UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

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

For the fiscal year ended December 31, 2021

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 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 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

Securities registered pursuant to Section 12(g) of the Act: None

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2021, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price on that date of $6.62 on the New York Stock Exchange was $90,192,918. Common shares held by each executive officer and director and by each person who owns 10% or more of the outstanding common shares (as determined by information provided to the registrant) have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 9, 2022, the registrant had 14,960,628 shares of Common Stock outstanding and 683,761 shares of Class B Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2022 Annual Meeting of Stockholders to be filed not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference into Part III of this Form 10-K.

CorEnergy Infrastructure Trust, Inc.
FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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GLOSSARY OF DEFINED TERMS

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

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

7.00% Convertible Notes: the Company's 7.00% Convertible Senior Notes due 2020, which matured on June 15, 2020.

Accretion Expense: the expense recognized when adjusting the present value of the GIGS ARO for the passage of time.

Administrative Agreement: the Administrative Agreement dated December 1, 2011, as amended effective August 7, 2012, between the Company and Corridor InfraTrust Management, LLC. The Internalization transaction closed on July 6, 2021 and the Administrative Agreement was effectively terminated when Corridor was acquired by CorEnergy.

Amended Pinedale Term Credit Facility: Pinedale LP's $41.0 million Second Amended and Restated Term Credit Agreement and Note Purchase Agreement with Prudential as lender, effective December 29, 2017, which was extinguished on June 30, 2020.

ARO: the Asset Retirement Obligation liabilities assumed with the acquisition of GIGS and disposed of with the sale of GIGS effective February 1, 2021.

ASC: FASB Accounting Standards Codification.

ASU: FASB Accounting Standard Update.

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

CARES Act: the Coronavirus Aid, Relief, and Economic Security Act.

Cash Available for Distribution, CAD or CAFD: the Company's earnings before interest, taxes, depreciation and amortization, less (i) cash interest expense, (ii) preferred dividends, (iii) regularly scheduled debt amortization, (iv) maintenance capital expenditures, (v) reinvestment allocation and plus or minus other adjustments, but excluding the impact of extraordinary or nonrecurring expenses unrelated to the operations of Crimson Midstream Holdings, LLC 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.

Common Stock Base Dividend: means the Common Stock Base Dividend Per Share (as defined below) multiplied by all of the Corporation’s then issued and outstanding shares of Common Stock.

Common Stock Base Dividend Per Share: (A) for the fiscal quarters of the Corporation ending June 30, 2021, September 30, 2021, December 31, 2021 and March 30, 2022, the Common Stock Base Dividend Per Share shall equal $0.05 per share per quarter; (B) for the fiscal quarters of the Corporation ending June 30, 2022, September 30, 2022, December 31, 2022 and March 30, 2023, the Common Stock Base Dividend Per Share shall equal $0.055 per share per quarter; and (C) for the fiscal quarters of the Corporation 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.

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

Compass SWD: Compass SWD, LLC, the current borrower under the Compass REIT Loan.

Compass REIT Loan: the financing notes between Compass SWD and Four Wood Corridor.

Contributors: the managers of the Company's former manager Corridor InfraTrust Management, LLC which include: Richard C. Green, Rick Kreul, Rebecca M. Sandring, Sean DeGon, Jeff Teeven, Jeffrey E. Fulmer, David J. Schulte (as Trustee of the DJS Trust under Trust Agreement dated July 18, 2016), and Campbell Hamilton, Inc., which is an entity controlled by David J. Schulte.

Convertible Notes: collectively, the Company's 5.875% Convertible Notes and the Company's 7.00% Convertible Notes.

CorEnergy BBWS: CorEnergy BBWS, Inc., a wholly-owned taxable REIT subsidiary of CorEnergy.

CorEnergy Credit Facility: the Company's upsized $160.0 million CorEnergy Revolver and the $1.0 million MoGas Revolver with Regions Bank, which was terminated on February 4, 2021 in connection with the Crimson Transaction.

CorEnergy Revolver: the Company's $160.0 million secured revolving line of credit facility with Regions Bank, which was terminated on February 4, 2021 in connection with the Crimson Transaction.

CorEnergy Term Loan: the Company's $45.0 million secured term loan with Regions Bank that was paid off in conjunction with the amendment and restatement of the CorEnergy Credit Facility on July 28, 2017.

Corridor: Corridor InfraTrust Management, LLC, the Company's former external manager pursuant to a Management Agreement. CorEnergy acquired Corridor with the Internalization transaction, as outlined in a Contribution Agreement, as described in this Report.

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.

Corridor Private: Corridor Private Holdings, Inc., an indirect wholly-owned taxable REIT subsidiary of CorEnergy.

Corridor Public: Corridor Public Holdings, Inc., an indirect wholly-owned taxable REIT subsidiary of CorEnergy.

COVID-19: Coronavirus disease of 2019; a pandemic affecting many countries globally.

Cox Acquiring Entity: MLCJR LLC, an affiliate of Cox Oil, LLC.

Cox Oil: Cox Oil, LLC.

CPI: Consumer Price Index.

CPUC: California Public Utility Commission.

Crimson: Crimson Midstream Holdings, LLC, a CPUC regulated crude oil pipeline owner and operator, of which the Company owns a 49.50 percent interest effective February 1, 2021.

Crimson Credit Facility: the Amended and Restated Credit Agreement with Crimson Midstream Operating and Corridor MoGas as borrowers, the lenders from time to time party thereto, and Wells Fargo Bank, National Association, as administrative agent, swingline lender and issuing bank, entered into on February 4, 2021, which provides borrowing capacity of up to $155.0 million, consisting of: a $50.0 million revolving credit facility, an $80.0 million 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.

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 percent interest in Crimson on February 4, 2021 (effective February 1, 2021) with the right to acquire the remaining 50.50 percent upon receiving CPUC approval.

Dividend Reinvestment Program or DRIP: the dividend reinvestment plan which allows for, at the option of the shareholder, to receive all distributions automatically reinvested in CorEnergy Common Stock.

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

EGC: Energy XXI Ltd, the parent company (and guarantor) of our tenant on the Grand Isle Gathering System lease, emerged from a reorganization under Chapter 11 of the US Bankruptcy Code on December 30, 2016, with the succeeding company named Energy XXI Gulf Coast, Inc. Effective October 18, 2018, EGC became an indirect wholly-owned subsidiary of MLCJR LLC ("Cox Acquiring Entity"), an affiliate of Cox Oil, LLC, as a result of a merger transaction. Throughout this document, references to EGC will refer to both the pre- and post-bankruptcy entities and, for dates on and after October 18, 2018, to EGC as an indirect wholly-owned subsidiary of the Cox Acquiring Entity.

EGC Tenant: Energy XXI GIGS Services, LLC, a wholly-owned operating subsidiary of Energy XXI Gulf Coast, Inc. that was the tenant under Grand Isle Corridor's triple-net lease of the Grand Isle Gathering System until the lease was terminated on February 4, 2021.

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.

GIGS: the Grand Isle Gathering System, owned by Grand Isle Corridor LP and triple-net leased to a wholly-owned subsidiary of Energy XXI Gulf Coast, Inc until it was sold on February 4, 2021.

Grand Isle Corridor: Grand Isle Corridor LP, an indirect wholly-owned subsidiary of the Company.

Grand Isle Gathering System: a subsea midstream pipeline gathering system located in the shallow Gulf of Mexico shelf and storage and onshore processing facilities.

Grand Isle Lease Agreement: the June 2015 agreement pursuant to which the Grand Isle Gathering System assets were triple-net leased to EGC Tenant, which terminated on February 4, 2021 upon disposal of GIGS.

Grier Members: Mr. John D. Grier, Mrs. M. Bridget Grier and certain affiliated trusts of Grier, which collectively own a 50.62 percent equity ownership interest in Crimson, which is reflected as a non-controlling interest in the Company's financial statements.

Indenture: that certain Base 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 external manager, Corridor, as outlined in a Contribution Agreement, as described in this Report. The Internalization transaction closed July 6, 2021.

IRS: U.S. Internal Revenue Service.

Management Agreement: the management agreement between the Company and Corridor entered into May 8, 2015, effective as of May 1, 2015, and as amended February 4, 2021. The Internalization transaction closed on July 6, 2021 and the Management Agreement was effectively terminated when Corridor was acquired by CorEnergy.

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

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

MoGas Revolver: a $1.0 million secured revolving line of credit facility at the MoGas subsidiary level with Regions Bank, which was terminated on February 4, 2021 in connection with the Crimson Transaction.

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

Mowood/Omega Revolver: a $1.5 million revolving line of credit facility at the Mowood subsidiary level with Regions Bank, which was terminated on February 4, 2021 in connection with the Crimson Transaction.

NAREIT: National Association of Real Estate Investment Trusts.

NYSE: New York Stock Exchange.

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

Omega Pipeline: Omega's natural gas distribution system in south central Missouri.

OPEC: the Organization of the Petroleum Exporting Countries.

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.

Pinedale LGS: the Pinedale Liquids Gathering System, a system consisting of approximately 150 miles of pipelines and four above-ground central gathering facilities located in the Pinedale Anticline in Wyoming, owned by Pinedale LP and triple-net leased to a wholly-owned subsidiary of Ultra Petroleum until it was sold on June 30, 2020.

Pinedale Lease Agreement: the December 2012 agreement pursuant to which the Pinedale LGS assets were triple-net leased to a wholly owned subsidiary of Ultra Petroleum, which terminated on June 30, 2020 upon sale of the Pinedale LGS.

Pinedale LP: Pinedale Corridor, LP, an indirect wholly-owned subsidiary of CorEnergy.

Pinedale GP: the general partner of Pinedale LP and a wholly-owned subsidiary of CorEnergy.

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

Portland Terminal Facility: a petroleum products terminal located in Portland, Oregon sold on December 21, 2018 to Zenith Terminals.

Prudential: the Prudential Insurance Company of America.

QDI: qualified dividend income.

REIT: real estate investment trust.

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. As of December 31, 2021 there are outstanding 51,810 shares represented by 5,181,027 depositary shares, each representing 1/100th of a whole share of Series A Preferred Stock.

Spire: Spire, Inc., the corporate parent of Laclede Gas Company.

STL interconnect project: a pipeline interconnect constructed pursuant to a Facilities Interconnect Agreement with Spire STL Pipeline LLC ("STL Pipeline") and completed during the fourth quarter of 2020.

SWD: SWD Enterprises, LLC, the previous debtor of the financing notes with Four Wood Corridor.

TRS: taxable REIT subsidiary.

UPL: Ultra Petroleum Corp.

Ultra Wyoming: Ultra Wyoming LGS LLC, an indirect wholly-owned subsidiary of Ultra Petroleum.

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

Variable Interest Entity or VIE: a term used by the Financial Accounting Standards Board ("FASB") to refer to a legal entity with certain characteristics such that a public company with a financial interest in the entity is subject to certain financial reporting requirements. Crimson Midstream Holdings is considered to be a VIE.

Zenith: Zenith Energy U.S., LP.

ITEM 1. BUSINESS

GENERAL

CorEnergy Infrastructure Trust, Inc. ("CorEnergy") was organized as a Maryland corporation and commenced operations on December 8, 2005. As used in this Annual Report on Form 10-K ("Report"), the terms "we", "us", "our" and the "Company" refer to CorEnergy and its subsidiaries.

COMPANY OVERVIEW

We are a publicly traded real estate investment trust ("REIT") focused on energy infrastructure. Our business strategy is to own and operate or lease critical energy midstream infrastructure connecting the upstream and downstream sectors within the industry. We currently generate revenue from the transportation, via pipeline, of crude oil and natural gas for our customers in California and Missouri. 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 our assets providing utility-like criticality in the midstream supply chain for our customers.

As primarily regulated assets, the near to medium term value of our regulated pipelines is supported by revenue derived from 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 our customers primarily 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.

Over the last twelve months, we have repositioned our asset portfolio from a focus on non-operated leased assets to one of owned and operated assets as described under "2021 Developments" below. As a result, all of our current assets are owned and operated which provides us with an opportunity to grow the business organically using our footprint in addition to making acquisitions. However, we still plan on pursuing the leasing or other non-operating ownership of assets, as part of our business model, when we believe appropriate opportunities arise. We intend to distribute substantially all of our cash available for distribution, less prudent reserves, on a quarterly basis. We regularly assess our ability to pay and to grow our dividend to Common Stockholders.

Our Operations

Our asset portfolio has significantly changed over the past two years. The current composition of our asset portfolio is described below.

Crimson Midstream Holdings: An approximately 2,000-mile crude oil transportation pipeline system, including approximately 1,100 active miles, and associated storage facilities located in southern California and the San Joaquin Valley. The Crimson assets include four pipeline systems that provide a critical link between California crude oil production and California refineries. The vast majority of Crimson's customers are the refineries. The operations and maintenance of these assets are in strict accordance with applicable safety and regulatory requirements promulgated by the U.S. Department of Transportation's ("DOT") Pipeline and Hazardous Materials Safety Administration ("PHMSA") and California State Fire Marshall. The California Public Utility Commission ("CPUC") regulates the rates and administration of the transportation tariffs which comprise the majority of our revenue generating activities. The Company acquired a 49.50 percent interest in the Crimson assets on February 4, 2021 (effective as of February 1, 2021) and includes the following pipeline systems:

Asset	Location	Asset Description
Sol Cal Pipeline	Southern California	~760 miles of pipe; 8 tanks and 6 pump stations. Transports crude oil from Los Angeles and Ventura basins to Los Angeles refineries.
KLM Pipeline	San Joaquin Valley to Northern California	~620 miles of pipe; 5 tanks and 7 pump stations. Transports crude oil from San Joaquin Valley to Bay Area refineries.
San Pablo Bay Pipeline	San Joaquin Valley to Northern California	~540 miles of heated pipe from San Joaquin Valley to Northern California; ~2.3 Mbbls tank capacity. Transports crude from San Joaquin Valley to Bay Area refineries.
Proprietary Pipeline	South of Bakersfield	~100 miles of pipe. Connects Crimson system to rail volumes and supports other in-basin crude movements.

MoGas Pipeline System: An approximate 263-mile interstate natural gas pipeline in and around St. Louis and extending into central Missouri. The pipeline network provides a critical link between natural gas producing regions with local utilities. The system receives natural gas at four separate receipt points from third party interstate gas pipelines and delivers that gas through

24 different delivery points to investor-owned natural gas distribution companies, municipalities and end users. MoGas has eight firm transportation customers. MoGas operates and maintains these assets in strict accordance with applicable safety and regulatory requirements promulgated by PHMSA. The vast majority of our revenue is related to our Federal Energy Regulatory Commission ("FERC")-approved firm transportation agreements with various customers which entitle the customers to specified amounts of guaranteed capacity on the pipeline during the term of the agreements. We also earn additional revenue from our customers based on actual volumes of natural gas transported under either the firm transportation agreements, or under interruptible transportation agreements, but these revenues comprise a minimal percentage of our total revenue. MoGas is a wholly owned TRS subsidiary of CorEnergy.

Omega Pipeline: An approximate 75-mile natural gas distribution system located primarily on the U.S. Army's Fort Leonard Wood military post in south-central Missouri. Omega Pipeline Company, LLC ("Omega") operates and maintains these assets in strict accordance with applicable safety and regulatory requirements promulgated by the Missouri Public Service Commission ("MoPUC"). The vast majority of Omega's revenue is derived from a non-regulated Natural Gas Distribution Agreement between Omega and the U.S. Department of Defense ("DOD"), to provide the natural gas supply, distribution assets, operations and maintenance of the assets at Fort Leonard Wood. Omega has been under contract with the DOD since 1991 at Fort Leonard Wood, and we are currently in year five of a ten-year renewable agreement. We also earn additional revenue from Omega Gas Marketing, LLC providing gas supply services to a small number of industrial and commercial customers in central Missouri near Fort Leonard Wood, but these revenues comprise a minimal percentage of our total revenue. Omega is a wholly owned subsidiary of the Company through its interests in Mowood, which is a qualified REIT subsidiary.

Leased Energy Infrastructure Assets

On February 4, 2021, the Grand Isle Gathering System was used as partial consideration for the acquisition of our 49.50 percent interest in Crimson described in Part I, Item 1, Business, of this Report resulting in its disposition and the termination of the Grand Isle Lease Agreement. In connection with the disposition, the Company entered into a Settlement and Mutual Release Agreement with the EGC Tenant, EGC, and CEXXI, LLC. Refer to Part I, Item 3, Legal Proceedings, of this Report for additional information on the resolution of the legal matters, and Part IV, Item 15, Note 5 ("Leased Properties And Leases"), for additional information on the disposition of the GIGS asset and termination of the Grand Isle Lease Agreement. On June 30, 2020, we sold back to UPL the Pinedale LGS, which previously had been triple-net leased on a long-term basis to a subsidiary of UPL.

Principal Location

Our principal executive office is located at 1100 Walnut Street, Suite 3350, Kansas City, MO 64106.

Market Overview

Crude oil production in California dates back more than 150 years and the state has some of the highest recoverable reserves remaining in the ground. Given the significant hydrocarbon resources in California, and its access to the Pacific Ocean, California is not connected, via pipeline, to other crude oil producing regions in North America. The refining industry in California is primarily supplied first by native California crude oil production with the balance being supplied via waterborne imports. The majority of refineries in California are specifically designed to service California from both a crude oil supply and refined products standpoint. Many refineries are specifically designed to process the low-gravity crude oil that is prevalent in California. Furthermore, the refineries are also uniquely designed to meet the stringent California gasoline standards set by the California Air Resources Board ("CARB"). The high complexity of CARB requirements for California refiners results in a preference for California produced crude oil as a feedstock. Furthermore, the stringent refined product formulations required by CARB provide high barriers to entry for satisfying California's refined product demand from refineries outside of California.

The utilization of MoGas and Omega assets is driven by the consumption of natural gas from residential, commercial and industrial users in the region where MoGas' and Omega's assets are located. MoGas is well supplied by other interstate pipelines, originating in the Rocky Mountains, Mid-Continent, Appalachia, and Gulf Coast production basins.

Business Strategy

- *Safe Operations* - We strive for the highest levels of safety across our operational platform, which includes establishing a safety first environment for our employees and contractors, investing in the latest safety related technology, maintaining asset integrity and operational reliability through frequent inspections and communicating regularly with governmental regulators.

- *Provide reliable service* - We serve a critical part of the energy distribution value chain and seek to ensure reliable and consistent service to our customers. We accomplish this by performing preventative maintenance on our assets and performing frequent pipeline integrity work.

- *Growth* - CorEnergy has a 3-part growth strategy: 1) expansion within our existing pipeline footprint, 2) Corporate level acquisitions that add scale and diversification, and 3) participate in energy transition through the storage and transportation of renewable energy sources and carbon sequestration projects. We consider, among other things, the following factors to be key when evaluating growth opportunities:

  - *Cash Flow Stability* – We primarily seek growth opportunities which provide stable and predictable cash flow through either long-term contracts or a regulated cost-of-service. As a second layer of stability, we look for assets which have natural barriers to entry with low current competition. We focus on assets which are critical to our customers' realization of economic returns from their operations. We believe that this type of asset will provide a relatively low risk of nonuse, and therefore loss, in the case of a potential bankruptcy or abandonment scenario.

  - *Diversification* – We attempt to diversify our portfolio to avoid dependence on any one particular customer, counterparty, commodity, and market location within the U.S. By diversifying, we seek to reduce the adverse effect of a single under-performing investment or a downturn in any particular asset, commodity, or market region.

  - *Financing Strategy* - We believe a major factor in our continued success is our ability to maintain financial flexibility, a competitive cost of capital and access to the capital markets. Our long-term target is a total debt-to-adjusted-EBITDA ratio of less than 4.0x. However, we may exceed that target during an acquisition if there is a viable path to returning to the long-term target. In addition to debt, we may use preferred or common equity to satisfy remaining capital needs to help limit the amount of financial risk of the Company.

Competitive Advantages

- *Strategic Assets* - We believe our assets are strategically unique in that they have largely high barriers to entry, require unique operational and regulatory expertise that we hold and have strategic rights-of-way that may have alternative use value in association with the energy transition.

- *Tax Status* - Through a series of Private Letter Rulings, we hold a unique status as an energy infrastructure focused REIT. We are therefore generally not subject to U.S. federal corporate income taxes on the income and gains that we distribute to our stockholders.

- *Customer Quality* - Our customers associated with our Crimson assets are primarily large investment grade refineries and our customers associated with our MoGas and Omega assets are investment grade utilities, municipalities and government organizations that largely insulate us from significant counterparty credit risk. For a discussion of customers, see Part IV, Item 15, Note 10 ("Concentrations") to our consolidated financial statements.

- *Management Team* - Members of our leadership team have significant experience in all phases of operations of regulated pipeline assets, financing including public capital markets, acquisitions of energy midstream operations and regulatory compliance. We believe that is a benefit to our strategy.

Seasonality

MoGas and Omega 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.

We expect Crimson Pipeline will have stable revenues throughout the year. Maintenance activities can be performed at any time during the year, however we can have certain quarters where maintenance expenditures are materially higher then other quarters in the year. Our San Pablo Bay pipeline has a seasonal minimum volume required to be operated as a batched system delivering heavy crude oil to its customers. The minimum volume is required as heavy crude oil must be heated to be transported via the pipeline. The lowest allowed minimum volume typically occurs in the months from July to September. The highest allowed minimum volume typically occurs from December to March. The actual effective periods are dependent on the ground temperature. If minimum volumes are not reached, the pipeline will operate as a blended crude system where the heavy crude oil is mixed with lighter crude oil to ensure the pipeline can still operate. The historical average quarterly crude oil volumes for Crimson are provided in the table below.

	Crimson Average Crude Oil Volume for Quarter Ended (bpd):				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Crude oil volume	201,732	197,764	188,634	191,621	184,467

Competition

We compete with other midstream energy companies as well as public and private funds, to make the types of investments that we plan to make in the U.S. energy infrastructure sector. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than us. For example, some competitors may have a lower cost of funds and access to a greater variety of funding sources than are available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, allowing them to consider a wider variety of investments and establish more relationships than us. These competitive conditions may adversely affect our ability to make investments in the energy infrastructure sector and could adversely affect our distributions to stockholders.

Pipelines generally offer the lowest cost and safest mode of transportation. Despite this, pipelines can face competition from other forms of transportation, such as truck, rail and ship. Although these alternative forms of transportation are typically higher cost, they can provide access to alternative markets which could be attractive to our customers for various reasons.

The primary competition for our California assets is existing pipelines and trucking. In mature and stable crude oil producing regions like California, the threat of a newly constructed pipelines is low. Furthermore, a significant percentage of our assets are located in an urban environment which also significantly decreases the competition from new construction.

REIT Status

We operate as a REIT and therefore are generally not subject to U.S. federal corporate income taxes on the income and gains that we distribute to our stockholders, including the income derived through leasing fees and financing revenue from our REIT qualifying investments in energy infrastructure assets. Our REIT status is supported in part through a series of IRS Private Letter Rulings (PLR) that provide us assurance that fees we may receive for usage of the storage and pipeline assets we may own will qualify as rents from real property for purposes of our qualification as a REIT.

However, even as a REIT, we remain obligated to pay income taxes on earnings from our TRSs. The use of TRSs enables us to own certain assets and engage in certain businesses while maintaining compliance with the REIT qualification requirements under the Code. We may, from time to time, change the election of previously designated TRSs to be treated as qualified REIT subsidiaries, and may reorganize and transfer certain assets or operations from our TRSs to other subsidiaries, including qualified REIT subsidiaries.

Regulatory and Environmental Matters

Our energy infrastructure assets and operations, as well as those of our tenants, are subject to numerous federal, state and local laws and regulations concerning the protection of public health and safety, zoning and land use, and pricing and other matters related to certain of our business operations. For a discussion of the current effects and potential future impacts of such regulations on our business and properties, see the discussion presented in Item 1A of this Report under the subheading "Risks Related to Our Investments in Energy Infrastructure." In particular, for a discussion of the current and potential future effects of compliance with federal, state and local environmental regulations, see the discussion titled "*Costs of complying with governmental laws and regulations, including those relating to environmental matters, may adversely affect our income and the cash available for distribution to our stockholders"* within such section.

FERC and State PUC Common Carrier Regulations

The vast majority of our operated pipeline systems are subject to economic and operational regulation by various federal, state and/or local agencies. Our rates are generally set based on a regulated cost-of-service model.

FERC regulates interstate transportation on our common carrier pipeline systems under the Interstate Commerce Act ("ICA"), the Natural Gas Act, the Environmental Protection Act, and the rules and regulations promulgated under those laws. FERC regulations require that rates and terms and conditions of service be just and reasonable and must not be unduly discriminatory or confer any undue preference upon any shipper. FERC's regulations also require interstate common carrier pipelines to file with FERC and publicly post tariffs stating their interstate transportation rates and terms and conditions of service.

Under the ICA, FERC or any interested private entity or person may challenge existing or proposed new or changed rates, services or terms and conditions of service. FERC is authorized to investigate such charges and may suspend the effectiveness of a new rate for a period of time or could limit a common carrier pipeline's ability to change rates until completion of an investigation. During an investigation, FERC could find that the new or changed rate is unlawful.

Intrastate transportation services, provided by our California pipeline system, are subject to regulation by the CPUC. The CPUC requires intrastate pipelines to file their rates with the agencies and permit shippers to challenge existing rates and proposed rate increases. The CPUC could limit our ability to increase our rates or could order us to reduce our rates and require the payment of refunds to shippers.

Environmental, Health and Safety Regulation

Our operations involve the transportation of crude oil and natural gas which are subject to stringent federal, state and local laws and regulations designed to protect the environment. Compliance with these laws and regulations increases our overall cost of doing business. Failure to comply with these laws and regulations could result in the assessment of administrative, civil and criminal penalties, and the addition of new operational constraints. Environmental and safety laws and regulations are subject to changes that may result in more stringent requirements which could negatively impact our future earnings to the extent they cannot be recovered through our cost-of-service framework. A discharge of hazardous liquids into the environment could, to the extent such event is not insured, subject us to substantial expense. The following summarizes some of the key environmental, health and safety laws and regulations to which our operations are subject.

Pipeline and Tank Safety and Integrity Management

The majority of our assets are subject to regulation by the DOT's PHMSA pursuant to the Hazardous Liquids Pipeline Safety Act of 1979 ("HLPSA"). The HLPSA imposes safety requirements on the design, construction, operation and maintenance of pipeline and storage facilities. Federal regulations implementing the HLPSA require pipeline operators to adopt measures designed to reduce the environmental impact of their operations, including the maintenance of comprehensive spill response plans and the performance of spill response training for pipeline personnel. These regulations also require pipeline operators to develop and maintain a written qualification program for individuals performing covered tasks on pipeline facilities.

The HLPSA was amended by the Pipeline Safety Improvement Act of 2002 and the Pipeline Inspection, Protection, Enforcement and Safety Act of 2006. These amendments have resulted in the adoption of rules by the DOT that requires transportation pipeline operators to implement integrity management programs to ensure pipeline safety in "high consequence areas" such as high population areas, areas unusually sensitive to environmental damage, and navigable waterways.

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 and full compliance is required by early 2023. 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. The Company has begun the process of making the recommended modifications. The Company has submitted a filing with the CPUC to implement a surcharge on existing tariffs to recover the costs associated with the regulation and formal approval by the CPUC is expected in the summer of 2022.

The DOT has generally adopted American Petroleum Institute Standard ("API") 653 as the standard for the maintenance of steel above ground petroleum storage tanks subject to DOT jurisdiction. API 653 requires regularly scheduled inspection and repair of tanks remaining in service.

Occupational Safety and Health

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

2021 Developments

Fiscal year 2021 was one of transition for CorEnergy, as we moved from owning and leasing critical energy midstream infrastructure to owning and operating critical energy midstream infrastructure. The key events during fiscal year ended December 31, 2021 are summarized below:

- On February 4, 2021, (effective February 1, 2021), we completed the acquisition of a 49.50 percent interest in Crimson Midstream Holdings (which includes a 49.50 percent voting interest and the right to 100.0 percent of the economic benefit of Crimson's business, after satisfying the distribution rights of the remaining equity holders) for total consideration with a fair value of $343.8 million after giving effect to the initial working capital adjustments and with the right to acquire the remaining 50.50 percent, subject to CPUC approval. Crimson is a CPUC regulated crude oil pipeline owner and operator, and its assets include four critical infrastructure pipeline systems spanning approximately 2,000 miles (including approximately 1,100 active miles) across northern, central and southern California, connecting California crude production to in-state refineries. Refer to Part IV, Item 15, Note 3 ("Acquisitions") for further details.

  The Grand Isle Gathering System ("GIGS") asset was used as partial consideration for the acquisition of Crimson, with a fair value of $48.9 million to the sellers. GIGS is an approximately 137-mile subsea crude oil pipeline system located in the Gulf of Mexico south of Grand Isle, Louisiana and a 16-acre onshore terminal facility located in Grand Isle, Louisiana. CorEnergy had a triple-net lease for these assets on a long-term basis to a subsidiary of Energy Gulf Coast, Inc. ("EGC"), pursuant to the Grand Isle Lease Agreement. Refer to Part IV, Item 15, Note 3 ("Acquisitions") for further details.

- On July 6, 2021, we consummated the internalization of our former management company Corridor InfraTrust Management, Inc. ("Corridor" or "Manager"), (the “Internalization”) for a purchase price of approximately $14.6 million, paid in equity, pursuant to the Contribution Agreement, dated as of February 4, 2021 (the "Contribution Agreement”). Pursuant to the Contribution Agreement and following approval by our stockholders, we acquired Corridor, which owned the assets used in its performance of the management functions previously provided to us. Upon closing of the Internalization, we became an internally managed real estate investment trust. As an internally managed company, we no longer pay the former Manager any fees or expense reimbursements arising from the Management Agreement but rather incur the former Manager's direct employee compensation and office related expenses. Refer to Part IV, Item 15, for further details.

