Operating, LLC and Corridor MoGas, Inc. For the three and six months ended June 30, 2023, the Company did not receive cash distributions from Crimson. For the three and six months ended June 30, 2022, the Company received $2.4 million and $5.4 million, respectively, in cash distributions from Crimson, which were made in compliance with the terms of the Crimson Credit Facility.

The Company's interest in Crimson is significant to its financial position, financial performance and cash flows. A significant decline in Crimson's ability to fund quarterly distributions to the Company could have a significant impact on the Company's financial performance, including its ability to fund the obligations described above.

15. RELATED PARTY TRANSACTIONS

As previously disclosed, Mr. Grier, a director and Chief Operating Officer of the Company, together with the Grier Members, own the Crimson Class A-1, Class A-2, and Class A-3 equity ownership interests in Crimson, which the Company has a right to acquire in the future following receipt of CPUC Approval. The Grier Members also retain equity interests in Crescent Midstream Holdings, LLC ("Crescent Midstream Holdings") which they held prior to the Crimson Transaction, as well as Crescent Louisiana Midstream, LLC ("CLM"), Crimson Renewable Energy, L.P. ("CRE") and Delta Trading, L.P. ("Delta").

As of June 30, 2023, the Company was owed $5 thousand from related parties, including CLM, CRE and Delta, which is included in "due from affiliated companies" in the Consolidated Balance Sheets. These balances are primarily related to payroll, employee benefits and other services discussed below. The amounts billed to CLM are cash-settled and the amounts billed to Crescent Midstream Holdings will reduce a prepaid TSA (as defined below) liability on the Company's books until such time as the TSA liability is reduced to zero. As of June 30, 2023, the prepaid TSA liability related to Crescent Midstream Holdings was $156 thousand and recorded in "due to affiliated companies" in the Consolidated Balance Sheets. For the three and six months ended June 30, 2023, Crimson billed costs and services related to TSAs and the Services Agreement (each as defined below) to related parties totaling $110 thousand and $252 thousand, respectively. For the three and six months ended June 30, 2022, Crimson billed costs and services related to TSAs and the Services Agreement to related parties totaling $201 thousand and $684 thousand, respectively.

Total transition services reimbursements for the TSAs discussed below are presented on a net basis in the Consolidated Statements of Operations within transportation and distribution expense and general and administrative expense.

Transition Services Agreements

The subsidiaries of Crescent Midstream Holdings were formerly a part of Crimson prior to the Crimson Transaction and received various business services from Crimson or certain of its subsidiaries. Effective February 4, 2021, Crimson and certain of Crimson's subsidiaries entered into several transition services agreements (collectively, the "Transition Services Agreements" or "TSAs") with Crescent Midstream Holdings to facilitate its transition to operating independently. Each of the TSAs are described in more detail below. Also, effective February 4, 2021, Crimson and certain of its subsidiaries entered into an assignment and assumption agreement (the "Assignment and Assumption Agreement") to assign all of the TSAs to Crimson's direct, wholly owned TRS, Crimson Midstream I Corporation ("Crimson Midstream I"). Crimson and/or certain of its subsidiaries were reimbursed approximately $156 thousand per month for services provided under the TSAs during 2021, for which the billed amount was allocated50.0% to Crescent Midstream, LLC ("Crescent Midstream"), a wholly owned subsidiary of Crescent Midstream Holdings, and 50.0% to CLM, a 70.0%-owned subsidiary of Crescent Midstream. These TSA agreements ended on February 3, 2022 and Crimson entered into the Services Agreement (as defined below) for some of the business services previously provided, as described below.

Employee TSA - Crimson and Crescent Midstream Holdings entered into a transition services agreement (the "Employee TSA") whereby an indirect, wholly owned subsidiary of Crimson provided payroll, employee benefits and other related employment services to Crescent Midstream Holdings and its subsidiaries. Under the Employee TSA, Crimson's indirect, wholly owned subsidiary made available and assigned to Crescent Midstream Holdings and its subsidiaries certain employees to provide services primarily to Crescent Midstream Holdings and its subsidiaries. While the Employee TSA was in effect, Crescent Midstream Holdings was responsible for the daily supervision of and assignment of work to the employees providing services to Crescent Midstream Holdings and its subsidiaries. Additionally, Crimson's indirect, wholly owned subsidiary, Crimson Midstream Services, entered into an employee sharing agreement with Crimson Midstream I (the "Employee Sharing Agreement") to make available all employees performing services under the Employee TSA to Crimson Midstream I. The Employee Sharing Agreement was effective beginning February 1, 2021. The Employee Sharing Agreement, together with the Assignment and Assumption Agreement described above, effectively bound Crimson Midstream I to the terms of the Employee TSA in the same manner as Crimson's indirect, wholly owned subsidiary. The Employee TSA and the Employee Sharing Agreement ended on February 3, 2022.

Control Center TSA - Crimson Midstream Operating, LLC ("Crimson Midstream Operating"), a wholly owned subsidiary of Crimson, entered into a transition services agreement (the "Control Center TSA") with Crescent Midstream Holdings to provide certain customary control center services and field transition support services necessary to operate a pipeline system. The

Control Center TSA was assigned from Crimson Midstream Operating to Crimson Midstream I by the Assignment and Assumption Agreement discussed above. This agreement ended on February 3, 2022.

Services Agreement

Effective February 4, 2022, Crimson Midstream Operating entered into a services agreement (the "Services Agreement") to provide administrative-related services to Crescent Midstream Holdings through February 3, 2023, or upon receipt of Crescent Midstream Holdings' written notice to terminate the Services Agreement prior to February 3, 2023. Under the Services Agreement, Crimson and/or certain of its subsidiaries are reimbursed at a fixed fee of approximately $44 thousand per month.

Effective February 1, 2023, Crimson Midstream Operating entered into a first amendment to the Services Agreement (the "Amended Services Agreement") to provide administrative-related services to Crescent Midstream Holdings through February 1, 2024, or upon receipt of Crescent Midstream Holdings' written notice to terminate the Amended Services Agreement prior to February 1, 2024. Under the Amended Services Agreement, Crimson and/or certain of its subsidiaries are reimbursed at a fixed fee of approximately $13 thousand per month.

16. SUBSEQUENT EVENTS

The Company performed an evaluation of subsequent events through the date of the issuance of these financial statements.

In connection with the Company's pending sale of the MoGas and Omega pipeline systems to Spire, Inc., the Company and Spire, Inc. filed notification and report forms under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), with the FTC and the Antitrust Division of the U.S. Department of Justice. On July 3, 2023, the parties each received a request for additional information and documentary materials (the "Second Request") from the FTC in connection with the FTC's review of the transaction. The effect of the Second Request is to extend the waiting period imposed by the HSR Act until 30 days after the parties have substantially complied with the Second Request, unless such period is extended voluntarily by the parties or terminated sooner by the FTC. Both parties intend to continue to work cooperatively with the FTC in its review. Completion of the transaction remains subject to the expiration or termination of the waiting period under the HSR Act and the satisfaction or waiver of the other closing conditions specified in the definitive agreement. The Company currently expects to close the sale of the disposal group around the end of the calendar year subject to receiving FTC approval. There can be no assurance that the Company will complete the sale on this expected timeline or at all.

During July 2023, Crimson entered into agreements to sell25,000 barrels of PLA volumes. The average selling price was $73.97 per barrel and generated a total of $1.8 million in revenue.

During August 2023, the Company completed the third amendment to the Amended and Restated Credit Agreement, which amended the applicable total leverage ratio in the third and fourth quarters of 2023 from 2.50 to 3.75.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in this Report on Form 10-Q ("Report") of CorEnergy Infrastructure, Inc. ("the Company," "CorEnergy," "we," "our" or "us"). The forward-looking statements included in this discussion and elsewhere in this Report involve risks and uncertainties, including anticipated financial performance, business prospects, industry trends, stockholder returns, performance by our customers, and other matters, which reflect management's best judgment based on factors currently known. See "Cautionary Statement Concerning Forward-Looking Statements" which is incorporated herein by reference. Actual results and experience could differ materially from the anticipated results and other expectations expressed in our forward-looking statements as a result of a number of factors, including but not limited to those discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 29, 2023 (the "2022 Annual Report").

OVERVIEW

We are a publicly traded REIT focused on energy infrastructure. Our business strategy is to own and operate critical energy midstream infrastructure connecting the upstream and downstream sectors within the industry. We currently generate revenue from the transportation, via pipeline systems, of crude oil and natural gas for our customers in California and Missouri, respectively. These pipelines, consisting of our Crimson, MoGas, and Omega Pipeline Systems, are located in areas where it would be difficult to replicate rights-of-way or transport crude oil or natural gas via non-pipeline alternatives, resulting in our assets providing utility-like criticality in the midstream supply chain for our customers. As primarily regulated assets, the value of our regulated pipelines is supported by revenue derived from a cost-of-service methodology. The cost-of-service methodology is used to establish appropriate transportation rates based on several factors, including expected volumes, expenses, debt and return on equity. The regulated nature of the majority of our assets provides a degree of support for our profitability over the long-term, where the majority of our customers own the products shipped on, or stored in, our facilities. We believe these characteristics provide CorEnergy with the attractive attributes of other globally listed infrastructure companies, including high barriers to entry and predictable revenue streams, while mitigating risks and volatility experienced by other companies engaged in the midstream energy sector. We also believe that our strengths in the hydrocarbon midstream industry can be leveraged to participate in energy transition, such as CO_2 transportation for sequestration projects.

For a description of our assets, see Part I, Item 2 of our 2022 Annual Report.

HOW WE GENERATE REVENUE

We earn revenue from transporting or storing crude oil and natural gas for our customers. Our revenue is generated based on a:

- Fixed fee per unit of commodity transported during the period; or
- Fixed fee for reserved capacity.

Crimson Pipeline System

Our Crimson Pipeline System is an approximately 2,000-mile crude oil transportation pipeline system, which includes approximately 1,100 active miles, with associated storage facilities located in southern California and the San Joaquin Valley. The pipeline network provides a critical link between California crude oil production and California refineries. Revenue is primarily generated based on a fixed-fee tariff paid on each barrel of crude oil transported on our pipeline system. Our tariffs are regulated by the CPUC under a cost-of-service methodology. Although the majority of our Crimson pipeline volumes are not contractually obligated to be transported on our pipelines, our pipelines have provided transportation services to the same refineries for decades. Our pipeline system provides a safe, reliable, economical and environmentally sustainable method of transporting crude oil from the California crude oil producers to the California refineries. Furthermore, we are generally the only pipeline providing a connection between such producers and our customers, which are the refineries we serve.

Held-For-Sale

MoGas Pipeline and Omega Pipeline Systems

Our MoGas Pipeline System is a 263-mile interstate natural gas pipeline regulated by the FERC. Our Omega Pipeline System is a 75-mile natural gas distribution system providing unregulated service primarily to the U.S. Army's Fort Leonard Wood military post. Our MoGas and Omega Pipeline Systems are part of a broader system that provides the critical link between natural gas-producing regions and local customers in Missouri. Our MoGas Pipeline System sources natural gas from three major interstate pipelines, Panhandle Eastern pipeline, Rockies Express pipeline and Mississippi River Transmission pipeline. Our MoGas Pipeline System connects to these three pipelines around the St. Louis area and transports the natural gas to south-central Missouri where it connects to our Omega Pipeline System. Our MoGas Pipeline System supplies several local natural gas distribution networks along its path. Our Omega Pipeline System primarily serves as a local natural gas delivery system for Fort Leonard Wood.

Our MoGas Pipeline System generates the majority of its revenue from take-or-pay transportation contracts with investment-grade customers. The majority of the system's revenue is under a long-term contract with a remaining term of approximately seven years. Omega Pipeline System's revenues are unregulated and are generated under a firm capacity contract for which lease treatment has been applied. The remaining life of the contract is approximately three years. Given the nature of the MoGas and Omega Pipeline Systems' contracts, the revenue generated by these assets is marginally dependent on the actual volume transported.

On May 25, 2023, we announced entry into a definitive agreement to sell the MoGas and Omega pipeline systems to Spire, Inc. for approximately $175.0 million in cash, subject to final working capital adjustments. In connection with the transaction, the parties filed notification and report forms under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), with the U.S. Federal Trade Commission ("FTC") and the Antitrust Division of the U.S. Department of Justice. On July 3, 2023, the parties each received a request for additional information and documentary materials (the "Second Request") from the FTC in connection with the FTC's review of the transaction. The effect of the Second Request is to extend the waiting period imposed by the HSR Act until 30 days after the parties have substantially complied with the Second Request, unless such period is extended voluntarily by the parties or terminated sooner by the FTC. Both parties intend to continue to work cooperatively with the FTC in its review. Completion of the transaction remains subject to the expiration or termination of the waiting period under the HSR Act and the satisfaction or waiver of the other closing conditions specified in the definitive agreement. The Company currently expects to close around the end of the calendar year subject to receiving FTC approval. There can be no assurance that the Company will complete the sale on this expected timeline or at all. We expect that the sale will generate sufficient net proceeds to repay our Crimson Credit Facility in full. We also expect that the remaining proceeds, combined with a new credit facility and operating cash flow, will enable us to retire a material percentage of our outstanding 5.875% Convertible Notes prior to maturity. The carrying value of the MoGas and Omega systems is included in "assets held-for-sale" and "liabilities held-for-sale" on the Consolidated Balance Sheet as of June 30, 2023.

HOW WE EVALUATE OUR OPERATIONS

Our management uses a variety of financial and operating metrics to analyze our performance. These metrics, which are significant factors in assessing our operating results and profitability, include: (i) volumes; (ii) revenue (including PLA); (iii) total operating and maintenance expenses (including maintenance capital expenses); (iv) Adjusted Net Income (a non-GAAP financial measure); (v) Cash Available for Distribution (a non-GAAP financial measure); and (vi) Adjusted EBITDA (a non-GAAP financial measure). For the definitions and further details on the calculations of non-GAAP financial measures used in this Report, see the section below titled "Non-GAAP Financial Measures."