MANAGEMENT

Information about our Executive Officers

The following table sets forth certain information regarding our executive officers and key employees as of February 12, 2022:

Name	Age	Position(s) Held
David J. Schulte	61	Chairman, President and Chief Executive Officer
John D. Grier	65	Chief Operating Officer
Robert L Waldron	50	Executive Vice President, Chief Financial Officer, and Treasurer
Rebecca M. Sandring	61	Executive Vice President and Secretary
Christopher M. Huffman	41	Chief Accounting Officer
Larry W. Alexander	65	President, Crimson California

All our current executive officers hold their offices at the pleasure of our board of directors. There are no family relationships between or among any executive officers.

Mr. Schulte is a co-founder, Chairman, Chief Executive Officer and President of CorEnergy. Previously, Mr. Schulte was a co-founder and a Managing Director of Tortoise Capital Advisors L.L.C. where, until 2015, he served on the investment committee. He is recognized in the industry as an expert on master limited partnerships and other financial structures for investing in energy infrastructure. Earlier, Mr. Schulte was a Managing Director at Kansas City Equity Partners (KCEP), a founding sponsor of Tortoise, where he led private financing for two growth MLPs. Before joining KCEP, he spent five years as an investment banker at the predecessor of Oppenheimer & Co., Inc. Mr. Schulte earned a Juris Doctorate from the University of Iowa and a Bachelor of Science in Business Administration from Drake University. He has earned a CFA charter, as well as a certified public accountant (CPA) designation. In 2017, Mr. Schulte was named into the Alerian Hall of Fame for Asset Management. In 2020, Mr. Schulte was named an independent member of the board of directors for Western Midstream Partners, a master limited partnership formed to acquire, own, develop and operate midstream assets.

Mr. Grier is the Chief Operating Officer at CorEnergy. He has been in the energy industry for more than 40 years. Prior to joining CorEnergy, he spent 17 years as the CEO of Crimson Midstream, having pipeline operations in California, Louisiana and offshore in the Gulf of Mexico. Mr. Grier was the President and CEO of Crimson Resource Management, a buyer and operator of oil and gas producing properties for 24 years. He is also CEO of Crimson Renewable Energy, the largest biodiesel manufacturer in California and Oregon. He is also the Founder and Chairman of Cresent Midstream, a midstream transportation company. During each of the Crimson engagements, Mr. Grier was the founder and responsible for growing the entities from startup. Prior to that he worked for Mobil Oil company in various engineering and management positions. Mr. Grier has a Bachelor of Science (with honors) in Chemical Engineering from the University of Oklahoma and a Master of Business Administration from Harvard University.

Mr. Waldron is an Executive Vice President and Chief Financial Officer at CorEnergy. He has more than 20 years of experience in the energy, industrial and financial industries. Prior to joining CorEnergy in 2021, he spent six years as Chief Financial Officer at Crimson Midstream before it was acquired by CorEnergy. He is also the CFO of Cresent Midstream. Before joining Crimson Midstream, Mr. Waldron worked for eight years in energy investment banking at Citi and UBS where he focused primarily on capital markets and M&A in the midstream sector. Mr. Waldron started his career in corporate R&D at Dow Chemical where he focused on design and optimization of Dow's manufacturing processes. He earned a Bachelor of Science in Chemical Engineering from the University of Utah, a Master of Science in Chemical Engineering from Massachusetts Institute of Technology, and a Master of Business from Northwestern University.

Ms. Sandring is an Executive Vice President, Treasurer and Secretary of CorEnergy. She has over 20 years of experience in the energy industry. Prior to CorEnergy, Ms. Sandring was a Vice President with The Calvin Group, where she created strategic business plans resulting in third-party investments and provided financial leadership to a wind development company, which resulted in planned project cost reductions. From 1993-2008, Ms. Sandring held various roles at Aquila Inc., formerly UtiliCorp United. Ms. Sandring's expertise is in operational finance, including business valuations, project and corporate finance, process efficiency, implementation of complex GAAP accounting policies and internal accounting and risk system designs. Ms. Sandring earned a Bachelor of Science in Accounting at William Jewell College and an Executive Master of Business Administration at the University of Missouri – Kansas City. In 2017, Ms. Sandring was inducted into the National Association of Professional Women's VIP Woman of the Year Circle.

Mr. Huffman is Chief Accounting Officer of CorEnergy. He has over 20 years of experience in the accounting and energy industries. Prior to joining the Company, Mr. Huffman served as CAO at Discovery Natural Resources LLC since October 2012. Discovery is focused on the acquisition, development and exploration of oil and gas properties in the Permian Basin. Mr. Huffman began his career holding various positions with PricewaterhouseCoopers LLP, serving listed energy upstream and midstream clients. Mr. Huffman is a CPA and has Bachelors of Business Administration and a Masters of Accountancy from the University of Colorado.

Mr. Alexander is President of Crimson, California. He began his career as an engineer in the pipeline construction department at Shell Oil Co. During his 25-year career at Shell he held positions in project management, operations management, research and development, project coordination, joint ventures, environmental management, engineering management and business development. Mr. Alexander was instrumental in the formation of Crimson Pipeline in 2005 and has overseen its growth and development over the years. He is passionate about ensuring that Crimson maintain a company culture emphasizing the importance of operating with integrity, providing connectivity, ensuring reliability and ultimately serving their customers while protecting both people and the environment. Mr. Alexander received his undergraduate degree in Engineering from Louisiana State University and a Master in Business Administration degree from the University of California, Irvine.

Human Capital Management

As of December 31, 2021, we had 155 employees and had a presence in two states, California and Missouri. None of our employees are subject to a collective bargaining agreement.

	As of December 31, 2021
	Full-Time Employees
CorEnergy Infrastructure Trust, Inc.	14
Crimson Midstream Holdings, LLC	121
MoGas Pipeline, LLC	17
Omega Pipeline Company, LLC	3
Total	155

Our employees are an important asset, and we seek to attract and retain top talent by fostering a culture that is guided by our core values of integrity, inclusivity, creativity and high standards of quality and excellence. We also seek to promote workplace and operational safety and focus on the protection of public health and the environment.

AVAILABLE INFORMATION

We are required to file reports, proxy statements and other information with the SEC. We will make available free of charge our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports on or through our web site at http://corenergy.reit as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. This information may also be obtained, without charge, upon request by calling us at (816) 875-3705 or toll-free at (877) 699-2677. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed by us with the SEC which is available on the SEC's Internet site at www.sec.gov. Please note that any Internet addresses provided in this Form 10-K are for informational purposes only and are not intended to be hyperlinks. Accordingly, no information found and/or provided at such Internet address is intended or deemed to be included by reference herein.

ITEM 1A. RISK FACTORS

There are many risks and uncertainties that can affect our future business, financial performance or share price. Many of these are beyond our control. A description follows of some of the important factors that could have a material negative impact on our future business, operating results, financial condition or share price. This discussion includes a number of forward-looking statements. You should refer to the description of the qualifications and limitations on forward-looking statements in the first paragraph under Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10-K.

RISK FACTOR SUMMARY

The following is a summary of the most significant risks relating to our business activities that we have identified. If any of these risks actually occur, our business, financial condition or results of operation, including our ability to generate cash and make distributions could be materially adversely affected. For a more complete understanding of our material risk factors, this summary should be read in conjunction with the detailed description of our risk factors which follows this summary.

Risks Related to Our Investments in Energy Infrastructure

- Our focus on the energy infrastructure sector will subject us to more risks than if we were broadly diversified.
- We may be unable to identify and complete acquisitions of real property assets, and the relative illiquidity of our real property and energy infrastructure investments also may interfere with our ability to sell our assets when we desire.
- Energy infrastructure companies are and will be subject to extensive regulation, including numerous environmental regulations, pipeline safety and integrity regulations, revenue and tariff regulations by applicable interstate (FERC) and intrastate authorities, and potential future regulations related to greenhouse gases and climate change. Related

compliance costs may adversely affect our business, financial condition and results of operations, as well as those of our customers and tenants.

- Our operations, and those of our customers and tenants, are subject to operational hazards, and could be affected by extreme weather patterns and other natural phenomena. Any resulting business interruptions not adequately covered by insurance could have a material adverse impact on our operations and financial results.
- Both we and our customers and tenants depend on certain key customers for a significant portion of our respective revenues, which also exposes us to related credit risks. The loss of a key customer, or any failure of our credit risk management, could result in a decline in our business.
- Pandemics, epidemics or disease outbreaks, such as the COVID-19 pandemic, has and may continue to adversely affect local and global economies and our business, operations and financial results.
- The operation of our energy infrastructure assets could be adversely affected if third-party pipelines, railroads or other facilities interconnected to our facilities become partially or fully unavailable.

Risks Related to Our Ownership Interest in Crimson

- We have significant assets which are held as ownership interests in Crimson, whose operations we do not fully control.
- Crimson's insurance coverage may not be sufficient to cover our losses in the event of an accident, natural disaster or other hazardous event.
- Crimson's results could be adversely affected if third-party pipelines, refineries, and other facilities interconnected to its pipelines become unavailable, or if the volumes Crimson transports and stores are reduced due to any significant decrease in crude oil production in areas in which it operates.
- Crimson does not own all of the land on which its assets are located, which could result in disruptions to Crimson's operations.
- Crimson's assets were constructed over many decades, 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.
- Some of our directors and officers may have conflicts of interest with respect to certain other business interests related to the Crimson Transaction.
- Crimson's pipeline loss allowance exposes us to commodity risk.
- Any failure to achieve forecast assumptions on Crimson's expansion projects, acquisitions and divestitures, or to recruit and retain the skilled workforce Crimson requires, could result in a failure to implement Crimson's business plans.

Risks Related to Our Ownership and Operation of MoGas or Other Assets

- MoGas competes with other pipelines, and may be unable to renew contracts with certain customers on an annual basis following expiration of the current transportation agreements with its customers.

Risks Related to Our Investments in Leases

- We may be subject to risks involved in single tenant leases, and net leases may not result in fair market lease rates over time.
- If a tenant declares bankruptcy and rejects our lease, or if a sale-leaseback transaction is challenged as a fraudulent transfer or re-characterized in bankruptcy, our business, financial condition and cash flows could be adversely affected.

Risks Related to Rising Inflation

- We may be negatively impacted by rising inflation, which could raise our costs, including our financing costs, and reduce demand for the use of our energy infrastructure assets.

Risks Related to Financing Our Business

- We face risks associated with our dependence on external sources of capital and our indebtedness could have important consequences, including impairing our ability to obtain additional financing or pay future distributions and subjecting us to the risk of foreclosure on any mortgaged properties.

- Covenants in our loan documents could limit our flexibility and adversely affect our financial condition, and we face risks related to refinancings. Additionally, the transition away from LIBOR may adversely affect our cost to obtain financing.

Risks Related to Our Convertible Notes

- The Convertible Notes are structurally subordinated to all liabilities of our existing or future subsidiaries, and the Convertible Notes are not guaranteed by any of our subsidiaries and are not protected by any restrictive covenants.
- The conversion rate of the Convertible Notes may not be adjusted for all dilutive events. Further, the make-whole fundamental change provisions may not adequately compensate the holders of Convertible Notes for any lost value and we may not be able to finance a repurchase of the Convertible Notes upon a fundamental change. These fundamental change provisions also could discourage an acquisition of the Company by a third party.
- We have not registered our 5.875% Convertible Notes or the Common Stock issuable upon their conversion, which will limit a holder's ability to resell them. An active, liquid trading market may not develop for the Convertible Notes.

Risks Related to Our Preferred Stock

- While depositary shares representing our Series A Preferred Stock are registered and trade on the NYSE, an active trading market for such shares may not be maintained.
- The limited Change of Control conversion feature of Series A Preferred Stock may not adequately compensate the holders, who also have very limited voting rights, and the Change of Control conversion and redemption features may make it more difficult for a party to take over the Company or discourage a party from taking over the Company.

Risks Related to REIT Qualification and Federal Income Tax Laws

- While we take numerous actions to ensure the Company's qualification as a REIT and have obtained related private letter rulings from the IRS, any failure to so qualify would have significant adverse consequences to the Company and to the value of our Common Stock. Further, complying with REIT requirements may affect our profitability and force us to liquidate or forego otherwise attractive investments.
- We generally must distribute at least 90 percent of our REIT taxable income to our stockholders annually. As a result, we require additional capital to make new investments, and any failure to make required distributions would subject us to federal corporate income tax.
- Our charter includes ownership limit provisions to protect our REIT status, which may impair the ability of holders to convert our Convertible Notes to Common Stock and could have the effect of delaying, deferring or preventing a transaction or change of control of our Company.
- If we acquire C corporations in the future, we may inherit material tax liabilities and other tax attributes that could require us to distribute earnings and profits. Further, re-characterization of any sale-leaseback transaction could cause us to lose our REIT status.

Risks Related to Our Corporate Structure and Governance

- In addition to the ownership limit provisions discussed above, certain provisions of our charter and of Maryland law may limit the ability of stockholders to control our policies and effect a change of control of our Company.
- Our ability to pay dividends is limited by the requirements of Maryland law.

Risks Related to Terrorism, Armed Conflicts, and Cybersecurity

- Risks associated with security breaches through cyber attacks or acts of cyber terrorism, cyber intrusions or otherwise, as well as other significant disruptions of our information technology (IT) networks and related systems, could materially adversely affect our reputation, business, operations or financial results.
- Terrorist attacks and armed conflict, or their impacts on the energy industry served by our infrastructure assets, could have a material adverse effect on our business, financial condition, or results of operations.
- Some losses related to our real property assets, including, among others, losses related to potential terrorist activities, may not be covered by insurance and would adversely impact distributions to stockholders.

Risks Related to our Investments in Energy Infrastructure

Our focus on the energy infrastructure sector will subject us to more risks than if we were broadly diversified.

Because we specifically focus on the energy infrastructure sector, investments in our stock may present more risks than if we were broadly diversified. A downturn in the U.S. energy infrastructure sector would have a larger impact on our assets and performance than on a REIT that does not concentrate its investments in one sector of the economy. The energy infrastructure sector can be significantly affected by the supply and demand for crude oil, natural gas, and other energy commodities; the price of these commodities; exploration, production and other capital expenditures; government regulation; world and regional events, politics and economic conditions.

Production declines and volume decreases impacting our assets could be caused by various factors, including decreased access to capital or loss of economic incentive to drill and complete wells, depletion of resources, catastrophic events affecting production of (or demand for) energy commodities, labor difficulties, political events, OPEC actions, environmental proceedings, increased regulations, regulatory uncertainty, equipment failures and unexpected maintenance problems, failure to obtain necessary permits, unscheduled outages, unanticipated expenses, inability to successfully carry out new construction or acquisitions, import or export supply and demand disruptions, or increased competition from alternative energy sources.

We may be unable to identify and complete acquisitions of real property assets.

Our ability to identify and complete acquisitions of real property assets on favorable terms and conditions are subject to the following risks:

- we may be unable to acquire a desired asset because of competition from other investors with significant capital, including both publicly traded and non-traded REITs and institutional investment funds;
- competition from other investors may significantly increase the purchase price of a desired real property asset or result in less favorable terms;
- we may not complete the acquisition of a desired real property asset even if we have signed an acquisition agreement, because such agreements are subject to customary conditions to closing, including completion of due diligence investigations to our satisfaction; and
- we may be unable to finance acquisitions of real property assets on favorable terms or at all.

Energy infrastructure companies are and will be subject to extensive regulation because of their participation in the energy infrastructure sector, which could adversely impact the business and financial performance of our customers and tenants and the value of our assets.

Companies in the energy infrastructure sector are subject to significant federal, state and local government regulation in virtually every aspect of their operations, including how facilities are constructed, maintained, weatherized or hardened, and operated, environmental and safety controls, and the prices they may charge for the products and services they provide. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future that likely would increase compliance costs, which could adversely affect the business and financial performance of our customers and tenants in the energy infrastructure sector and the value or quality of our assets.

Our operation of assets such as those at Crimson and MoGas is subject to extensive regulation, including those relating to environmental matters, which may adversely affect our income and the cash available for distribution.

In addition to the pipeline safety regulations discussed below, Crimson's and MoGas' operations, as well as those of assets we may acquire and operate in the future, are subject to extensive federal, regional, state and local environmental laws including, for example, the Clean Air Act (CAA), the Clean Water Act (CWA), the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Oil Pollution Act (OPA), the Occupational Safety and Health Administration (OSHA) and analogous state and local laws. These laws and their implementing regulations may restrict or impact such business activities in many ways, including requiring the acquisition of permits or other approvals to conduct regulated activities, limiting emissions and discharges of pollutants, restricting the manner in which it disposes of wastes, requiring remedial action to remove or mitigate contamination, requiring capital expenditures to comply with pollution control or workplace safety requirements, and imposing substantial liabilities for pollution resulting from its operations. In addition, the regulations implementing these laws are constantly evolving, and the potential impact of recent regulatory actions is unclear. For instance, the EPA adopted final rules establishing new source performance standards for methane emissions from new, modified, or reconstructed oil and gas sources in 2016 that were rescinded in September 2020 and subsequently challenged legally by states, municipalities, and environmental groups. Presently, this matter is before the United States Supreme Court with a decision expected by summer 2022. Meanwhile the U.S. EPA is also developing a proposed rule that is expected to be released in late 2022 to address issues resulting from the Supreme Court's decision, meaning that there is likely to be regulatory uncertainty throughout 2022. Additionally, the United State Army Corps of Engineers (the "Corps") Nationwide Permit 12 ("NWP 12"), which broadly authorized activities associated with the construction, maintenance, and repair of oil and natural gas pipelines, was reissued by the Corps and is being implemented in the first quarter of 2022. Accordingly, compliance with the new laws or regulations, stricter interpretation of existing laws, or uncertainty created by the constantly changing regulatory landscape may require material expenditures by Crimson and MoGas, and likewise may require material expenditures at other facilities or systems we may acquire and operate.

Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements and the issuance of orders enjoining future operations. In addition, increases in penalty amounts and limits of liability for damages to reflect inflation and/or increases in the CPI may result in increased exposure to operations such as Crimson and MoGas. The operator of any such assets may be unable to recover some or all of the resulting costs through insurance or increased revenues, which could have a material adverse effect on its business, results of operations and financial condition.

The PLR grants us the ability to own and to operate storage facilities, pipelines, and oil platforms and to have assurance that the payments we receive are treated as rent from real property for purposes of our qualification as a REIT. To the extent we acquire and operate any such asset, we will be exposed to risks similar to those described above and to which Crimson and MoGas are exposed.

Costs of complying with governmental laws and regulations, including those relating to environmental matters, may adversely affect our income and the cash available for distribution to our stockholders.

We have invested, and expect to continue to invest, in real property assets which are subject to laws and regulations relating to the protection of the environment and human health and safety. These laws and regulations generally govern the gathering, storage, handling, and transportation of petroleum and other hazardous substances, the emission and discharge of materials into the environment, including wastewater discharges and air emissions, the operation and removal of underground and aboveground storage tanks, the generation, use, storage, treatment, transportation and disposal of solid and hazardous materials and wastes, and the remediation of any contamination associated with such disposals. We own assets related to the storage and distribution of oil and gas, natural gas and natural gas liquids, and storage and throughput of crude oil, which are subject to all of the inherent hazards and risks normally incidental to such assets, such as fires, pipe and other equipment and system failures, uncontrolled flows of oil or gas, environmental risks and hazards such as gas leaks, oil spills and pipeline ruptures and discharges of toxic gases. Environmental laws and regulations may impose joint and several liability on tenants, owners or operators for the costs to investigate or remediate contaminated properties, regardless of fault or whether the acts causing the contamination were legal. This liability could be substantial. Moreover, if one or more of these hazards occur, there can be no assurance that a response will be adequate to limit or reduce any resulting damage. In addition, the presence of hazardous substances, or the failure to properly remediate these substances, may adversely affect our ability to sell, rent or pledge such property as collateral for future borrowings. We also may be required to comply with various local, state and federal fire, health, life-safety and similar regulations.

Local, state and federal laws in this area are constantly evolving. Compliance with new or more stringent laws or regulations, or stricter interpretation of existing laws, may impose material environmental liability and/or require material expenditures by us to avoid such liability. Further, our customers' or tenant companies' operations, the existing condition of land when we buy it or operations in the vicinity of our properties (each of which could involve the presence of underground storage tanks), or activities of unrelated third parties may affect our properties. We intend to monitor these laws and take commercially reasonable steps to protect ourselves from the impact of these laws, including, where deemed necessary, obtaining environmental assessments of properties that we acquire. In addition, any such assessment that we do obtain may not reveal all environmental liabilities or whether a prior owner of a property created a material environmental condition not known to us and may not offer any protection against liability for known or unknown environmental conditions.

Failure to comply with applicable environmental, health, and safety laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal fines or penalties, permit revocations, and injunctions limiting or prohibiting some or all of the operations at our facilities. Any material compliance expenditures, fines, or damages we must pay could materially and adversely affect our business, assets or results of operations and, consequently, would reduce our ability to make distributions.

Regulation of greenhouse gases and climate change could have a negative impact on our and our customers' and tenants' businesses.

We cannot predict with certainty the rate at which climate change is occurring. However, scientific studies have suggested that emissions of certain gases, commonly referred to as greenhouse gases ("GHGs") and including carbon dioxide and methane, may be contributing to warming of the earth's atmosphere and other climatic changes. In response to such studies, the issue of the effect of GHG emissions on climate change, in particular emissions from fossil fuels, is attracting increasing attention worldwide. We are aware of the increasing focus of local, state, national and international regulatory bodies on GHG emissions and climate change issues. The U.S. Environmental Protection Agency ("EPA") has adopted rules requiring GHG reporting and permitting, and the United States Congress and EPA may consider additional legislation or regulations that could ultimately require new, modified, and reconstructed facilities, and/or existing facilities, to meet emission standards by installing control technologies, adopting work practices, or otherwise reducing GHG emissions. Although it is not possible at this time to predict whether proposed legislation or regulations will be adopted, regardless of the result of the challenge to the EPA's authority to regulate GHGs that is pending before the Supreme Court, the Biden administration has pledged to be more aggressive on GHG emissions than its predecessor and any resulting laws or regulations could result in increased compliance costs or additional operating restrictions that could adversely impact our energy infrastructure assets as well as the businesses of our customers and tenants. If we or our customers or tenants are unable to recover or pass through a significant level of the costs related to complying with any such future climate change and GHG regulatory requirements, it could have a material adverse impact on our or our customers' or tenants' business, financial condition and results of operations. Further, to the extent financial markets view climate change and GHG emissions as a financial risk, this could negatively impact our cost of or access to capital. Climate change and GHG regulation could also reduce the demand for hydrocarbons and, ultimately, demand for utilization of our energy infrastructure assets related to the production and distribution of hydrocarbons. Finally, it should be noted that studies suggest that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of hurricanes and other storms, floods and related climatic events. If any such effects were to occur, they could have an adverse effect on our assets and operations, particularly an offshore asset such as our previous ownership in GIGS.

Pipeline safety integrity programs and repairs may impose significant costs and liabilities on the systems of Crimson and MoGas or other operating assets we may acquire.

Regulations administered by the Federal Office of Pipeline Safety within DOT's PHMSA require pipeline operators to develop integrity management programs to comprehensively evaluate certain areas along their pipelines and to take additional measures to protect certain pipeline segments. As an operator, both Crimson and MoGas are, and any other systems or facilities we may acquire and operate in reliance on the PLR are likely to be, required to:

- perform ongoing assessments of pipeline or asset integrity;
- identify and characterize applicable threats to pipeline or asset segments that could impact a high consequence area;
- improve data collection, integration and analysis;
- repair and remediate the pipeline or asset as necessary; and
- implement preventative and mitigating actions.

Both Crimson and MoGas are required to maintain pipeline integrity testing programs that are intended to assess pipeline integrity. Any repair, remediation, preventative or mitigating actions could require significant capital and operating expenditures. The regulations implementing these laws are constantly evolving; pursuant to its reauthorization under the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016 (the "PIPES Act"), PHMSA has adopted and continues to adopt rules implementing its emergency order authority over pipelines, revising federal pipeline safety regulations related to underground natural gas storage facilities, and imposing additional requirements on the transportation of natural gas and hazardous liquids by pipeline, including more stringent standards for plastic pipe. Compliance with new or more stringent laws or regulations, or stricter interpretation of existing laws, could significantly increase compliance costs. Should Crimson or MoGas fail to comply with the Federal Office of Pipeline Safety's rules and related regulations and orders, we could be subject to significant penalties and fines, including potential future increases in applicable penalty amounts to reflect inflation, which could have a material adverse effect on our business, results of operations and financial condition. PHMSA also may apply to other systems at facilities that we, in reliance on the PLR, may acquire and operate in the future.

Our operations, as well as those of our customers and tenants, are subject to operational hazards and unforeseen interruptions. If a significant accident or event occurs that results in a business interruption or shutdown for which we or any tenant operators are not adequately insured, such operations and our financial results could be materially adversely affected.

Our assets are subject to many hazards inherent in the transmission of energy products and provision of related services, including:

- aging infrastructure, mechanical or other performance problems;
- damage to pipelines, facilities and related equipment caused by tornadoes, hurricanes, floods, fires, extreme weather events, and other natural disasters, explosions and acts of terrorism;
- inadvertent damage from third parties, including from construction, farm and utility equipment;
- leaks of natural gas and other hydrocarbons or losses of natural gas as a result of the malfunction of equipment or facilities;
- operator error; and
- environmental hazards, such as natural gas leaks, product and waste spills, pipeline and tank ruptures, and unauthorized discharges of products, wastes and other pollutants into the surface and subsurface environment, resulting in environmental pollution; and explosions.

These risks could result in substantial losses due to personal injury and/or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in curtailment or suspension of our or any tenants' related operations or services. A natural disaster or other hazard affecting the areas in which we or any tenants operate could have a material adverse effect on our operations and the financial results of our business.

We depend on certain key customers for a significant portion of our revenues. The loss of any such key customers, or a reduction in their transported volumes, could result in a decline in our business.

We depend on certain key customers for a significant portion of our revenues, particularly operating revenues from Crimson and MoGas, related to fees for the transportation of crude oil and natural gas through their respective pipeline systems. The loss of all or even a portion of their volumes or contracts, as a result of competition, creditworthiness, inability to negotiate extensions or replacements of contracts, decisions of refineries to alter their crude oil feedstock or otherwise, could have a material adverse effect on the business, financial condition and results of our operations, unless we are able to offset the lost volumes or contracts through a combination of new volumes, contracts and/or increased tariffs.

Pandemics, epidemics or disease outbreaks, such as the COVID-19 pandemic, have and may continue to adversely affect local and global economies and our business, operations or financial results.

Disruptions caused by pandemics, epidemics or disease outbreaks, in locations in which we operate or globally, could materially adversely affect our business, operations, financial results and forward-looking expectations. The COVID-19 pandemic has had repercussions across local, national and global economies and financial markets. As a result, there was been a decline in the demand for, and thus also the market prices of, oil and natural gas and other products of our customers and tenants. The impacts of the COVID-19 pandemic are expected to continue for future periods, which we are unable to reasonably predict due to numerous uncertainties, including the duration and severity of the pandemic.

The World Health Organization declared COVID-19 to be a pandemic on March 11, 2020. In response to the rapid global spread of COVID-19, governments enacted emergency measures to combat the spread of the virus. These measures included restrictions on business activity and travel, as well as requirements to isolate or quarantine. These actions interrupted business activities and supply chains, disrupted travel and adversely impacted national and international economic conditions, including commodity prices and demand for energy, as well as the labor market.

These factors, coupled with the emergence of decreasing business and consumer confidence and increasing unemployment resulting from the COVID-19 outbreak and the abrupt oil price declines experienced in 2020, precipitated an economic slowdown. Any prolonged period of economic slowdown or recession, or a protracted period of depressed prices for the products of our customers and tenants, could have significant adverse consequences for their financial condition and, subsequently, our financial condition, and could diminish our liquidity. For instance, during 2020 the worsening of our estimated future cash flows with respect to properties adversely impacted by the effects on our tenants of the COVID-19 pandemic, coupled with ongoing market and oil price volatility, resulted in substantial impairment charges with respect to the affected assets. A significant continuation of these effects in future periods could result in the recognition of additional future asset impairment charges, which adversely impact our financial results.

While the worldwide vaccine rollouts in 2021 allowed governments to ease COVID-19 restrictions and lockdown protocols and business activity improved, given the ongoing and dynamic nature of the circumstances surrounding the COVID-19 pandemic, it is difficult to predict how significant the continuing impact of this pandemic, including any responses to it, will be on the United States or global economies or our business, or for how long disruptions are likely to continue. Concerns regarding increasing infection rates (including an increase in COVID-19 cases resulting from the Omicron variant) have, in some cases, resulted in renewed lockdowns and other restrictions being imposed in some of the affected areas and such measures could be imposed in or affect other areas, and increasing rates of infection could lead to the workforce being absent due to illness or quarantine, all of which could lead to further economic instability and decreased demand for crude oil. The extent to which the COVID-19 pandemic and resulting governmental response may continue to impact our business and results of operations will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning the disease (including the discovery of strains that are more transmissible or virulent, such as the Omicron variant), the efficacy and distribution of available vaccines or boosters thereto, evolving governmental and private sector actions to contain the pandemic or treat its health, economic and other impacts and factors.

There can be no assurance that our strategies to address potential disruptions will mitigate these risks or the adverse impacts to our business, operations and financial results. Future adverse impacts to our business, operations and financial results may materialize that are not yet known. In addition, disruptions related to the COVID-19 pandemic have had, or could have, the effect of heightening many of the other risks described in this Item 1A – Risk Factors.

We are exposed to the credit risk of our customers and tenants and our credit risk management may not be adequate to protect against such risk.

We are subject to the risk of loss resulting from nonpayment and/or nonperformance by our tenants and customers. Our credit procedures and policies may not be adequate to fully eliminate such credit risk. If we fail to adequately assess the creditworthiness of any tenants or customers, unanticipated deterioration in their creditworthiness and any resulting increase in nonpayment and/or nonperformance by them and inability to re-market the resulting capacity, or re-lease the underlying assets, could have a material adverse effect on our business, financial condition and results of operations. We may not be able to effectively re-market such capacity, or re-lease such assets, during and after bankruptcy or insolvency proceedings involving a customer or tenant.

Our assets and operations, as well as those of our customers and tenants and other investees, can be affected by extreme weather patterns and other natural phenomena.

Our assets and operations, as well as those of our customers and tenants and other investees, can be adversely affected by floods, hurricanes, earthquakes, landslides, tornadoes, fires and other natural phenomena and weather conditions, including extreme or unseasonable temperatures, making it more difficult for us to realize the historic rates of return associated with our assets and operations. These events also could result in significant volatility in the supply of energy and power, which might create fluctuations in commodity prices and earnings of companies in the energy infrastructure sector. A significant disruption in our operations or those of our customers, tenants or investees, or a significant liability for which we or any affected customer, tenant or investee is not fully insured, could have a material adverse effect on our business, results of operations, and financial condition. Moreover, extreme weather events could adversely impact the valuation of our energy infrastructure assets.

The operation of our energy infrastructure assets could be adversely affected if third-party pipelines, railroads or other facilities interconnected to our facilities become partially or fully unavailable.

Our facilities, as well as those of our tenants, may connect to other pipelines, railroads or facilities owned by third parties. Both we and any such tenants depend upon third-party pipelines and other facilities that provide delivery options to and from such facilities. For example, MoGas' pipeline interconnects, directly or indirectly, with most major interstate pipelines in the eastern portion of the U.S. and a significant number of intrastate pipelines. Because we do not own these third-party facilities, their continuing operation is not within our control. Accordingly, these pipelines and other facilities may become unavailable, or available only at a reduced capacity. If these pipeline connections were to become unavailable to us or any applicable tenants for current or future volumes of products due to repairs, damage, lack of capacity, governmental permitting issues or any other reason, our ability, or the ability of such tenants, to operate efficiently and continue shipping products to end markets could be restricted, thereby reducing revenues. Likewise, if any of these third-party pipelines or facilities becomes unable to transport any products distributed or transported through our or our tenants' facilities, our or such tenants' business, results of operations and financial condition could be adversely affected, which could adversely affect our ability to make cash distributions to our stockholders.

The relative illiquidity of our real property and energy infrastructure asset investments may interfere with our ability to sell our assets when we desire.

Investments in real property and energy infrastructure assets are relatively illiquid compared to other investments. Accordingly, we may not be able to sell such assets when we desire or at prices acceptable to us in response to changes in economic or other conditions. This could substantially reduce the funds available for satisfying our obligations and for distribution to our stockholders.

Risks Related to Our Ownership Interest in Crimson

We have significant assets which are held as ownership interests in Crimson, whose operations we do not fully control.

We have significant assets which are held as ownership interests in Crimson that include crude oil pipelines, and a crude tank storage and terminal system. As a result, our ability to make distributions to our stockholders will depend to a significant extent on the performance of this entity and its ability to distribute funds to us. More specifically:

- pending receipt of CPUC Approval we own 49.50 percent of the voting membership interests in Crimson Midstream Holdings, and it is managed by its own governing board, the current members of which are David Schulte, Todd Banks, John Grier and Larry Alexander. Our ability to influence decisions with respect to the operation of Crimson Midstream Holdings is subject to the terms of its Third Amended and Restated Operating Agreement, which require supermajority board approval of distributions to us and the Grier Members and, prior to receipt of the CPUC Approval, give John Grier effective control over operating decisions relating to the majority of the entity's assets;

- we may not have the ability to unilaterally require Crimson to make capital expenditures, such capital expenditures may require us to make additional capital contributions to fund operating and maintenance expenditures, as well as to fund expansion capital expenditures, which would reduce the amount of cash otherwise available for distribution by us or require us to incur additional indebtedness;

- Crimson may incur additional indebtedness upon receipt of a super majority board approval of the Company and Grier Members, which debt payments would reduce the amount of cash that might otherwise be available for distribution;

- our assets are operated by entities that we do not control except for certain material decisions and actions that require supermajority approval; and

- the operator of the assets held by Crimson could change, in some cases without our consent. For more information on the agreements governing the management and operation of Crimson, see Part IV, Item 15, Note 21 ("Subsequent Events") included in this Report.

We may not receive CPUC approval which would allow the Company to control the operations of the CPUC regulated assets.

The CPUC requires approval for any change of control of a regulated asset. John Grier is currently the person deemed to control Crimson's California assets regulated by the CPUC. Evidence of such control is supported by the Crimson Transaction documents. On February 12, 2021, Crimson filed an 854 Application with the CPUC which requests CPUC approval for the Company to control the regulated assets. While this approval is expected to occur in 2022, we cannot give any assurance that the Company will receive this approval and ultimately be able to directly control these assets.

On December 8, 2021, we petitioned before the CPUC to seek approval for the purchase of the remaining 50.62 percent of Crimson Midstream Holdings. On February 22, 2022, we received an additional request for information from the CPUC and we are currently preparing a response to this request to be provided on or before March 31, 2022. We maintain continuous dialog with the CPUC.

Crimson's insurance coverage may not be sufficient to cover our losses in the event of an accident, natural disaster or other hazardous event.

Crimson's operations are subject to many hazards inherent in our industry. Such assets may experience physical damage as a result of an accident or natural disaster. These hazards also can cause, and in some cases have caused, personal injury and loss of life, severe damage to and destruction of property and equipment, pollution or environmental damage, and suspension of operations. We maintain a comprehensive insurance program for us, our subsidiaries and certain of our affiliates to mitigate the financial impacts arising from these hazards. This program includes insurance coverage in types and amounts and with terms and conditions that are generally consistent with coverage customary for our industry; however, insurance does not cover all events in all circumstances.

In the unlikely event that multiple insurable incidents that in the aggregate exceed coverage limits occur within the same insurance period, the total insurance coverage will be allocated among our entities on an equitable basis based on an insurance allocation agreement among us and our subsidiaries. Additionally, even with insurance, if any natural disaster or other hazardous event leads to a catastrophic interruption in operations, we may not be able to restore operations without significant interruption.

The energy industry is highly capital intensive, and the entire or partial loss of individual facilities or multiple facilities can result in significant costs to both energy industry companies, such as us, and their insurance carriers. In recent years, several large energy industry claims have resulted in significant increases in the level of premium costs and deductible periods for participants in the energy industry. As a result of large energy industry claims, insurance companies that have historically participated in underwriting energy-related facilities may discontinue that practice, may reduce the insurance capacity they are willing to offer or demand significantly higher premiums or deductible periods to cover these facilities. If significant changes in the number or financial solvency of insurance underwriters for the energy industry occur, or if other adverse conditions over which we have no control prevail in the insurance market, we may be unable to obtain and maintain adequate insurance at a reasonable cost. The unavailability of full insurance coverage to cover events in which the entities in which we own an interest suffer significant losses could have a material adverse effect on our business, financial condition and results of operations.

If third-party pipelines, refineries, and other facilities interconnected to Crimson's pipelines, become unavailable to transport, produce, or store crude oil, Crimson's revenue and available cash could be adversely affected.

Crimson depends upon third-party pipelines, refineries, and other facilities that provide delivery options to and from its pipelines and terminal facilities. Their continuing operation is not within Crimson's control. For example, wildfires in California may require exploration and production facilities as well as refineries to shut down. These shutdowns could cause a reduction of future volumes of crude oil, damage to the facility, lack of capacity, shut-in by regulators or any other reason, leaks, or require shut-in due to regulatory action or changes in law, all of which could negatively impact Crimson's ability to operate efficiently thereby reducing revenue. Disruptions at refineries that use Crimson's pipelines, such as strikes or other disruptions can also have an adverse impact on the volume of products Crimson ships. Any temporary or permanent interruption at any key pipeline or terminal interconnect, any termination of any material connection agreement, or adverse change in the terms and conditions of service, could have a material adverse effect on Crimson's business, results of operations, financial condition or cash flows, including Crimson's ability to make cash distributions to us that help fund distributions to our stockholders.

Any significant decrease in production of crude oil in areas in which Crimson operates could reduce the volumes of crude oil Crimson transports and stores, which could adversely affect our revenue and available cash.

Crimson's crude oil pipelines and terminal system depend on the continued availability of crude oil production and reserves. Low prices for crude oil could adversely affect development of additional reserves and continued production from existing reserves that are accessible by Crimson's assets.

California crude oil prices have fluctuated significantly over the past few years, often with drastic moves in relatively short periods of time. The current global, geopolitical, domestic policy and economic uncertainty may contribute to future volatility in financial and commodity markets in the near to medium term.

In general terms, the prices of crude oil and other hydrocarbon products fluctuate in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond our control. These factors impacting crude oil prices include worldwide economic conditions (such as the ongoing COVID-19 pandemic and its effects); weather conditions and seasonal trends; the levels of domestic production and consumer demand; the availability of imported crude oil; the availability of transportation systems with adequate capacity; actions by the Organization of the Petroleum Exporting Countries and other oil producing nations; the effect of energy conservation measures; the strength of the U.S. dollar; the nature and extent of governmental regulation and taxation; and the anticipated future prices of crude oil and other commodities.

While we saw an increase in both the demand for and price of crude oil in 2021, continuing into 2022, it is not without continued volatility. This volatility has had and may continue to have a negative impact on exploration, development and production activity, particularly in the continental United States. If lower prices return and are sustained, it could lead to a material decrease in such activity. Sustained reductions in exploration or production activity in our areas of operation could lead to reduced utilization of Crimson's pipelines. Any such reduction in demand or less attractive terms could have a material adverse effect on our results of operations, financial position and ability to make or increase cash distributions to our stockholders.

In addition, production from existing areas with access to Crimson's pipeline and terminal systems will naturally decline over time. The amount of crude oil reserves underlying wells in these areas may also be less than anticipated, and the rate at which production from these reserves declines may be greater than anticipated. Accordingly, to maintain or increase the volume of crude oil transported, or throughput, on Crimson's pipelines, or stored in its terminal system, and cash flows associated with the transportation and storage of crude oil, Crimson's customers must continually obtain new supplies of crude oil.

Crimson does not own all of the land on which its assets are located, which could result in disruptions to Crimson's operations.

Crimson does not own all of the land on which its assets are located, and is, therefore, subject to the possibility of more onerous terms and increased costs to retain necessary land use if Crimson does not have valid leases or rights-of-way or if such leases or rights-of-way lapse or terminate. Crimson obtains the rights to construct and operate its assets on land owned by third parties and some of the agreements may grant Crimson those rights for only a specific period of time. Crimson's loss of these or similar rights, through the inability to renew leases, right-of-way contracts or otherwise, or inability to obtain easements at reasonable costs could have a material adverse effect on Crimson's business, results of operations, financial condition and cash flows, including Crimson's ability to make cash distributions to us that help fund distributions to our stockholders.

Crimson's assets were constructed over many decades which may cause its inspection, maintenance or repair costs to increase in the future. In addition, there could be service interruptions due to unknown events or conditions or increased downtime associated with Crimson's pipelines that could have a material adverse effect on our business and results of operations.

Crimson's pipelines and storage terminals were constructed over many decades. Pipelines and storage terminals are generally long-lived assets, and construction and coating techniques have varied over time. Depending on the era of construction, some assets will require more frequent inspections, which could result in increased maintenance or repair expenditures in the future. Any significant increase in these expenditures could adversely affect our business, results of operations, financial condition or cash flows.

Crimson's financial results primarily depend on the outcomes of regulatory and ratemaking proceedings and Crimson may not be able to manage its operating expenses and capital expenditures so that it is able to earn its authorized rate of return in a timely manner or at all.

As a regulated entity, Crimson's tariffs are set by the CPUC on a prospective basis and are generally designed to allow Crimson to collect sufficient revenues to recover reasonable costs of providing service, including a return on its capital investments. Crimson's financial results could be materially affected if the CPUC does not authorize sufficient revenues for Crimson to safely and reliably serve its customers and earn its authorized return of equity. The outcome of Crimson's ratemaking proceedings can be affected by many factors, including the level of opposition by intervening parties; potential rate impacts; increasing levels of regulatory review; changes in the political, regulatory, or legislative environments; and the opinions of Crimson's regulators, consumer and other stakeholder organizations, and customers, about Crimson's ability to provide safe and reliable oil transportation pipeline transportation.

In addition to the amount of authorized revenues, Crimson's financial results could be materially affected if Crimson's actual costs to safely and reliably serve its customers differ from authorized or forecast costs. Crimson may incur additional costs for many reasons including changing market circumstances, unanticipated events (such as wildfires, storms, earthquakes, accidents, or catastrophic or other events affecting Crimson's operations), or compliance with new state laws or policies. Although Crimson may be allowed to recover some or all of the additional costs, there may be a substantial delay between when Crimson incurs the costs and when Crimson is authorized to collect revenues to recover such costs. Alternatively, the CPUC may disallow costs that they determine were not reasonably or prudently incurred by Crimson.

Some of our directors and officers may have conflicts of interest with respect to certain other business interests related to the Crimson Transaction.

John D. Grier and certain affiliated trusts of Mr. Grier (collectively with Mr. Grier, the "Grier Members") hold certain limited liability company interests in Crimson, which were received in connection with the Crimson Transaction and relate to their prior equity interests in certain pre-transaction properties of Crimson. Prior to any later exchange of these limited liability company interests for common or preferred stock of the Company, the Grier Members will have tax consequences that differ from those of the Company and the Company's public stockholders upon the sale of, or certain changes to the debt encumbering, any of these properties. Accordingly, the Company, on the one hand, and the Grier Members, on the other hand, may have different objectives regarding the terms of any such future transactions related to such properties. Under the terms of the Third Amended and Restated Operating Agreement of Crimson, the approval of any action, or of a failure to take any action, that could impact the Company's ability to continue to qualify as a REIT, requires the approval of a supermajority of the members of Crimson's Board of Managers (consisting of the initial Crimson Managers, John D. Grier and Larry W. Alexander, and the initial CORR Managers, David J. Schulte and Todd Banks).

Violations of data protection laws carry fines and expose us to criminal sanctions and civil suits.

Along with our own confidential data and information in the normal course of our business, we, as well as Crimson and its affiliates, collect and retain significant volumes of data, some of which are subject to certain laws and regulations. The regulations regarding the transfer and use of this data domestically is becoming increasingly complex. This data is subject to governmental regulation at the federal, state, and local levels in many areas of our business, including data privacy and security laws, such as the California Consumer Privacy Act ("CCPA"). These laws may also expose us to significant liabilities and penalties if any company we acquire has violated or is not in compliance with applicable data protection laws.

The CCPA became effective on January 1, 2020 and gives California residents specific rights regarding their personal information, requires that companies take certain actions, including notifications of security incidents, and applies to activities regarding personal information that may be collected by us, directly or indirectly, from California residents. In addition, the CCPA grants California residents statutory private rights of action in the case of a data breach. As interpretation and enforcement of the CCPA evolves, it creates a range of new compliance obligations, which could cause us to change our business practices, with the possibility of significant financial penalties for noncompliance that may materially adversely affect our business, reputation, results of operations and cash flows.

Crimson's pipeline loss allowance exposes us to commodity risk.

Crimson's transportation agreements and tariffs for crude oil shipments include a pipeline loss allowance. Crimson collects pipeline loss allowance to reduce its exposure to differences in crude oil measurement between origin and destination meters, which can fluctuate. This arrangement exposes us to risk of financial loss in some circumstances, including when the crude oil is received from the connecting carrier using different measurement techniques, or resulting from solids and water produced from the crude oil. It is not always possible for us to completely mitigate the measurement differential. If the measurement differential exceeds the loss allowance, the pipeline must make the customer whole for the difference in measured crude oil. Additionally, Crimson takes title to any excess product that it transports when product losses are within the allowed levels, and regularly sell that product at prevailing market prices. This allowance oil revenue is subject to more volatility than transportation revenue, as it is directly dependent on Crimson's measurement capability and prevailing commodity prices.

Our forecasted assumptions may not materialize as expected on Crimson's expansion projects, acquisitions and divestitures.

We and Crimson evaluate expansion projects, acquisitions and divestitures on an ongoing basis. Planning and investment analysis is highly dependent on accurate forecasting assumptions and to the extent that these assumptions do not materialize, financial performance may be lower or more volatile than expected. Volatility and unpredictability in the economy, both locally and globally, a change in both expected volume flows and cost estimates, project scoping and risk assessment could result in a loss of our profits.

Our business requires the retention and recruitment of a skilled workforce, and difficulties recruiting and retaining our workforce could result in a failure to implement our business plans.

The operations and management of both Crimson and the Company's other assets require the retention and recruitment of a skilled workforce, including engineers, technical personnel and other professionals. We and our affiliates compete with other companies in the energy industry for this skilled workforce. If we are unable to retain current employees and/or recruit new employees of comparable knowledge and experience, our business could be negatively impacted. In addition, we could experience increased costs to retain and recruit these professionals.

Risks Related to Our Ownership and Operation of MoGas or Other Assets

MoGas' natural gas transmission operations, and related customer revenue agreements, are subject to regulation by FERC.

MoGas' business operations are subject to regulation by FERC, including the types and terms of services MoGas may offer to its customers, construction of new facilities, expansion of current facilities, creation, modification or abandonment of services or facilities, record keeping and relationships with affiliated companies. Compliance with these requirements can be costly and burdensome and FERC action in any of these areas could adversely affect MoGas' ability to compete for business, construct new facilities, expand current facilities, offer new services, recover the full cost of operating its pipelines or earn its authorized rate of return. This regulatory oversight can result in longer lead times or additional costs to develop and complete any future project than competitors that are not subject to FERC's regulations. To the extent we, in reliance on the PLR, acquire and operate other facilities or systems, those facilities or systems may similarly be subject to FERC regulatory oversight.

In addition, the rates MoGas can charge for its natural gas transmission operations are regulated by FERC pursuant to the Natural Gas Act of 1938 ("NGA") as follows:

- MoGas may only charge rates that have been determined to be just and reasonable by FERC, subject to a prescribed maximum and minimum, and is prohibited from unduly preferring or unreasonably discriminating against any person with respect to its rates or terms and conditions of service.
- MoGas' existing rates may be challenged in a proceeding before FERC, which may reduce MoGas' rates if FERC finds the rates are not just and reasonable or are unduly preferential or unduly discriminatory. Proposed rate increases may be challenged by protest and allowed to go into effect subject to refund. Even if a rate increase is permitted by FERC to become effective, the rate increase may not be adequate.

To the extent MoGas' costs increase in an amount greater than its revenues increase, or there is a lag between MoGas' cost increases and its ability to file for and obtain rate increases, MoGas' operating results would be negatively affected.

Should FERC find that MoGas has failed to comply with any applicable FERC-administered statutes, rules, regulations, and orders, or with the terms of MoGas' tariffs on file with FERC, MoGas could be subject to substantial penalties and fines. Under the Energy Policy Act of 2005 ("EPAct 2005"), FERC has civil penalty authority under the NGA and Natural Gas Policy Act of 1978 ("NGPA") to impose penalties for violations of up to approximately $1.4 million per day for each violation, to revoke existing certificate authority and to order disgorgement of profits associated with any violation.

We cannot give any assurance regarding potential future regulations under which MoGas will operate its natural gas transmission business, or the effect that any changes in such future regulations, or in MoGas' agreements with its customers could have on MoGas' business, financial condition and results of operations.

Following expiration of the current transportation agreements with MoGas' customers, MoGas’ revenues from these customers will once again be generated under agreements that are subject to cancellation on an annual basis.

Once the term of MoGas' current firm transportation pricing arrangements with its customers, Spire and Ameren, expire, revenues for MoGas' business with such other customers will once again be generated under transportation agreements which renew automatically on a year-to-year basis, but will be subject to cancellation by the customer or MoGas on 365 days' notice. When that occurs, if MoGas is unable to succeed in replacing any agreements canceled by its customers or itself that account for a significant portion of its revenues, or in renegotiating such agreements on terms substantially as favorable as the existing agreements, MoGas could suffer a material reduction in its revenues, financial results and cash flows. The maintenance or replacement of agreements with MoGas' customers at rates sufficient to maintain current or projected revenues and cash flows ultimately depends on a number of factors beyond its control, including competition from other pipelines, the proximity of supplies to the markets, and the price of, and demand for, natural gas. In addition, changes in state regulation of local distribution companies may cause them to exercise their cancellation rights in order to turn back their capacity when the agreements expire.

MoGas competes with other pipelines.

The principal elements of competition among pipelines are availability of capacity, rates, terms of service, access to supplies, flexibility, and reliability of service. Additionally, FERC's policies promote competition in natural gas markets by increasing the number of natural gas transmission options available to MoGas' customer base. Any current or future pipeline system or other form of transmission that delivers natural gas into the areas that MoGas serves could offer transmission services that are more desirable to shippers than those MoGas provides because of price, location, facilities or other factors. Increased competition could reduce the volumes of product MoGas transports, result in a reduction in the rates MoGas is able to negotiate with its customers, or cause customers to choose to ship their product on a different competing pipeline. Any one of these consequences could have a material adverse impact on MoGas, or on the operations of any other pipeline owned by the Company. These competitive considerations also could intensify the negative impact of factors that adversely affect the demand for MoGas' services, such as adverse economic conditions, weather, higher fuel costs and taxes or other regulatory actions that increase the cost, or limit the use, of products MoGas transports.

Risks Related to Our Investments in Leases

We may be subject to risks involved in single tenant leases.

Prior to the acquisition of Crimson, a significant portion of our acquisition activities were focused on real properties that were triple-net leased to single tenants. Under these arrangements, the financial failure of, or other default by, a single tenant under its lease: (i) is likely to cause a significant reduction in the operating cash flow generated by the property leased to that tenant, (ii) might decrease the value of that property, and (iii) could expose us to 100 percent of all applicable operating costs.

In addition, if we determine that a renewal of such a lease with any tenant of an energy infrastructure asset is not in the best interests of our stockholders, if a tenant determines it no longer wishes to be the tenant under such a lease upon its expiration, if we desire to terminate a lease as a result of a breach of that lease by the tenant or if we lose any tenant as a result of such tenant's bankruptcy, then in each circumstance we would need to identify a new tenant for any such lease. To the extent that we encounter these issues with respect to any future investments in similar leases, we may not be able to identify a new tenant, as interest in leasing certain of these assets could be dependent on ownership of an interest in nearby mineral rights. There is no assurance that we would be able to identify a qualified and reputable operator of such energy infrastructure assets with the wherewithal and capability of acting as a potential replacement tenant, or that we could enter into a new lease with any such tenant on terms that are as favorable as the lease terms that were in place with the prior tenant.

Net leases may not result in fair market lease rates over time.

We expect a large portion of any future leasing revenue to come from net leases. Net leases typically have longer lease terms and, thus, there is an increased risk that if market rental rates increase in future years, the rates under any net leases in which we may invest will be less than fair market rental rates during those years. As a result, our income and distributions could be lower than they would otherwise be if we did not engage in net leases. Historically, we have sought to include a clause in each lease that provides increases in rent over the term of the lease, as well as participating features based on increases in the tenant's utilization of the underlying asset, but there can be no assurance we would be successful in obtaining such a clause with respect to any future net lease investments.

If a tenant declares bankruptcy and such action results in a rejection of the lease, or if the sale-leaseback transaction is challenged as a fraudulent transfer or re-characterized in the lessee company's bankruptcy proceeding, our business, financial condition and cash flows could be adversely affected.

Historically, we have entered into sale-leaseback transactions, whereby we purchase an energy infrastructure property and then simultaneously lease the same property back to the seller. If a lessee company declares bankruptcy, our business could be adversely affected. Any bankruptcy filings by any future tenants could bar us from collecting pre-bankruptcy debts from that tenant or their property, unless we receive an order permitting us to do so from the bankruptcy court. A tenant bankruptcy can be expected to delay our efforts to collect past due balances under our leases and loans, and could ultimately preclude collection of these sums. If a lease is assumed by a tenant in bankruptcy, we expect that all pre-bankruptcy balances due under the lease would be paid to us in full. However, if a lease is rejected by a tenant in bankruptcy, we would have only a general unsecured claim for damages. Any secured claims we have against our tenants may only be paid to the extent of the value of the collateral, which may not cover any or all of our losses. Any unsecured claim (such as our equity interests in our tenants) we hold against a bankrupt entity may be paid only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims. We may recover none or substantially less than the full value of any unsecured claims, which would harm our financial condition. In addition, a tenant may assert in a bankruptcy proceeding that its lease should be re-characterized as a financing agreement or a joint venture. If the lease was re-characterized as a financing arrangement, our rights and remedies as a lender, compared to our rights and remedies as a landlord, we would no longer have the right to sell or encumber the property and may or may not have a secured interest. If the sale-leaseback were re-characterized as a joint venture, our tenant and we could be treated as co-venturers with regard to the property. As a result, we could be held liable, under some circumstances, for debts incurred by the tenant relating to the property.

Risk Related to Rising Inflation

We may be negatively impacted by inflation.

Increases in inflation may have an adverse effect on us. Current and future inflationary effects may be driven by, among other things, supply chain disruptions and governmental stimulus or fiscal policies. Continuing increases in inflation could impact the commodity markets generally, the overall demand for the use of our energy infrastructure assets, and our costs for labor, material and services, all of which could have an adverse impact on our business, financial position, results of operations and cash flows. Inflation may also result in higher interest rates, which in turn would result in higher interest expense related to our variable rate indebtedness and any borrowings we undertake to refinance existing fixed rate indebtedness.

Risks Related to Financing Our Business

Our indebtedness could have important consequences, including impairing our ability to obtain additional financing or pay future distributions, as well as subjecting us to the risk of foreclosure on any mortgaged properties in the event of non-payment of the related debt.

As of December 31, 2021, we had outstanding consolidated indebtedness of approximately $219.1 million. Our leverage could have important consequences. For example, it could:

- result in the acceleration of a significant amount of debt for non-compliance with the terms of such debt or, if such debt contains cross-default or cross-acceleration provisions, other debt;
- materially impair our ability to borrow undrawn amounts under existing financing arrangements or to obtain additional financing or refinancing on favorable terms or at all;
- limit our ability to pay distributions by restricting cash flow from some of our subsidiaries unless certain conditions are satisfied, including without limitation, no default or event of default, compliance with financial covenants, minimum undrawn availability under certain revolving credit facilities, and available free cash flow;
- require us to dedicate a substantial portion of our cash flow to paying principal and interest on our indebtedness, thereby reducing the cash flow available to fund our business, to pay distributions, including those necessary to maintain REIT qualification, or to use for other purposes;
- increase our vulnerability to economic downturns;
- limit our ability to withstand competitive pressures; or
- reduce our flexibility to respond to changing business and economic conditions.

If we were to violate one or more financial covenants under our debt agreements, the lenders could declare us in default and could accelerate the amounts due under a portion or all of our outstanding debt. Further, a default under one debt agreement could trigger cross-default provisions within certain of our other debt agreements.

Additionally, the Indenture for the 5.875% Convertible Notes specifies events of default, including default by us or any of our 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 ours and/or any such subsidiary, resulting in such indebtedness becoming or being declared due and payable prior to its stated maturity.

Further, we expect to mortgage many of our properties to secure payment of indebtedness. If we are unable to meet mortgage payments, such failure could result in the loss of assets due to foreclosure and transfer to the mortgagee or sale on unfavorable terms with a consequent loss of income and asset value. A foreclosure of one or more of our properties could create taxable income without accompanying cash proceeds, and could adversely affect our financial condition, results of operations, cash flow, and ability to service debt and make distributions and the market price of our stock.

We face risks associated with our dependence on external sources of capital.

In order to qualify as a REIT, we are required each year to distribute to our stockholders at least 90 percent of our REIT taxable income, and we will be subject to tax on our income to the extent it is not distributed. Because of this distribution requirement, we may not be able to fund all future capital needs from cash retained from operations. As a result, to fund capital needs, we must rely on third-party sources of capital, which we may not be able to obtain on favorable terms, if at all. Our access to third-party sources of capital depends upon a number of factors, including (i) general market conditions; (ii) the market's perception of our growth potential; (iii) our current and potential future earnings and cash distributions; and (iv) the market price of our capital stock. Additional debt financing may substantially increase our debt-to-total capitalization ratio. Additional equity issuances may dilute the holdings of our current stockholders.

Covenants in our loan documents could limit our flexibility and adversely affect our financial condition.

The terms of our various credit agreements and other indebtedness require us to comply with a number of customary financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. In addition, our ability to receive cash flow from some of our subsidiaries is subject to the satisfaction of certain conditions, including without limitation, no default or event of default, compliance with financial covenants, minimum undrawn availability under certain revolving credit facilities, and available free cash flow. These covenants may limit our flexibility in our operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if we had satisfied our payment obligations. If we were to default under credit agreements or other debt instruments, our financial condition would be adversely affected.

We face risks related to "balloon payments" and refinancings.

Certain of our mortgages will have significant outstanding principal balances on their maturity dates, commonly known as "balloon payments." There can be no assurance that we will be able to refinance the debt on favorable terms or at all. To the extent we cannot refinance this debt on favorable terms or at all, we may be forced to dispose of properties on disadvantageous terms or pay higher interest rates, either of which would have an adverse impact on our financial performance and ability to service debt and make distributions.

The transition away from LIBOR may adversely affect our cost to obtain financing.

Our variable rate indebtedness under the Crimson Credit Facility uses LIBOR as one benchmark for establishing the rate. LIBOR is the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms and other pressures may cause LIBOR to disappear entirely or to perform differently than in the past. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of our variable rate indebtedness.