Volumes and Revenue

Our revenue is primarily generated by transporting either crude oil or natural gas from a supply source to an end customer. Our assets have provided this service for the same customers for many decades.

Crimson Pipeline System

The amount of revenue generated by our Crimson Pipeline System depends on the volume of crude oil transported through our pipelines multiplied by the fixed-fee tariff, or transportation rate, applicable for the specific movement. These volumes are dependent on crude oil production in California because our assets are not directly connected to crude oil import facilities. Volumes may also be impacted by individual refinery decisions regarding crude oil sourcing. The fixed-fee tariff, or transportation rate, is the other major determinate of our revenue. The majority of our tariffs are regulated by the CPUC under a cost-of-service methodology that provides long-term support for our revenue.

In addition to the fixed-fee tariff, we also earn PLA for the majority of the crude oil volume we transport. As is common in the pipeline transportation industry, as crude oil is transported, Crimson receives as PLA between 0.1% and 0.25% of the majority of crude oil volume transported in order to offset any measurement uncertainty or actual volumes lost in transit. We receive payments either in-kind or in cash, at market value for the crude oil, with the majority of the payments being in-kind. For in-kind payments, we record the revenue as Transportation and Distribution revenue at a net realizable market price for the crude oil and place the PLA volumes into inventory. The inventory is subsequently sold, typically within one to two months, and recognized as PLA subsequent sales revenue with an offsetting expense of PLA subsequent sales cost of revenue.

Tariff Rate Cases

We have pending applications with the CPUC to raise tariffs on our San Pablo Bay, Southern California and KLM pipelines by 36%, 35% and 117%, respectively. All applications are being protested by at least one shipper. As a result, the full increases are currently not effective. However, in accordance with CPUC rules, we increased tariffs by 10% on the San Pablo, Southern California and KLM pipelines on March 1, 2023, August 1, 2022 and September 1, 2022, respectively. These increases are subject to refund if the CPUC determines that they were not justified. We anticipate implementing an additional 10% tariff increases on our Southern California and San Pablo pipelines in August 2023 and March 2024, respectively, if the current rate cases are not resolved before those times. For the six months ended June 30, 2023, average throughput volumes on the San Pablo, Southern California and KLM pipelines were 74,936 bpd, 48,606 bpd and 12,049 bpd, respectively. During the six months ended June 30, 2023, average rates per barrel of throughput on the San Pablo, Southern California and KLM pipelines were $1.71, $1.42, and $1.81, respectively. There can be no assurances as to the ultimate outcome of these pending tariff rate cases.

On July 1, 2023, Crimson submitted an application to the CPUC to increase tariffs on the Southern California pipeline by 10%. In accordance with CPUC rules, Crimson increased tariffs by 10% on the Southern California pipeline on August 1, 2023. This increase is subject to refund if the CPUC determines that it was not justified.

MoGas and Omega Pipeline Systems

The amount of revenue generated by our MoGas and Omega Pipeline Systems relies on fixed-payment contracts with our customers. These contracts are reservation charges with little dependence on actual volumes transported.

Operations and Maintenance Expenses

Our pipelines have similar fixed and variable operating, maintenance, and regulatory requirements. Our major operations and maintenance expenses consist of:

- labor expenses;
- repairs and maintenance expenses;
- insurance costs (including liability and property coverage); and
- utility costs (including electricity and natural gas).

The majority of our costs remain stable across broad ranges of throughput volumes, but can vary depending upon the level of both planned and unplanned maintenance activity in particular reporting periods. Utility cost is the primary expense that fluctuates based on throughput volumes and also fluctuates based on commodity prices.

California Market Update

Oil volumes transported on our pipelines in 2022 were unusual compared to historical patterns due to factors beyond our control, resulting in revenue swings from quarter to quarter. These conditions included a sudden and significant drop in volumes on our San Pablo Bay pipeline due to the decision of certain customers to use a competitor pipeline to move their production to refineries not serviced by us. These volumes then returned when the competitor pipeline shut down for unplanned maintenance. During the first quarter of 2023, the volumes again reverted away from our San Pablo Bay pipeline when the competitor pipeline returned to service. These lower volumes continued in the second quarter of 2023 and are included in our forecasts for the remainder of 2023, as well as in our applications with the CPUC to raise tariffs on our San Pablo Bay, Southern California and KLM pipelines.

Another suspension of Kern County's ability to issue oil and gas drilling permits was granted by a California Court of Appeals on January 26, 2023, due to continued challenges to the county's Environmental Impact Report. Although hearings are expected in the second half of 2023, there is currently no known timeline for resolution of the latest stay, which may result in decreased oil production and could accelerate the decline in volumes on our KLM and San Pablo Bay pipelines.

On June 21, 2023, Phillips 66 reaffirmed its plans to convert its 140,000 bpd San Francisco refinery in Rodeo, California to renewable transportation fuels, with operations expected to commence in the first quarter of 2024. Upon project completion, the refinery will no longer process crude oil, a significant portion of which is currently sourced via a dedicated Phillips 66 pipeline system from the San Joaquin Valley, which is the same source of volumes for the Company's pipelines. Following the conversion, crude oil consumed by Phillips 66 from the San Joaquin Valley will need to be transported elsewhere, which could provide growth in volumes delivered on Crimson pipelines.

The pipeline rupture off the coast of California in October 2021 has been repaired and the pipeline was restarted in April 2023, which provided incremental volume increases to the Company’s Southern California system during the second quarter of 2023. The pipeline is not owned by the Company nor does the Company own or operate any affected offshore platforms or pipelines.

BASIS OF PRESENTATION

The unaudited consolidated financial statements include CorEnergy Infrastructure Trust, Inc., as of June 30, 2023, and its direct and indirect wholly owned subsidiaries and consolidated VIEs for which CorEnergy is the primary beneficiary. All significant intercompany accounts and transactions have been eliminated in consolidation, and our net earnings have been reduced by the portion of net earnings attributable to non-controlling interests, when applicable.

RESULTS OF OPERATIONS

As permitted by SEC rules, we present a sequential quarterly analysis of the Company's performance because we believe that comparing current quarter results to those of the immediately preceding fiscal quarter is more useful in identifying current business trends and provides a more relevant analysis of our business results than comparing to the same period in the prior year. Accordingly, we have compared our results of operations for the three months ended June 30, 2023 to our results of operations for the three months ended March 31, 2023, as applicable, throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following data should be read in conjunction with our unaudited consolidated financial statements and the notes thereto included in Part I, Item 1 of this Report. All information in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations," except for balance sheet data as of December 31, 2022, is unaudited.

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	March 31, 2023	June 30, 2023	June 30, 2022
Revenue				
Transportation and distribution	$ 28,540,632	$ 29,239,115	$ 57,779,747	$ 58,264,628
Pipeline loss allowance subsequent sales	7,009,996	—	7,009,996	5,806,199
Lease and other	103,352	103,057	206,409	322,960
Expenses				
Transportation and distribution	$ 17,787,024	$ 17,481,063	$ 35,268,087	$ 28,209,520
Pipeline loss allowance subsequent sales cost of revenue	7,050,776	—	7,050,776	4,631,636
General and administrative	7,447,410	6,771,582	14,218,992	10,419,228
Depreciation and amortization	3,237,526	4,031,627	7,269,153	7,968,981
Total Expenses	$ 35,522,736	$ 28,284,272	$ 63,807,008	$ 51,229,365
Operating Income	$ 131,244	$ 1,057,900	$ 1,189,144	$ 13,164,422
Other Income (expense)				
Interest expense	$ (4,426,351)	$ (4,404,565)	$ (8,830,916)	$ (6,489,761)
Other income	195,678	141,813	337,491	256,565
Income tax benefit (expense), net	932,079	4,519	936,598	(396,343)
Net Income (Loss)	$ (3,167,350)	$ (3,200,333)	$ (6,367,683)	$ 6,534,883
Other Financial Data (1)				
Adjusted EBITDA	$ 5,848,769	$ 7,399,248	$ 13,248,017	$ 22,039,985
Adjusted Net Income (Loss)	(985,747)	(1,022,051)	(2,007,798)	7,033,541
Cash Available for Distribution	(7,702,815)	(6,194,046)	(13,896,861)	2,232,420
Capital Expenditures:				
Maintenance Capital	$ 2,099,717	$ 2,222,948	$ 4,322,665	$ 2,917,983
Expansion Capital	584,006	702,727	1,286,733	682,914
Volume:				
Average quarterly volume (bpd) - Crude oil	156,078	150,738	153,423	167,459

(1) Refer to the "Non-GAAP Financial Measures" section within this Item 2 for additional details.

Three Months Ended June 30, 2023 Compared to the Three Months Ended March 31, 2023

Revenue.

Transportation and distribution. Transportation and distribution revenue decreased by $698 thousand during the three months ended June 30, 2023 as compared to the three months ended March 31, 2023 due to higher crude oil transportation volume, offset by lower average transportation rates. Crude oil transportation volumes for the three months ended June 30, 2023 were 156,078 bpd as compared to 150,738 bpd for the prior quarter, which contributed $937 thousand to the change. The increase in crude oil transportation volume was primarily due to increased volumes on the Cardinal and SoCal pipelines, with lower volumes on the SPB and KLM pipelines. The first quarter 2023 SPB and KLM volumes benefited from third-party operational issues, which altered the sourcing patterns of the refineries served by the Company beginning in the second quarter of 2022 and lasting through January of 2023, at which point the third-party operational issues were alleviated and volumes decreased. The Company's weighted average transportation rate decreased from $1.52 for three months ended March 31, 2023 to $1.47 for the three months ended June 30, 2023 due to increased volumes being transported on the Cardinal pipeline, which is a lower tariff system, and lower volumes on the SPB pipeline, which is a higher tariff system. The decrease in weighted average transportation rates contributed $600 thousand to the decrease. Additionally, earned PLA decreased $998 thousand for the three months ended June 30, 2023 as compared to the three months ended March 31, 2023, primarily due to lower commodity prices. MoGas and Omega transportation and distribution revenue relies on fixed-payment contracts with our customers and did not materially change during the referenced periods.

Pipeline loss allowance subsequent sales. Pipeline loss allowance subsequent sales, which represents the revenue on sale of crude oil inventory, increased by $7.0 million during the three months ended June 30, 2023 as compared to the three months ended March 31, 2023, due to no PLA sales during the three months ended March 31, 2023. The Company sold 91,000 bbls of PLA during the second quarter of 2023 at a realized price of $77 per bbl.

Expenses.

Transportation and distribution. Transportation and distribution expenses increased by $306 thousand during the three months ended June 30, 2023 as compared to the three months ended March 31, 2023. The increase was primarily due to higher asset maintenance costs of $1.2 million and higher outside services costs of $818 thousand, partially offset by lower labor and benefit costs of $425 thousand, lower utility costs of $1.3 million and lower right-of-way costs of $200 thousand. The transportation and distribution expenses for the three months ended March 31, 2023 and June 30, 2023 include $834 thousand and $287 thousand, respectively, in restructuring costs that the Company does not expect to recur in future periods.

Pipeline loss allowance subsequent sales cost of revenue. Pipeline loss allowance subsequent sales cost of revenue increased by $7.1 million during the three months ended June 30, 2023 as compared to the three months ended March 31, 2023, due to no PLA sales occurring during the three months ended March 31, 2023 compared to 91,000 bbls of sold PLA during the three months ended June 30, 2023 at a cost of $77 per bbl.

General and administrative. General and administrative expenses increased by $676 thousand during the three months ended June 30, 2023 as compared to the three months ended March 31, 2023.

Employee-related costs for the three months ended June 30, 2023 decreased by $458 thousand compared to the three months ended March 31, 2023, primarily due to lower general and administrative costs associated with Crimson, which were lower in part due to the reorganization of Crimson management during the first quarter of 2023. The employee-related costs for the three months ended March 31, 2023 and June 30, 2023 include $850 thousand and $37 thousand, respectively, in restructuring costs that the Company does not expect to recur in future periods.

Professional services costs for the three months ended June 30, 2023 increased by $1.0 million compared to the three months ended March 31, 2023, primarily due to higher costs associated with legal services, the MoGas and Omega asset sale and costs associated with the Company's ongoing change of control application.

Other general costs for the three months ended June 30, 2023 increased by $130 thousand due to increases in various cost categories, including office expenses, lease costs and asset acquisition expenses.

Interest expense. Interest expense increased by $22 thousand during the three months ended June 30, 2023 as compared to the three months ended March 31, 2023, primarily due to higher interest rates.

Six Months Ended June 30, 2023 Compared to the Six Months Ended June 30, 2022

Revenue.

Transportation and distribution. Transportation and distribution revenue decreased $485 thousand during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, primarily due to lower crude oil transportation volume, higher average transportation rates and lower earned PLA. Crude oil transportation volumes for the six months ended June 30, 2023 were 153,423 bpd as compared to 167,459 bpd for the six months ended June 30, 2022, which contributed $3.8 million to the decrease. The decrease in crude oil transportation volume was primarily due to third-party operational issues that were alleviated during the first quarter of 2023. Those third-party operational issues altered the sourcing patterns of the refineries served by the Company beginning in the second quarter of 2022 and lasting through January of 2023. The weighted average transportation rate increased from $1.34 to $1.49 due to the impact of rate increases on all pipelines and weighting of volumes transported on higher tariff pipelines. The increase in weighted average transportation rates offset the decrease in revenue by $4.6 million. Additionally, earned PLA decreased $902 thousand for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, primarily due to lower commodity prices. MoGas and Omega transportation and distribution revenues rely on fixed-payment contracts with our customers and did not materially change during the referenced periods.