The administrator for LIBOR ceased publishing certain U.S. dollar LIBOR tenors at the end of 2021 and will cease publishing all remaining U.S. dollar LIBOR tenors in mid-2023. Further, U.K. and U.S. regulatory authorities recently issued statements encouraging banks to cease entering into new USD LIBOR based loans by no later than December 31, 2021 and to continue to transition away from USD LIBOR based loans in preparation of IBA ceasing to calculate and publish LIBOR based rates on June 30, 2023. The Alternative Reference Rates Committee ("ARRC") has proposed that the Secured Overnight Financing Rate ("SOFR") is the rate that represents best practice as the alternative to USD-LIBOR for use in derivatives and other financial contracts that are currently indexed to USD-LIBOR. ARRC has proposed a paced market transition plan to SOFR from USD-LIBOR and organizations are currently working on industry wide and company specific transition plans as it relates to derivatives and cash markets exposed to USD-LIBOR. There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or financing costs to borrowers. We have material contracts that are indexed to USD-LIBOR and we are monitoring this activity and evaluating the related risks.

Risks Related to Our Convertible Notes

We expect that the trading price of the Convertible Notes will be significantly affected by the price of our Common Stock, which may be volatile.

The market price of our Common Stock, as well as the general level of interest rates and our credit quality, will likely significantly affect the market price of the Convertible Notes. This may result in significantly greater volatility in the trading price of the Convertible Notes than would be expected for nonconvertible debt securities we may issue.

We cannot predict whether the price of our Common Stock or interest rates will rise or fall. The market price of our Common Stock will be influenced by our operating results and prospects and by economic, financial, regulatory and other factors. General market conditions, including the level of, and fluctuations in, the trading prices of stocks generally, could affect the price of our Common Stock.

Holders who receive shares of our Common Stock upon the conversion of their Convertible Notes will be subject to the risk of volatile and depressed market prices of our Common Stock. There can be no assurances that the market price of our Common Stock will not fall in the future. A decrease in the market price of our Common Stock would likely adversely impact the trading price of the Convertible Notes.

The Convertible Notes are structurally subordinated to all liabilities of our existing or future subsidiaries.

Holders of the Convertible Notes do not and will not have any claim as a creditor against any of our present or future subsidiaries. Indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries are structurally senior to our obligations to holders of the Convertible Notes. In the event of a bankruptcy, liquidation, reorganization or other winding up of any of our subsidiaries, such subsidiaries will pay the holders of their debts, holders of any equity interests, including fund investors, and their trade creditors before they will be able to distribute any of their assets to us (except to the extent we have a claim as a creditor of such subsidiary). Any right that we have to receive any assets of any of the subsidiaries upon the bankruptcy, liquidation, reorganization or other winding up of those subsidiaries, and the consequent rights of holders of Convertible Notes to realize proceeds from the sale of any of those subsidiaries' assets, will be effectively structurally subordinated to the claims of those subsidiaries' creditors, including trade creditors and holders of any preferred equity interests of those subsidiaries.

The Convertible Notes are solely the obligations of the Company and are not guaranteed by any of our subsidiaries; whereas, our operations are conducted through, and substantially all of our consolidated assets are held by, our subsidiaries.

The Convertible Notes are our obligations exclusively and are not guaranteed by any of our operating subsidiaries. Substantially all of our consolidated assets are held by our subsidiaries. Accordingly, our ability to service our debt, including the Convertible Notes, depends on the results of operations of our subsidiaries and upon the ability of such subsidiaries to provide us with cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the Convertible Notes. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make payments on the Convertible Notes or to make any funds available for that purpose. In addition, dividends, loans or other distributions to us from such subsidiaries may be subject to contractual and other restrictions set forth in our current and future debt instruments and are subject to other business considerations.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Convertible Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

Regulatory actions may adversely affect the trading price and liquidity of the Convertible Notes.

Current and future regulatory actions and other events may adversely affect the trading price and liquidity of the Convertible Notes. We expect that many investors in, and potential purchasers of, the Convertible Notes will employ, or seek to employ, a convertible arbitrage strategy with respect to the Convertible Notes. Investors would typically implement such a strategy by selling short the Common Stock underlying the Convertible Notes and dynamically adjusting their short position while continuing to hold the Convertible Notes. Investors may also implement this type of strategy by entering into swaps on our Common Stock in lieu of or in addition to short selling the Common Stock.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, which may impact those engaging in short selling activity involving equity securities (including our Common Stock). Such rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc. and the national securities exchanges of a "Limit Up-Limit Down" program, the imposition of market-wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Any governmental or regulatory action that restricts the ability of investors in, or potential purchasers of, the Convertible Notes to effect short sales of our Common Stock, borrow our Common Stock or enter into swaps on our Common Stock could adversely affect the trading price and the liquidity of the Convertible Notes.

We may still incur substantially more debt or take other actions which would intensify the risks discussed above.

We and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. We are not restricted under the terms of the Indentures governing the Convertible Notes from incurring additional debt, securing existing or future debt, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the Indentures governing the Convertible Notes that could have the effect of diminishing our ability to make payments on the Convertible Notes when due. Our existing credit facilities restrict our ability to incur additional indebtedness, including secured indebtedness, but we may be able to obtain waivers of such restrictions or may not be subject to such restrictions under the terms of any subsequent indebtedness.

We may not have the ability to raise the funds necessary to repurchase the Convertible Notes upon a fundamental change.

Holders of the Convertible Notes have the right, at their option, to require us to repurchase for cash all of their Convertible Notes, or any portion of the principal thereof that is equal to $1,000, or a multiple of $1,000, upon the occurrence of a fundamental change, as set forth in the Indentures, at a fundamental change repurchase price equal to 100 percent of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest, if any, thereon to (but excluding) the fundamental change repurchase date. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Convertible Notes surrendered therefor. Our failure to repurchase Convertible Notes at a time when the repurchase is required by the Indentures would constitute a default under the Indentures. A default under the Indentures or the fundamental change itself could also lead to a default under agreements governing our existing or future indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase the Convertible Notes or make cash payments upon conversions thereof. Our ability to repurchase the Convertible Notes may also be limited by law or by regulatory authority.

Future sales of shares of our Common Stock or equity-linked securities in the public market, or the perception that they could occur, may depress the market price for our Common Stock and adversely impact the trading price of the Convertible Notes.

We may, in the future, sell additional shares of our Common Stock or equity-linked securities to raise capital. Sales of substantial amounts of additional shares of Common Stock or equity-linked securities, shares that may be sold by stockholders and shares of Common Stock underlying the Convertible Notes as well as sales of shares that may be issued in connection with future acquisitions or for other purposes, including to finance our operations and business strategy, or the perception that such sales could occur, may have an adverse effect on the trading price of the Convertible Notes and prevailing market prices for our Common Stock and our ability to raise additional capital in the financial markets at a time and price favorable to us. The price of our Common Stock could also be affected by possible sales of our Common Stock by investors who view the Convertible Notes as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity that we expect will develop involving our Common Stock.

We have also reserved a substantial amount of shares of our Common Stock in connection with the Convertible Notes, the issuance of which will dilute the ownership interests of existing stockholders. Any sales in the public market of the Common Stock issuable upon such issuance or conversion could adversely affect prevailing market prices of our Common Stock.

We are unable to predict the effect that sales, or the perception that our shares may be available for sale, will have on the prevailing market price of our Common Stock and the trading price of the Convertible Notes.

Holders of Convertible Notes are not entitled to any rights with respect to our Common Stock, but are subject to all changes made with respect to our Common Stock.

Holders of Convertible Notes are not entitled to any rights with respect to our Common Stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our Common Stock) prior to the conversion date with respect to any Convertible Notes they surrender for conversion, but are subject to all changes affecting our Common Stock. For example, if an amendment is proposed to our charter or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the conversion date related to a holder's conversion of its notes, then such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes affecting our Common Stock.

The Convertible Notes are not protected by restrictive covenants.

The Indentures governing the Convertible Notes do not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. The Indentures contain no covenants or other provisions to afford protection to holders of the Convertible Notes in the event of a fundamental change or other corporate transaction involving us except in limited circumstances as set forth in the Indentures. For example, events such as leveraged recapitalizations, refinancings, restructurings or acquisitions initiated by us may not constitute a fundamental change requiring us to repurchase the Convertible Notes. In the event of any such events, the holders of the Convertible Notes would not have the right to require us to repurchase the Convertible Notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the trading price of the Convertible Notes.

The increase in the conversion rate for 5.875% Convertible Notes converted in connection with a make-whole fundamental change or notice of redemption may not adequately compensate the holders for any lost value of their 5.875% Convertible Notes as a result of such make-whole fundamental change or redemption.

If a make-whole fundamental change occurs prior to the maturity date or if we deliver a notice of redemption, under certain circumstances as described in the Indenture for the 5.875% Convertible Notes, we will increase the conversion rate by a number of additional shares of our Common Stock for 5.875% Convertible Notes converted in connection with such make-whole fundamental change or notice of redemption. The increase in the conversion rate will be determined based on the date on which the specified corporate transaction that constitutes a make-whole fundamental change becomes effective or the date we deliver a notice of redemption and the price paid (or deemed to be paid) per share of our Common Stock in the make-whole fundamental change or the average of the last reported sale prices of our Common Stock over the five consecutive trading day period ending on, and including, the trading day immediately preceding the date of the notice of redemption (such average, the “redemption price”), as described in the Indenture for the 5.875% Convertible Notes. The increase in the conversion rate for 5.875% Convertible Notes converted in connection with a make-whole fundamental change or notice of redemption may not adequately compensate the holders for any lost value of their 5.875% Convertible Notes as a result of such transaction or redemption. In addition, if the price per share of our Common Stock paid (or deemed to be paid) in the transaction or the redemption price, as applicable, is greater than $65.00 per share or less than $44.25 per share (in each case, subject to adjustment), no additional shares will be added to the conversion rate. Moreover, in no event will the conversion rate per $1,000 principal amount of 5.875% Convertible Notes as a result of this adjustment exceed 22.5998 shares of our Common Stock, subject to adjustments in the same manner as the conversion rate as set forth under the terms of the Indenture for the 5.875% Convertible Notes.

Our obligation to increase the conversion rate or 5.875% Convertible Notes converted in connection with a make-whole fundamental change or notice of redemption could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness and equitable remedies.

The conversion rate of the Convertible Notes may not be adjusted for all dilutive events.

The conversion rate of the Convertible Notes is subject to adjustment for certain events, including, but not limited to, the issuance of certain stock dividends on our Common Stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness, or assets, cash dividends and certain issuer tender or exchange offers. However, the conversion rate will not be adjusted for other events, such as a third-party tender or exchange offer or an issuance of our Common Stock or derivative instruments for cash or an exercise or conversion of any derivative instrument, that may adversely affect the trading price of the Convertible Notes or our Common Stock. An event that adversely affects the value of the Convertible Notes may occur, and that event may not result in an adjustment to the conversion rate.

Some significant restructuring transactions and significant changes in the composition of our board may not constitute a fundamental change, in which case we would not be obligated to offer to repurchase the Convertible Notes.

Upon the occurrence of a fundamental change, holders of Convertible Notes have the right to require us to repurchase their Convertible Notes. However, the fundamental change provisions of the Indentures do not afford protection to holders of Convertible Notes in the event of other transactions that could adversely affect the Convertible Notes. For example, transactions such as leveraged recapitalizations, refinancings, restructurings, or acquisitions initiated by us may not constitute a fundamental change requiring us to repurchase the Convertible Notes. In the event of any such transaction, the holders would not have the right to require us to repurchase the Convertible Notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the holders of Convertible Notes.

In addition, absent the occurrence of a fundamental change, changes in the composition of our Board of Directors will not provide holders with the right to require us to repurchase the Convertible Notes or to an increase in the conversion rate upon conversion.

We have not registered the 5.875% Convertible Notes or the Common Stock issuable upon conversion of the 5.875% Convertible Notes which will limit the holders' ability to resell them.

The 5.875% Convertible Notes and the shares of Common Stock issuable upon conversion of the 5.875% Convertible Notes have not been registered under the Securities Act or any state securities laws. Unless the 5.875% Convertible Notes and the shares of Common Stock issuable upon conversion of the 5.875% Convertible Notes have been registered, the 5.875% Convertible Notes and such shares may not be transferred or resold except in a transaction exempt from or not subject to the registration requirements of the Securities Act and applicable state securities laws. We do not intend to file a registration statement for the resale of the 5.875% Convertible Notes and the Common Stock into which the 5.875% Convertible Notes are convertible.

An active trading market may not develop for the Convertible Notes or, if it develops, may not be maintained or be liquid.

We do not intend to apply to list the Convertible Notes on any securities exchange or to arrange for quotation on any automated dealer quotation system. The initial purchasers of the 5.875% Convertible Notes may cease their market-making of the Convertible Notes at any time without notice. In addition, the liquidity of the trading market in the Convertible Notes, and the market price quoted for the Convertible Notes, may be adversely affected by changes in the overall market for this type of security and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a result, an active trading market may not develop for the Convertible Notes. If an active trading market does not develop or is not maintained, the market price and liquidity of the Convertible Notes may be adversely affected. In that case holders of the Convertible Notes may not be able to sell their Convertible Notes at a particular time or they may not be able to sell their Convertible Notes at a favorable price.

The liquidity of the trading market, if any, and future trading prices of the Convertible Notes will depend on many factors, including, among other things, the market price of our Common Stock, prevailing interest rates, our financial condition, results of operations, business, prospects and credit quality relative to our competitors, the market for similar securities and the overall securities market. The liquidity of the trading market of the Convertible Notes may be adversely affected by unfavorable changes in any of these factors, some of which are beyond our control and others of which would not affect debt that is not convertible into capital stock. Historically, the market for convertible debt has been subject to disruptions that have caused volatility in prices of securities similar to the Convertible Notes. Market volatility could materially and adversely affect the Convertible Notes, regardless of our financial condition, results of operations, business, prospects or credit quality.

The Convertible Notes are not rated. Any adverse rating of the Convertible Notes may cause their trading price to fall.

We do not intend to seek a rating on the Convertible Notes. However, if a rating service were to rate the Convertible Notes and if such rating service were to lower its rating on the Convertible Notes below the rating initially assigned to the Convertible Notes or otherwise announces its intention to put the Convertible Notes on credit watch or to withdraw the rating, the trading price of the Convertible Notes could decline.

Upon conversion of the Convertible Notes, holders may receive less valuable consideration than expected because the value of our Common Stock may decline after they exercise their conversion right.

Under the Convertible Notes, a converting holder will be exposed to fluctuations in the value of our Common Stock during the period from the date such holder surrenders Convertible Notes for conversion until the date we settle our conversion obligation. We will be required to deliver the shares of our Common Stock, together with cash for any fractional shares, on the third business day following the relevant conversion date; and for any conversion that occurs on or after the record date for the payment of interest on the Convertible Notes at the maturity date, we will be required to deliver shares on the maturity date. Accordingly, if the price of our Common Stock decreases during this period, the value of the shares that the holders receive will be adversely affected and would be less than the conversion value of the Convertible Notes on the conversion date.

Conversion of the Convertible Notes may dilute the ownership interest of existing stockholders, including holders who had previously converted their Convertible Notes.

To the extent we issue shares of our Common Stock upon conversion of the Convertible Notes, the conversion of some or all of the Convertible Notes will dilute the ownership interests of existing stockholders. Any sales in the public market of shares of our Common Stock issuable upon such conversion of the Convertible Notes could adversely affect prevailing market prices of our Common Stock. In addition, the existence of the Convertible Notes may encourage short selling by market participants because the conversion of the Convertible Notes could be used to satisfy short positions, or anticipated conversion of the Convertible Notes into shares of our Common Stock could depress the price of our Common Stock

Provisions of the Convertible Notes could discourage an acquisition of us by a third party.

Certain provisions of the Indentures and the Convertible Notes could make it more difficult or more expensive for a third party to acquire us. Upon the occurrence of certain transactions constituting a fundamental change under the Indentures, holders of the Convertible Notes will have the right, at their option, to require us to repurchase all or a portion of their Convertible Notes. We may also be required to increase the conversion rate upon conversion or provide for conversion into the acquirer's capital stock in the event of certain fundamental changes. In addition, the Indentures and the Convertible Notes prohibit us from engaging in certain mergers or acquisitions unless, among other things, the surviving entity assumes our obligations under the Convertible Notes and the Indentures.

Holders of the Convertible Notes may be subject to tax if we make or fail to make certain adjustments to the conversion rate of the Convertible Notes even though they do not receive a corresponding cash distribution.

The conversion rate of the Convertible Notes is subject to adjustment in certain circumstances, including the payment of cash dividends. If the conversion rate is adjusted as a result of a distribution that is taxable to our Common Stockholders, such as a cash dividend, holders of Convertible Notes may be deemed to have received a dividend subject to U.S. federal income tax without the receipt of any cash. In addition, a failure to adjust (or to adjust adequately) the conversion rate after an event that increases the proportionate interest in us could be treated as a deemed taxable dividend to holders of the Convertible Notes. If, pursuant to the terms of the Indentures, a make-whole fundamental change occurs on or prior to the maturity date, under some circumstances, we will increase the conversion rate for Convertible Notes converted in connection with the make-whole fundamental change. Such increase may also be treated as a distribution subject to U.S. federal income tax as a dividend. For a non-U.S. holder of the Convertible Notes, any deemed dividend may be subject to U.S. federal withholding tax at a 30 percent rate, or such lower rate as may be specified by an applicable treaty, which may be set off against subsequent payments on the Convertible Notes.

Risks Related to Our Preferred Stock

An active trading market for our depositary shares may not be maintained.

Our depositary shares, each of which represents 1/100th of a share of our Series A Preferred Stock, are listed on the NYSE; however, we can provide no assurance that an active trading market on the NYSE for the depositary shares may be maintained. As a result, the ability to transfer or sell the depositary shares and any trading price of the depositary shares could be adversely affected.

The market price of the depositary shares representing interests in our Series A Preferred Stock may be adversely affected by the future incurrence of debt or issuance of preferred stock by the Company.

In the future, we may increase our capital resources by making offerings of debt securities and preferred stock of the Company and other borrowings by the Company. The debt securities, preferred stock (if senior to our Series A Preferred Stock) and borrowings of the Company are senior in right of payment to our Series A Preferred Stock, and all payments (including dividends, principal and interest) and liquidating distributions on such securities and borrowings could limit our ability to pay dividends or make other distributions to the holders of depositary shares representing interests in our Series A Preferred Stock.

Because our decision to issue securities and make borrowings in the future will depend on market conditions and other factors, some of which may be beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings or borrowings. Thus, holders of the depositary shares representing interests in Series A Preferred Stock bear the risk of our future offerings or borrowings reducing the market price of the depositary shares representing interests in our Series A Preferred Stock.

A holder of depositary shares representing interests in the Series A Preferred Stock has extremely limited voting rights.

The voting rights of a holder of depositary shares are limited. Our Common Stock and Class B Common Stock are the only classes of our securities that carries full voting rights. Voting rights for holders of depositary shares exist primarily with respect to (i) the ability to elect (together with the holders of other series of preferred stock on parity with the Series A Preferred Stock, if any) two additional directors to our Board of Directors in the event that six quarterly dividends (whether or not declared or consecutive) payable on the Series A Preferred Stock are in arrears, (ii) voting on amendments to our Charter, including the articles supplementary creating our Series A Preferred Stock (in some cases voting together with the holders of Parity Preferred Stock as a single class) that materially and adversely affect the rights of the holders of depositary shares representing interests in the Series A Preferred Stock and (iii) the creation of additional classes or series of our stock that are senior to the Series A Preferred Stock with respect to the payment of dividends or distributions of assets upon our liquidation, in each case, provided that in any event adequate provision for redemption has not been made. Other than certain limited circumstances, holders of depositary shares do not have any voting rights.

The Change of Control conversion feature of Series A Preferred Stock may not adequately compensate the holders, and the Change of Control conversion and redemption features of the shares of Series A Preferred Stock underlying the depositary shares may make it more difficult for a party to take over the Company or discourage a party from taking over the Company.

Upon the occurrence of a Change of Control (as defined in the Articles Supplementary for Series A Preferred Stock), holders of the depositary shares representing interests in our Series A Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date (as defined in the Articles Supplementary for Series A Preferred Stock), we have provided notice of our election to redeem the depositary shares either pursuant to our optional redemption right or our special optional redemption right) to convert some or all of their depositary shares into shares of our Common Stock (or equivalent value of Alternative Conversion Consideration). Upon such a conversion, the maximum number of shares of Common Stock that holders of depositary shares will receive for each depositary share converted will be limited to the Share Cap. These features of the Series A Preferred Stock may have the effect of inhibiting a third party from making an acquisition proposal for the Company or of delaying, deferring or preventing a Change of Control of the Company under circumstances that otherwise could provide the holders of our Common Stock and Series A Preferred Stock with the opportunity to realize a premium over the then-current market price or that stockholders may otherwise believe is in their best interests.

The market price of the depositary shares could be substantially affected by various factors.

The market price of the depositary shares will depend on many factors, which may change from time to time, including:

- Prevailing interest rates, increases in which may have an adverse effect on the market price of the depositary shares representing interests in our Series A Preferred Stock;
- The market for similar securities issued by other REITs;

- General economic and financial market conditions;
- The financial condition, performance and prospects of us, our tenants and our competitors;
- Any rating assigned by a rating agency to the depositary shares;
- Changes in financial estimates or recommendations by securities analysts with respect to us, our competitors or our industry; and
- Actual or anticipated variations in our quarterly operating results and those of our competitors.

In addition, over the last several years, prices of equity securities in the U.S. trading markets have been experiencing extreme price fluctuations. As a result of these and other factors, investors holding our depositary shares may experience a decrease, which could be substantial and rapid, in the market price of the depositary shares, including decreases unrelated to our financial condition, performance or prospects. Likewise, in the event that the depositary shares become convertible and are converted into shares of our Common Stock, holders of our Common Stock issued upon such conversion may experience a similar decrease, which also could be substantial and rapid, in the market price of our Common Stock.

Risks Related to REIT Qualification and Federal Income Tax Laws

We have elected to be taxed as a REIT for fiscal 2013 and subsequent years, but the IRS may challenge our qualification as a REIT.

We have elected to be a REIT for federal income tax purposes. In order to qualify as a REIT, a substantial percentage of our income must be derived from, and our assets consist of, real estate assets, and, in certain cases, other investment property. We have acquired and managed investments which satisfy the REIT tests. Whether a particular investment is considered a real estate asset for such purposes depends upon the facts and circumstances of the investment. Due to the factual nature of the determination, the IRS may challenge whether any particular investment will qualify as a real estate asset or realize income which satisfies the REIT income tests. In determining whether an investment is a real property asset, we will look at the Code and the IRS's interpretation of the Code in regulations, published rulings, private letter rulings and other guidance. In the case of a private letter ruling issued to another taxpayer, we would not be able to bind the IRS to the holding of such ruling. We have received private letter rulings from the IRS with respect to certain issues relevant to our qualification as a REIT. In general, the rulings provide, subject to the terms and conditions contained therein, that we may treat certain of our assets as qualifying REIT assets and certain income that we receive as rents from interests in real property. Although we may generally rely upon the rulings, no assurance can be given that the IRS will not challenge our qualification as a REIT on the basis of other issues or facts outside the scope of the rulings. If the IRS successfully challenges our qualification as a REIT, we may not be able to achieve our objectives and the value of our stock may decline. As a REIT, our distributions from earnings and profits will be treated as ordinary income, and generally will not qualify as qualified dividend income ("QDI").

Fluctuations in the fair market value of the assets that we own and that are owned by our taxable REIT subsidiaries may adversely affect our continued qualification as a REIT.

We have to satisfy the asset tests at the end of each quarter. Although fluctuations in the fair market value of our assets should not adversely affect our qualification as a REIT, we must satisfy the asset tests immediately after effecting the REIT acquisition of any asset. Thus, we may be limited in our ability to purchase certain assets depending upon the potential fluctuations in the fair market value of our direct and indirect assets. As fair market value determinations are factual, risks exist as to the fair market determination.

Failure to qualify as a REIT would have significant adverse consequences to us and the value of our Common Stock.

Beginning with our fiscal year ended December 31, 2013, we believe our income and investments have allowed us to meet the income and asset tests necessary for us to qualify for REIT status and we have elected to be taxed as a REIT for fiscal years 2013 through 2021. Qualification as a REIT involves the application of highly technical and complex provisions of the Internal Revenue Code as to which there may only be limited judicial and administrative interpretations and involves the determination of facts and circumstances not entirely within our control. Future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax laws or the application of the tax laws with respect to qualification as a REIT for federal income tax purposes or the federal income tax consequences of such qualification. Accordingly, we cannot assure our stockholders that we will be organized or will operate to qualify as a REIT for future fiscal years. If, with respect to any taxable year, we fail to qualify as a REIT, we would not be allowed to deduct distributions to stockholders in computing our taxable income. After our initial election and qualification as a REIT, if we later failed to so qualify and we were not entitled to relief under the relevant statutory provisions, we would also be disqualified from treatment as a REIT for four subsequent taxable years. If we fail to qualify as a REIT, corporate-level income tax would apply to our taxable income at regular corporate rates. As a result, the amount available for distribution to holders of equity securities would be reduced for the year or years involved, and we would no longer be required to make distributions. In addition, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and it could adversely affect the value of our Common Stock.

As a REIT, failure to make required distributions would subject us to federal corporate income tax.

In order to remain qualified for taxation as a REIT, we also are generally required to distribute at least 90 percent of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gain) each year, or in limited circumstances, the following year, to our stockholders. Beginning with our fiscal year ended December 31, 2013, we believe we have satisfied these requirements. While the amount, timing and form of any future distributions will be determined, and will be subject to adjustment, by our Board of Directors, we generally expect to distribute all or substantially all of our REIT taxable income. If our cash available for distribution falls short of our estimates, we may be unable to maintain distributions that approximate our REIT taxable income and may fail to remain qualified for taxation as a REIT. In addition, our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the payment of expenses and the recognition of income and expenses for federal income tax purposes, or the effect of nondeductible expenditures, such as capital expenditures, payments of compensation for which Section 162(m) of the Code denies a deduction, interest expense deductions limited by Section 163(j) of the Code, the creation of reserves or required debt service or amortization payments.

To the extent that we satisfy the 90 percent distribution requirement but distribute less than 100 percent of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4 percent nondeductible excise tax on our undistributed taxable income to the extent the actual amount that we distribute to our stockholders for a calendar year is less than the minimum distribution amount specified under the Code.

Ownership limitation provisions in our charter may delay or prevent certain transactions in our shares, and could have the effect of delaying, deferring or preventing a transaction or change of control of our Company.

To maintain our qualification as a REIT for U.S. federal income tax purposes, among other purposes, our charter includes provisions designed to ensure that not more than 50 percent in value of our outstanding stock may be owned, directly or indirectly, by or for five or fewer individuals (as defined in the Internal Revenue Code to include certain entities such as private foundations) at any time during the last half of any taxable year. Subject to the exceptions described below, our charter generally prohibits any person (as defined under the Internal Revenue Code to include certain entities) from actually owning or being deemed to own by virtue of the applicable constructive ownership provisions of the Internal Revenue Code, (i) more than 9.8 percent (in value or in number of shares, whichever is more restrictive) of the issued and outstanding shares of our Common Stock or (ii) more than 9.8 percent in value of the aggregate of the outstanding shares of all classes and series of our stock, in each case, excluding any shares of our stock not treated as outstanding for federal income tax purposes. We refer to these restrictions as the "ownership limitation provisions." Our charter further prohibits any person from beneficially or constructively owning shares of our capital stock that would result in us being "closely held" under Section 856(h) of the Code or otherwise failing to qualify as a REIT. Our charter also provides that any transfer of shares of our capital stock which would, if effective, result in our capital stock being beneficially owned by fewer than 100 persons (as determined pursuant to the Internal Revenue Code) shall be void ab initio and the intended transferee shall acquire no rights in such shares. These ownership limitation provisions may prevent or delay individual transactions in our stock that would trigger such provisions, and also could have the effect of delaying, deferring or preventing a change in control and, as a result, could adversely affect our stockholders' ability to realize a premium for their shares of Common Stock. However, our Board of Directors may waive the ownership limitation provisions with respect to a particular stockholder and establish different ownership limitation provisions for such stockholder. In granting such waiver, our Board of Directors may also require the stockholder receiving such waiver to make certain representations, warranties and covenants related to our ability to qualify as a REIT.

Ownership limitations in our charter may impair the ability of holders to convert Convertible Notes into our Common Stock.

In order to assist us in maintaining our qualification as a REIT for U.S. federal income tax purposes, among other purposes, our charter restricts ownership of more than 9.8 percent (in value or in number, whichever is more restrictive) of our outstanding shares of Common Stock, or 9.8 percent in value of our outstanding capital stock (which includes all classes and series of our stock), subject to certain exceptions. Notwithstanding any other provision of the Convertible Notes or the Indentures, no holder of Convertible Notes will be entitled to receive Common Stock following conversion of such Convertible Notes to the extent that receipt of such Common Stock would cause such holder (after application of certain constructive ownership rules) to exceed the ownership limit contained in our charter. We will not be able to deliver our Common Stock, even if we would otherwise choose to do so, to any holder of Convertible Notes if the delivery of our Common Stock would cause that holder to exceed the ownership limits described above.

Complying with REIT requirements may affect our profitability and may force us to liquidate or forgo otherwise attractive investments.

To qualify as a REIT, we must continually satisfy tests concerning, among other things, the nature and diversification of our assets, the sources of our income and the amounts we distribute to our stockholders. We may be required to liquidate or forgo otherwise attractive investments in order to satisfy the asset and income tests or to qualify under certain statutory relief provisions. We may also be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution. As a result, having to comply with the distribution requirement could cause us to sell assets in adverse market conditions, borrow on unfavorable terms or distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt. Accordingly, satisfying the REIT requirements could materially and adversely affect us.

As a REIT, re-characterization of sale-leaseback transactions may cause us to lose our REIT status.

We intend to purchase certain properties and simultaneously lease those same properties back to the sellers. While we will use our best efforts to structure any such sale-leaseback transaction so that the lease will be characterized as a "true lease," thereby allowing us to be treated as the owner of the property for U.S. federal income tax purposes, the IRS could challenge such characterization. In the event that any sale-leaseback transaction is recharacterized as a financing transaction or loan for U.S. federal income tax purposes, deductions for depreciation and cost recovery relating to such property would be disallowed. If a sale-leaseback transaction were so recharacterized, we might fail to satisfy the REIT qualification "asset tests" or the "income tests" and, consequently, lose our REIT status effective with the year of re-characterization. Alternatively, the amount of our REIT taxable income could be recalculated which might also cause us to fail to meet the distribution requirement for a taxable year.

As a REIT, we are required to make distributions, other than capital gain distributions, to our stockholders each year in the amount of at least 90 percent of our REIT taxable income in order to deduct distributions to our stockholders. As a result, we will continue to need additional capital to make new investments. If additional funds are unavailable or not available on favorable terms, our ability to make new investments will be impaired.

As a REIT, we are required to distribute at least 90 percent of our REIT taxable income in order to deduct distributions to our stockholders, and as such we expect to continue to require additional capital to make new investments or carry existing investments. We may acquire additional capital from the issuance of securities senior to our Common Stock, including additional borrowings or other indebtedness or the issuance of additional securities. We may also acquire additional capital through the issuance of additional equity. However, we may not be able to raise additional capital in the future on favorable terms or at all. Unfavorable economic conditions could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. We may issue debt securities, other instruments of indebtedness or preferred stock, and we may borrow money from banks or other financial institutions, which we refer to collectively as "senior securities." As a result of issuing senior securities, we will also be exposed to typical risks associated with leverage, including increased risk of loss. If we issue preferred securities which will rank "senior" to our Common Stock in our capital structure, the holders of such preferred securities may have separate voting rights and other rights, preferences or privileges more favorable than those of our Common Stock, and the issuance of such preferred securities could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for security holders or otherwise be in our best interest.

To the extent our ability to issue debt or other senior securities is constrained, we will depend on issuances of additional Common Stock to finance new investments. If we raise additional funds by issuing more of our Common Stock or senior securities convertible into, or exchangeable for, our Common Stock, the percentage ownership of our stockholders at that time would decrease, and our stockholders may experience dilution.

If we acquire C corporations in the future, we may inherit material tax liabilities and other tax attributes from such acquired corporations, and we may be required to distribute earnings and profits.

From time to time we may acquire C corporations or assets of C corporations in transactions in which the basis of the corporations' assets in our hands is determined by reference to the basis of the assets in the hands of the acquired corporations.

In the case of assets we acquire from a C corporation in a conversion transaction, which the Treasury regulations define as the qualification of a C corporation as a REIT or the transfer of property owned by a C corporation to a REIT, if we dispose of any such asset in a taxable transaction (including by deed in lieu of foreclosure) during the five-year period beginning on the date of the conversion transaction, then we generally will be required to pay tax at the highest regular corporate tax rate on the gain recognized to the extent of the excess of (1) the fair market value of the asset over (2) our adjusted tax basis in the asset, in each case determined as of the date of the conversion transaction, with certain REIT modifications, provided deemed sale treatment is not elected or certain exceptions under the Treasury regulations do not apply. Any taxes we pay as a result of such gain would reduce the amount available for distribution to our stockholders. The imposition of such tax may require us to forgo an otherwise attractive disposition of any assets we acquire from a C corporation in a conversion transaction, and as a result may reduce the liquidity of our portfolio of investments. In addition, in such a conversion transaction, we could potentially succeed to any tax liabilities and earnings and profits of any acquired C corporation. To qualify as a REIT, we must distribute any non-REIT earnings and profits by the close of the taxable year in which such transaction occurs. If the IRS were to determine that we acquired non-REIT earnings and profits from a corporation that we failed to distribute prior to the end of the taxable year in which the conversion transaction occurred, we could avoid disqualification as a REIT by paying a "deficiency dividend." Under these procedures, we generally would be required to distribute any such non-REIT earnings and profits to our stockholders within 90 days of the determination and pay a statutory interest charge at a specified rate to the IRS. Such a distribution would be in addition to the distribution of REIT taxable income necessary to satisfy the REIT distribution requirement and may require that we borrow funds to make the distribution even if the then-prevailing market conditions are not favorable for borrowings. In addition, payment of the statutory interest charge could materially and adversely affect us.

Legislative or other actions affecting REITs could have a negative effect on us.

The rules dealing with federal, state and local income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury. Changes to the tax laws, with or without retroactive application, could materially and adversely affect our investors or us. Although we are not aware of any pending tax legislation that would adversely affect our ability to qualify as a REIT, we cannot predict how future changes in the tax laws might affect our investors or us. New legislation, Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT or the income tax consequences of such qualification.

Risks Related to Our Corporate Structure and Governance

We will be dependent upon key personnel of Corridor and Crimson for our future success.

We will be dependent on the diligence, expertise and business relationships of the management of CorEnergy and Crimson to implement our strategy of acquiring real property assets. The departure of one or more investment professionals of CorEnergy or Crimson could have a material adverse effect on our ability to implement this strategy and on the value of our Common Stock. There can be no assurance that we will be successful in implementing our strategy.

Members of our management team have competing duties to other entities, which could result in decisions that are not in the best interests of our stockholders.

Certain of our officers and the employees of Crimson do not spend all of their time managing our activities. These executive officers and the employees of Crimson allocate some, or a material portion, of their time to other businesses and activities. None of these individuals is required to devote a specific amount of time to our affairs. As a result of these overlapping responsibilities, there may be conflicts of interest among and reduced time commitments from our officers and employees of Crimson that they will face in making decisions on our behalf. Accordingly, CorEnergy competes with Crimson, their affiliates and possibly other entities for the time and attention of these officers.

In addition to the ownership limit provisions discussed above, certain provisions of our charter and of Maryland law may limit the ability of stockholders to control our policies and effect a change of control of our Company.

Our charter authorizes our Board of Directors to amend our charter to increase or decrease the aggregate number of authorized shares of stock, to authorize us to issue additional shares of our Common Stock or preferred stock and to classify or reclassify unissued shares of our Common Stock or preferred stock and thereafter to authorize us to issue such classified or reclassified shares of stock. We believe that these provisions in our charter provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise. The additional classes or series, as well as the additional authorized shares of stock, will be available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Although our Board of Directors does not currently intend to do so, it could authorize us to issue a class or series of stock that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change of control of our company that might involve a premium price for holders of our Common Stock or that our Common Stockholders otherwise believe to be in their best interests.

Provisions of the Maryland General Corporation Law and our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our Common Stock.

The following considerations related to provisions of Maryland General Corporation Law, and of our charter and bylaws, may have the effect of discouraging, delaying or making difficult a change in control of our Company or the removal of our incumbent directors:

- We are subject to the Business Combination Act of the Maryland General Corporation Law. However, pursuant to the statute, our Board of Directors has adopted a resolution exempting us from the Maryland Business Combination Act for any business combination between us and any person to the extent that such business combination receives the prior approval of our Board of Directors. This resolution, however, may be altered or repealed in whole or in part at any time by our Board of Directors. If this resolution is repealed, or our Board of Directors does not otherwise approve a business combination with a person, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.
- Our bylaws exempt from the Maryland Control Share Acquisition Act acquisitions of stock by any person. If we amend our bylaws to repeal the exemption from the Maryland Control Share Acquisition Act, the Maryland Control Share Acquisition Act also may make it more difficult to obtain control of our Company.
- As described above, our charter includes a share ownership limit and other restrictions on ownership and transfer of shares, in each such case designed, among other purposes, to preserve our status as a REIT, which may have the effect of precluding an acquisition of control of us without the approval of our Board of Directors.
- Under our charter, our Board of Directors is divided into three classes serving staggered terms, which may make it more difficult for a hostile bidder to acquire control of us.
- Our charter contains a provision whereby we have elected to be subject to the provisions of Title 3, Subtitle 8 of the Maryland General Corporation Law relating to the filling of vacancies on our Board of Directors. Further, through provisions in our charter and bylaws unrelated to Subtitle 8, we (1) require a two-thirds vote for the removal of any director from the board, which removal must be for cause, (2) vest in the board the exclusive power to fix the number of directors, subject to limitations set forth in our charter and bylaws, (3) have a classified Board of Directors and (4) require that, unless a special meeting of stockholders is called by the chairman of our Board of Directors, our chief executive officer, our president or our Board of Directors, such a special meeting may be called to consider and vote on any matter that may properly be considered at a meeting of stockholders only at the request of stockholders entitled to cast not less than a majority of all votes entitled to be cast on a matter at such meeting.
- In addition, our Board of Directors may, without stockholder action, authorize the issuance of shares of stock in one or more classes or series, including preferred stock. Our Board of Directors also may, without stockholder action, amend our charter to increase the number of shares of stock of any class or series that we have authority to issue.
- Our bylaws include advance notice provisions, governing stockholders' director nominations or proposal of other business to be considered at an annual meeting of our stockholders, requiring the continuous ownership by the stockholder(s) putting forth any such nominee or proposal of at least one percent (1 percent) of our outstanding shares for a minimum period of at least three years prior to the date of such nomination or proposal and through the date of the related annual meeting (including any adjournment or postponement thereof), each as specified in the bylaws.
- Our bylaws designate certain Maryland courts as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a judicial forum that our stockholders believe is favorable for disputes with us or our directors, officers or employees.

The existence of these provisions, among others, may have a negative impact on the price of our Common Stock and may discourage third party bids for ownership of our Company. These provisions may prevent any premiums being offered to you for our Common Stock.

Our ability to pay dividends is limited by the requirements of Maryland law.

Our ability to pay dividends on our Common Stock and Series A Preferred Stock is limited by the laws of Maryland. Under the Maryland General Corporation Law, a Maryland corporation generally may not make a distribution if, after giving effect to the distribution, the corporation would not be able to pay its debts as the debts become due in the usual course of business, or the corporation's total assets would be less than the sum of its total liabilities plus, unless the corporation's charter provides otherwise, the amount that would be needed, if the corporation were dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution. Accordingly, we may not make a distribution on our Common Stock or the Series A Preferred Stock if, after giving effect to the distribution, we would not be able to pay our debts as they become due in the usual course of business or our total assets would be less than the sum of our total liabilities plus, unless the terms of such class or series provide otherwise, the amount that would be needed to satisfy the preferential rights upon dissolution of the holders of any shares of any class or series of preferred stock then outstanding, if any, with preferences senior to those of our Common Stock or the Series A Preferred Stock.

Risk Related to Terrorism, Armed Conflicts, and Cybersecurity

A terrorist attack, act of cyber-terrorism or armed conflict could harm our business.

Terrorist activities, anti-terrorist efforts and other armed conflicts involving the U.S., whether or not targeted at our assets or those of our tenants, investees or customers, could adversely affect the U.S. and global economies and could prevent us from meeting our financial and other obligations. Both we and our tenants and investees could experience loss of business, delays or defaults in payments from customers or disruptions of supplies and markets if domestic and global utilities or other energy infrastructure companies are direct targets or indirect casualties of an act of terror or war. Additionally, both we and our tenants and other investees rely on financial and operational computer systems to process information critically important for conducting various elements of our respective businesses. Any act of cyber-terrorism or other cyber-attack resulting in a failure of our computer systems, or those of our tenants, customers, suppliers or others with whom we do business, could materially disrupt our ability to operate our respective businesses and could result in a financial loss to the Company and possibly do harm to our reputation. Accordingly, terrorist activities and the threat of potential terrorist activities (including cyber-terrorism) and any resulting economic downturn could adversely affect our business, financial condition and results of operations. Any such events also might result in increased volatility in national and international financial markets, which could limit our access to capital or increase our cost of obtaining capital.

Terrorist attacks and armed conflict, or their impacts on the energy industry served by our infrastructure assets, could have a material adverse effect on our business, financial condition, or results of operations.

Terrorist attacks and armed conflict may significantly affect the energy industry, including our operations and those of our current and potential customers, as well as general economic conditions, consumer confidence and spending, and market liquidity. Strategic targets, such as energy-related assets, may be at greater risk of future attacks than other targets in the United States. Our insurance may not protect against such occurrences. Furthermore, commodity markets are currently also subject to heightened levels of uncertainty related to the Russian military incursion into Ukraine, which could give rise to regional instability and result in heightened economic sanctions by the U.S. and the international community that, in turn, could increase uncertainty with respect to global financial markets and production output from the Organization of Petroleum Exporting Countries and other oil producing nations. Consequently, it is possible that any of these occurrences, or a combination of them, could adversely impact the energy markets served by our infrastructure assets which could, in turn, have a material adverse effect on our business, financial condition, and results of operations.

Some losses related to our real property assets, including, among others, losses related to potential terrorist activities, may not be covered by insurance and would adversely impact distributions to stockholders.

Our leases will generally require the tenant companies to carry comprehensive liability and casualty insurance on our properties comparable in amounts and against risks customarily insured against by other companies engaged in similar businesses in the same geographic region as our tenant companies. We believe the required coverage will be of the type, and amount, customarily obtained by an owner of similar properties. However, there are some types of losses, such as catastrophic acts of nature, acts of war or riots, for which we or our tenants cannot obtain insurance at an acceptable cost. If there is an uninsured loss or a loss in excess of insurance limits, we could lose both the revenues generated by the affected property and the capital we have invested in the property if our tenant company fails to pay us the casualty value in excess of such insurance limit, if any, or to indemnify us for such loss. This would in turn reduce the amount of income available for distributions. We would, however, remain obligated to repay any secured indebtedness or other obligations related to the property. Since September 11, 2001, the cost of insurance protection against terrorist acts has risen dramatically. The cost of coverage for acts of terrorism is currently mitigated by the Terrorism Risk Insurance Program Reauthorization Act of 2019 ("TRIPRA"), which extended such program through December 31, 2027. Under TRIPRA, the amount of terrorism-related insurance losses triggering the federal insurance threshold has been increasing gradually from its initial level of $100 million for acts occurring in 2015 to $160 million for acts occurring in 2018, with $180 million being the applicable threshold for acts occurring in 2019 and finally increasing to $200 million for 2020. Additionally, the bill increases insurers' co-payments for losses exceeding their deductibles, from 15 percent in 2015 to 16 percent beginning January 1, 2016, and increasing in annual one percent steps thereafter until reaching 20 percent for 2020. Each of these changes may have the effect of increasing the cost to insure against acts of terrorism for property owners, such as the Company, notwithstanding the other provisions of TRIPRA. Further, if TRIPRA is not continued beyond 2027 or is significantly modified, we may incur higher insurance costs and experience greater difficulty in obtaining insurance that covers terrorist-related damages. Our tenants may also have similar difficulties. There can be no assurance our tenant companies will be able to obtain terrorism insurance coverage, or that any coverage they do obtain will adequately protect our properties against loss from terrorist attack.

We face risks associated with security breaches through cyber attacks, cyber intrusions or otherwise, as well as other significant disruptions of our information technology (IT) networks and related systems.

We rely on information technology systems and network infrastructure, including the Internet, to process transmit and store electronic information and to manage or support a variety of our business processes, including financial transactions and maintenance of records. Our business is dependent upon information systems and other digital technologies for controlling our plants, pipelines and other assets, processing transactions and summarizing and reporting results of operations. The secure processing, maintenance and transmission of information is critical to our operations. A security breach of our network or systems, or the network or systems of our third-party vendors, could result in improper operation of our assets, potentially including delays in the delivery or availability of our customers' products, contamination or degradation of the products we transport, store or distribute, or releases of hydrocarbon products for which we could be held liable. Furthermore, we and some of our vendors collect and store sensitive data in the ordinary course of our business, including personal identification information of our employees as well as our proprietary business information and that of our customers, tenants, suppliers, investors and other stakeholders.

Cybersecurity risks have increased in recent years as a result of the proliferation of new technologies and the increased sophistication, magnitude and frequency of cyber-attacks and data security breaches. Because of the critical nature of our infrastructure and our use of information systems and other digital technologies to control our assets, we face a heightened risk of cyber-attacks. Cyber attacks targeting our infrastructure could result in a full or partial disruption of our operations, as well as those of our customers and tenants. Likewise, cyberattacks in the form of "social engineering" (manipulating recipients into performing actions, or divulging information, by impersonating members of Company management, customers or others) aimed at our company, our employees, our customers, our tenants, or others could result in operational disruption, financial loss and reputational harm. Although we make efforts to maintain the security and integrity of our data, IT networks and related systems, and we have implemented various measures to minimize and/or manage the risk of a security breach or disruption, we cannot guarantee that our security efforts and measures will be effective at preventing or detecting any attempted or actual security incidents, or that disruptions caused by any such incidents or attempted incidents will not be successful or damaging to us or others.

During the normal course of business, we have experienced and expect to continue to experience attempts to gain unauthorized access to, or to compromise, our information systems or to disrupt our operations through cyber-attacks or security breaches, although none to our knowledge have had a material adverse effect on our business, operations or financial results. Despite our security measures, our information systems, or those of our vendors, may become the target of further cyber-attacks (including hacking, viruses or acts of terrorism) or security breaches (including employee error, malfeasance or other breaches), which could compromise and disrupt the proper functioning of our network or systems, or those of our vendors, affect our ability to correctly record, process and report transactions or financial information, or result in the release or loss of the information stored therein, misappropriation of assets, misstated financial reports, violations of loan covenants and/or missed reporting deadlines, inability to properly monitor our compliance with the rules and regulations regarding our qualification as a REIT, disruption to our operations or damage to our facilities. As a result of a cyber-attack or security breach, we could also be liable under laws that protect the privacy of personal information, subject to regulatory penalties, experience damage to our reputation or a loss of consumer confidence in our products and services, or incur additional costs for remediation and modification or enhancement of our information systems, and require significant management attention and resources, to prevent future occurrences or other costs or be subject to increased regulation or litigation, all of which could materially adversely affect our reputation, business, operations or financial results.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. Properties

Refer to Item 1. Business of this Form 10-K for a discussion of our properties.

ITEM 3. LEGAL PROCEEDINGS

Crimson Legal Proceedings

On October 30, 2014, the owner of a property on which Crimson built a valve access vault filed an action against Crimson, claiming that Crimson's pre-existing pipeline easement did not authorize the construction of the vault. Crimson responded by filing a condemnation action on October 26, 2015 to acquire new easements for the vault and related pipeline, and the cases were consolidated into one action, *Crimson California Pipeline L.P. v. Noarus Properties, Inc.; and Does 1 through 99,* Case No. BC598951, in the Los Angeles Superior Court-Central District. The property owner has claimed damages/compensation in the approximate amount of $11.7 million. The judge currently presiding over this case has rescheduled a jury trial to determine the amount of damages, if any, for May 9, 2022, pending the determination of procedural issues in the case on which the judge has requested further briefing. Crimson is vigorously defending itself against the claims asserted by the property owner in this matter and, while the outcome cannot be predicted, management believes the ultimate resolution of this matter will not have a material adverse impact on the Company’s results of operations, financial position or cash flows.

In June 2016, Crimson discovered a leak on its Ventura pipeline located in Ventura County, California, at which time Crimson began remediation of the observed release and concurrently took the pipeline out of service. The pipeline was properly repaired and returned to service in June 2016. The remediation efforts are complete, the affected area has been restored, and Crimson has implemented a monitoring program for the area. In November 2018, Crimson was notified by the California State Water Resources Board of a Forthcoming Assessment of Administrative Civil Liability concerning alleged violations of the California Water Code related to this incident. Through pre-enforcement settlement discussion, Crimson and the California State Water Board reached a settlement requiring Crimson to pay a penalty which, in connection with final approval from the State of California, was set at $330 thousand, (including incidental charges) and was paid during the three months ended September 30, 2021. Pursuant to that settlement, annually Crimson also must perform certain ongoing monitoring obligations related to the condition of the affected barranca. Additionally, in July 2020 Crimson entered into a Stipulation of Final Judgment related to the same incident with the Ventura County, California Department of Fish and Wildlife, Office of Oil Spill Response, pursuant to which Crimson agreed to pay penalties of $900 thousand plus reimbursement of certain investigative costs. Half of this settlement was paid during 2020 prior to the Crimson Transaction, and the remainder was paid during the three months ended September 30, 2021.

As a transporter of crude oil, Crimson 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 even 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, and the Company maintains insurance coverage for environmental liabilities in amounts that management believes to be appropriate and customary for the Company's business.

The Company also is 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 adequately covered by insurance or by established reserves, and, if not so covered, 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.

California Bonds Indemnification

On March 31, 2021, the Company executed a General Agreement of Indemnity for the benefit of Federal Insurance Company, Westchester Fire Insurance Company and each of their respective direct and indirect subsidiaries, parent companies and affiliates related to the surety bonds at Crimson. On April 26, 2021, the Company executed a General Agreement of Indemnity for the benefit of Argonaut Insurance Company, itself, its subsidiaries, affiliates, parents, co-sureties, fronting companies and/or reinsurers and their successors and assigns, whether now in existence or formed hereafter, individually and collectively, as "Surety" related to the surety bonds of Crimson. On May 17, 2021, the Company executed a General Agreement of Indemnity for the benefit of Arch Insurance Company, itself, its subsidiaries, affiliates, parents, co-sureties, fronting companies, reinsurers and their successors and assigns, whether now in existence or hereafter formed, individually and collectively, as "Surety" related to the surety bonds of Crimson. The Company, jointly and severally, agrees to pay the Surety the agreed premium for the bonds and upon written request of the Surety at any time, collateral security for its suretyship until such time evidence is provided of the termination of any past, present and future liability under any bonds. The Indemnity Agreement may be terminated by the Company upon thirty days written notice. The total annual premium paid for the bonds currently outstanding is approximately $173 thousand.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Common Stock is traded on the NYSE, under the symbol "CORR". There is no established public trading market for our Class B Common Stock. As of December 31, 2021, there were 22 stockholders of record of the Company's Common Stock and eight stockholders of record of the Company's Class B Common Stock. A substantially greater number of holders of our Common Stock are "street name" or beneficial holders, whose shares of record are held by banks, brokers, and other financial institutions.

Dividends

Our portfolio of energy infrastructure real property assets generates cash flow to us from which we pay dividends to stockholders. The amount of any dividend is recorded on the ex-dividend date. The character of dividends made during the year may differ from their ultimate characterization for federal income tax purposes. Although there is no assurance that we will continue to make regular dividend payments, we believe that a number of actions have been taken, including the acquisition of our interest in Crimson on February 4, 2021, to maintain 2022 dividends on a quarterly basis and an estimated total 2022 annualized dividend on our Common Stock of $0.20 per share. The amount of any dividends that may be paid on outstanding shares of Class B Common Stock are subject to a formula based on the amount of dividends declared on our Common Stock. Refer to Item 7, "Dividends," for further discussion of our dividend and of the relationship between Common Stock dividends and Class B Common Stock dividends.

Federal and State Income Taxation

We have elected to be taxed as a REIT under sections 856 through 860 of the Code and applicable Treasury regulations, which set forth the requirements for qualifying as a REIT, commencing with our taxable year beginning January 1, 2013. We believe that we have been organized and operated in a manner so as to qualify for taxation as a REIT under the Code and we intend to continue to operate in such a manner.

For as long as we qualify for taxation as a REIT, we generally will not be subject to federal corporate income taxes on net income that we currently distribute to stockholders. This treatment substantially eliminates the "double taxation" (at the corporate and security holder levels) that can result from investment in a "C" corporation. A "C" corporation is a corporation that is generally required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the stockholder level when the income is distributed.

As long as we qualify as a REIT, distributions made to our taxable U.S. stockholders out of current or accumulated earnings and profits (and not designated as capital gain dividends or retained capital gains) will be taken into account by them as ordinary income, and corporate stockholders will not be eligible for the dividends received deduction as to such amounts. If we received QDI and designate such portion of our distributions as QDI in a written notice mailed no later than 60 days after the close of our taxable year, an individual U.S. stockholder may qualify (provided holding period and certain other requirements are met) to treat such portion of the distribution as QDI, eligible to be taxed at the reduced maximum rate of 20 percent. Distributions in excess of current and accumulated earnings and profits will not be taxable to a stockholder to the extent that they do not exceed the adjusted basis of such stockholder's Common Stock, but rather will reduce the adjusted basis of such shares as a return of capital. To the extent that such distributions exceed the adjusted basis of a stockholder's Common Stock, they will be included in income as long-term capital gains (or short-term capital gain if the shares have been held for one year or less), assuming the shares are a capital asset in the hands of the stockholder. Distributions that we properly designate as capital gain dividends will be taxable to stockholders as gains (to the extent they do not exceed our actual net capital gain for the taxable year) from the sale or disposition of a capital asset held for greater than one year. If we designate any portion of a dividend as a capital gain dividend, a U.S. stockholder will receive an Internal Revenue Service Form 1099-DIV indicating the amount that will be taxable to the stockholder as a capital gain. As a REIT, we generally will be subject to corporate level tax on certain built-in gains in assets if such assets are sold during the 5-year period following a conversion transaction, unless deemed sale treatment is elected or other exceptions apply under the applicable Treasury regulations. Built-in gain assets are assets whose fair market value exceeds the REIT's adjusted tax basis at the time of such transaction if our initial tax basis in the asset is less than the fair market value of the asset. In addition, a REIT may not have earnings and profits accumulated in a non-REIT year.

We may, from time to time, own and operate certain properties through C corporation subsidiaries and will treat those subsidiaries as either "qualified REIT subsidiaries," or "taxable REIT subsidiaries." If a REIT owns a corporate subsidiary that is a "qualified REIT subsidiary," the separate existence of that subsidiary generally will be disregarded for federal income tax purposes. A "taxable REIT subsidiary" is an entity taxable as a corporation in which we own stock and that elected with us to be treated as a taxable REIT subsidiary under Section 856(1) of the Code. A taxable REIT subsidiary is subject to federal income tax, and state and local income tax where applicable, as a regular "C" corporation.

Our tax expense or benefit attributable to the taxable REIT subsidiary is included in the Consolidated Statements of Operations. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

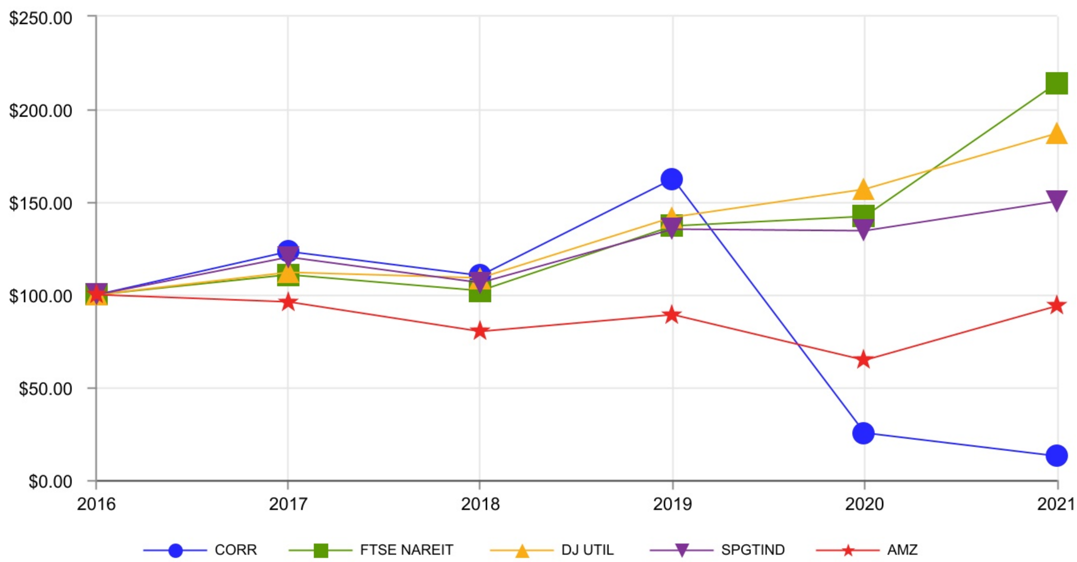
Recent Sales of Unregistered Securities

We did not sell any securities during the fourth quarter ended December 31, 2021 that were not registered under the Securities Act of 1933.

Performance Graph

We operate as a REIT and primarily own assets in the midstream and downstream U.S. Energy sectors that perform utility-like functions, such as pipelines, storage terminals, rail terminals and gas transmission and distribution assets. The following graph sets forth the cumulative return on our Common Stock between January 1, 2017 and December 31, 2021, as compared to the following set of relevant indices: FTSE NAREIT All Equity REIT Index ("FTSE NAREIT"), the Dow Jones Utilities Average Index ("DJ UTIL"), the S&P Global Infrastructure Index ("SPGTIND") and the Alerian MLP Index ("AMZ"). The graph assumes a $100 investment was made on December 31, 2016 in each of our Common Stock, the FTSE NAREIT, the DJ UTIL, the SPGTIND and the AMZ, and assumes the reinvestment of all cash dividends. The comparisons in the graph below are based on historical data and are not intended to forecast future performance.

Stockholder Cumulative Total Return Performance Graph through December 31, 2021



The performance graph shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

	Cumulative Value of $100 Investment, through December 31,					
	2016	2017	2018	2019	2020	2021
CorEnergy Infrastructure Trust, Inc.	$ 100.00	$ 123.21	$ 110.04	$ 162.39	$ 25.40	$ 12.60
FTSE NAREIT All Equity REIT Index	100.00	110.53	101.94	136.81	142.24	214.14
Dow Jones Utilities Average Index	100.00	111.91	109.02	141.40	156.59	187.02
S&P Global Infrastructure Index	100.00	119.94	106.15	134.98	134.24	150.12
Alerian MLP Index	100.00	95.89	80.17	89.01	64.33	93.62

Our shares began trading on the NYSE on February 2, 2007. Since December 3, 2012, our Common Stock has traded under the symbol "CORR".