Pipeline loss allowance subsequent sales. Pipeline loss allowance subsequent sales, which represents the revenue on sale of crude oil inventory, increased $1.2 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022 due to an increase in PLA sales volumes, offset by lower realized sales prices. Sales volumes for the six months ended June 30, 2023, were 91,000 bbls compared to 57,000 bbls for the six months ended June 30, 2022, which contributed $2.6 million positively to the change. Additionally, sales prices for the six months ended June 30, 2023 were $77 per bbl, compared to $102 per bbl during the six months ended June 30, 2022, which contributed $1.4 million negatively to the change.

Expenses.

Transportation and Distribution. Transportation and distribution expense increased $7.1 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. The increase was primarily due to higher restructuring costs of $1.1 million, higher asset maintenance expense of $1.3 million, higher utilities costs of $1.0 million, higher regulatory compliance and non-recurring pipeline release costs of $1.5 million, higher outside service costs of $625 thousand, higher inventory cost adjustments of $568 thousand and higher right-of-way costs of $233 thousand, partially offset by lower property taxes of $487 thousand.

Pipeline loss allowance subsequent sales cost of revenue. Pipeline loss allowance subsequent sales cost of revenue increased $2.4 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022 due to an increase in PLA sales volumes, offset by lower cost of inventory. Sales volumes for the six months ended June 30, 2023 were 91,000 bbls compared to 57,000 bbls for the six months ended June 30, 2022, which contributed $2.6 million in higher costs to the change. Additionally, the cost of inventory for the six months ended June 30, 2023 was $77 per bbl compared to $81 per bbl during the six months ended June 30, 2022, which contributed $215 thousand in lower costs to the change.

General and Administrative. General and administrative expenses increased $3.8 million during the six months ended June 30, 2023 as compared the six months ended June 30, 2022.

Employee-related costs for the six months ended June 30, 2023 increased $1.2 million compared to the six months ended June 30, 2022, primarily due to higher management restructuring costs of $887 thousand, higher contract labor costs of $308 thousand and $300 thousand in certain shared service expense reimbursements that were received by Crimson in 2022 but did not recur in 2023.

Professional services costs for the six months ended June 30, 2023 increased $2.1 million from the prior-year period, primarily due to higher costs associated with legal services, the MoGas and Omega asset sale and costs associated with the Company's ongoing change of control application.

Other expenses for the six months ended June 30, 2023 increased $500 thousand from the prior-year period. The increase in other expenses is due to various cost categories, including office expenses, lease costs, employee training and education costs and certain shared office expense reimbursements that were received by Crimson in 2022 but did not recur in 2023.

Interest Expense. Interest expense increased $2.3 million during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, primarily due to higher interest rates.

NON-GAAP FINANCIAL MEASURES

We use certain financial measures in this Report that are not recognized under GAAP. The non-GAAP financial measures used in this Report include Adjusted Net Income (Loss), CAD, and Adjusted EBITDA. These supplemental measures are used by our management team and are presented herein because we believe they help investors understand our business, performance and ability to earn and distribute cash to our stockholders, provide for debt repayments, provide for future capital expenditures and provide for repurchases or redemptions of our preferred stock.

We offer these measures to assist the users of our financial statements in assessing our operating performance under GAAP, but these measures are non-GAAP measures and should not be considered measures of liquidity, alternatives to net income (loss) or indicators of any other performance measure determined in accordance with GAAP. Our method of calculating these measures may be different from methods used by other companies and, accordingly, may not be comparable to similar measures as calculated by other companies. Investors should not rely on these measures as a substitute for any GAAP measure, including net income (loss), and cash flows from operating activities or revenues. Management compensates for the limitations of Adjusted Net Income (Loss), CAD, and Adjusted EBITDA as analytical tools by reviewing the comparable GAAP measures, understanding the differences between non-GAAP measures compared to (as applicable) operating income, net income (loss) and net cash provided by (used in) operating activities, and incorporating this knowledge into its decision-making processes. We believe that investors benefit from having access to the same financial measures that our management considers in evaluating our operating results.

Adjusted Net Loss and Cash Available for Distribution

We believe Adjusted Net Income (Loss) is an important performance measure of our profitability as compared to other midstream infrastructure owners and operators. Our presentation of Adjusted Net Income (Loss) for the current year periods represents net loss adjusted for gain on sale of equipment, transaction-related costs and restructuring costs. During the comparable periods of the prior year, our presentation of Adjusted Net Income (Loss) included adjustments for gain on sale of equipment and transaction-related costs. Adjusted Net Income (Loss) presented by other companies may not be comparable to our presentation, since each company may define these terms differently.

Management considers CAD an important metric for assessing capital discipline, cost efficiency and balance sheet strength. Although CAD is the metric used to assess our ability to make distributions, this measure should not be viewed as indicative of the actual amount of cash available for distributions or planned for distributions for a given period. Instead, CAD should be considered indicative of the amount of cash available for distributions after mandatory debt repayments and other general corporate purposes. Our presentation of CAD represents Adjusted Net Income (Loss) adjusted for depreciation and amortization, amortization of debt issuance costs, stock-based compensation, and deferred tax expense (benefit) less transaction-related costs, restructuring costs, maintenance capital expenditures, preferred dividend requirements and mandatory debt amortization.

Adjusted Net Income (Loss) and CAD should not be considered measures of liquidity and should not be considered alternatives to operating income, net income (loss), cash flows from operations or other indicators of performance determined in accordance with GAAP. The following tables present a reconciliation of Net Loss, as reported in the Consolidated Statements of Operations, to Adjusted Net Income (Loss) and CAD:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	March 31, 2023	June 30, 2023	June 30, 2022
Net Income (Loss)	**$ (3,167,350)**	**$ (3,200,333)**	**$ (6,367,683)**	**$ 6,534,883**
Add:				
Transaction costs	1,857,826	495,579	2,353,405	521,336
Restructuring costs	323,777	1,683,777	2,007,554	—
Less:				
Gain on the sale of equipment	—	1,074	1,074	22,678
Adjusted Net Income (Loss), excluding special items	$ (985,747)	$ (1,022,051)	$ (2,007,798)	$ 7,033,541
Add:				
Depreciation and amortization	3,237,526	4,031,627	7,269,153	7,968,981
Amortization of debt issuance costs	356,054	417,993	774,047	824,120
Stock-based compensation	102,718	(10,374)	92,344	151,359
Deferred tax expense (benefit)	(934,704)	(11,595)	(946,299)	88,422
Less:				
Transaction costs	1,857,826	495,579	2,353,405	521,336
Restructuring costs	323,777	1,683,777	2,007,554	—
Maintenance capital expenditures	2,099,717	2,222,948	4,322,665	2,917,983
Preferred dividend requirements - Series A	2,388,130	2,388,130	4,776,260	4,776,260
Preferred dividend requirements - Non-controlling interest	809,212	809,212	1,618,424	1,618,424
Mandatory debt amortization	2,000,000	2,000,000	4,000,000	4,000,000
Cash Available for Distribution (CAD)	$ (7,702,815)	$ (6,194,046)	$ (13,896,861)	$ 2,232,420

The following tables reconcile net cash provided by (used in) operating activities, as reported in the Consolidated Statements of Cash Flow to CAD:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	March 31, 2023	June 30, 2023	June 30, 2022
Net cash provided by (used in) operating activities	**$ 5,735,036**	**$ (3,107,631)**	**$ 2,627,405**	**$ 19,359,139**
Changes in working capital	(6,140,792)	4,333,875	(1,806,917)	(3,814,052)
Maintenance capital expenditures	(2,099,717)	(2,222,948)	(4,322,665)	(2,917,983)
Preferred dividend requirements	(2,388,130)	(2,388,130)	(4,776,260)	(4,776,260)
Preferred dividend requirements - non-controlling interest	(809,212)	(809,212)	(1,618,424)	(1,618,424)
Mandatory debt amortization included in financing activities	(2,000,000)	(2,000,000)	(4,000,000)	(4,000,000)
Cash Available for Distribution (CAD)	$ (7,702,815)	$ (6,194,046)	$ (13,896,861)	$ 2,232,420
Other Special Items:				
Transaction costs	$ 1,857,826	$ 495,579	$ 2,353,405	$ 521,336
Restructuring costs	323,777	1,683,777	2,007,554	—
Other Cash Flow Information:				
Net cash used in investing activities	$ (4,409,007)	$ (3,490,021)	$ (7,899,028)	$ (1,913,240)
Net cash provided by (used in) financing activities	(331,528)	112,169	(219,359)	(12,654,805)

Adjusted EBITDA

We believe the presentation of Adjusted EBITDA provides information useful to investors in assessing our financial condition and results of operations and that Adjusted EBITDA is a widely accepted financial indicator of a company's ability to incur and service debt, fund capital expenditures, and make dividends and distributions. Adjusted EBITDA is a supplemental financial measure that, along with other measures, can be used by management and external users of our consolidated financial statements, such as industry analysts, investors, and commercial banks, to assess the following:

- our operating performance as compared to other midstream infrastructure owners and operators, without regard to financing methods, capital structure, or historical cost basis;
- the ability of our assets to generate cash flow to make distributions; and
- the viability of acquisitions and capital expenditures and the returns on investment of various investment opportunities.

Our presentation of Adjusted EBITDA for the current-year periods represents net loss adjusted for items such as gain on the sale of equipment, transaction costs, restructuring costs, depreciation and amortization, stock-based compensation, income tax benefit and interest expense. During the comparable period of the prior year, our presentation of Adjusted EBITDA included adjustments for gain on the sale of equipment, transaction costs, depreciation and amortization, stock-based compensation, income tax expense, and interest expense. Adjusted EBITDA presented by other companies may not be comparable to our presentation, since each company may define these terms differently. Adjusted EBITDA should not be considered as a measure of liquidity and should not be considered as an alternative to operating income, net income or other indicators of performance determined in accordance with GAAP. The following tables present a reconciliation of Net Income (Loss), as reported in the Consolidated Statements of Operations, to Adjusted EBITDA:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	March 31, 2023	June 30, 2023	June 30, 2022
Net Loss	**$ (3,167,350)**	**$ (3,200,333)**	**$ (6,367,683)**	**$ 6,534,883**
Add:				
Transaction costs	1,857,826	495,579	2,353,405	521,336
Restructuring costs	323,777	1,683,777	2,007,554	—
Depreciation and amortization	3,237,526	4,031,627	7,269,153	7,968,981
Stock-based compensation	102,718	(10,374)	92,344	151,359
Income tax expense (benefit), net	(932,079)	(4,519)	(936,598)	396,343
Interest expense, net	4,426,351	4,404,565	8,830,916	6,489,761
Less:				
Gain on the sale of equipment	—	1,074	1,074	22,678
Adjusted EBITDA	$ 5,848,769	$ 7,399,248	$ 13,248,017	$ 22,039,985

DIVIDENDS

Our portfolio of energy infrastructure real property assets generates cash flow from which we pay distributions to stockholders. We pay dividends based on what we believe is the median long-term cash-generating ability of our assets, adjusted for special items. The primary sources of our stockholder distributions have historically included transportation and distribution revenue from our Crimson, MoGas and Omega Pipeline Systems.

Quarterly, we intend on distributing our CAD less appropriate reserves established at the discretion of our Board of Directors ("Board") which could include, but are not limited to:

- providing for the proper conduct of our business including reserves for future capital expenditures;
- providing for additional debt repayment beyond mandatory amortization;
- providing for repurchases or redemptions of any series of our preferred stock or securities convertible into preferred stock;
- compliance with applicable law or any loan agreement, security agreement, debt instrument or other agreement or obligation; or
- providing additional reserves as determined appropriate by the Board.

Deterioration in the expected cash flows from our Crimson Pipeline System has impacted our ability to fund distributions to stockholders and orFebruary 6, 2023, we announced the suspension of all dividends due to a combination of declining volumes and increased costs in our California systems. There can be no assurances as to our ability to reinstitute dividend payments to stockholders in future periods or the timing or levels thereof. Our Board will continue to evaluate our dividend payments on a quarterly basis.

Distributions to common stockholders are recorded on the ex-dividend date and distributions to preferred stockholders are recorded when declared by our Board. The dividends on our Series A Preferred Stock are cumulative, and any accumulated unpaid dividends must be paid before resuming dividends to the common stockholders. The characterization of any distribution for federal income tax purposes will not be determined until after the end of the taxable year.

A REIT is generally required to distribute during the taxable year an amount equal to at least 90.0% of the REIT taxable income (determined under Code Section 857(b)(2), without regard to the deduction for dividends paid). We intend to adhere to this requirement in order to maintain our REIT status. The Board will continue to determine the amount, if any, of distributions that we expect to pay our stockholders. Dividend payouts may be affected by cash flow requirements and remain subject to other risks and uncertainties.

The Grier Members hold an economic interest in Crimson via the issuance of Crimson Class A-1, Class A-2 and Class A-3 Units at the closing of the Crimson Transaction. Upon CPUC approval, the Grier Members have the right to convert their Crimson Class A-1, Class A-2 and Class A-3 Units into our securities.

During February 2023, the Board suspended dividends on all securities. Accordingly, the Crimson Class A-2 and Class A-3 Units will not be eligible for dividends. Dividends will accumulate in the amount of $0.4609375 quarterly, per depositary share, for our Series A Preferred Stock and the Crimson Class A-1 Units.

As of June 30, 2023, each of these securities are convertible as follows: the Crimson Class A-1 Units are convertible into depositary shares representing the Company's Series A Preferred Stock and the Crimson Class A-2 and Class A-3 Units are convertible into the Company's Class B Common Stock. However, prior to conversion, the Crimson Class A-1, Class A-2 and Class A-3 Units receive distributions as if they were the corresponding Company securities. For a description of the dividend rights, redemption rights, voting rights, and exchange and conversion rights of the Crimson Class A-1, Class A-2, and Class A-3 Units, please refer to Part IV, Item 15, Note 16 ("Stockholders' Equity") included in our 2022 Annual Report.

Class B Common Stock

The Class B Common Stock Articles Supplementary establish the terms of the Class B Common Stock, which are substantially similar to the Company's Common Stock, including voting rights, except that the Class B Common Stock is subordinated to the Common Stock with respect to dividends and will automatically convert into Common Stock under certain circumstances. The Company does not intend to list the Class B Common Stock on any exchange.