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements included or incorporated by reference in this Annual Report on Form 10-K 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. Such risks and uncertainties include, without limitation, the risk factors discussed in Part I, Item 1A of this Report. We disclaim any obligation to update or revise any forward-looking statements to reflect actual results or changes in the factors affecting the forward-looking information.

OVERVIEW AND BUSINESS OBJECTIVE

We are a publicly traded REIT focused on energy infrastructure. Our business strategy is to own and operate or lease critical energy midstream infrastructure connecting the upstream and downstream sectors within the industry. We currently generate revenue from the transportation, via pipeline, of crude oil and natural gas for our customers in California and Missouri. 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 our assets providing utility-like criticality in the midstream supply chain for our customers. As primarily regulated assets, the near to medium term value of our regulated pipelines is supported by revenue derived from 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, e.g., CO_2 transportation for sequestration.

Prior to February 2021, we generated long-term contracted revenue from operators of our assets, primarily under triple-net participating leases without direct commodity price exposure.

RECENT DEVELOPMENTS

Current Year 2021 Developments:

- Effective February 1, 2021, we acquired a 49.50 percent interest in Crimson, with the right to acquire the remaining 50.50 percent interest, in exchange for a combination of cash on hand of $74.6 million (after giving effect to initial working capital adjustments), commitments to issue new common and preferred equity with a fair value of $115.3 million (also after giving effect to the initial working capital adjustments), contribution of the GIGS to the sellers with a fair value of $48.9 million and $105.0 million in new term loan and revolver borrowings (the "Crimson Credit Facility"), all as detailed further below (the "Crimson Transaction"). The initial fair value of the aggregate consideration was $343.8 million, subject to certain post-closing purchase price adjustments, including a non-controlling interest of $115.3 million.

- Effective February 1, 2021, in order to transfer GIGS to the sellers of Crimson, we terminated the lease of GIGS, and agreed to forgo collection efforts on past rents and to dismiss other claims against the tenant of GIGS.

- On May 28, 2021, Crimson's subsidiary San Pablo Bay Pipeline Company, LLC applied for authority to increase rates by 10% for its crude oil pipeline services with the CPUC. The rate increase became effective July 1, 2021 after completing a 30-day review period.

- On June 29, 2021, the Board of the Company authorized management to enter into an agreement to convert the right that the holders of Crimson Class A-1 Units would have had to exchange such units for shares of the Company's 9.0% Series C Preferred Stock, into a right to exchange Class A-1 Units (following CPUC approval) for depositary shares representing the Company's 7.375% Series A Cumulative Redeemable Preferred Stock. As of June 30, 2021, the Class A-1 Units receive distributions based on dividends declared by the Company's Board of Directors on the Series A Preferred Stock.

- On June 30, 2021, Crimson California Pipeline L.P., which manages both Crimson's Southern California and KLM pipelines, applied for authority to increase rates by 10% for its crude oil pipeline services with the CPUC. The rate increase became effective August 1, 2021 after completing a 30-day review period.

- In June 2021, the final working capital adjustment was made for the Crimson Transaction which resulted in an increase in the assets acquired of $1,790,455. This resulted in 37,043 Class A-1 Units being issued to Grier Members for their 50.50 percent ownership interest and $907,728 of cash paid for the 49.50 percent ownership interest CorEnergy purchased. The newly issued units resulted in an increase in non-controlling interest of $882,726. After the working capital adjustment and paid-in-kind dividends, the Grier Members equity ownership interest is 50.62 percent as of September 30, 2021.

- On July 6, 2021, following receipt of stockholder approval at the 2021 Annual Meeting, the Company completed the Internalization transaction whereby it acquired its manager Corridor InfraTrust Management, LLC. Pursuant to a Contribution Agreement, the Company issued to the Contributors, based on each Contributor's percentage ownership in Corridor, an aggregate of: (i) 1,153,846 shares of Common Stock, (ii) 683,761 shares of the newly created Class B Common Stock, and (iii) 170,213 depositary shares of the Company’s 7.375% Series A Cumulative Redeemable Preferred Stock.

- Effective July 7, 2021, following stockholder approval at the 2021 Annual Meeting and in accordance with the terms of the Company's Series B Preferred Stock, the Company converted the right that the holders of Crimson Class A-2 Units would have had to exchange such units for shares of Series B Preferred Stock, into a right to exchange Class A-2 Units (following CPUC approval) for shares of the Company's Class B Common Stock.

- In February 2021, we petitioned before the CPUC to seek approval for the purchase of the remaining 50.5 percent of Crimson Midstream Holdings. We maintain continuous dialog with the CPUC and anticipate a decision in the second half of 2022.

- During 2021, the COVID-19 pandemic and the uncertainty of production from OPEC members, US producers and other international suppliers continue to caused significant disruptions and volatility in the global oil marketplace, which adversely affected our customers. In response to COVID-19, governments around the world implemented stringent measures to help reduce the spread of the virus, including stay-at-home and shelter-in-place orders, travel restrictions and other measures. These measures adversely affected the economies and financial markets of the U.S. and many other countries during the year. Despite the progress made to contain the virus, there continues to be significant uncertainty regarding how long these conditions will persist and the impact of the virus on the energy industry and potential impacts to our business.

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

Crimson Pipeline 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. While 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, environmentally sustainable and economical 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 the producers and our customers, which are the refineries we serve.

MoGas and Omega Pipelines

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

MoGas generates approximately 94 percent of its revenue from take-or-pay transportation contracts with investment-grade customers. The majority of MoGas' revenue is under a long-term contract with a remaining term of approximately 9 years. Omega'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 4 years. Given the nature of the MoGas and Omega contracts, the revenue generated by these assets is marginally dependent on the actual volume transported.

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 pipeline loss allowance ("PLA")); (iii) total operating and maintenance expenses (including maintenance capital expenses); (iv) Adjusted Net Income; (v) Cash Available for Distribution ("CAD"); and (vi) Adjusted EBITDA.

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

The amount of revenue Crimson pipeline generates depends on the volume of crude oil transported through our pipelines multiplied by the fixed-fee tariff applicable for the specific movement. These volumes are dependent on crude oil production in California since our assets are not directly connected to crude oil import facilities. Our volumes can also be impacted by individual refinery decisions around their specific 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 which provides long term support for our revenue.

In addition to the fixed-fee tariff, we also earn PLA for the majority of the volume we transport. As is common in the pipeline transportation industry, as crude oil is transported, Crimson receives between 0.1% and 0.25% of the majority of crude oil volume transported as PLA to offset any measurement uncertainty or actual volumes lost in transit. We receive either payment in kind or 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 those volumes into inventory. The inventory is subsequently sold, typically within 1 to 2 months, and recognized as PLA subsequent sales revenue with an offsetting expense of PLA subsequent sales cost of revenue.

MoGas and Omega Pipelines

The amount of revenue generated by MoGas and Omega 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 which fluctuates based on throughput volumes and also fluctuates based on commodity prices.

FACTORS AFFECTING THE COMPARABILITY OF OUR FINANCIAL RESULTS

The comparability of our current financial results, in relation to prior periods, are affected by the recent transactions described below. As a result, the usefulness of the year over year comparisons between the year-to-date periods ended December 31, 2021 and the year-to-date periods ended December 31, 2020 are limited. The financial results should be read in connection with the financial information in Form 8-K filed February 10, 2021, Form 8-K/A filed April 22, 2021, and Form 8-K/A filed September 3, 2021.

Disposal of Grand Isle Gathering System

Effective February 1, 2021, the Grand Isle Gathering System was provided as partial consideration for the purchase of the 49.50 percent interest in Crimson.

Sale of Pinedale LGS

On June 30, 2020, the Pinedale LGS was sold to Ultra Wyoming, the former tenant under the Pinedale Lease Agreement and a wholly-owned subsidiary of Ultra Petroleum Corp, and consequently is not included in our 2021 results.

Crimson Transaction

On February 4, 2021 (effective February 1, 2021), the Company acquired a 49.50 percent interest in Crimson as described elsewhere in this Report.

Internalization of the Manager

On July 6, 2021, following stockholder approval at the Company's 2021 Annual Meeting, we completed the Internalization transaction whereby we acquired our manager Corridor InfraTrust Management, LLC. Pursuant to a Contribution Agreement, we issued to the Contributors, based on each Contributor's percentage ownership in Corridor, an aggregate of: (i) 1,153,846 shares of Common Stock, (ii) 683,761 shares of the newly created Class B Common Stock, and (iii) 170,213 depositary shares of the Company's 7.375% Series A Cumulative Redeemable Preferred Stock.

As a result of the Internalization Transaction, we now (i) own all material assets of Corridor used in the conduct of the business, and (ii) are managed by officers and employees who previously worked for Corridor. Additional information on the Internalization Transaction can be found on our Current Report in Form 8-K filed with the SEC on July 12, 2021.

Basis of Presentation

The consolidated financial statements include CorEnergy Infrastructure Trust, Inc., as of December 31, 2021, its direct and indirect wholly-owned subsidiaries, and consolidated variable interest entities ("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

The following table summarizes the financial data and key operating statistics for CorEnergy for the years ended December 31, 2021 and 2020. We believe the Operating Results detail presented below provides investors with information that will assist them in analyzing our operating performance. However, the operations of the Company beginning in 2021 differ significantly due to the losses experienced in 2020 and resulting disposition of assets. The following data should be read in conjunction with our consolidated financial statements and the notes thereto included in Part IV, Item 15 of this Report.

The following table and discussion are a summary of our results of operations for the years ended December 31, 2021 and 2020:

	For the Years Ended December 31,	
	2021	2020
Revenue		
Transportation and distribution revenue	$ 116,536,612	$ 19,972,351
Pipeline loss allowance subsequent sales	8,606,850	—
Lease revenue	1,246,090	21,351,123
Deferred rent receivable write-off	—	(30,105,820)
Other revenue	1,744,244	120,417
Total Revenue	128,133,796	11,338,071
Expenses		
Transportation and distribution expenses	58,146,006	6,059,707
Pipeline loss allowance subsequent sales cost of revenue	8,194,040	—
General and administrative	26,641,161	12,231,922
Depreciation, amortization and ARO accretion expense	14,801,676	13,654,429
Loss on impairment of leased property	—	140,268,379
Loss on impairment and disposal of leased property	5,811,779	146,537,547
Loss on termination of lease	165,644	458,297
Total Expenses	113,760,306	319,210,281
Operating Income (Loss)	$ 14,373,490	$ (307,872,210)
Other Income (Expense)		
Other income	$ 769,682	$ 471,449
Interest expense	(12,742,157)	(10,301,644)
Gain (loss) on extinguishment of debt	(861,814)	11,549,968
Total Other Income (Expense)	(12,834,289)	1,719,773
Income (loss) before income taxes	1,539,201	(306,152,437)
Income tax expense (benefit), net	4,074,759	(84,858)
Net Income (Loss)	(2,535,558)	(306,067,579)
Other Financial Data(1)		
Adjusted Net Income (loss)	$ 11,973,197	$ 1,412,733
Cash Available for Distribution	$ (1,399,583)	$ 4,020,453
Adjusted EBITDA	$ 43,591,789	$ 25,283,948
Capital Expenditures		
Maintenance Capital	$ 7,339,994	NA
Growth Capital	6,763,551	NA
Volume		
Average Volume (bpd) - Crude Oil(2)	189,635	NA

(1) Refer to the "Non-GAAP Financial Measures" section that follows for additional details.

Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

Revenue. Consolidated revenues were $128.1 million for the year ended December 31, 2021 compared to $11.3 million for the year ended December 31, 2020, representing an increase of $116.8 million. Transportation and distribution revenue from our subsidiaries Crimson, MoGas, and Omega was $116.5 million and $20.0 million for the years ended December 31, 2021 and 2020, respectively. The $96.6 million increase was primarily driven by increased revenue from the acquisition of Crimson Midstream Holding in February 2021. Transportation and distribution revenue for MoGas and Omega increased $1.6 million primarily driven by increased transportation revenue due to new contracts that became effective in the fourth quarter of 2020 and an increase in commodity fees. We also recognized $8.6 million in PLA subsequent sales revenue due to the Crimson acquisition. This represents the revenue on sale of crude oil inventory, which is offset by the PLA subsequent sales cost of revenue of $8.2 million for a net margin of $0.4 million.

Lease revenue was $1.2 million for the year ended December 31, 2021, resulting in a decrease of $20.1 million. The decrease in lease revenue was a result of the sale Grand Isle Gathering System during the first quarter of 2021 and Pinedale LGS in second quarter 2020. Lease revenue in the current year is primarily related to a Crimson storage lease; however, the storage contract expired June 30, 2021 and was not renewed. The revenue from that contract from February 1 to June 30 of 2021 was $1.1 million. During the year ended December 31, 2020, we recorded a non-cash deferred rent receivable write-off of $30.1 million for the Grand Isle Lease Agreement as the receivable was no longer probable of collection.

Transportation and distribution revenue from our subsidiaries Crimson, MoGas, and Omega was $116.5 million and $20.0 million for the years ended December 31, 2021 and 2020, respectively. The $96.6 million increase was primarily driven by increased revenue from the acquisition of Crimson Midstream Holding in February 2021. In the year ended December 31, 2020, lease revenue was decreased by $30.1 million non-cash write-off of the deferred rent receivable, which was determined to be no longer probable of collection in the first quarter of 2020, no write-offs occurred during the year ended December 31, 2021.

Transportation and Distribution Expenses. Transportation and distribution expenses were $58.1 million and $6.1 million for the years ended December 31, 2021 and 2020, respectively, representing an increase of $52.1 million. The Crimson Transaction resulted in an $52.2 million increase for the period.

General and Administrative Expenses. General and administrative expenses were $26.6 million for the year ended December 31, 2021 compared to $12.2 million for the year ended December 31, 2020. The most significant components of the variance from the prior year are outlined in the following table and explained below:

	For the Years Ended December 31,	
	2021	2020
Management fees	$ 10,264,389	$ 5,073,977
Acquisition and professional fees	13,304,316	5,931,628
Other expenses	3,072,456	1,226,317
Total	$ 26,641,161	$ 12,231,922

Management fees and employee-related costs for the year ended December 31, 2021 is comprised of (i) $1.0 million transaction bonus outlined in the Contribution Agreement related to the Internalization, (ii) $5.3 million in Crimson employee-related costs, (iii) $5.0 million in Corridor employee compensation and office related expenses incurred since February 1, 2021, and (iv) $0.3 million in management fees for January. Due to stockholder approval at the Annual Meeting on June 29, 2021, we will no longer be subject to the management fee after February 1, 2021 but will incur, on a go-forward basis, the employee compensation and office related costs. See Part IV, Item 15, Note 11 ("Management Agreement") for additional information.

Acquisition and professional fees for the year ended December 31, 2021 increased $7.4 million, primarily as a result of (i) a $4.1 million increase in accounting, legal and consulting services, and (ii) a $3.2 million increase expenses primarily related to the Crimson and Internalization transactions. Generally, we expect these expenses to be repaid over time from income generated by acquisitions.

Other expenses for the for the year ended December 31, 2021 increased $1.8 million compared to the prior year. The increase in other expenses is primarily due to the Crimson acquisition.

Depreciation, Amortization and ARO Accretion Expense. Depreciation, amortization and ARO accretion expense was $14.8 million for the year ended December 31, 2021 compared to $13.7 million for the year ended December 31, 2020. The $1.1 million increase was primarily driven by depreciation expense. The increase in depreciation expense was driven by depreciation expense for the Crimson acquired assets, offset by (i) a two quarter reduction in depreciation for the Pinedale LGS as a result of the sale of the asset to Ultra Wyoming at the end of the second quarter of 2020, (ii) a reduction in depreciation for the GIGS asset which was sold February 4, 2021, and (iii) a $421 thousand reduction in accretion expense as a result of the sales of the GIGS asset.

Loss on Impairment of Leased Property. For the year ended December 31, 2020, we recognized a $140.3 million loss on impairment of leased property related to our GIGS asset. The impairment analysis was triggered by the impacts of the COVID-19 pandemic and significant decline in the global energy markets, which adversely impacted the EGC Tenant under the Grand Isle Lease Agreement. Refer to Part IV, Item 15, Note 5 ("Leased Properties And Leases") for further discussion of the impairment, including the valuation methodology used to determine the fair value of the GIGS asset.

Loss on Impairment and Disposal of Leased Property. In connection with the Crimson Transaction, the GIGS asset was used as partial consideration to acquire our 49.50 percent interest in Crimson. The net book value of the GIGS asset was $63.5 million and the carrying value of the asset retirement obligation was $8.8 million or a net carrying value of $54.7 million for the GIGS Disposal Group. The GIGS asset had a fair value of $48.9 million upon closing of the Crimson Transaction resulting in a loss on impairment and disposal of leased property of approximately $5.8 million for the year ended December 31, 2021. For the year ended December 31, 2020, we recognized a $146.5 million loss on impairment and disposal of leased property related to our Pinedale LGS asset. The impairment and sale of the Pinedale LGS was triggered by the bankruptcy of the Pinedale LGS tenant, Ultra Wyoming, during the second quarter of 2020. Refer to Part IV, Item 15, Note 5 ("Leased Properties And Leases") for further discussion of the impairment and sale of the Pinedale LGS asset.

Loss on Termination of Lease. In connection with the contribution of the GIGS asset as partial consideration to acquire our 49.50 percent interest in Crimson, we reached a settlement agreement with the tenant under the Grand Isle Lease Agreement and terminated the lease. For the year ended December 31, 2021, the Company recorded a write-off of the remaining deferred lease costs of $166 thousand associated with the termination of the lease. For the year ended December 31, 2020, we recognized a $458 thousand loss on termination of lease related to the sale of our Pinedale LGS asset during the second quarter of 2020, which resulted in the termination of the Pinedale Lease Agreement. Refer to Part IV, Item 15, Note 5 ("Leased Properties And Leases") for further discussion of the sale of the Pinedale LGS asset and lease termination.

Other Income. Other income increased $0.7 million for the year ended December 31, 2021. This increase was primarily related to $1.2 million from the addition of Crimson in the year ended December 31, 2021, partially offset by a $0.5 million decrease of interest income, which decreased from the prior-year period due to a reduction in cash.

Interest Expense. For the years ended December 31, 2021 and 2020, interest expense totaled approximately $12.7 million and $10.3 million, respectively. The increase was primarily attributable to increased borrowing.

Gain (Loss) on Extinguishment of Debt. During the year ended December 31, 2021, in connection with the Crimson acquisition, the Company terminated the CorEnergy Credit Facility with Regions Bank and eliminated the associated deferred debt issuance costs of $862 thousand. For the year ended December 31, 2020, a gain on extinguishment of debt of $11.5 million was recognized for (i) the release agreement entered into with Prudential for the Amended Pinedale Term Credit Facility in connection with the sale of the Pinedale LGS on June 30, 2020 ($11.0 million) and (ii) the repurchase of the 5.875% Convertible Notes completed in April of 2020 ($576 thousand). For additional information, see Part IV, Item 15, Note 14 ("Debt").

Income Tax Expense (Benefit). Income tax expense was $4.1 million for the year ended December 31, 2021 compared to income tax benefit of $85 thousand for the year ended December 31, 2020. The income tax expense in the current year period is primarily the result of an increase in the valuation allowance for certain federal and state net operating loss carryforwards at Corridor MoGas, Inc. The income tax benefit recorded in the prior year is primarily the result of carryback of net operating losses against net operating income in prior periods and additional net operating losses generated by certain of our TRS entities, partially offset by certain fixed asset, deferred contract revenue and loan loss activities.

Net Income (Loss). Net income (loss) was $(2.5) million and $(306.1) million for the years ended December 31, 2021 and 2020, respectively, representing a increase of $303.5 million. After deducting $9.4 million and $9.2 million for the portion of preferred dividends that are allocable to each respective period, net loss attributable to Common Stockholders for the year ended December 31, 2021 was $(20.9) million, or $(1.44) per basic and diluted common share, as compared to $(315.3) million, or $(23.09) per basic and diluted common share, for the prior year.

For the comparison of our results of operations for the years ended December 31, 2020 and December 31, 2019 and discussion of our operating activities, investing activities and financing activities for these years, refer to Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of the Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed with the SEC on March 4, 2021.

ASSET PORTFOLIO AND RELATED DEVELOPMENTS

Descriptions of our asset portfolio and related operations, are included in Part I, Item 2, "Properties" and in Part IV, Item 15, Note 5 ("Leased Properties And Leases"), Note 4 ("Transportation And Distribution Revenue") and Note 6 ("Financing Notes Receivable") included in this Report. This section provides additional information concerning material developments related to our asset portfolio during the year ended December 31, 2021 and through the date of this Report. For additional information concerning the sale of GIGS effective February 4, 2021, refer to the disclosure under the heading "Sale and Impairment of the Grand Isle Gathering System" in Part IV, Item 15, Note 5 ("Leased Properties And Leases") in this Report and for additional information concerning the sale of the Pinedale LGS effective June 30, 2020, refer to the disclosure under the heading "Impairment and Sale of the Pinedale Liquids Gathering System" in Part IV, Item 15, Note 5 ("Leased Properties And Leases") in this Report.

Crimson

On October 4, 2021, a pipeline ruptured off the coast of California which caused an oil spill offshore near Huntington Beach, California. The pipeline is not owned by CorEnergy or Crimson, nor does the Company own or operate any offshore platforms or pipelines.

The Company has historically received barrels transported by the affected pipeline, at an average of approximately 4,600 bpd over the four months prior to the spill, equating to average monthly revenue of approximately $98 thousand during that time (including the associated pipeline loss allowance). Currently, this production has been shut in and the timing of its return is uncertain. Regardless of the outcome, we do not expect this event to affect our common dividend outlook, which is subject to board approval.

On October 6, 2021, the Kern County Superior Court ordered Kern county to stop issuing new oil and gas drilling permits pending review of a new environmental impact report process, which could limit growth opportunities for volumes delivered to Crimson pipelines.

On October 29, 2021, Phillips 66 confirmed plans to convert its 140,000 barrel per day San Francisco refinery in Rodeo, California to renewable diesel in early 2024. As a result, the refinery will no longer process crude oil. Currently, the refinery sources a significant portion of their crude oil, via a dedicated Phillips 66 pipeline, from the San Joaquin valley which is the same source of volumes for the Company's pipelines. After closure of the refinery, the crude oil being consumed from the San Joaquin valley, by Phillips 66, will need to be transported to another refinery since the Phillips 66 pipeline is only connected to their refinery, which could provide additional growth opportunities for volumes delivered to Crimson pipelines.

MoGas Pipeline

On April 24, 2020, MoGas entered into a Facilities Interconnect Agreement with Spire STL Pipeline LLC ("STL Pipeline"). Under the terms of the agreement, MoGas constructed an interconnect to allow gas to be delivered by STL Pipeline and received by MoGas for a cost of approximately $3.3 million. Construction was completed during the fourth quarter of 2020 at which point MoGas began receiving incremental revenue as described below.

On June 22, 2021, the U.S. Court of Appeals for the District of Columbia Circuit issued an order vacating the Spire STL Pipeline’s certificate, stating the problem with the 2018 certificate was that FERC found a market need for the pipeline despite only one shipper, an affiliate of Spire STL Pipeline, committing to use it; and remanding the proceeding back to the FERC. On December 3, 2021, FERC granted a temporary certificate authorizing use until the FERC acts. There have been filings with FERC from several impacted parties expressing concern of the adverse effect to the area should the court’s order to vacate the certificate remain. While there is no impairment at this time, if the STL Pipeline is taken out of service, CorEnergy's financial condition and results of operations may be adversely impacted by impairment of our interconnect assets, currently carried at approximately $3.3 million.

NON-GAAP FINANCIAL MEASURES

We use certain financial measures that are not recognized under GAAP. The non-GAAP financial measures used in this Report include Adjusted Net Income, CAD, and Adjusted EBITDA. These supplemental measures are used by our management team and are presented 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 any series of our preferred stock by providing perspectives not immediately apparent from GAAP measures.

We offer these measures to assist the users of our financial statements in assessing our operating performance under U.S. 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), cash flows from operating activities or revenues. Management compensates for the limitations of Adjusted Net Income, 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 (loss), net income (loss) and net cash provided by 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. The financial impacts of the Crimson assets are only included for the period from February 1, 2021 to December 31, 2021 for the non-GAAP measurements outlined below.

Adjusted Net Income and Cash Available for Distribution

We believe Adjusted Net Income is an important performance measure of our profitability as compared to other midstream infrastructure owners and operators. Our presentation of Adjusted Net Income represents net income (loss) adjusted for loss on impairment of leased property; loss on impairment and disposal of leased property; loss on termination of lease; deferred rent receivable write-off; loss (gain) on extinguishment of debt; gain on sale of equipment and transaction-related costs. Adjusted Net Income presented by other companies may not be comparable to our presentation, since each company may define these terms differently.

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

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

	For the Year Ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Net Income (loss)	$ (2,535,558)	$ (306,067,579)	$ 4,079,495
Add:			
Loss on impairment of leased property	—	140,268,379	—
Loss on impairment and disposal of leased property	5,811,779	146,537,547	—
Loss on termination of lease	165,644	458,297	—
Deferred rent receivable write-off	—	30,105,820	—
Loss (gain) on extinguishment of debt	861,814	(11,549,968)	33,960,565
Gain on the sale of equipment	(16,508)	(13,683)	(7,390)
Other accruals write-off	(297,800)	—	—
Transaction costs	6,947,334	1,673,920	185,495
Transaction bonus	1,036,492	—	—
Adjusted Net Income (Loss)	$ 11,973,197	$ 1,412,733	$ 38,218,165
Add:			
Depreciation, amortization and ARO accretion (Cash Flows)	16,406,557	14,924,464	23,808,083
Deferred tax expense	4,076,290	310,985	354,642
Less:			
Transaction costs	6,947,334	1,673,920	185,495
Transaction bonus	1,036,492	—	—
Maintenance capital expenditures	7,339,994	—	—
Preferred dividend requirements - Series A	9,395,604	9,189,809	9,255,468
Preferred dividend requirements - Non-controlling interest	3,136,203	—	—
Mandatory debt amortization	6,000,000	1,764,000	—
Cash Available for Distribution	$ (1,399,583)	$ 4,020,453	$ 52,939,927

The financial impacts of the Crimson assets only represent the period from February 1, 2021 to December 31, 2021.

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

	For the Year Ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Net cash provided by operating activities	$ 17,298,110	$ 10,383,070	$ 61,779,104
Changes in working capital	7,471,908	4,591,192	416,291
Other accruals write-off	(297,800)	—	—
Maintenance capital expenditures	(7,339,994)	—	—
Preferred dividend requirements	(9,395,604)	(9,189,809)	(9,255,468)
Preferred dividend requirements - non-controlling interest	(3,136,203)	—	—
Mandatory debt amortization included in financing activities	(6,000,000)	(1,764,000)	—
Cash Available for Distribution	$ (1,399,583)	$ 4,020,453	$ 52,939,927
Other Special Items:			
Transaction costs	$ 6,947,334	$ 1,673,920	$ 185,495
Transaction bonus	1,036,492	—	—
Other Cash Flow Information:			
Net cash provided by (used in) investing activities	$ (83,593,954)	$ (2,127,822)	$ 4,699,066
Net cash used in financing activities	(20,804,585)	(29,521,984)	(14,901,704)

The financial impacts of the Crimson assets only represent the period from February 1, 2021 to December 31, 2021.

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 management and external users of our consolidated financial statements, such as industry analysts, investors, and commercial banks use, among other measures, 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 represents net income (loss) adjusted for items such as loss on impairment of leased property; loss on impairment and disposal of leased property; loss on termination of lease; deferred rent receivable write-off; loss (gain) on extinguishment of debt; gain on sale of equipment and transaction-related costs. Adjusted EBITDA is further adjusted for depreciation, amortization and ARO accretion expense; income tax expense (benefit) 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 a measure of liquidity and should not be considered as an alternative to operating income (loss), net income (loss) or other indicators of performance determined in accordance with GAAP. The following table presents a reconciliation of Net Income (loss), as reported in the Consolidated Statements of Operations, to Adjusted EBITDA:

	For the Year Ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Net Income (loss)	$ (2,535,558)	$ (306,067,579)	$ 4,079,495
Loss on impairment of leased property	—	140,268,379	—
Loss on impairment and disposal of leased property	5,811,779	146,537,547	—
Loss on termination of lease	165,644	458,297	—
Deferred rent receivable write-off	—	30,105,820	—
Loss (gain) on extinguishment of debt	861,814	(11,549,968)	33,960,565
Other accruals write-off	(297,800)	—	—
Gain on the sale of equipment	(16,508)	(13,683)	(7,390)
Transaction costs	6,947,334	1,673,920	185,495
Transaction bonus	1,036,492	—	—
Depreciation, amortization and ARO accretion expense	14,801,676	13,654,429	22,581,942
Income tax expense (benefit), net	4,074,759	(84,858)	234,618
Interest expense, net	12,742,157	10,301,644	10,578,711
Adjusted EBITDA	$ 43,591,789	$ 25,283,948	$ 71,613,436

The financial impacts of the Crimson assets only represent the period from February 1, 2021 to December 31, 2021.

NON-GAAP FINANCIAL MEASURES APPLICABLE TO REITS

We also present earnings before interest, taxes, depreciation and amortization as defined by the National Association of Real Estate Investment Trusts ("EBITDAre") and NAREIT funds from operations ("NAREIT FFO"). The presentation of EBITDAre and NAREIT FFO are not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP nor are they indicative of funds available to fund our cash needs, including capital expenditures, to make payments on our indebtedness or to make distributions.