Voting Rights. Class B Common Stock will vote together with the holders of Common Stock, voting as a single class, with respect to all matters on which holders of the Common Stock are entitled to vote. The Company may not authorize or issue any additional shares of Class B Common Stock beyond the number authorized in the Class B Common Stock Articles Supplementary without the affirmative vote of at least 66-2/3% of the outstanding shares of Class B Common Stock. Any amendment to the Company's charter that would alter the rights of the Class B Common Stock must be approved by the affirmative vote of the majority of the outstanding Class B Common Stock.

Dividends. Subject to preferences that may apply to any shares of preferred stock outstanding at the time, holders of the Class B Common Stock are entitled to receive dividends to the extent authorized by the Company's Board of Directors and declared by the Company pursuant to a formula based on the amount of dividends declared on the Company's Common Stock. For each fiscal quarter ending June 30, 2021 through and including the fiscal quarter ending March 30, 2024, each share of Class B Common Stock will be entitled to receive dividends (the "Class B Common Stock Dividends"), subject to Board approval, equal to the quotient of (i) the difference of (A) CAD (a non-GAAP financial measure) for the most recently completed quarter and (B) 1.25 multiplied by the Common Stock Base Dividend, divided by (ii) shares of Class B Common Stock issued and outstanding multiplied by 1.25. In no event will the Class B Common Stock Dividend per share be greater than any dividends per share authorized by the Board of Directors and declared with respect to the Common Stock during the same quarter and no Class B Common Stock Dividend will accrue until after April 1, 2021. As is the case for Common Stock, Class B Common Stock Dividends are not cumulative.

Conversion. The shares of Class B Common Stock will convert to Common Stock on a one-for-one basis upon the first to occur of the following:

- the Board authorizes and the Company declares a quarterly dividend per share of outstanding Common Stock in excess of the then-applicable Common Stock Base Dividend;
- the issuance of additional shares of Common Stock other than in connection with: (i) any director or management compensation plan or equity award, (ii) the Company's Dividend Reinvestment Plan, (iii) any conversion rights of the Company's existing 5.875% Convertible Notes or Series A Preferred Stock, (iv) any exchange for fair value for the issuance of Common Stock (as determined by the Board), or (v) any stock split, reverse stock split, stock dividend or similar transaction in which the shares of Class B Common Stock share equally; or
- the Board authorizes and the Company declares a quarterly dividend per share to the Class B Common Stock equal to the then-applicable Common Stock Base Dividend for any four consecutive fiscal quarters beginning with the fiscal quarter ending June 30, 2022 through the fiscal quarter ending March 31, 2024.

To the extent conversion does not occur pursuant to the above, then the Class B Common Stock will convert to Common Stock on February 4, 2024 at a ratio equal to the quotient obtained by dividing (i) (A) the quotient of the then-applicable last twelve months CAD (a non-GAAP financial measure) divided by the product of (x) 1.25 and (y) four times (4x) the then-applicable Common Stock Base Dividend per share, less (B) the number of then-outstanding shares of Common Stock; by (ii) the number of then-outstanding shares of Class B Common Stock; provided, however, that the ratio shall not be less than 0.6800 shares of Common Stock per share of Class B Common Stock or greater than 1.000 shares of Common Stock per share of Class B Common Stock. As of June 30, 2023, the Company expects the conversion rate to be 0.6800 shares of Common Stock per share of Class B Common Stock.

Dividend Declarations

On February 3, 2023, our Board of Directors suspended dividend payments on our Common Stock and Series A Preferred Stock. Our Series A Preferred Stock will accrue dividends during any period in which dividends are not paid. Any accrued

Series A Preferred Stock dividends must be paid prior to the Company resuming common dividend payments. Based on the suspension of dividend payments to CorEnergy's public equity holders, the Crimson A-2 and A-3 Units and CorEnergy's Class B Common Stock will not receive dividends. During the first two quarters of 2023, we accumulated $0.4609375 per depositary share, quarterly, for our Series A Preferred Stock, which will be paid upon declaration by the Board. As of June 30, 2023, the Company had accumulated $4.8 million in unpaid dividends.

Class A-1 Units Distribution

On February 3, 2023, the Company's Board of Directors suspended dividend payments on the Series A Preferred Stock. The preferred return on the Crimson A-1 Units are pari passu to the Series A Preferred Stock preferred return. As of June 30, 2023, the Company had $1.6 million in cumulative unpaid distributions related to the Crimson A-1 Units.

	Common Dividends	Preferred Dividends	Crimson Class A-1 Dividends
2023			
Second Quarter	$ —	$ —	$ —
First Quarter	—	—	—
2022			
Fourth Quarter	$ 0.05	$ 0.4609375	$ 0.4609375
Third Quarter	0.05	0.4609375	0.4609375
Second Quarter	0.05	0.4609375	0.4609375
First Quarter	0.05	0.4609375	0.4609375

Crimson Class A-2 Units and Class A-3 Units Distribution

During 2022 and through the second quarter of 2023, the Board did not declare a dividend on the Class B Common Stock. Pursuant to the terms of Crimson's Third LLC Agreement, this determination by the Company's Board of Directors resulted in no distribution to the holders of Crimson's Class A-2 Units or Class A-3 Units.

SEASONALITY

We expect that Crimson will have stable revenues throughout the year. Maintenance activities can be performed at any time during the year, however, we may have certain quarters where maintenance expenditures are materially higher than other quarters in the year. Currently, our San Pablo Bay pipeline is operating in blended service, where heavy crude oil is mixed with lighter crude oil. Historically, however, it has also operated as a batched system, which includes a seasonal minimum volume. Such minimum volume is required because heavy crude oil must be heated to be transported via the pipeline, with the lowest allowed minimum volume typically occurring in the months from July to September and the highest allowed minimum volume typically occurring from December to March, with the actual effective periods dependent on the ground temperature. The historical average quarterly crude oil volumes for Crimson are provided in the table below.

Crimson Midstream Holdings Average Crude Oil Volume for Quarter Ended (bpd):	San Pablo Bay	KLM	Southern California	Cardinal	Total (bpd):
March 31, 2022	87,815	11,594	48,341	27,966	175,716
June 30, 2022	72,185	12,674	47,185	27,158	159,202
September 30, 2022	96,464	18,658	45,711	3,915	164,748
December 31, 2022	97,130	21,604	45,212	817	164,763
March 31, 2023	76,800	13,234	46,554	14,150	150,738
June 30, 2023	73,091	10,876	50,636	21,475	156,078

The MoGas and Omega Pipeline Systems generally have stable revenues throughout the year and will complete necessary pipeline maintenance during the "non-heating" season, or quarters two and three. Therefore, operating results for the interim periods are not necessarily indicative of the results that may be expected for the full year.

LIQUIDITY AND CAPITAL RESOURCES

Overview

At June 30, 2023, we had liquidity of $21.3 million, comprised of cash of $12.3 million plus revolver availability of $9.0 million. We use cash flows generated from MoGas and Omega operations and cash flows generated from our interest in

Crimson's operations that are distributed to us to fund current obligations, projected working capital requirements, debt service payments and dividend payments. Distributions from MoGas, Omega and Crimson are subject to certain limitations as discussed under the "Crimson Credit Facility" below. The Company does not expect those restrictions to affect the ability of the Company to meet its cash obligations. Based on Management's current forecasts, and assuming a successful sale of the MoGas and Omega pipeline assets on our expected timeline, we expect that future operating cash flows, together with current liquidity and proceeds from asset dispositions, will be sufficient to meet our ongoing working capital, operating requirements and debt service for at least the next 12 months. If the MoGas and Omega sale does not occur in early 2024, the operating cash flow may not be sufficient to service our debt instruments in 2024. If the Company is unable to extend the maturity date of the Crimson Credit Facility, or to repay or refinance it by May 3, 2024, the Company's ability to meet its obligations would be adversely affected. On February 6, 2023, the Company announced a suspension of dividends to further enhance liquidity to address near-term debt maturities and continue its focus on reducing total leverage.

During the first quarter of 2023, the Company retained an advisor to lead a process for the sale of its MoGas and Omega pipeline assets. On May 25, 2023, we announced entry into a definitive agreement to sell the MoGas and Omega pipeline systems to Spire, Inc. for approximately $175.0 million in cash, subject to final working capital adjustments. Completion of the transaction remains subject to the expiration or termination of the waiting period under the HSR Act and the satisfaction or waiver of the other closing conditions specified in the definitive agreement. Although we currently expect to complete the sale around the end of the calendar year, there can be no assurance that we will complete the sale on this expected timeline or at all. We expect that the sale will generate sufficient net proceeds to repay our Crimson Credit Facility in full. We also expect that the remaining proceeds, combined with a new credit facility and operating cash flow, will enable us to retire a material percentage of our outstanding 5.875% Convertible Notes prior to maturity.

Long-term liquidity requirements consist of maintenance expenditures, debt maturities and capital requirements. We currently believe that we will be able to repay, extend, refinance or otherwise settle our debt maturities as the debt comes due and that we will be able to fund our remaining long-term liquidity requirements and commitments, as necessary. However, there can be no assurance that additional financing or capital will be available, or that terms will be acceptable or advantageous to us. Further, if our ability to access the capital markets is restricted, or if debt or equity capital were unavailable, or unavailable on favorable terms, or at all, our ability to fund acquisition opportunities or to comply with the REIT distribution rules could be adversely affected. We may also fund these liquidity requirements with the proceeds from asset dispositions, however, there can be no assurances that we will be able to consummate any such asset dispositions on terms acceptable or advantageous to us or at all.

In order to maintain the NYSE listing of our Common Stock, the market capitalization of our Common Stock, including our Class B Common Stock, cannot be below $15.0 million for 30 consecutive trading days. This equates to a Common Stock share price of $0.94. The market price for our Common Stock has declined significantly. There can be no assurances that we will be able to maintain such listing or obtain an alternative listing on another exchange as required under the Indenture governing our 5.875% Convertible Notes. Our failure to do so could result in an event of default under such Indenture, which in turn, could trigger cross-defaults under our credit facility. Any such default would have a material adverse impact on our liquidity and capital resources. If our Common Stock is delisted from the NYSE, we will be required to offer to repurchase the 5.875% Convertible Notes at par value.

Cash Flows - Operating, Investing, and Financing Activities

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

	For the Six Months Ended	
	June 30, 2023	June 30, 2022
	(Unaudited)	
Net cash provided by (used in):		
Operating activities	$ 2,627,405	$ 19,359,139
Investing activities	(7,899,028)	(1,913,240)
Financing activities	(219,359)	(12,654,805)
Net change in cash and cash equivalents	$ (5,490,982)	$ 4,791,094

Cash Flows from Operating Activities

Net cash flows provided by operating activities for the six months ended June 30, 2023 were primarily attributable to $6.4 million in net loss, offset by (i) $1.8 million in working capital changes and (ii) $7.3 million in depreciation and amortization.

Net cash provided by operating activities for the six months ended June 30, 2022 were primarily attributable to (i) $6.5 million in net income, (ii) $3.8 million in working capital changes and (iii) $8.0 million in depreciation and amortization.

Cash Flows from Investing Activities

Net cash used in investing activities for the six months ended June 30, 2023 was primarily attributable to the $8.0 million of cash utilized to acquire property and equipment.

Net cash used by investing activities for the six months ended June 30, 2022 was primarily attributable to (i) $4.1 million of cash utilized to acquire property and equipment, offset by (ii) $2.1 million in proceeds from reimbursable projects and $87 thousand of cash received on the note receivable.

Cash Flows from Financing Activities

Net cash used in financing activities for the six months ended June 30, 2023 was primarily attributable to advances on the Crimson Revolver of $7.0 million, offset by (i) payments on the revolver of $1.0 million, (ii) principal payments of $4.0 million on the Crimson Term Loan and (iii) payments on financing arrangements of $2.2 million.

Net cash used in financing activities for the six months ended June 30, 2022 was primarily attributable to (i) $1.5 million of common dividends paid, partially offset by $403 thousand of reinvestment of dividends paid to common stockholders, (ii) $4.8 million of preferred stock dividends paid, (iii) $1.6 million of distributions paid to non-controlling interests, (iv) $4.0 million advances on the Crimson Revolver, offset by $4.0 million of payments on the Crimson Revolver, and (v) $4.0 million of principal payments on the Crimson secured credit facility.

Cumulative Unpaid Dividends

As a result of the existing cumulative unpaid dividends on our Series A Preferred Stock of $4.8 million and the Crimson A-1 Units of $1.6 million, we are currently not eligible to register the offer and sale of securities on a Form S-3 registration statement or utilize our existing Form S-3 registration statements for any such offer or sale. This creates additional limitations on our ability to raise capital in the capital markets, potentially increasing our costs of raising capital in the future. We have been focused on improving operational efficiency and driving stable and increasing cash flows from operations, including by undertaking the sale of assets and completing a thorough review of our business and capital structure and evaluating a wide range of opportunities to further strengthen our balance sheet and financial flexibility.

Asset Maintenance Expense and Capital Expenditures

Crude oil pipeline operations require significant expenditures to maintain, expand, upgrade or enhance existing operations and to meet environmental and operational regulations. Expenditures on pipeline maintenance are either expensed as incurred or capitalized and depreciated. The expensed activities are included in operating expense while the capitalizable expenditures are shown as maintenance capital and deducted when calculating CAD (a non-GAAP financial measure). Examples of expensed activities include in-line pipeline inspections and tank integrity inspections. Examples of maintenance capital expenditures are those made to maintain the existing operating capacity of Crimson's assets and to extend their useful lives or other capital expenditures incurred in maintaining existing system volumes and related cash flows. In contrast, expansion capital expenditures are those made to acquire additional assets to grow Crimson's business, to expand and upgrade Crimson's systems and facilities and to construct or acquire new easements, systems or facilities.