EBITDAre

EBITDAre is a non-GAAP financial measure that management and external users of our consolidated financial statements, such as industry analysts, investors and lenders may use to evaluate our ongoing operating results, including (i) the performance of our assets without regard to the impact of financing methods, capital structure or historical cost basis of our assets and (ii) the overall rates of return on alternative investment opportunities. EBITDAre, as established by NAREIT, is defined as net income (loss) (calculated in accordance with GAAP) excluding interest expense, income tax, depreciation and amortization, gains or losses on disposition of depreciated property (including gains or losses on change of control), impairment write-downs of depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustments to reflect the entity's pro rata share of EBITDAre of unconsolidated affiliates.

We believe that the presentation of EBITDAre provides useful information to investors in assessing our financial condition and results of operations. Our presentation of EBITDAre is calculated in accordance with standards established by NAREIT, which may not be comparable to measures calculated by other companies that do not use the NAREIT definition of EBITDAre. In addition, although EBITDAre is a useful measure when comparing our results to other REITs, it may not be helpful to investors when comparing to non-REITs. EBITDAre should not be considered a measure of liquidity and should not be considered as an alternative to operating income (loss), net income (loss) or other indicators of performance determined in accordance with GAAP.

The following table presents a reconciliation of Net Income (Loss) Attributable to Common Stockholders, as reported in the Consolidated Statements of Operations, to EBITDAre:

	For the Year Ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Income (Loss) Attributable to Common Stockholders	$ (20,926,685)	$ (315,257,388)	$ (5,175,973)
Add:			
Interest expense	12,742,157	10,301,644	10,578,711
Depreciation, amortization, and ARO accretion	14,801,676	13,654,429	22,581,942
Loss on impairment of leased property	—	140,268,379	—
Loss on impairment and disposal of leased property	5,811,779	146,537,547	—
Loss on termination of lease	165,644	458,297	—
Less:			
Income tax (expense) benefit	4,074,759	84,858	(234,618)
EBITDA*re*	$ 8,519,812	$ (4,121,950)	$ 28,219,298
Add:			
Deferred rent receivable write-off	—	30,105,820	—
(Gain) loss on extinguishment of debt	861,814	(11,549,968)	33,960,565
Preferred dividend requirements	9,395,604	9,189,809	9,255,468
Adjusted EBITDA*re*	**$ 18,777,230**	**$ 23,623,711**	**$ 71,435,331**

The financial impacts of the Crimson assets only represent the period from February 1, 2021 to December 31, 2021.

NAREIT FFO

FFO is a widely used measure of the operating performance of real estate companies that supplements net income (loss) determined in accordance with GAAP. As defined by NAREIT, NAREIT FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, impairment losses of depreciable properties, real estate-related depreciation and amortization (excluding amortization of deferred financing costs or loan origination costs) and other adjustments for unconsolidated partnerships and non-controlling interests. Adjustments for non-controlling interests are calculated on the same basis. We define FFO attributable to Common Stockholders as defined above by NAREIT less dividends on preferred stock. Our method of calculating FFO attributable to Common Stockholders may differ from methods used by other REITs and, as such, may not be comparable.

We present NAREIT FFO because we consider it an important supplemental measure of our operating performance and believe that it is frequently used by securities analysts, investors, and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is a key measure we use in assessing performance and in making resource allocation decisions.

NAREIT FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions, and that may also be the case with certain of the energy infrastructure assets in which we invest. NAREIT FFO excludes depreciation and amortization unique to real estate and gains and losses from property dispositions and extraordinary items. As such, these performance measures provide a perspective not immediately apparent from net income (loss) when compared to prior-year periods. These metrics reflect the impact to operations from trends in company revenues, operating costs, development activities, and interest costs.

We calculate NAREIT FFO in accordance with standards established by the Board of Governors of the National Association of Real Estate Investment Trusts as restated and approved in a December 2018 White Paper. NAREIT FFO does not represent amounts available for management's discretionary use because of needed capital for replacement or expansion, debt service obligations, or other commitments and uncertainties. NAREIT FFO should not be considered as an alternative to net income (loss) (computed in accordance with GAAP), as an indicator of our financial performance, or to cash flow from operating activities (computed in accordance with GAAP), as an indicator of our liquidity, or as an indicator of funds available for our cash needs, including our ability to make distributions or to service our indebtedness.

For completeness, the following table sets forth a reconciliation of our net income (loss) attributable to CorEnergy stockholders as determined in accordance with GAAP and our calculations of NAREIT FFO for the years ended December 31, 2021, 2020 and 2019. Also presented is information regarding the weighted-average number of shares of our Common Stock outstanding used for the computation of per share data:

NAREIT FFO

	For the Year Ended		
	December 31, 2021	December 31, 2020	December 31, 2019
Net Income (Loss) attributable to CorEnergy Stockholders	$ (11,531,081)	$ (306,067,579)	$ 4,079,495
Less:			
Preferred Dividend Requirements	9,395,604	9,189,809	9,255,468
Net Income (Loss) attributable to Common Stockholders	$ (20,926,685)	$ (315,257,388)	$ (5,175,973)
Add:			
Depreciation	14,661,268	13,131,468	22,046,041
Amortization of deferred lease costs	2,547	61,248	91,932
Loss on impairment of leased property	—	140,268,379	—
Loss on impairment and disposal of leased property	5,811,779	146,537,547	—
Loss on termination of lease	165,644	458,297	—
Less:			
Non-Controlling Interest attributable to NAREIT FFO reconciling items	6,209,810	—	—
NAREIT funds from operations (NAREIT FFO)	$ (6,495,257)	$ (14,800,449)	$ 16,962,000
Weighted Average Shares of Common Stock Outstanding:			
Basic	14,581,850	13,650,718	13,041,613
Diluted	14,581,850	13,650,718	15,425,747
NAREIT FFO attributable to Common Stockholders			
Basic	$ (0.45)	$ (1.08)	$ 1.30
Diluted (1)	$ (0.45)	$ (1.08)	$ 1.30

(1) The years ended December 31, 2020 and 2019 diluted per share calculations exclude dilutive adjustments for convertible note interest expense, discount amortization and deferred debt issuance amortization because such impact is antidilutive. For periods presented without per share dilution, the number of weighted average diluted shares is equal to the number of weighted average basic shares presented. Refer to the Convertible Note Interest Expense table in Part IV, Item 15, Note 14 ("Debt") for additional details.

NAREIT FFO, FFO Adjusted for Securities Investment, and AFFO Reconciliation

	For the Fiscal 2021 Quarters Ended			
	March 31	June 30	September 30	December 31
Net Loss attributable to CorEnergy Stockholders	$ (12,299,571)	$ 412,539	$ 2,764,286	$ (2,408,335)
Less:				
Preferred Dividend Requirements	2,309,672	2,309,672	2,388,130	2,388,130
Net Loss attributable to Common Stockholders	$ (14,609,243)	$ (1,897,133)	$ 376,156	$ (4,796,465)
Add:				
Depreciation	2,830,909	3,724,124	3,666,527	4,439,708
Amortization of deferred lease costs	2,547	—	—	—
Loss on impairment and disposal of leased property	5,811,779	—	—	—
Loss on termination of lease	165,644	—	—	—
Less:				
Non-controlling interests attributable to NAREIT FFO reconciling items	917,839	1,459,944	2,026,838	1,805,189
NAREIT funds from operations (NAREIT FFO)	$ (6,716,203)	$ 367,047	$ 2,015,845	$ (2,161,946)
Weighted Average Shares of Common Stock Outstanding:				
Basic	13,651,521	13,659,667	15,426,226	15,559,737
Diluted	13,651,521	13,659,667	15,426,226	15,559,737
NAREIT FFO attributable to Common Stockholders				
Basic	$ (0.49)	$ 0.03	$ 0.13	$ (0.14)
Diluted(1)	$ (0.49)	$ 0.03	$ 0.13	$ (0.14)

(1) Diluted per share calculations exclude dilutive adjustments for convertible note interest expense, discount amortization and deferred debt issuance amortization because such impact is antidilutive. For periods presented without per share dilution, the number of weighted average diluted shares is equal to the number of weighted average basic shares presented.

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. For the year ended December 31, 2021, the primary sources of our stockholder distributions included transportation and distribution revenue from Crimson, MoGas, and Omega.

Quarterly, we plan on distributing our CAD less appropriate reserves established at the discretion of our Board of Directors 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 Crimson or the cash flows generated by MoGas and Omega would impact our ability to fund distributions to stockholders. The Board of Directors will continue to evaluate our dividend payments on a quarterly basis. There is no assurance that we will continue to make regular dividend payments at current levels.

Distributions to Common Stockholders are recorded on the ex-dividend date and distributions to preferred stockholders are recorded when declared by the Board of Directors. The characterization of any distribution for federal income tax purposes will not be determined until after the end of the taxable year. Refer to Part IV, Item 15, Note 7 ("Income Taxes") included in this Report for information on characterization of distributions for federal income tax purposes for the years ended December 31, 2021, 2020 and 2019. It is expected that the tax characterization of dividends for the preferred stock and Common Stock for 2021 will be primarily "return of capital" due to the loss suffered on the asset disposition in 2021.

A REIT is generally required to distribute during the taxable year an amount equal to at least 90 percent of the REIT taxable income (determined under Internal Revenue 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 of Directors 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 and remain subject to other risks and uncertainties.

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

As of December 31, 2021, each of these securities are convertible as follows: Class A-1 Units into depositary shares representing the Company's 7.375% Series A Cumulative Redeemable Preferred Stock, the Class A-2 and A-3 Units into the Company's Class B Common Stock. However, prior to conversion, the Class A-1, A-2 and 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 Class A-1, Class A-2 and Class A-3 Units see Note 16 ("Stockholder's Equity").

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 will be subordinated to the Common Stock with respect to dividends and liquidation 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 will be 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) difference of (A) Cash Available for Distribution ("CAFD") of 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 will not be 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 of Directors authorizes and the Company declares a quarterly dividend per share of outstanding Common Stock in excess of the then-applicable Common 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 Senior Notes due 2025 or Series A Preferred, (iv) any exchange for fair value for the issuance of Common Stock (as determined by the Company's Board of Directors), 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 of Directors authorizes and the Company declares a quarterly dividend per share to the Class B Common Stock equal to the then-applicable Common 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 no conversion occurs as described 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 CAFD divided by the product of (x) 1.25 and (y) four (4) times the then-applicable Common 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.

The following table sets forth Common Stock distributions for the years ended December 31, 2021 and 2020. Distributions are shown in the period in which they were declared.

Common Dividends

	Amount
2021	
Fourth Quarter	$ 0.0500
Third Quarter	0.0500
Second Quarter	0.0500
First Quarter	0.0500
2020	
Fourth Quarter	$ 0.0500
Third Quarter	0.0500
Second Quarter	0.0500
First Quarter	0.7500

The following table sets forth preferred stock distributions for the years ended December 31, 2021 and 2020.:

Preferred Dividends

	Amount
2021	
Fourth Quarter	$ 0.4609
Third Quarter	0.4609
Second Quarter	0.4609
First Quarter	0.4609
2020	
Fourth Quarter	$ 0.4609
Third Quarter	0.4609
Second Quarter	0.4609
First Quarter	0.4609

Other Dividend Declarations

On April 28, 2021, the Company's Board of Directors also authorized the reinstatement of the operation of the Company's DRIP.

On April 28, 2021, the Company's Board of Directors authorized the declaration of dividends on the Company's Series B Preferred of $0.25 per share (paid in kind) and on the Company's Series C Preferred Securities of $0.5625 per share (paid in cash), as if such securities had been outstanding, in accordance with the terms of the Crimson Third LLC Agreement.

On July 28, 2021, the Company’s Board of Directors authorized the declaration of dividends on the Company's Series B Preferred of $0.25 per share and Series C Preferred of $0.5625 per share, as if such securities had been outstanding, in accordance with the terms of the Crimson Third LLC Agreement. Both dividends were prorated for the period May 31, 2021 to June 30, 2021. For dividend purposes, June 30, 2021 was the final day each security earned dividends before conversion. The prorated dividend on the Series C Preferred were paid in cash while the Series B Preferred prorated dividend were paid in kind, as follows:

- the Board of Directors’ authorization of deemed dividends on the Series B Preferred entitled the holders of Crimson's outstanding Class A-2 Units to receive, from Crimson, a distribution of $0.25 per unit (prorated through the June 30, 2021 conversion date), which was paid in kind as described in the Article Supplementary. An aggregate of 24,414 additional Class A-2 Units was issued to such holders, based on a stated value of $25.00 per unit, for all declared dividends through the conversion date; and

- the Board of Directors' authorization of deemed dividends on the Series C Preferred entitled the holders of Crimson's outstanding Class A-1 Units to receive, from Crimson, a cash distribution of $0.5625 per unit (prorated through the June 30, 2021 conversion date).

Class A-1 Units

On October 27, 2021, the Company's Board of Directors authorized the declaration of dividends of $0.4609375 per depositary share for its 7.375% Series A Preferred Stock payable in cash. Pursuant to the terms of Crimson's Third LLC Agreement, this determination by the Company's Board of Directors entitled the holders of Crimson's Class A-1 Units to receive, from Crimson, a cash distribution of $0.4609375 per unit.

Class A-2 and Class A-3 Units Distribution

On October 27, 2021, the Board decided not to declare a dividend on Class B Common Stock. Pursuant to the terms of Crimson's Third LLC Agreement, this determination by the Company's Board of Directors will result in no distribution to the holders of Crimson's Class A-2 Units or Crimson's Class A-3 Units.

On February 28, 2022, we paid fourth quarter dividends of $0.05 per share of Common Stock and $0.4609375 per depositary share for our 7.375% Series A Cumulative Redeemable Preferred Stock.

FEDERAL AND STATE INCOME TAXATION

In 2013 we qualified, and in March 2014 elected (effective as of January 1, 2013), to be treated as a REIT for federal income tax purposes (which we refer to as the "REIT Election"). Because certain of our assets may not produce REIT-qualifying income or be treated as interests in real property, those assets are held in wholly-owned TRSs in order to limit the potential that such assets and income could prevent us from qualifying as a REIT.

We elected to be taxed as a REIT for 2013 and subsequent years and generally will not pay federal income tax on taxable income of the REIT that is distributed to our stockholders. As a REIT, our distributions from earnings and profits will be treated as ordinary income, and generally will not qualify as QDI. To the extent that the REIT had accumulated C corporation earnings and profits from the periods prior to 2013, we distributed such earnings and profits in 2013. In addition, to the extent we receive taxable distributions from our TRSs, or the REIT received distributions of C corporation earnings and profits, such portion of our distribution is generally treated as QDI. While regular REIT dividends are not eligible for the reduced QDI tax rates, with respect to taxable years beginning after December 31, 2017 and before January 1, 2026, Section 199A of the Code typically permits a 20 percent deduction against taxable income for noncorporate taxpayers for qualified business income, which includes dividends from a REIT received during the tax year that is not a capital gain dividend or a dividend qualifying for the QDI rate, subject to certain income and holding period limitations.

As a REIT, we hold and operate certain of our assets through one or more wholly-owned TRSs. Our use of TRSs enables us to continue to engage in certain businesses while complying with REIT qualification requirements and also allows us to retain income generated by these businesses for reinvestment without the requirement of distributing those earnings. As was done with our subsidiary Omega in 2017, and as warranted in the future, we may elect to reorganize and transfer certain assets or operations from our TRSs to our C corporation or other subsidiaries, including qualified REIT subsidiaries.

Our other equity securities were limited partnerships or limited liability companies which were treated as partnerships for federal and state income tax purposes. As a limited partner, we reported our allocable share of taxable income from the partnerships in computing our taxable income. To the extent held by a TRS, the TRS's tax expense or benefit is included in the Consolidated Statements of Operations based on the component of income or gains and losses to which such expense or benefit relates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

If we cease to qualify as a REIT, we, as a C corporation, would be obligated to pay federal and state income tax on our taxable income. For 2021, the federal income tax rate for a corporation was 21 percent.

On March 27, 2020, the CARES Act was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, permits NOL carryovers and carrybacks to offset 100 percent of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019 and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. As a result of the enacted NOL carryback provisions, the Company recorded an income tax benefit of approximately $410 thousand in the prior year.

On December 27, 2020, the Consolidated Appropriations Act, 2021 was enacted. The Consolidated Appropriations Act included the Taxpayer Certain and Disaster Relief Act (the "Disaster Relief Act") and the COVID-related Tax Relief Act of 2020 (the "COVID Relief Act"). The Disaster Relief Act and the COVID Relief Act extend a myriad of credits and other COVID-19 relief. We have evaluated the impact of the Disaster Relief Act and COVID Relief Act, and determined that it did not have a material impact on us. We will continue to assess the impact of new tax legislation, as well as any future regulations and updates provided by the tax authorities. Refer to Part IV, Item 15, Note 7 ("Income Taxes") for additional information.

MAJOR TENANTS

As of December 31, 2021, following the sales of Grand Isle Gathering System as partial consideration for the acquisition of Crimson on February 4, 2021, and following the sale of the Pinedale LGS and termination of the Pinedale Lease Agreement on June 30, 2020, we now have no significant leases. For additional information concerning the disposal of the GIGS lease, see Part I, Item 2, "Properties" and Part IV, Item 15, Note 5 ("Leased Properties And Leases") included in this Report. The table below displays the impact of significant leases on total leased properties and total lease revenues for the periods presented.

	As a Percentage of (1)				
	Leased Properties		Lease Revenues		
	As of December 31,		For the Years Ended December 31,		
	2021	2020	2021	2020(2)	2019
Pinedale LGS (3)	— %	— %	— %	52.0 %	39.2 %
Grand Isle Gathering System (4)	— %	98.0 %	— %	47.6 %	60.6 %

(1) Insignificant leases are not presented; thus percentages may not sum to 100%.

(2) Total lease revenue is exclusive of the deferred rent receivable write-off of $30.1 million for the year ended December 31, 2020.

(3) Pinedale LGS lease revenues include variable rent of $0, $28 thousand, and $4.6 million for the years ended December 31, 2021, 2020 and 2019, respectively. The Pinedale LGS was sold to Ultra Wyoming and the Pinedale Lease Agreement was terminated on June 30, 2020, as discussed further in Part IV, Item 15, Note 5 ("Leased Properties And Leases") included in this Report.

(4) As of December 31, 2020, the Grand Isle Gathering System's percentage of leased properties increased as a result of the sale of the Pinedale LGS on June 30, 2020. For the year ended December 31, 2020, the Grand Isle Gathering System's percentage of lease revenues is exclusive of the deferred rent receivable write-off. As disclosed in Part I, Item 2, Properties and Part IV, Item 15, Note 5 ("Leased Properties And Leases"), the GIGS asset was sold and the lease was terminated on February 4, 2021.

IMPACT OF INFLATION AND DEFLATION

In 2021, we experienced significant increases in the cost of energy, transportation and distribution, these inflationary trends have and may continue to have a material adverse impact on our results of operations.

LIQUIDITY AND CAPITAL RESOURCES

Overview

At December 31, 2021, we had liquidity of approximately $35.5 million comprised of cash of $12.5 million plus revolver availability of $23.0 million. We use cash flows generated from our operations at MoGas and Omega 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 Crimson are subject to certain limitations as discussed under the "Crimson Credit Facility" below. Management expects that future operating cash flows, along with access to financial markets, will be sufficient to fund future operating requirements and acquisition opportunities. Further, if our ability to access the capital markets is restricted, or if debt or equity capital were unavailable or if debt or equity capital were 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.

There are acquisition opportunities that are in various stages of review, and consummation of any of these opportunities may depend on a number of factors beyond our control. There can be no assurance that any of these acquisition opportunities will result in consummated transactions. As part of our disciplined investment philosophy, we plan to use a moderate level of leverage, approximately 25 percent to 50 percent of assets, supplemented with accretive equity issuance as needed, subject to current market conditions. We may invest in assets subject to greater leverage which could be both recourse and non-recourse to us.

Cash Flows - Operating, Investing, and Financing Activities

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

	For the Years Ended December 31,	
	2021	2020
Net cash provided by (used in):		
Operating activities	$ 17,298,110	$ 10,383,070
Investing activities	(83,593,954)	(2,127,822)
Financing activities	(20,804,585)	(29,521,984)
Net decrease in cash and cash equivalents	$ (87,100,429)	$ (21,266,736)

Cash Flows from Operating Activities

Net cash flows provided by operating activities for the year ended December 31, 2021 were primarily generated by (i) $57.7 million in net contributions from our operating subsidiaries, including Crimson, MoGas and Omega, (ii) $8.6 million in PLA subsequent sales revenue, partially offset by (iii) $27.0 million in general and administrative expenses, (iv) cash paid for interest of $12.7 million, and (v) PLA subsequent sales of $8.2 million.

Net cash flows provided by operating activities for the year ended December 31, 2020 were primarily generated by (i) lease receipts of $21.1 million ($21.4 million lease revenue, plus $245 thousand of variable rent recognized in the prior year and collected in the current year period, offset by $493 thousand of straight-line rent accrued during the current year, which was written-off at the end of the first quarter of 2020 in conjunction with the impairment of the deferred rent receivable), (ii) $13.3 million in net contributions from our operating subsidiaries MoGas and Omega and (iii) $466 thousand of income tax refunds, net, partially offset by (iv) $12.2 million in general and administrative expenses, (v) $9.3 million in cash paid for interest and (vi) a $1.0 million cash payment accounted for as an incremental cost to obtain a transportation contract.

Cash Flows from Investing Activities

Net cash used in investing activities for the year ended December 31, 2021 was primarily attributable to (i) $69.0 million of cash utilized to acquire our 49.50 percent interest in Crimson, net of cash acquired and (ii) purchases of property and equipment of $15.8 million.

Net cash flows used in investing activities for the year ended December 31, 2020 were primarily attributed to $2.2 million in purchases of property and equipment primarily related to the construction of the STL Interconnect at MoGas, which was placed in-service in mid-December 2020.

Cash Flows from Financing Activities

Net cash used in financing activities for the year ended December 31, 2021 was primarily attributed to (i) common and preferred dividends paid of $2.4 million and $9.4 million, respectively, (ii) cash paid for debt financing costs of $2.7 million for the Crimson Credit Facility, (iii) advances on the Crimson Revolver of $24.0 million, offset by payments on the Crimson Revolver of $22.0 million. and (iv) principal payments of $6.0 million on the Crimson secured credit facility.

Net cash flows used in financing activities for the year ended December 31, 2020 were primarily attributable to (i) common and preferred dividends paid of $12.3 million and $9.2 million, respectively, (ii) cash paid for the settlement of the Amended Pinedale Term Credit Facility of $3.1 million, (iii) principal payments of $1.8 million on our secured credit facilities, (iv) cash paid for the maturity of the 7.00% Convertible Notes of $1.7 million and (v) cash paid for the repurchase of the 5.875% Convertible Notes of $1.3 million.

Capital Expenditures

Crimson's operations can be capital intensive, requiring investments to maintain, expand, upgrade or enhance existing operations and to meet environmental and operational regulations. Crimson's capital requirements consist of maintenance capital expenditures and growth capital expenditures. Examples of maintenance capital expenditures are those made to replace partially or fully depreciated assets, to maintain the existing operating capacity of Crimson's assets and to extend their useful lives, or other capital expenditures that are incurred in maintaining existing system volumes and related cash flows. In contrast, growth 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 systems or facilities. Crimson may incur substantial amounts of capital expenditures in certain periods in connection with large maintenance projects that are intended to only maintain its assets. Crimson expects to incur maintenance capital expenditures in a range of $8.0 million to $9.0 million in 2022.

Material Cash Requirements

The following table summarizes our material cash requirements and other obligations as of December 31, 2021:

	Notional Value	Less than 1 year	1-3 years	3-5 years	More than 5 years
Crimson Credit Facility[1]	$ 74,000,000	$ 8,000,000	$ 66,000,000	$ —	$ —
Crimson Revolver[1]	27,000,000	—	27,000,000	—	—
5.875% Convertible Debt[1]	118,050,000	—	—	118,050,000	—
Interest payments on 5.875% Convertible Debt[1]		6,935,438	13,870,875	6,935,438	—
Leases[2]		1,774,495	1,626,448	883,917	4,437,549
Dividends and distributions[3]		15,768,005	31,536,010	31,536,010	—
Totals		$ 32,477,938	$ 140,033,333	$ 157,405,365	$ 4,437,549

(1) See Part IV, Item 15, Note 14 ("Debt")

(2) See Part IV, Item 15, Note 5 ("Leased Properties and Leases")

(3) Includes Common Stock, Series A Cumulative Redeemable Preferred Stock and Crimson Class A-1 Units projected forward using the current numbers of outstanding securities and current dividend rates. Dividends are subject to the approval by the Board of Directors. Table does not attempt to project future dividends beyond the 5-year horizon.

Capital Requirements

Capital spending for our business consists primarily of:

- Maintenance capital expenditures. These expenditures include costs required to maintain equipment reliability and safety and to address environmental and other regulatory requirements rather than to generate incremental CAD; and

- Expansion capital expenditures. These expenditures are undertaken primarily to generate incremental CAD 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 2021, our maintenance capital spending was $7.3 million and we spent $6.8 million for our expansion capital projects.

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: a $50.0 million revolving credit facility (the "Crimson Revolver"), an $80.0 million term loan (the "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 have become 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.

The loans under the Crimson Credit Facility mature on February 4, 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. Subject to certain conditions, all loans made under the Credit Agreement shall, at the option of the Borrowers, bear interest at either (a) LIBOR 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 LIBOR 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).

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 customary excluded assets, pursuant to an Amended and Restated Pledge Agreement and an Amended and Restated Security Agreement. Under the terms of the Crimson Credit Facility, we are subject to certain financial covenants for the Borrowers and their restricted subsidiaries as follows (i): the total leverage ratio shall not be greater than: (a) 3.00 to 1.00 commencing with the fiscal quarter ending June 30, 2021 through and including the fiscal quarter ending December 31, 2021; (b) 2.75 to 1.00 commencing with the fiscal quarter ending March 31, 2022 through and including the fiscal quarter ending December 31, 2022; and (c) 2.50 to 1.00 commencing with the fiscal quarter ending March 31, 2023 and for each fiscal quarter thereafter and (ii) the debt service coverage ratio, shall not be less than 2.00 to 1.00. 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. The Borrowers and their restricted subsidiaries are also subject to certain additional affirmative and negative 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).

We also had approximately $23.0 million of available borrowing capacity on the Crimson Revolver at December 31, 2021. 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 this Report.

CorEnergy Credit Facility

For a summary of the additional material terms of the CorEnergy Credit Facility, please see Part IV, Item 15, Note 14 ("Debt") included in this Report.

MoGas Revolver

As discussed under "CorEnergy Credit Facility" in Part IV, Item 15, Note 14 ("Debt") in this report, the MoGas Revolver component of the CorEnergy Credit Facility was terminated on February 4, 2021.

Mowood/Omega Revolver

On February 4, 2021, the Mowood/Omega Revolver was terminated in connection with the Crimson Transaction.

Convertible Notes

7.00% Convertible Notes

Upon maturity, we paid remaining principal and accrued interest outstanding on the 7.00% Convertible Notes.

Refer to Part IV, Item 15, Note 14 ("Debt") included in this Report for additional information concerning the 7.00% Convertible Notes.

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 Senior Notes due 2025 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 percent 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 percent per annum, payable semiannually 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.

Refer to Part IV, Item 15, Note 14 ("Debt") included in this Report for additional information concerning the 5.875% Convertible Notes.

Shelf Registration Statements

On October 30, 2018, we registered 1,000,000 shares of Common Stock for issuance under our dividend reinvestment plan pursuant to a separate shelf registration statement filed with the SEC. As of December 31, 2021, we have issued 106,422 shares of Common Stock under our dividend reinvestment plan pursuant to the shelf resulting in remaining availability (subject to the current limitation discussed below) of approximately 893,578 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 million.

On September 16, 2021, the Company 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 for resale by the Contributors: 1,837,607 shares of Common Stock (including both (i) 1,153,846 shares of Common Stock issued at the closing of the Internalization and (ii) up to 683,761 additional shares of Common Stock which may be acquired by the Contributors upon the conversion of outstanding shares of our unlisted Class B Common Stock issued at the closing of the Internalization) and 170,213 depositary shares each representing 1/100th fractional interest of a share of 7.375% Series A Cumulative Redeemable Preferred Stock, par value $0.001 per share issued at the closing of the Internalization.

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 the term and credit facilities mentioned above. We are also expanding 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. Additionally, our liquidity and capitalization may be impacted by the optional redemption of Series A Preferred Stock. As disclosed in Part IV, Item 15, Note 16 ("Stockholders' Equity"), 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 table presents our liquidity and capitalization as of December 31, 2021 and 2020:

Liquidity and Capitalization

	December 31, 2021	December 31, 2020
Cash and cash equivalents	$ 12,496,478	$ 99,596,907
Revolver availability	$ 23,000,000	$ —
Revolving credit facility	$ 27,000,000	$ —
Long-term debt (including current maturities)[1]	188,390,586	115,008,130
Stockholders' equity:		
Series A Cumulative Redeemable Preferred Stock 7.375%, $0.001 par value	129,525,675	125,270,350
Capital stock, non-convertible, $0.001 par value	14,893	13,652
Class B Common Stock, $0.001 par value	684	—
Additional paid-in capital	338,302,735	339,742,380
Retained deficit	(327,157,636)	(315,626,555)
Noncontrolling interest	122,945,172	—
Total CorEnergy equity	263,631,523	149,399,827
Total CorEnergy capitalization	$ 479,022,109	$ 264,407,957

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

The above table does not give effect to the conversion of the non-controlling interest into our securities, which are subject to CPUC approval and will be elective by the holder(s) of the non-controlling interest. It is our intent to treat distributions with respect to the non-controlling interest, representing the Class A-1, A-2 and A-3 Units at Crimson, with the same relative priority and amount as our underlying securities that they may be converted into. Below is a prospective forward-looking capitalization table that adjusts for conversion of the non-controlling interest into our securities that they are expected to ultimately convert into at the election of the holder(s).