The pipeline regulatory environment in California is one of the most stringent in the world, which generally results in additional operating and maintenance expenditures compared to other regions. Over the past year, the California regulators have increased their activity level in overseeing the pipeline activities in the state. This increased activity level will likely result in additional maintenance expenditures in the future, but the specific financial impact is currently not known. We will continue to work closely with all regulators to ensure compliance with all rules and regulations, both new and existing.

In October 2015, the Governor of California signed the Oil Spill Response: Environmentally and Ecologically Sensitive Areas Bill ("AB-864") which requires new and existing pipelines located near environmentally and ecologically-sensitive areas connected to or located in the coastal zone to use best available technologies to reduce the amount of oil released in an oil spill to protect state waters and wildlife. The California Office of the State Fire Marshal has developed the regulations required by AB-864. The Company submitted recommendations for pipeline segment improvements in December 2021, which were subsequently accepted by the California Office of the State Fire Marshal in 2022. All expenditures are recoverable under the cost-of-service framework. The Company has begun the process of making the recommended modifications, but most of the expenditures will occur in the second half of 2023 and 2024. The Company has submitted a filing with the CPUC to implement a surcharge on existing tariffs to recover the costs associated with the regulation. However, at least one shipper has protested the filing so the surcharge cannot be implemented until the case is ruled on by the CPUC. The CPUC is expected to provide a ruling on the surcharge for AB-864 at the same time as the ruling on the 35% tariff increase on our Southern California pipeline, which is currently expected to occur in the fourth quarter 2023. This will result in the Company funding these expenses in advance of recovery by surcharge or tariff.

Crimson may incur substantial amounts of capital expenditures in certain periods in connection with large maintenance projects. In 2023, Crimson expects to incur asset maintenance expenses in a range of $9.0 million to $10.0 million and maintenance capital expenditures in a range of $11.5 million to $12.5 million.

	Maintenance Expenditures	
Three Months Ended	Expense	Capital
March 31, 2022	$ 744,509	$ 1,442,550
June 30, 2022	1,443,368	1,475,433
September 30, 2022	1,860,100	1,180,794
December 31, 2022	2,541,223	3,184,699
March 31, 2023	1,138,957	2,222,948
June 30, 2023	2,364,554	2,099,717

Material Cash Requirements

The following table summarizes our material cash requirements and other obligations as of June 30, 2023:

	Notional Value	Less than 1 year	1-3 years	3-5 years	More than 5 years
Crimson Term Loan(1)	$ 62,000,000	$ 62,000,000	$ —	$ —	$ —
Interest payments on Crimson Term Loan(2)		5,387,183	—	—	—
Crimson Revolver(1)	41,000,000	41,000,000	—	—	—
Interest payments on Crimson Revolver(2)		3,503,744	—	—	—
5.875% Convertible Notes(1)	118,050,000	—	118,050,000	—	—
Interest payments on 5.875% Convertible Notes(1)		6,935,438	10,403,156	—	—
Leases (3)(4)		688,179	1,839,922	1,905,000	4,990,929
Notes payable(5)		1,785,998	936,250	—	—
Series A Preferred Stock dividend requirements(6)		—	—	—	—
Distributions on Crimson Class A-1 Units(7)		—	—	—	—
Totals		$ 121,300,542	$ 131,229,328	$ 1,905,000	$ 4,990,929

(1) See Part I, Item 1, Note 11 ("Debt").

(2) Forecasted interest rate between 8% - 11%, See Part I, Item 1 Note 11 ("Debt").

(3) See Part I, Item 1, Note 5 ("Leases").

(4) During 2022, Crimson entered into a new lease which commenced upon possession of the property during Q2 2023. No lease payments are due for the first year.

(5) Notes payable is included in Accounts Payable and other accrued liabilities on the Consolidated Balance Sheet.

(6) During the first quarter of 2023, the Company suspended dividend payments on the Series A Preferred Stock, which will accrue dividends annually at $1.84375 per share. Any accumulated Series A Preferred Stock dividends must be paid prior to the Company resuming common dividend payments. As of June 30, 2023, the accumulated $4.8 million in unpaid dividends has not been included in this table as we cannot reasonably determine when or if we will reinstate those dividend payments.

(7) Based on the suspension of dividend payments on the Company's Series A Preferred Stock, the Crimson Class A-1 Units will not receive dividends. As of June 30, 2023, the Grier Members have an unpaid distribution of $1.6 million that has not been included in this table as we cannot reasonably determine when or if we will declare dividends on the Company's Series A Preferred Stock, such that the Crimson Class A-1 units may be eligible for dividends again.

Impact of Inflation and Rising Interest Rates

We have experienced significant increases in interest rates and the cost of energy, transportation, and distribution. The Company's effective interest rate on the Crimson Credit facility was approximately 4.9% for the six months ended June 30, 2022 as compared to approximately 9.5% for the six months ended June 30, 2023, and we expect the effective interest rate on the Crimson Credit Facility to range between 8.0% and 11.0% during for the remainder of 2023. These inflationary trends, including increasing interest rates, have and may continue to have a material adverse impact on our business, financial condition and results of operations.

Capital Requirements

Capital spending for our business consists primarily of:

- Maintenance capital expenditures, which include costs required to maintain equipment reliability and safety and to address environmental and other regulatory requirements rather than to generate incremental CAD (a non-GAAP financial measure); and

- Expansion capital expenditures, which are undertaken primarily to generate incremental CAD (a non-GAAP financial measure) and include costs to acquire additional assets to grow our business and to expand or upgrade our existing facilities and to construct new assets, which we refer to collectively as organic growth projects. Organic growth projects include, for example, capital expenditures that increase storage or throughput volumes or develop pipeline connections to new supply sources.

During the six months ended June 30, 2023, we spent $4.3 million on maintenance capital expenditures and we spent $1.3 million for our expansion capital projects.

The Company believes its existing cash and cash equivalents, together with cash generated from operations and asset dispositions, will be sufficient to fund its operations, satisfy its obligations, including cash outflows for planned capital expenditures, and comply with minimum liquidity and financial covenant requirements under its debt covenants for at least the next 12 months. We expect to finance our long-term liquidity requirements with borrowings under our credit facilities discussed below, proceeds from the MoGas and Omega sale as well as debt and equity financing alternatives. The availability and terms of any such financing will depend upon market and other conditions, as well as our compliance with debt covenants in our credit facilities. If we borrow the maximum amount available under our credit facilities, there can be no assurance that we will be able to obtain additional or substitute financing.

Revolving and Term Credit Facilities

Crimson Credit Facility

On February 4, 2021, in connection with the Crimson Transaction, Crimson Midstream Operating and Corridor MoGas, (collectively, the "Borrowers"), together with Crimson, MoGas Debt Holdco LLC, MoGas, CorEnergy Pipeline Company, LLC, United Property Systems, Crimson Pipeline, LLC and Cardinal Pipeline, L.P. (collectively, the "Guarantors") entered into the Crimson Credit Facility with the lenders from time to time party thereto and Wells Fargo Bank, National Association, as Administrative Agent for such lenders, Swingline Lender and Issuing Bank. The Crimson Credit Facility provides borrowing capacity of up to $155.0 million, consisting of: the $50.0 million Crimson Revolver, the $80.0 million Crimson Term Loan and an uncommitted incremental facility of $25.0 million. Upon closing of the Crimson Transaction, the Borrowers drew the $80.0 million Crimson Term Loan and $25.0 million on the Crimson Revolver. Subsequent to the initial closing, on March 25, 2021, Crimson contributed all of its equity interests in Crimson Midstream Services, LLC and Crimson Midstream I Corporation to Crimson Midstream Operating, and, effective as of May 4, 2021, such subsidiaries became additional Guarantors pursuant to the Amended and Restated Guaranty Agreement and parties to the Amended and Restated Security Agreement and (in the case of Crimson Midstream I Corporation) the Amended and Restated Pledge Agreement. On September 14, 2022, the parties entered into the first amendment to the Amended and Restated Credit Agreement, which replaced the use of a LIBOR reference rate with SOFR.

Outstanding balances under the facility are guaranteed by the Guarantors pursuant to the Amended and Restated Guaranty Agreement and secured by all assets of the Borrowers and Guarantors (including the equity in such parties), other than any assets regulated by the CPUC and other customarily excluded assets, pursuant to an Amended and Restated Pledge Agreement and an Amended and Restated Security Agreement. On March 6, 2023, the parties entered into the second amendment to the Amended and Restated Credit Agreement (the "Second Agreement"), which extended the maturity of the Crimson Credit Facility from February 4, 2024 to May 3, 2024 and amended the applicable total leverage ratio in the first two quarters of 2023 from 2.50 to 2.75. Additionally, the required quarterly amortization of the term loan was increased from $2.0 million to $3.0 million beginning in the third quarter of 2023. Pursuant to the Second Agreement, under certain circumstances, the stock and assets of the Company's Omega Gas Pipeline, LLC and Omega Gas Marketing subsidiaries must be pledged as collateral. Also, under certain circumstances, the proceeds from specified asset sales must be used to repay the term loan and revolving credit facility after which the borrowing availability under the revolving credit facility will be reduced to $30.0 million. Additionally, no distributions may be made from the co-borrowers to their parent until the proceeds of specified asset sales have been used to repay the loans and other financial conditions have been met. The Company's total leverage ratio of 2.80 for the second quarter of 2023 violated the 2.75 covenant requirement and the Company utilized an equity cure as allowed by the original terms of the Amended and Restated Credit Agreement to remedy the violation. On August 14, 2023, the parties entered into the third amendment to the Amended and Restated Credit Agreement (the "Third Agreement"), which amended the applicable total leverage ratio in the third and fourth quarters of 2023 from 2.50 to 3.75, which is anticipated to prevent any additional covenant violations before the completion of the sale of the MoGas and Omega assets around the end of the calendar year, although no such assurance can be given. Cash distributions to us from the Borrowers and co-borrowers are subject to certain restrictions, including without limitation, no default or event of default, compliance with financial covenants, minimum undrawn availability and available free cash flow. The Borrowers and their restricted subsidiaries and co-borrowers are also subject to certain additional affirmative and restrictive covenants customary for credit transactions of this type. The Crimson Credit Facility contains default and cross-default provisions (with applicable customary grace or cure periods) customary for transactions of this type. Upon the occurrence of an event of default, payment of all amounts outstanding under the Crimson Credit Facility may become immediately due and payable at the election of the Required Lenders (as defined in the Crimson Credit Facility).

The loans under the Crimson Credit Facility are scheduled to mature on May 3, 2024. The Crimson Term Loan requires quarterly payments of $2.0 million in arrears on the last business day of March, June, September and December, commencing on June 30, 2021 and increasing to $3.0 million per quarter beginning September 30, 2023. Subject to certain conditions, all loans made under the Credit Agreement shall, at the option of the Borrowers, bear interest at either (a) Adjusted SOFR plus a spread of 325 to 450 basis points, or (b) a rate equal to the highest of (i) the prime rate established by the Administrative Agent, (ii) the federal funds rate plus 0.5%, or (iii) the one-month Adjusted SOFR rate plus 1.0%, plus a spread of 225 to 350 basis points. The applicable spread for each interest rate is based on the Total Leverage Ratio (as defined in the Crimson Credit Facility). As of June 30, 2023, the applicable interest rate for the Crimson Term Loan was 9.70%.

For a summary of the additional material terms of the Crimson Credit Facility, please refer to Part IV, Item 15, Note 14 ("Debt") included in our 2022 Annual Report, and Part I, Item 1, Note 11 ("Debt") included in this Report.

5.875% Convertible Notes

On August 12, 2019, we completed a private placement offering of $120.0 million aggregate principal amount of 5.875% Convertible Notes to the initial purchasers of such notes for cash in reliance on an exemption from registration provided by Section 4(a)(2) of the Securities Act. The initial purchasers then resold the 5.875% Convertible Notes for cash equal to 100% of the aggregate principal amount thereof to qualified institutional buyers, as defined in Rule 144A under the Securities Act, in reliance on an exemption from registration provided by Rule 144A. The 5.875% Convertible Notes mature on August 15, 2025 and bear interest at a rate of 5.875% per annum, payable semi-annually in arrears on February 15 and August 15 of each year, beginning on February 15, 2020.

Holders may convert all or any portion of their 5.875% Convertible Notes into shares of our Common Stock at their option at any time prior to the close of business on the business day immediately preceding the maturity date. The initial conversion rate for the 5.875% Convertible Notes is 20.0 shares of Common Stock per $1,000 principal amount of the 5.875% Convertible Notes, equivalent to an initial conversion price of $50.00 per share of our Common Stock. Such conversion rate will be subject to adjustment in certain events as specified in the Indenture.

The Indenture for the 5.875% Convertible Notes specifies events of default, including default by the Company or any of its subsidiaries with respect to any debt agreements under which there may be outstanding, or by which there may be secured or evidenced, any debt in excess of $25.0 million in the aggregate of the Company and/or any such subsidiary, resulting in such indebtedness becoming or being declared due and payable prior to its stated maturity.

Refer to Part IV, Item 15, Note 14 ("Debt") included in our 2022 Annual Report and Part I, Item 1, Note 11 ("Debt") included in this Report for additional information concerning the 5.875% Convertible Notes. We were in compliance with all financial and other covenants under the Indenture governing the 5.875% Convertible Notes at June 30, 2023.

Shelf Registration Statements

On October 30, 2018, we registered 1,000,000 shares of Common Stock for issuance under our dividend reinvestment plan ("DRIP") pursuant to a separate shelf registration statement filed with the SEC. As of June 30, 2023, we had issued 386,379 shares of Common Stock under our DRIP pursuant to the shelf resulting in remaining availability of approximately 613,621 shares of Common Stock.

On November 17, 2021, we had a new shelf registration statement declared effective by the SEC, which replaced the previously filed shelf registration statement, pursuant to which we may publicly offer additional debt or equity securities with an aggregate offering price of up to $600.0 million. As a result of the existing cumulative unpaid dividends on the Company's Series A Preferred Stock, the Company is currently not eligible to register the offer and sale of securities on a Form S-3 registration statement or utilize its existing Form S-3 registration statements for any such offer or sale.

On September 16, 2021, we had a resale shelf registration statement declared effective by the SEC, pursuant to which it registered the following securities that were issued in connection with the Internalization transaction: 1,837,607 shares of Common Stock (including both (i) 1,153,846 shares of Common Stock issued at the closing of the Internalization transaction and (ii) up to 683,761 additional shares of Common Stock which may be issuable upon the conversion of outstanding shares of our unlisted Class B Common Stock issued at the closing of the Internalization transaction) and 170,213 depositary shares each representing 1/100th fractional interest of a share of Series A Preferred Stock, issued at the closing of the Internalization transaction.

As a result of the existing cumulative unpaid dividends on the Company's Series A Preferred Stock, the Company is currently not eligible to register the offer and sale of securities on a Form S-3 registration statement or utilize its existing Form S-3 registration statements for any such offer or sale.

Liquidity and Capitalization

Our principal investing activities are acquiring and financing assets within the U.S. energy infrastructure sector. These investing activities have often been financed from the proceeds of our public equity and debt offerings, as well as our credit facilities mentioned above. We have also expanded our business development efforts to include other REIT-qualifying revenue sources. Continued growth of our asset portfolio will depend in part on our continued ability to access funds through additional borrowings and securities offerings. The availability and terms of any such financing will depend upon market and other conditions, as well as our compliance with debt covenants in our credit facilities. Assuming we complete the MoGas and Omega sale on our expected timeline, we currently believe that we will be able to repay, extend, refinance or otherwise settle our debt maturities as the debt comes due and that we will be able to fund our planned investments, as necessary. However, there can be no assurance that additional financing or capital will be available, or that terms will be acceptable or advantageous to us. Additionally, our liquidity and capitalization may be impacted by the optional redemption of the Series A Preferred Stock. The depositary shares are currently eligible to be redeemed, at our option, in whole or in part, at the $25.00 liquidation preference plus all accrued and unpaid dividends to, but not including, the date of redemption.

The following is our liquidity and capitalization as of June 30, 2023 and December 31, 2022:

Liquidity and Capitalization

	June 30, 2023	December 31, 2022
Cash and cash equivalents	$ 12,339,500	$ 17,830,482
Revolver availability	$ 9,000,000	$ 15,000,000
Revolving credit facility	$ 41,000,000	$ 35,000,000
Long-term debt (including current maturities)[1]	178,248,429	181,657,983
Stockholders' equity:		
Series A Cumulative Redeemable Preferred Stock 7.375%, $0.001 par value[2]	129,525,675	129,525,675
Common Stock, non-convertible, $0.001 par value	15,351	15,254
Class B Common Stock, $0.001 par value	684	684
Additional paid-in capital	327,074,755	327,016,573
Retained deficit	(341,821,204)	(333,785,097)
Non-controlling interest	118,511,852	116,893,428
Total CorEnergy Equity	$ 233,307,113	$ 239,666,517
Total CorEnergy Capitalization	$ 452,555,542	$ 456,324,500

(1) Long-term debt is presented net of discount and deferred financing costs.

(2) Excludes $4.8 million of cumulative unpaid dividends related to the Series A Preferred Stock. The table also excludes $1.6 million of cumulative unpaid dividends related to the Crimson A-1 Units.

The above table does not give effect to the conversion of the non-controlling interest, representing the Crimson Class A-1, Class A-2, and Class A-3 Units, into our securities. Such conversion is subject to CPUC approval and will be elective by the holder(s) of the non-controlling interest.

Prospective Capitalization Table

	June 30, 2023 Actual[1]	Adjustments: Non-Controlling Interest Reorganization and Class B Conversion[2][3]	Prospective for Non-Controlling Interest Reorganization and Class B Conversion
Cash and Cash Equivalents	$ 12,339,500	$ —	$ 12,339,500
Debt			
Revolving Credit Facility	$ 41,000,000	$ —	$ 41,000,000
Long-Term Debt (including current maturities)[4]	178,248,429	—	178,248,429
Total Debt	$ 219,248,429	$ —	$ 219,248,429
Stockholders' Equity			
Preferred Stock			
Series A Preferred Stock	$ 129,525,675	$ 39,325,330	$ 168,851,005
Total	$ 129,525,675	$ 39,325,330	$ 168,851,005
Common Stock	$ 15,351	$ 8,089	$ 23,440
Class B Common Stock	684	(684)	—
Additional Paid-In Capital	327,074,755	71,457,379	398,532,134
Retained Deficit	(341,821,204)	7,721,738	(334,099,466)
Total Equity to Common Shareholders	$ (14,730,414)	$ 79,186,522	$ 64,456,108
Non-controlling interest[4]	118,511,852	(118,511,852)	—
Total Equity	$ 233,307,113	$ —	$ 233,307,113
Total Capitalization	$ 452,555,542	$ —	$ 452,555,542
Shares Outstanding			
Common Stock	15,350,883	8,089,321	23,440,204
Class B Common Stock	683,761	(683,761)	—
Total Shares Outstanding	16,034,644	7,405,560	23,440,204
Book Value of Outstanding Shares	$ (0.92)		$ 2.75

(1) The non-controlling interest reflects the Grier Members' equity consideration for the Class A-1, Class A-2 and Class A-3 Units representing the equity ownership interest in Crimson. Subject to CPUC regulatory approval, these units are convertible into certain CorEnergy securities, at the option of the holder, as illustrated in the prospective adjustments above.

(2) The prospective adjustments reflect the Grier Members' exchange of the non-controlling interest presently represented by their Class A-1, Class A-2 and Class A-3 Units into depositary shares representing Series A Preferred Stock for the Class A-1 Units and Class B Common Stock both Class A-2 and Class A-3 Units. Such exchanges are subject to receiving CPUC approval. Further, we do not expect the holders to exercise their exchange rights all at once due to the income tax consequences arising from such exchanges. We cannot predict when the holders will elect to exchange or if they will elect to exchange at all. Refer to Part I, Item 1, Note 12 ("Stockholders' Equity") for further details on the non-controlling interest.

(3) The prospective adjustments also reflect the conversion of the Class B Common Stock into Common stock at the lower 0.68:1.00 ratio. The Crimson Class A-2 and Class A-3 Units were initially recorded in non-controlling interest at a fair value of $77.0 million, which assumed a 1:1 conversion ratio and would represent an initial fair value of $53.0 million assuming the lower 0.68:1.00 conversion ratio.

(4) Long-term debt is presented net of discount and deferred financing costs.

CRITICAL ACCOUNTING ESTIMATES

The financial statements included in this Report are based on the selection and application of critical accounting policies, which require management to make significant estimates and assumptions. Critical accounting policies are those that are both important to the presentation of our financial condition and results of operations and require management's most difficult, complex, or subjective judgments. The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, recognition of income, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

A discussion of our critical accounting estimates is presented under the heading "Critical Accounting Estimates" in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2022 Annual Report. No material modifications have been made to our critical accounting estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our business activities contain elements of market risk. Debt used to finance our acquisitions may be based on floating or fixed rates. As of June 30, 2023, we had debt with an outstanding balance of $180.1 million, excluding the Crimson Revolver, comprised of $62.0 million associated with the Crimson Term Loan and $118.1 million associated with the 5.875% Convertible Notes. Current maturities under the Crimson Credit Facility amount to $103 million related to the Crimson Term Loan and Crimson Revolver. As of June 30, 2023, we had $41.0 million in borrowings under our Crimson Revolver.

Borrowings under the Crimson Credit Facility are variable-rate based on either (a) SOFR pricing spread or (b) a rate equal to the highest of (i) the prime rate, (ii) the federal funds rate plus 0.5%, or (iii) the one-month Adjusted SOFR rate plus 1.0%, plus a pricing spread. The applicable spread for each interest rate is redetermined quarterly based on the Total Leverage Ratio (as defined in the Crimson Credit Facility). Changes in interest rates can cause interest charges to fluctuate on our variable rate debt. A 100 basis point increase or decrease in current SOFR rates would have resulted in a current interest rate of 10.70% or 8.70%, respectively, for the Crimson Credit Facility. Under the Crimson Credit Facility, a 100 basis point increase or decrease in the current SOFR rate would have resulted in an approximately $503 thousand increase or decrease in interest expense for the six months ended June 30, 2023.

At Crimson, we are exposed to limited market risk associated with fluctuating commodity prices. With the exception of buy/sell arrangements on some of Crimson's pipelines and the retained PLA oil, Crimson does not take ownership of the crude oil that it transports or stores for its customers, and it does not engage in the trading of any commodities. We therefore have limited direct exposure to risks associated with fluctuating commodity prices.

Certain of Crimson's transportation agreements and tariffs for crude oil shipments also include a PLA, as discussed above. As is common in the pipeline transportation industry, Crimson earns a very small percentage of the crude oil transported, deemed earned PLA inventory, which it can then sell. The realized PLA volume earned and available for sale is net of differences in measurement and actual volumes gained or lost. This allowance revenue is subject to more volatility than transportation revenue, as it is directly dependent on Crimson's measurement capability and commodity prices. As a result, the income Crimson realizes under its loss allowance provisions will increase or decrease as a result of changes in the mix of product transported, measurement accuracy and underlying commodity prices. As of June 30, 2023, Crimson did not have any open hedging agreements to mitigate its exposure to decreases in commodity prices through its loss allowances; however, it has previously entered into such agreements and may do so in the future.

We consider the management of risk essential to conducting our businesses. Accordingly, our risk management systems and procedures are designed to identify and analyze our risks, to set appropriate policies and limits and to continually monitor these risks and limits by means of reliable administrative and information systems and other policies and programs.

ITEM 4. CONTROLS AND PROCEDURES

Conclusion Regarding Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (our principal executive and principal financial officers, respectively), we have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act, as of the end of the period covered by this Report. Based on that evaluation, these officers concluded that our disclosure controls and procedures were not effective as of June 30, 2023 because the material weakness discussed below under “Previously Reported Material Weakness” that existed as of December 31, 2022 had not been remediated by the end of the period covered by this Report. This material weakness in the Company’s internal control over financial reporting and the Company’s remediation efforts are described below. Notwithstanding the identified material weakness, management believes that the unaudited consolidated financial statements included in this Report present fairly, in all material respects, our financial position, results of operations, and cash flows as of and for the periods presented in accordance with U.S. GAAP.

Previously Reported Material Weakness

As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022, management concluded that, as of December 31, 2022, the Company’s internal control over financial reporting included a material weakness related to the operation of our controls within the financial statement closing process associated with the review and approval of the financial statements. Specifically, the Company's application of the accounting treatment associated with non-routine complex transactions and the classification and presentation of certain accounts and disclosures in the consolidated financial statements was not appropriately evaluated and implemented. This material weakness had not been fully remediated by the end of the period covered by this Report.

Remediation Considerations related to Material Weakness

Management has implemented new processes and controls over financial reporting that will identify non-routine complex transactions during the review process and ensure appropriate evaluation and accounting treatment application. We will not be able to fully remediate this material weakness until these steps have been completed and have been operating effectively for a sufficient period of time. While we believe that these efforts will improve our internal control over financial reporting, the implementation of our remediation is ongoing and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles.

We believe we are making progress toward achieving the effectiveness of our internal controls and disclosure controls. The actions that we are taking are subject to ongoing senior management review, as well as audit committee oversight. We will not be able to conclude whether the steps we are taking will fully remediate the material weaknesses in our internal control over financial reporting until we have completed our remediation efforts and subsequent evaluation of their effectiveness. We may also conclude that additional measures may be required to remediate the material weaknesses in our internal control over financial reporting.

Changes in Internal Control over Financial Reporting

We are taking actions to remediate the material weaknesses relating to our internal control over financial reporting, as described above. Except as otherwise described herein, there was no change in our internal control over financial reporting that occurred during the period covered by this Report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth under the heading "Crimson Legal Proceedings" in Note 9 ("Commitments And Contingencies") to our consolidated financial statements included in Part I of this Report is incorporated by reference into this Item 1.

ITEM 1A. RISK FACTORS

Part I, Item 1A, "Risk Factors" in our 2022 Annual Report sets forth information relating to important risks and uncertainties that could materially adversely affect our business, financial condition, or operating results. Those risk factors continue to be relevant to an understanding of our business, financial condition, and operating results for the quarter ended June 30, 2023. There have been no material changes to the risk factors contained in our 2022 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Dividends

A REIT is generally required to distribute during the taxable year an amount equal to at least 90.0% of the REIT taxable income (determined under Code section 857(b)(2), without regard to the deduction for dividends paid). We intend to adhere to this requirement in order to maintain our REIT status. The Board will continue to determine the amount of any distribution that we expect to pay our stockholders. Dividend payouts may be affected by cash flow requirements, including cash used to make distributions to outstanding Class A-1, Class A-2, and Class A-3 Units of Crimson, and remain subject to other risks and uncertainties, as discussed under the heading "Dividends" in Part I, Item 2 of this Report. Further, the terms of our Crimson Credit Facility provide that cash distributions to us from the Borrowers are subject to certain restrictions, including without limitation, no default or event of default, compliance with financial covenants, minimum undrawn availability and available free cash flow.

We did not sell any securities during the quarter ended June 30, 2023 that were not registered under the Securities Act of 1933.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

The information set forth under the heading "Dividends" in Item 2 of Part I of this Report is incorporated by reference into this Item 3.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

On August 14, 2023 the Company entered into the third amendment to the Crimson Credit Facility. The amendment increases our permitted leverage ratio to 3.75 to 1.00 and reduce our permitted debt coverage ratio to 1.25 to 1.00 for the fiscal quarters ending September 30, 2023 through December 31, 2023. The amendment also provides that the termination of the agreement to sell MoGas and Omega to Spire Midstream LLC is an event of default.

ITEM 6. EXHIBITS

Exhibit No.	Description of Document
4.1	Membership Interest Purchase Agreement by and between CorEnergy Infrastructure Trust, Inc., as Seller and Spire Midstream LLC, as Purchaser, Dated as of May 24, 2023 (incorporated by reference to the Registrants Form 8-K, filed May 25, 2023).
10.1*	Third Amendment to Amended and Restated Credit Agreement dated August 1 4, 2023, among Crimson Midstream Operating, LLC, Corridor MoGas, Inc., Omega Gas Marketing, LLC, and Omega Pipeline Company, LLC, as Borrowers, The Guarantors and Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and Issuing Bank and the lenders party thereto.
31.1*	Certification by Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification by Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification by Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101**	The following materials from CorEnergy Infrastructure Trust, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Equity, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

CORENERGY INFRASTRUCTURE TRUST, INC.

SIGNATURES

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

CORENERGY INFRASTRUCTURE TRUST, INC.
(Registrant)

By: /s/ Robert L Waldron
Robert L Waldron
Chief Financial Officer
(Principal Financial Officer)
August 14, 2023

By: /s/ David J. Schulte
David J. Schulte
Chairman and Chief Executive Officer
(Principal Executive Officer)
August 14, 2023

EXECUTION VERSION

THIRD AMENDMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT

dated as of August 14, 2023,

among

CRIMSON MIDSTREAM OPERATING, LLC,

CORRIDOR MOGAS, INC.,

OMEGA GAS MARKETING, LLC, and

OMEGA PIPELINE COMPANY, LLC,

as Borrowers,

THE GUARANTORS

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent, Swingline Lender and Issuing Bank

and

THE LENDERS PARTY HERETO

Third Amendment to
Amended and Restated Credit Agreement

This Third Amendment to Amended and Restated Credit Agreement (this "**Third Amendment**"), dated as of August 14, 2023 (the "**Third Amendment Effective Date**"), is by and among Crimson Midstream Operating, LLC, a Delaware limited liability company ("**Crimson Operating**"), Corridor MoGas, Inc., a Delaware corporation ("**MoGas**"), Omega Gas Marketing, LLC, a Delaware limited liability company ("**Omega Gas**"), Omega Pipeline Company, LLC, a Delaware limited liability company ("**Omega Pipeline**" and together with Crimson Operating, MoGas and Omega Gas, the "**Borrowers**", and each, individually, a "**Borrower**"), Crimson Midstream Holdings, LLC, a Delaware limited liability company, MoGas Debt Holdco LLC, a Delaware limited liability company, MoGas Pipeline, LLC, a Delaware limited liability company, CorEnergy Pipeline Company, LLC, a Delaware limited liability company, United Property Systems, LLC, a Delaware limited liability company, Crimson Pipeline, LLC, a California limited liability company, Cardinal Pipeline, L.P., a California limited partnership, Crimson Midstream I Corporation, a Delaware corporation, Crimson Midstream Services, LLC, a Delaware limited liability company, the Lenders signatory hereto and Wells Fargo Bank, National Association, as Administrative Agent for the Lenders (in such capacity, the "**Administrative Agent**"), Swingline Lender and Issuing Bank.

Recitals

A. The Borrowers, the Guarantors, the Administrative Agent, the Swingline Lender, the Issuing Bank and the financial institutions or other entities party thereto as Lenders are parties to that certain Amended and Restated Credit Agreement dated as of February 4, 2021 (as amended, supplemented or otherwise modified prior to the date hereof, the "**Existing Credit Agreement**" and as amended by this Third Amendment, the "**Credit Agreement**"), pursuant to which the Lenders have, subject to the terms and conditions set forth therein, made certain credit available to and on behalf of the Borrowers.

B. The parties hereto desire to amend certain terms of the Credit Agreement as set forth herein, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Defined Terms. Each capitalized term which is defined in the Credit Agreement, but which is not defined in this Third Amendment, shall have the meaning ascribed to such term in the Credit Agreement. Unless otherwise indicated, all section, schedule and exhibit references in this Third Amendment refer to the Credit Agreement.

Section 2. Amendments to Existing Credit Agreement. In reliance on the representations, warranties, covenants and agreements contained in this Third Amendment, and subject to the satisfaction of the conditions precedent set forth in Section 3 hereof, the Existing Credit Agreement shall be amended, effective as of the Third Amendment Effective Date, in the manner provided in this Section 2:

1.1 New Definitions. Section 1.01 of the Existing Credit Agreement is hereby amended to add thereto in alphabetical order the following definitions which shall read in full as follows:

"**SPIRE Purchase Agreement**" means that certain Membership Interests Purchase Agreement, dated as of May 24, 2023, by and between CorEnergy

Purchaser and Spire Midstream LLC, a Missouri limited liability company, as such agreement is in effect on the Third Amendment Effective Date.

"**Third Amendment**" means that certain Third Amendment to Amended and Restated Credit Agreement, dated as of the Third Amendment Effective Date, by and among the Borrowers, the Guarantors party thereto, the Administrative Agent and the Lenders party thereto.

"**Third Amendment Effective Date**" means August 14, 2023.

1.2 Restated Definitions. The following definitions contained in Section 1.01 of the Existing Credit Agreement are hereby amended and restated in their respective entireties to read in full as follows:

"**Additional Lender**" has the meaning assigned to such term in this Agreement prior to giving effect to the Third Amendment.

"**Asset Disposition**" means any sale, lease, transfer, assignment, farm-out, conveyance or other disposition of any Property of any Loan Party or Restricted Subsidiary to any other Person that is not a Loan Party or Restricted Subsidiary whether in one transaction or a series of related transactions; provided that when used herein with respect to a mandatory prepayment, the value of the assets subject thereto shall be (x) prior to giving effect to the Third Amendment, $1,500,000 or more or (y) after giving effect to the Third Amendment, $500,000 or more.

"**Credit Agreement Obligations**" means all principal, interest, fees, reimbursements, indemnifications, and other amounts payable by any Loan Party to the Administrative Agent, the Swingline Lender, the Issuing Bank or the Lenders under the Loan Documents, including without limitation, the Swingline Obligations and Letter of Credit Obligations.

"**Lenders**" means a party hereto that is (a) a lender listed on the signature pages of this Agreement on the Closing Date, (b) an Eligible Assignee that became a lender under this Agreement pursuant to Sections 2.14 or 9.06 (other than any such person that has ceased to be a party hereto pursuant to an Assignment and Acceptance), or (c) an Additional Lender that became a Lender under, and pursuant to, this Agreement prior to the Third Amendment Effective Date. Unless the context otherwise requires, the term "Lenders" shall include the Swingline Lender.

1.3 Deleted Definitions. Section 1.01 of the Existing Credit Agreement is hereby amended by deleting the definitions of "**Commitment Increase Effective Date**", "**Incremental Term Advances**", "**Qualified Investment**", "**Reinvestment Deferred Amount**", "**Reinvestment Event**", "**Reinvestment Notice**", "**Reinvestment Prepayment Amount**" and "**Reinvestment Prepayment Date**" in their respective entireties therefrom.

1.4 Amendment to Section 2.01 of the Existing Credit Agreement. Clause (b) of Section 2.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(b) *Term Advances*. Each Lender severally agrees, on the terms and conditions set forth in this Agreement, to make Term Advances to the Borrowers on the Closing Date in an amount for each Lender not to exceed the amount of such Lender's Term Commitment. Each Borrowing under this Section 2.01(b) shall consist of Term Advances of the same Type made on the same day by the Lenders ratably according to their respective Term Commitments. Upon any funding of any Term Advance hereunder by any Lender, such Lender's Term Commitment shall be reduced immediately by the amount of such Term Advance and without further action.

1.5 Amendment to Section 2.03 of the Existing Credit Agreement. Clause (b)(i) of Section 2.03 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(i) Notwithstanding anything to the contrary herein, the initial Term Commitments shall be terminated in full upon any funding of the Term Advances on the Closing Date and, if the total Term Commitment as of the Closing Date is not drawn on the Closing Date, any Term Commitments in respect of the undrawn amount shall automatically be cancelled.

1.6 Amendment to Section 2.04 of the Existing Credit Agreement. Clause (c)(i)(A) of Section 2.04 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(A) If any Borrower, any other Loan Party or any Restricted Subsidiary suffers an Event of Loss or consummates an Asset Disposition (other than the MoGas Disposition), then (A) the Borrower Representative shall promptly notify the Administrative Agent of such Event of Loss or Asset Disposition (including the amount of the estimated Net Proceeds to be received by Borrowers, any other Loan Party or any Restricted Subsidiary in respect thereof) and (B) promptly upon receipt by Borrowers, such Loan Party or such Restricted Subsidiary of the Net Proceeds of such Event of Loss or Asset Disposition, the Borrowers shall prepay the Term Advances ratably among the Lenders.

1.7 Amendment to Section 2.07 of the Existing Credit Agreement. Clause (c) of Section 2.07 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(c) *Other Fees*. The Borrowers agree to pay to the Administrative Agent and the Arranger the fees provided for in the Fee Letter and the Third Amendment.

1.8 Amendments to Section 2.08 of the Existing Credit Agreement.

(a) Clause (a) of Section 2.08 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(a) *Base Rate Advances*. Subject to Section 2.08(c), if such Advance is a Base Rate Advance, a rate per annum equal at all times to the Adjusted Base Rate in effect from time to time *plus* the Applicable Margin in effect from time to time, payable quarterly in arrears on the last day of each March, June, September, and December, commencing on March 31, 2021.

(b) Clause (b) of Section 2.08 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(b) *SOFR Advances*. Subject to Section 2.08(c), if such Advance is a SOFR Advance, a rate per annum equal at all times during the Interest Period for such Advance based on Adjusted Term SOFR for such Interest Period *plus* the Applicable Margin in effect from time to time, payable on the last day of such Interest Period; provided, however, that if any Interest Period for a SOFR Advance exceeds three months, interest shall also be payable on the respective dates that fall every three months after the beginning of such Interest Period.

1.9 Amendment to Section 2.17 of the Existing Credit Agreement. Section 2.17 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Section 2.17 [*Reserved*].

1.10 Amendment to Section 3.02 of the Existing Credit Agreement. Section 3.02 of the Existing Credit Agreement is hereby by (x) deleting the word "and" at the end of clause (c) thereof, (y) replacing the "." appearing at the end of clause (d) thereof with "; and", and (z) inserting a new clause (e) immediately after clause (d) thereof, which new clause (e) will read in full as follows:

(e) Solely with respect to a Credit Extension requested by an Omega Entity, the Administrative Agent shall have received all organizational and/or administrative documentation regarding the Omega Entities as the Administrative Agent shall have requested on or prior to the Third Amendment Effective Date in order to onboard the Omega Entities as "Borrowers" hereunder, which information shall be reasonably satisfactory in form and substance to the Administrative Agent as confirmed in writing by the Administrative Agent to the Borrower Representative.

1.11 Amendment to Section 5.10 of the Existing Credit Agreement. Section 5.10 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Section 5.10 Use of Proceeds. The Borrowers shall use the proceeds of the Advances, Letters of Credit and Swingline Loans to (a) consummate in whole or in part the Crimson Acquisition, (b) repay or refinance certain Debt of the Borrowers, including under the Existing Credit Agreement, the MoGas Credit Agreement, the CorEnergy Credit Agreement and the Mowood Loan Agreement, (c) pay fees and expenses in connection with and related to this Agreement and the foregoing, and (d) for general corporate purposes, including working capital needs, capital expenditures, acquisitions and investments for themselves and their Subsidiaries (subject to the terms and conditions of this Agreement and the other Loan Documents). In no event shall the proceeds of any Advances, Letters of Credit or Swingline Loans be used to purchase or carry margin stock (within the meaning of Regulation U issued by the Federal Reserve Board) or to extend credit to others for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Federal Reserve Board).

1.12 Amendment to Section 5.17 of the Existing Credit Agreement. Clause (b) of Section 5.17 of the Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(b) After the Closing Date and prior to the Third Amendment Effective Date, any Borrower may designate a Subsidiary that is not a Regulated Subsidiary as an "Unrestricted Subsidiary" by written notification thereof to the Administrative Agent, provided that (i) immediately before and after such designation, no Default or Event of Default shall have occurred and be continuing, (ii) the Borrowers are in pro forma compliance with the financial covenants set forth in Sections 6.13 and 6.14 immediately after giving effect to such designation as of the last day of the most recent fiscal quarter of the Borrowers for which financial statements have been delivered pursuant to Section 5.01(a) or (b) (or Section 3.01(d)), and (iii) immediately before and after such designation, the newly-designated Unrestricted Subsidiary and the Loan Parties shall be in compliance with the applicable requirements of Section 6.15. The designation of any Subsidiary as an Unrestricted Subsidiary shall constitute an Investment by the Borrowers or the relevant Restricted Subsidiary (as applicable) therein at the date of designation in an amount equal to the fair market value of all such Person's outstanding Investment therein. Notwithstanding anything in this clause (b) to the contrary, no Borrower may designate any Subsidiary as an "Unrestricted Subsidiary" after the Third Amendment Effective Date without the prior written consent of Administrative Agent in its sole discretion.

1.13 Amendment to Section 6.04 of the Existing Credit Agreement. Clause (b)(ix) of Section 6.04 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(ix) the MoGas Disposition; provided that (A) both before and after giving effect to the MoGas Disposition, no Default exists, (B) the Loan Parties receive Net Proceeds of not less than $109,000,000 in respect of the MoGas Disposition, (C) the Borrowers make all prepayments required as a result of the MoGas Disposition pursuant to Section 2.04(c)(i)(B)(1) and Section 2.04(c)(ii) and (D) at least two (2) Business Days prior to the consummation of the MoGas Disposition, the Borrower Representative shall have delivered to Administrative Agent a certificate signed by a Responsible Officer certifying to (1) compliance with the conditions specified in the foregoing clauses (A) and (B) and (2) the material definitive documents in respect of the MoGas Disposition; and

1.14 Amendment to Section 6.05 of the Existing Credit Agreement. Clause (i) of Section 6.05 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(i) during the period commencing on and after the First Amendment Effective Date until the Third Amendment Effective Date, the Borrowers may make additional Restricted Payments in an amount not to exceed $4,200,000 in the aggregate.

1.15 Amendments to Section 6.06 of the Existing Credit Agreement.

(a) Clause (l) of Section 6.06 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(l) Investments in Ventures so long as the aggregate amount invested pursuant to this Section 6.06(l) (determined without regard to any write-downs or write-offs of such Investments or any increase in value with respect thereto after the time such Investment is made) does not exceed $250,000 prior to the Maturity

Date and provided that after giving effect to each such Investment, the Borrowers would be in compliance with Sections 6.13 and 6.14 on a pro forma basis and no Default or Event of Default shall have occurred and be continuing;

(b) Clause (m) of Section 6.06 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(m) cash Investments in Unrestricted Subsidiaries (other than Regulated Subsidiaries) so long as the aggregate amount invested pursuant to this Section 6.06(m) (determined without regard to any write-downs or write-offs of such Investments or any increase in value with respect thereto after the time such Investment is made) does not exceed $250,000 during any fiscal year and provided, that after giving effect to such an Investment, the Borrowers would be in compliance with Sections 6.13 and 6.14 on a pro forma basis and no Default or Event of Default shall have occurred;

(c) Clause (o) of Section 6.06 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

(o) for each fiscal year, other than the fiscal year ending December 31, 2020, other Investments in an aggregate amount not to exceed $250,000 per fiscal year;

1.16 Amendment to Section 6.08 of the Existing Credit Agreement. Section 6.08 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Section 6.08 Affiliate Transactions. No Loan Party shall, nor shall it permit any of its Restricted Subsidiaries to, enter into any transaction of any kind with any Affiliate of any Loan Party, whether or not in the ordinary course of business, including, without limitation, any payment by any Loan Party or any of their respective wholly-owned Restricted Subsidiaries of any management, consulting or similar fees to any Affiliate, whether pursuant to a management agreement or otherwise, other than on fair and reasonable terms substantially as favorable or more favorable to such Loan Party or such Restricted Subsidiary as would be obtainable by such Loan Party or such Restricted Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate, other than (a) transactions among Loan Parties, (b) otherwise expressly provided for in this Agreement, (c) the payment of fees, compensation (including bonuses) and other benefits to, and indemnity and reimbursement provided on behalf of, employees, officers, directors or consultants of any Loan Party or any Restricted Subsidiary in the ordinary course of business, (d) reimbursement of employee travel and lodging costs incurred in the ordinary course of business, (e) employment agreements, equity incentive agreements, benefit programs, collective bargaining agreements and other employee and management arrangements in the ordinary course of business and (f) arrangements existing on the Closing Date and set forth on Schedule 6.08 (provided that, solely with respect to this clause (f), any such arrangement involving a payment by a Loan Party to an Affiliate of a Loan Party that is not also a Loan Party shall only be permitted so long as immediately after giving effect to such payment: (x) no Default or Event of Default shall have occurred and be continuing and (y) Liquidity is equal to or greater than $3,000,000).

1.17 Amendment to Section 6.13 of the Existing Credit Agreement. Section 6.13 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Section 6.13 Maximum Total Leverage Ratio. As of the end of each fiscal quarter, commencing with the fiscal quarter ending June 30, 2021, the Borrowers shall not permit the Total Leverage Ratio, determined on a consolidated basis for the Consolidated Parties, to be greater than: (i) 3.00 to 1.00 commencing with the fiscal quarter ending June 30, 2021 through and including the fiscal quarter ending December 31, 2021; (ii) 2.75 to 1.00 commencing with the fiscal quarter ending March 31, 2022 through and including the fiscal quarter ending June 30, 2023; (iii) 3.75 to 1.00 commencing with the fiscal quarter ending September 30, 2023 through and including the fiscal quarter ending December 31, 2023; and (iv) 2.50 to 1.00 for the fiscal quarter ending March 31, 2024.

1.18 Amendment to Section 6.14 of the Existing Credit Agreement. Section 6.14 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Section 6.14 Minimum Debt Service Coverage Ratio. As of the end of each fiscal quarter, commencing with the fiscal quarter ending June 30, 2021, the Borrowers shall not permit the Debt Service Coverage Ratio, determined on a consolidated basis for the Consolidated Parties, to be less than: (i) 2.00 to 1.00 commencing with the fiscal quarter ending June 30, 2021 through and including the fiscal quarter ending June 30, 2023; (ii) 1.25 to 1.00 commencing with the fiscal quarter ending September 30, 2023 through and including the fiscal quarter ending December 31, 2023; and (iii) 2.00 to 1.00 for the fiscal quarter ending March 31, 2024.

1.19 Amendment to Section 6.16 of the Existing Credit Agreement. Section 6.16 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Section 6.16 Deposit Accounts. Subject to Section 5.18, no Loan Party shall, nor shall it permit any of its Restricted Subsidiaries to, open or maintain any Deposit Accounts except for (a) Deposit Accounts with Wells Fargo; (b) Deposit Accounts which are subject to Account Control Agreements; (c) Excluded Accounts; and (d) Deposit Accounts containing cash amounts that do not exceed $50,000 for all such Deposit Accounts excepted under this clause (d).

1.20 Amendment to Section 6.19 of the Existing Credit Agreement. Section 6.19 of the Existing Credit Agreement is hereby amended and restated in its entirety to read in full as follows:

Section 6.19 Modification of Material Contracts.

(a) No Loan Party shall, nor shall it permit any of its Subsidiaries to, amend or otherwise modify any Material Contracts, in each case in a manner that is materially adverse to the Borrowers and their Subsidiaries, the Administrative Agent, or the Lenders, without the prior written consent of the Administrative Agent.

(b) No Loan Party shall, nor shall it permit any of its Subsidiaries to, amend or otherwise modify the SPIRE Purchase Agreement in a manner that would cause the Net Proceeds received by the Loan Parties and/or Restricted Subsidiaries therefrom to be insufficient to repay the Obligations in full without the prior written consent of the Administrative Agent in its sole discretion.

1.21 Amendments to Section 7.01 of the Existing Credit Agreement. Section 7.01 of the Existing Credit Agreement is hereby amended by (x) deleting the word "or" at the end of clause (k) thereof, (y) replacing the "." appearing at the end of clause (l) thereof with "; or", and (z) inserting a new clause (m) immediately after clause (l) thereof, which new clause (m) will read in full as follows:

(m) *SPIRE Purchase Agreement*. At any time prior to the MoGas Disposition Effective Date, the SPIRE Purchase Agreement ceases to be in full force and effect.

For the avoidance of doubt, any Schedule or Exhibit to the Existing Credit Agreement not amended pursuant to the terms of this Third Amendment shall remain in effect without any amendment or other modification thereto.

Section 3. Conditions Precedent. The effectiveness of this Third Amendment is subject to the following:

1.1 The Administrative Agent shall have received counterparts of this Third Amendment (in such number as may be requested by the Administrative Agent) from the Borrowers, the Guarantors and the Required Lenders.

1.2 After giving effect to this Third Amendment, no Default or Event of Default has occurred which is continuing.

1.3 The Borrowers shall have cured their anticipated breach of the financial covenant under Section 6.13 of the Existing Credit Agreement for the fiscal quarter ended June 30, 2023 in accordance with Section 7.07 of the Existing Credit Agreement.

1.4 The Administrative Agent shall have received all fees, if any, and other amounts due and payable on or prior to the Third Amendment Effective Date.

Section 4. Consent Fees. As consideration for such Lender's consent, on the earlier of (x) the MoGas Disposition Effective Date and (y) the Maturity Date (the "**Consent Fee Payment Date**"), the Borrowers shall pay to the Administrative Agent, for the account of each Lender party to this Third Amendment, consent fees (collectively, the "**Consent Fees**") for each such Lender equal to twenty basis points (0.20%) of such Lender's Commitment on the Third Amendment Effective Date. The entire amount of the Consent Fees will be fully earned on the Third Amendment Effective Date, and shall be due and payable in full in cash on the Consent Fee Payment Date.

Section 5. Miscellaneous.

1.1 Confirmation and Effect. The provisions of the Credit Agreement (as amended by this Third Amendment) shall remain in full force and effect in accordance with its terms following the effectiveness of this Third Amendment. Each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein", or words of like import shall mean and be a reference to the Credit Agreement as amended hereby, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

1.2 Ratification and Affirmation of the Borrower. Each Borrower and each Guarantor hereby expressly (a) acknowledges the terms of this Third Amendment, (b) ratifies and affirms its obligations under the Security Agreement and the other Loan Documents to which it is a party, (c) acknowledges, renews and extends its continued liability under the Security Agreement and the other Loan Documents to which it is a party, (d) represents and warrants to the Lenders and the Administrative Agent that each representation and warranty of each Borrower and each Guarantor contained in the Credit Agreement and the other Loan Documents to which it is a party is true and correct in all material respects as of the date hereof and after giving effect to the amendments set forth in Section 2 hereof except (i) to the extent any such representations and warranties are expressly limited to an earlier date, in which case, on and as of the date hereof, such representations and warranties shall continue to be true and correct as of such specified earlier date, and (ii) to the extent that any such representation and warranty is expressly qualified by materiality or by reference to Material Adverse Effect, such representation and warranty (as so qualified) shall continue to be true and correct in all respects, (e) represents and warrants to the Lenders and the Administrative Agent that the execution, delivery and performance by each Borrower and each Guarantor of this Third Amendment are within such Person's corporate, limited partnership or limited liability company powers, have been duly authorized by all necessary action and that this Third Amendment constitutes the valid and binding obligation of such Person enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditor's rights generally, and (f) represents and warrants to the Lenders and the Administrative Agent that, after giving effect to this Third Amendment, no Default or Event of Default exists.

1.3 Counterparts. This Third Amendment may be executed in counterparts, and all parties need not execute the same counterpart. Facsimiles or other electronic transmission (*e.g.*, pdf) shall be effective as originals.

1.4 No Oral Agreement. This written Third Amendment, the Credit Agreement and the other Loan Documents executed in connection herewith and therewith represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or unwritten oral agreements of the parties. There are no subsequent oral agreements between the parties that modify the agreements of the parties in the Credit Agreement and the other Loan Documents.

1.5 Governing Law. This Third Amendment shall be governed by, and construed in accordance with, the laws of the State of New York except to the extent that united states federal law permits any lender to contract for, charge, receive, reserve or take interest at the rate allowed by the laws of the state where such lender is located.

1.6 Payment of Expenses. The Borrowers hereby agree, jointly and severally, to pay on demand all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent (including, without limitation, reasonable fees and expenses of counsel to the Administrative Agent) in connection with the preparation, negotiation and execution of this Third Amendment and all related documents.

1.7 Severability. Any provision of this Third Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

1.8 Successors and Assigns. This Third Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

1.9 Loan Document. This Third Amendment shall constitute a "Loan Document" for all purposes under the other Loan Documents.

[Signature Pages Follow]

The parties hereto have caused this Third Amendment to be duly executed as of the day and year first above written.

BORROWERS:

CRIMSON MIDSTREAM OPERATING, LLC

By:
Name:
Title:

CORRIDOR MOGAS, INC.

By:
Name:
Title:

OMEGA GAS MARKETING, LLC

By:
Name:
Title:

OMEGA PIPELINE COMPANY, LLC

By:
Name:
Title:

GUARANTORS:

CRIMSON PIPELINE, LLC

By:
Name:
Title:

CARDINAL PIPELINE, L.P.

By:
Name:
Title:

CRIMSON MIDSTREAM HOLDINGS, LLC

By:
Name:
Title:

MOGAS DEBT HOLDCO LLC
By: CorEnergy Infrastructure Trust, Inc., its sole member

By:
Name:
Title:

MOGAS PIPELINE, LLC

By:
Name:
Title:

CORENERGY PIPELINE COMPANY, LLC

By:
Name:
Title:

UNITED PROPERTY SYSTEMS, LLC

By:
Name:
Title:

CRIMSON MIDSTREAM I CORPORATION

By:
Name:
Title:

CRIMSON MIDSTREAM SERVICES, LLC

By:
Name:
Title:

<u>ADMINISTRATIVE AGENT</u>:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By:
Name:
Title:

<u>ISSUING BANK/SWINGLINE LENDER/LENDER</u>:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Issuing Bank, Swingline Lender and a Lender

By:
Name:
Title:

LENDER:

CITIBANK, NATIONAL ASSOCIATION
as a Lender

By:

LENDER:

SANTANDER BANK, NATIONAL ASSOCIATION,
as a Lender

By:

LENDER:

BOKF, NA,
as a Lender

By:

LENDER:

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By:

LENDER:

TRI COUNTIES BANK,
as a Lender

By:

LENDER:

ACADEMY BANK, N.A.,
as a Lender

By:

Exhibit 31.1

CERTIFICATIONS

I, David J. Schulte, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CorEnergy Infrastructure Trust, 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(s) 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 15d-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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) 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.

Date: August 14, 2023

/s/ David J. Schulte
David J. Schulte
Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Robert L Waldron, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CorEnergy Infrastructure Trust, 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(s) 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 15d-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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) 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.

Date: August 14, 2023

/s/ Robert L Waldron
Robert L Waldron
Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

SECTION 906 CERTIFICATION

Pursuant to U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2001, the undersigned officers of CorEnergy Infrastructure Trust, Inc. (the “Company”), hereby certify that the Quarterly Report on Form 10-Q for the period ended June 30, 2023, filed with the Securities and Exchange Commission on the date hereof (the “Report”), fully complies with the requirements of Section13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David J. Schulte

David J. Schulte
Chief Executive Officer (Principal Executive Officer)
Date: August 14, 2023

/s/ Robert L Waldron

Robert L Waldron
Chief Financial Officer (Principal Financial Officer)
Date: August 14, 2023

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this report. **A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.**