Prospective Capitalization Table

	December 31, 2021 Actual[(1)]	Adjustments: Non-Controlling Interest Reorganization[(2)]	Prospective for Non-Controlling Interest Reorganization
Cash and Cash Equivalents	$ 12,496,478	$ —	$ 12,496,478
Debt			
Revolving Credit Facility	27,000,000	—	27,000,000
Long-Term Debt (including current maturities)[(3)]	188,390,586	—	188,390,586
Total Debt	215,390,586	—	215,390,586
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			
Common Stock	14,893	—	14,893
Class B Common Stock	684	11,212	11,896
Additional Paid-In Capital	338,302,735	77,479,573	415,782,308
Retained Deficit	(327,157,636)	6,129,057	(321,028,579)
Total CorEnergy Equity	11,160,676	83,619,842	94,780,518
Non-controlling interest [(4)]	122,945,172	(122,945,172)	—
Total Stockholders' Equity	$ 263,631,523		$ 263,631,523
Total Capitalization	$ 479,022,109		$ 479,022,109
Shares Outstanding			
Common Stock	14,893,184	—	14,893,184
Class B Common Stock	683,761	11,212,300	11,896,061
Total Shares Outstanding	15,576,945	11,212,300	26,789,245
Book Value of Common Stock and Class B Common Stock	$ 0.72		$ 3.54

(1) The non-controlling interest reflects the Grier Members' equity consideration for the Class A-1, A-2 and A-3 Units representing a 50.62% interest in Crimson. Subject to CPUC regulatory approval, these units are convertible into certain CorEnergy securities 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, A-2 and A-3 Units into depositary shares representing Series A Preferred Stock for theClass A-1 Units and Class B Common Stock both Class A-2 and A-3 Units. On June 29, 2021, shareholders approved the conversion of the Series B Preferred into Class B Common Stock. 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 IV, Item 15, Note 16 ("Stockholders' Equity") for further details on the non-controlling interest.

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

(4) In previous 2021 filings, the noncontrolling interest was revalued at then current market values for the prospective column. However, in this filing the value of the noncontrolling interest was held constant at the current book value.

SUBSEQUENT EVENTS

For additional information regarding transactions that occurred subsequent to December 31, 2021, see Part IV, Item 15, Note 21 ("Subsequent Events") included in this annual Report on Form 10-K.

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 U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, recognition of revenues and expenses, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

Refer to Part IV, Item 15, Note 2 ("Significant Accounting Policies") included in this Report for further information related to our significant accounting policies.

Business Combinations

In association with our acquisitions, we make an assessment regarding the application of ASC 805, Business Combination, which requires allocation of the purchase price to the estimated fair values of assets and liabilities acquired in the transaction. The assumptions that are involved in making those estimates include calculating the appropriate discount rate, pipeline rights of way values, equity valuations and projections associated with revenue, costs, which can be difficult to measure. As applicable, the Company may utilize external third party specialists to assist in that process. Certain assumptions utilized in those calculations in association with the Crimson and Internalization business combinations were updated during the measurement period, however, they did not result in a significant change to the original estimates.

Refer to Part IV, Item 15, Note 3 ("Acquisitions") included in this Report for further information.

Impairment of Long-Lived Assets

Our long-lived assets consist primarily of a liquids gathering system and natural gas pipelines that have been obtained through business combinations and asset acquisitions. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Expenditures for repairs and maintenance are charged to operations as incurred, and improvements, which extend the useful lives of our assets, are capitalized and depreciated over the remaining estimated useful life of the asset.

We continually monitor our business, the business environment, and performance of our operations to determine if an event has occurred that indicates that the carrying value of a long-lived asset group may be impaired. When a triggering event occurs, which is a determination that involves judgment, we utilize cash flow projections to assess the ability to recover the carrying value of our assets based on our long-lived assets' ability to generate future cash flows on an undiscounted basis over the remaining useful life of the primary asset. This differs from the evaluation of goodwill, for which the recoverability assessment utilizes fair value estimates that include discounted cash flows in the estimation process, and accordingly any goodwill impairment recognized may not be indicative of a similar impairment of the related underlying long-lived assets.

The projected cash flows of long-lived assets are primarily based on contractual cash flows that extend many years into the future. If those cash flow projections indicate that the long-lived asset's carrying value is not recoverable, we record an impairment charge for the excess of carrying value of the asset over its fair value. The estimate of fair value considers a number of factors, including the potential value that would be received if the asset were sold, discount rates, and projected cash flows. Due to the imprecise nature of these projections and assumptions, actual results can differ from our estimates. The estimates utilized in the 2021 impairment analysis are consistent with the 2020 analysis.

For the year ended December 31, 2021, we recognized a loss on impairment and disposal of $5.8 million for the GIGS asset. For the year ended December 31, 2020, we recognized an impairment of $140.3 million for the GIGS asset and $146.5 million for the Pinedale LGS. Refer to Part IV, Item 15, Note 5 ("Leased Properties And Leases") for further details. There were no impairments of long-lived assets recorded during the year ended December 31, 2019.

Impairment of Goodwill

Goodwill represents the excess of the purchase price over the fair value of net identifiable assets on acquisition of a business. The carrying value of goodwill, which is not amortized, is assessed for impairment annually, or more frequently if events or changes in circumstances arise that suggest the carrying value of goodwill may be impaired.

We have the option to first assess qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment assessment. When performing a qualitative assessment, we determine the drivers of fair value for each reporting unit and evaluate whether those drivers have been positively or negatively affected by relevant events and circumstances since the last fair value assessment. Our evaluation includes, but is not limited to, assessment of macroeconomic trends, regulatory environments, capital accessibility, operating income trends, and industry conditions. Based on our assessment of the qualitative factors, if we determine it is more likely than not that the fair value of the reporting unit is less than it's carrying amount, a quantitative goodwill impairment assessment is performed.

The quantitative goodwill impairment assessment involves determining the fair value of our reporting units and comparing those values to the carrying value of each corresponding reporting unit. If the carrying value of a reporting unit, including allocated goodwill, exceeds its fair value, goodwill impairment is measured at the amount by which the reporting unit's carrying value exceeds its fair value. This amount should not exceed the carrying amount of goodwill. Fair value of our reporting units is estimated using a combination of discounted cash flow models and earnings multiples techniques. The determination of fair value using the discounted cash flow model technique requires the use of estimates and assumptions related to discount rates, projected operating income, terminal value growth rates, capital expenditures and working capital levels. The determination of fair value using the earnings multiples technique requires assumptions to be made in relation to maintainable earnings and earnings multipliers for reporting units.

Our most recent annual assessment of the goodwill balance was performed on December 31, 2021, using the step 0 qualitative goodwill impairment assessment. Our assessment of goodwill did not result in an impairment charge. The estimates utilized in the 2021 impairment analysis, as it relates to MoGas, are consistent with the 2020 analysis. To the extent that the Company is not able to enter into future revenue generating agreements for Corridor, the goodwill associated with the Corridor acquisition is at risk for impairment in the amount of $14.5 million.

Federal and State Income Taxation

We qualify as a REIT under Sections 856 to 860 of the Internal Revenue Code of 1986, and intend to continue to remain so qualified. For further information, see "Federal and State Income Taxation" above in this Item 7 and "Federal and State Income Taxation" under Item 5 "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities" of this Report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our business activities contain elements of market risk. Long-term debt used to finance our acquisitions may be based on floating or fixed rates. As of December 31, 2021, we had long-term debt (net of current maturities) with a carrying value of $188.4 million, all of which represents fixed-rate debt. Borrowings under our Crimson Revolver are variable-rate, based on a LIBOR pricing spread and subject to interest rate re-sets that generally range from one day to approximately one month. As of December 31, 2021, we had $27 million in borrowings under our Crimson Revolver.

Effective February 1, 2021, as a result of the Crimson Transaction, borrowings under the Crimson Credit Facility are variable-rate based on either (a) LIBOR 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 LIBOR rate plus 1.0%, plus a pricing spread. As of December 31, 2021, the interest rate for the Crimson Credit Facility was set at LIBOR plus the top level of the spread of 400 basis points resulting in an interest rate of 4.1%. 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 LIBOR rates would have resulted in an initial interest rate of 5.1% or 3.1%, respectively, for the Crimson Credit Facility. Assuming the Crimson Credit Facility was in place beginning January 1, 2021, a 100 basis point increase or decrease in the current LIBOR rate would have resulted in an approximately $1.0 million increase or decrease in interest expense for the year ended December 31, 2021.

Further, as a result of the Crimson Transaction, we will be 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 PLA oil retained, 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 is common in the pipeline transportation industry, as crude oil is transported Crimson earns a small percentage of the crude oil transported, earned PLA oil 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 oil 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 December 31, 2021, 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 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements and financial statement schedules are set forth beginning on page F-1 in this Annual Report and are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Our management is responsible for the preparation, consistency, integrity, and fair presentation of the financial statements. The financial statements have been prepared in accordance with U.S. generally accepted accounting principles applied on a consistent basis and, in management's opinion, are fairly presented. The financial statements include amounts that are based on management's informed judgments and best estimates.

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 and design 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 effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

Crimson Transaction

We are in the process of integrating Crimson, which we acquired on February 4, 2021 (effective February 1, 2021). Management’s assessment and conclusion on the effectiveness of the Company's disclosure controls and procedures as of December 31, 2021 excludes an assessment of the internal control over financial reporting related to Crimson. Crimson represented 72.0% of our consolidated total assets and 83.0% of our consolidated revenue included in our consolidated financial statements as of and for the year ended December 31, 2021.

Management's Report on Internal Control over Financial Reporting

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer (our principal executive and principal financial officers, respectively), is responsible for establishing and maintaining adequate internal control over our financial reporting. Our management has established and maintains comprehensive systems of internal control designed to provide reasonable assurance as to the consistency, integrity, and reliability of the preparation and presentation of financial statements and the safeguarding of assets. The concept of reasonable assurance is based upon the recognition that the cost of the controls should not exceed the benefit derived. Our management monitors the systems of internal control and maintains an internal auditing program that assesses the effectiveness of internal control.

Our management assessed our systems of internal control over financial reporting for financial presentations in conformity with U.S. generally accepted accounting principles as of December 31, 2021. This assessment was based on criteria for effective internal control established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO Report). Based on this assessment, our management has determined that our internal control over financial reporting was effective as of December 31, 2021.

The Board of Directors exercises its oversight role with respect to the systems of internal control primarily through its Audit Committee, which is comprised solely of independent outside directors. The Committee oversees systems of internal control and financial reporting to assess whether their quality, integrity, and objectivity are sufficient to protect stockholders' investments.

Ernst & Young LLP has issued an audit report on our internal control over financial reporting. This report begins on the next page.

Changes in Internal Control over Financial Reporting

We have completed two acquisitions in the past 12 months. As a part of our ongoing integration activities, we are beginning to implement our controls and procedures at the business's we acquired and to augment our company-wide controls to reflect the risks inherent in our acquisitions. Throughout the integration process, we monitor these efforts and take corrective action as needed to reinforce the application of our controls and procedures. Other than the foregoing, during the annual period ended December 31, 2021, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impact to our internal control over financial reporting due to the COVID-19 pandemic. We are continually monitoring and assessing the effects of COVID-19 pandemic on our internal controls to minimize the impact on their design and operating effectiveness.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of CorEnergy Infrastructure Trust, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited CorEnergy Infrastructure Trust, Inc.'s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, CorEnergy Infrastructure Trust, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Crimson Midstream Holdings, LLC (Crimson), which is included in the 2021 consolidated financial statements of the Company and constituted 72% of total assets, as of December 31, 2021 and 83% of revenues, for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Crimson.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, equity and cash flow for each of the three years in the period ended December 31, 2021, and the related notes and schedules listed in the Index at Item 15 and our report dated March 14, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young LLP
Kansas City, Missouri
March 14, 2022

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Codes of Ethics

We have adopted a code of ethics, which applies to our principal executive officer and principal financial officer. We have also adopted a code of ethics that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to the code of ethics may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code of ethics. This information may be obtained, without charge, upon request by calling us at (816) 875-3705 or toll-free at (877) 699-2677 and on our web site at http://corenergy.reit. The codes of ethics are available on the EDGAR Database on the Securities and Exchange Commission's Internet site at http://www.sec.gov.

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") imposes a wide variety of regulatory requirements on publicly-held companies and their insiders. The Sarbanes-Oxley Act requires us to review our policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all future regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

Additional information is incorporated herein by reference to the sections captioned "Nominees for Directors," "Incumbent Directors Continuing in Office," "Information About Executive Officers," "Board of Directors Meetings and Committees," and "Stockholder Proposals and Nominations for the 2022 Annual Meeting" in our proxy statement for our 2022 Annual Stockholder Meeting, which will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference to the sections captioned "Executive Compensation," Compensation Committee Report on Executive Compensation," "Compensation Committee Interlocks and Insider Participation," and "Compensation Policies and Practices as They Relate to Risk Management," and "Director Compensation" in our proxy statement for our 2022 Annual Stockholder Meeting to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Incorporated by reference to the sections captioned "Security Ownership of Management and Certain Beneficial Owners" and "Equity Compensation Plan Information as of December 31, 2021," in our proxy statement for our 2022 Annual Stockholder Meeting to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Incorporated by reference to the sections captioned "Nominees for Director," "Incumbent Directors Continuing in Office," "Board of Directors Meetings and Committees" and "Certain Relationships and Related Party Transactions" in our proxy statement for our 2022 Annual Stockholder Meeting to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Incorporated by reference to the section captioned "Independent Registered Public Accounting Firm Fees and Services" in our proxy statement for our 2022 Annual Stockholder Meeting to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year covered by this Annual Report.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this Annual Report on Form 10-K:

1. The Financial Statements listed in the Index to Financial Statements on Page F-1.
2. The Exhibits listed in the Exhibit Index below.

Exhibit No.	Description of Document
2.1.1	Membership Interest Purchase Agreement dated February 4, 2021, by and among CorEnergy Infrastructure Trust, Inc., Crimson Midstream Holdings, LLC, CGI Crimson Holdings, L.L.C., and John D. Grier (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).
2.1.2	First Amendment to Membership Purchase Agreement dated March 3, 2021 by and among CorEnergy Infrastructure Trust, Inc., Crimson Midstream Holdings, LLC, CGI Crimson Holdings, L.L.C., and John D. Grier (incorporated by reference to the Registrant's Form 10-K filed March 4, 2021).
2.2	Contribution Agreement dated February 4, 2021, by and among CorEnergy Infrastructure Trust, Inc., Richard C. Green, Rick Kreul, Rebecca M. Sandring, Sean DeGon, Jeff Teeven, Jeffrey E. Fulmer, David J. Schulte (as Trustee of the DJS Trust under Trust Agreement dated July 18, 2016), and Campbell Hamilton, Inc. (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).
3.1	Articles of Amendment and Restatement of CorEnergy Infrastructure Trust, Inc., as amended (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended December 31, 2015, filed March 14, 2016).
3.2	Third Amended and Restated Bylaws (incorporated by reference to the Registrant's current report on Form 8-K, filed August 7, 2017).
3.3	Articles Supplementary, dated January 22, 2015, Establishing and Fixing the Rights and Preferences of the Registrant's 7.375% Series A Cumulative Redeemable Preferred Stock (incorporated by reference to the Registrant's Form 8-A, filed January 26, 2015).
3.4	Articles Supplementary, dated April 12, 2017, Establishing and Fixing the Rights and Preferences of Additional Shares of the Registrant's 7.375% Series A Cumulative Redeemable Preferred Stock (incorporated by reference to the Registrant's current report on Form 8-K, filed April 18, 2017).
3.5	Articles Supplementary, dated February 4, 2021, Establishing and Fixing the Rights and Preferences of Additional Shares of the Registrant's Class B Common Stock (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).
3.6	Articles Supplementary, dated February 4, 2021, Establishing and Fixing the Rights and Preferences of Additional Shares of the Registrant's Series B Preferred Stock (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).
3.7	Articles Supplementary, dated February 4, 2021, Establishing and Fixing the Rights and Preferences of Additional Shares of the Registrant's Series C Preferred Stock (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).
3.8	Article Supplementary for Series A Preferred Stock (incorporated by reference to the Registrants Form 8-K filed July 12, 2021).
3.9	Article Supplementary for Series A Preferred Stock filed July 13, 2021 (incorporated by reference to the Registrants Form 8-K filed July 16, 2021).
3.10	Articles Supplementary for Class B Common Stock filed August 19, 2021 (incorporated by reference to the Registrants Form 8-K filed August 25, 2021)
3.11	Articles of Amendment for Class B Common Stock filed August 19, 2021 (incorporated by reference to the Registrants Form 8-K filed August 25, 2021)
4.1	Form of Stock Certificate for Common Stock of CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's current report on Form 8-K, filed January 14, 2014 (the first Form 8-K filing on such date)).
4.2	Form of Certificate of CorEnergy Infrastructure Trust, Inc.'s 7.375% Series A Cumulative Redeemable Preferred Stock (incorporated by reference to the Registrant's Form 8-A, filed January 26, 2015).
4.3	Indenture relating to the 5.875% Convertible Senior Note due 2025, dated as of August 12, 2019 between CorEnergy Infrastructure Trust, Inc. and U.S. Bank National Association, including the Form of Global Notes attached thereto as Exhibit A (incorporated by reference to the Registrant's current report on Form 8-K, filed August 12, 2019).
4.4	Description of Securities - filed herewith.
10.1.1	Dividend Reinvestment Plan (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended August 31, 2007 and filed on October 12, 2007).
10.1.2	Amendment No. 1 to Dividend Reinvestment Plan (incorporated by reference to the Registrant's current report on Form 8-K, filed on April 24, 2019).
10.2.1	Management Agreement dated April 30, 2014, effective January 1, 2014, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, filed May 12, 2014).
10.2.2	Management Agreement dated May 8, 2015, effective May 1, 2015 between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, filed May 11, 2015).
10.2.3	Letter Agreement, dated May 9, 2016, concerning Management Fee for March 31, 2016 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed May 10, 2016).

10.2.4	Letter Agreement, dated March 31, 2019, concerning Incentive Fee for March 31, 2019 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2019, filed May 2, 2019).
10.2.5	Letter Agreement, dated June 30, 2019, concerning Incentive Fee for June 30, 2019 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2019, filed August 1, 2019).
10.2.6	Letter Agreement, dated September 30, 2019, concerning Incentive Fee for September 30, 2019 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q, for the quarter ended September 30, 2019, filed October 31, 2019).
10.2.7	Letter Agreement, dated September 30, 2019, concerning Management Fee for September 30, 2019 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q, for the quarter ended September 30, 2019, filed October 31, 2019).
10.2.8	Letter Agreement, dated December 31, 2019, concerning Incentive Fee for December 31, 2019 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended December 31, 2019, filed February 27, 2020).
10.2.9	Letter Agreement, dated December 31, 2019, concerning Management Fee for December 31, 2019 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended December 31, 2019, filed February 27, 2020).
10.2.10	Letter Agreement, dated March 31, 2020, concerning Incentive Fee for March 31, 2020 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2020, filed on June 25, 2020).
10.2.11	Letter Agreement, dated March 31, 2020, concerning Management Fee for March 31, 2020 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. incorporated by reference to the Registrant's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2020, filed on June 25, 2020).
10.2.12	Letter Agreement, dated June 30, 2020, concerning Management Fee for June 30, 2020 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2020, filed on August 4, 2020).
10.2.13	Letter Agreement, dated September 30, 2020, concerning Management Fee for September 30, 2020 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q, for the quarter ended September 30, 2020, filed on November 3, 2020).
10.2.14	First Amendment to Management Agreement dated February 4, 2021, by and between CorEnergy Infrastructure Trust, Inc. and Corridor InfraTrust Management, LLC (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).
10.3.1	Second Amended Administration Agreement dated December 1, 2011 (incorporated by reference to the Registrant’s current report on Form 8-K, filed December 1, 2011).
10.3.2	Amendment and Assignment to the Second Amended Administration Agreement dated August 7, 2012 (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended November 30, 2012, filed February 13, 2013).
10.4.1	Purchase and Sale Agreement, dated December 7, 2012, by and between Ultra Wyoming, Inc. and Pinedale Corridor, LP (incorporated by reference to the Registrant’s current report on Form 8-K, filed December 10, 2012 (the first Form 8-K filing on such date)).
10.4.2	Amendment to Purchase and Sale Agreement, dated December 12, 2012, by and between Ultra Wyoming, Inc. and Pinedale Corridor, LP (incorporated by reference to the Registrant’s current report on Form 8-K, filed December 17, 2012).
10.4.3	Purchase and Sale Agreement between the Company and Ultra Wyoming LLC, dated June 28, 2020 (incorporated by reference to the Registrant's current report on Form 8-K, filed July 7, 2020).
10.5	Second Amended and Restated Term Credit Agreement and Note Purchase Agreement, dated December 29, 2017, between Pinedale Corridor, LP and Prudential Insurance Company of America (incorporated by reference to the Registrant's current report on Form 8-K, filed January 4, 2018).
10.5.1	Standstill Agreement, dated May 8, 2020, pursuant to Second Amended and Restated Term Credit Agreement and Note Purchase Agreement between Pinedale Corridor LP and Prudential Insurance Company of America (incorporated by reference to the Registrant's current report on Form 8-K, filed May 14, 2020).
10.5.2	Compromise and Release Agreement between the Company and Prudential, dated June 26, 2020 (incorporated by reference to the Registrant's current report on Form 8-K, filed July 7, 2020).
10.6.1	Lease Agreement dated December 20, 2012 by and between Pinedale Corridor, LP and Ultra Wyoming LGS, LLC (incorporated by reference to the Registrant's current report on Form 8-K, filed December 21, 2012).
10.6.2	First Amendment to Lease, dated June 19, 2013, by and between Pinedale Corridor, LP and Ultra Wyoming LGS, LLC (incorporated by reference to the Registrant's current report on Form 8-K, filed August 27, 2013).
10.6.3	Amended and Restated Limited Guaranty of Collection, dated November 28, 2016, between Ultra Resources, Inc., and Pinedale Corridor, L.P. (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended December 31, 2016, filed March 2, 2017).
10.7	First Amended and Restated Limited Partnership Agreement of Pinedale Corridor, LP, dated December 20, 2012, by and between Pinedale GP, Inc. and Ross Avenue Investments, LLC (incorporated by reference to the Registrant's current report on Form 8-K, filed December 21, 2012).

10.8	Membership Interest Purchase Agreement, dated January 14, 2014, by and among Lightfoot Capital Partners, LP, CorEnergy Infrastructure Trust, Inc. and Arc Terminals Holdings LLC (incorporated by reference to the Registrant's current report on Form 8-K, filed January 14, 2014 (the second Form 8-K filing on such date)).
10.9	Lease, dated January 21, 2014, by and between LCP Oregon Holdings, LLC and Arc Terminals Holdings LLC (incorporated by reference to the Registrant's current report on Form 8-K, filed January 22, 2014).
10.9.1	First Amendment to Lease, dated January 30, 2018, by and between LCP Oregon Holdings, LLC and Zenith Energy Terminals Holdings LLC f/k/a Arc Terminals Holdings LLC (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended December 31, 2017, filed February 28, 2018).
10.9.2	Second Amendment to Lease, dated June 28, 2018, by and between LCP Oregon Holdings, LLC and Zenith Energy Terminals Holdings LLC f/k/a Arc Terminals Holdings LLC (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, filed August 2, 2018).
10.10	Asset Purchase Agreement, dated January 21, 2014, by and between LCP Oregon Holdings, LLC and Arc Terminals Holdings LLC (incorporated by reference to the Registrant's current report on Form 8-K, filed January 22, 2014).
10.10.1	Asset Purchase and Sale Agreement, dated December 21, 2018, by and between LCP Oregon Holdings, LLC, Corridor Private Holdings, LLC and Zenith Energy Terminals Holdings LLC (incorporated by reference to the Registrant's current report on Form 8-K, filed December 28, 2018).
10.11.1	Director Compensation Plan of CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, filed August 11, 2014). *
10.11.2	Amendment No. 1 to Director Compensation Plan of CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Registration Statement on Form S-8, filed September 17, 2014 (File No. 333-198799)). *
10.11.3	Amendment No. 2 to Director Compensation Plan of CorEnergy Infrastructure Trust, Inc. (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended December 31, 2015, filed March 14, 2016). *
10.12.1	Revolving Credit Agreement dated as of September 26, 2014 by and among the Company and Regions Bank, et al (incorporated by reference to the Registrant's current report on Form 8-K, filed September 30, 2014).
10.12.2	First Amendment to Revolving Credit Agreement, dated November 24, 2014 by and among the Company and Regions Bank, et al (incorporated by reference to the Registrant's current report on Form 8-K, filed November 25, 2014).
10.12.3	Amended and Restated Revolving Credit Agreement, dated July 8, 2015, by and among the Company and Regions Bank, et al (incorporated by reference to the Registrant's current report on Form 8-K, filed July 8, 2015).
10.12.4	First Amendment, dated November 4, 2015, and effective as of September 30, 2015, to Amended and Restated Revolving Credit Agreement, dated July 8, 2015, by and among the Company and Regions Bank, et al (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended December 31, 2015, filed March 14, 2016).
10.12.5	Limited Consent and Amendment, dated March 4, 2016 by and among the Company and Regions Bank, et al (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended December 31, 2015, filed March 14, 2016).
10.12.6	Second Amendment to Amended and Restated Revolving Credit Agreement, dated July 28, 2017, by and among the Company and Regions Bank, et al (incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed August 2, 2017).
10.12.7	Limited Consent, dated May 14, 2020, pursuant to Second Amendment to Amended and Restated Revolving Credit Agreement, dated July 28, 2017, by and among the Company and Regions Bank, et al. (incorporated by reference to the Registrant's current report on Form 8-K, filed May 14, 2020).
10.13.1	Limited Liability Company Interests Purchase Agreement, dated November 17, 2014 between CorEnergy Infrastructure Trust, Inc. and Mogas Energy, LLC (incorporated by reference to the Registrant's current report on Form 8-K, filed November 17, 2014).
10.13.2	Amendment to Limited Liability Company Interests Purchase Agreement, dated November 18, 2014 between CorEnergy Infrastructure Trust, Inc. and Mogas Energy, LLC (incorporated by reference to the Registrant's current report on Form 8-K, filed November 20, 2014).
10.14.1	Firm Service Transportation Agreement, Contract No. FRM-LGC-1001, dated March 1, 2017, between MoGas Pipeline LLC and Laclede Gas Company (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended December 31, 2016, filed March 2, 2017).
10.14.2	Firm Service Transportation Agreement, Contract No. FRM-SPR-1001, dated October 30, 2020, between MoGas Pipeline LLC and Spire Missouri, Inc. (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed November 3, 2020).
10.15.1	Purchase and Sale Agreement, dated June 22, 2015, by and between Grand Isle Corridor, LP and Energy XXI USA, Inc. (incorporated by reference to the Registrant's current report on Form 8-K, filed June 22, 2015).
10.15.2	Guaranty, dated June 22, 2015, by CorEnergy Infrastructure Trust, Inc. in favor Energy XXI USA, Inc. (incorporated by reference to the Registrant's current report on Form 8-K, filed June 22, 2015).
10.15.3	Guaranty, dated June 22, 2015, by Energy XXI Ltd in favor of Grand Isle Corridor, LP (incorporated by reference to the Registrant's current report on Form 8-K, filed June 22, 2015).
10.15.4	Assignment and Assumption Agreement, dated December 30, 2016, between Energy XXI USA, Inc., Energy XXI Gulf Coast, Inc., and Grand Isle Corridor, L.P. (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended December 31, 2016, filed March 2, 2017).
10.15.5	Assignment and Assumption of Guaranty and Release, dated December 30, 2016, between Energy XXI Ltd, Energy XXI Gulf Coast, Inc., and Grand Isle Corridor, L.P. (incorporated by reference to the Registrant's Annual Report on Form 10-K, for the year ended December 31, 2016, filed March 2, 2017).
10.16	Lease, dated June 30, 2015, by and between Grand Isle Corridor, LP and Energy XXI GIGS Services, LLC. Confidential information has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been granted with respect to this omitted information. (incorporated by reference to the Registrant's current report on Form 8-K, filed June 30, 2015).
10.17	Third Amended and Restated Limited Liability Agreement of Crimson Midstream Holdings, LLC (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).
10.18	Registration Rights Agreement dated February 4, 2021, by and among CorEnergy Infrastructure Trust, Inc. and the holders of Units listed on Schedule A thereto (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).

10.19	Settlement and Mutual Release Agreement dated February 4, 2021, by and among CorEnergy Infrastructure Trust, Inc., Grand Isle Corridor, LP, Energy XXI GIGS Services, LLC, Energy XXI Gulf Coast, Inc., and CEXXI, LLC (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).
10.20.1	Amended and Restated Credit Agreement dated February 4, 2021, by and among Crimson Midstream Operating, LLC, Corridor MoGas, Inc., Crimson Midstream Holdings, LLC, MoGas Debt Holdco LLC, MoGas Pipeline, LLC, CorEnergy Pipeline Company, LLC, United Property Systems, LLC, Crimson Pipeline, LLC, and Cardinal Pipeline, L.P., 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 (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).
10.20.2	Amended and Restated Pledge Agreement dated February 4, 2021, by and among Crimson Midstream Operating, LLC, Corridor MoGas, Inc., Crimson Midstream Holdings, LLC, MoGas Debt Holdco LLC, MoGas Pipeline, LLC, CorEnergy Pipeline Company, LLC, United Property Systems, LLC, Crimson Pipeline, LLC, and Cardinal Pipeline, L.P., 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 (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).
10.20.3	Amended and Restated Security Agreement dated February 4, 2021, by and among Crimson Midstream Operating, LLC, Corridor MoGas, Inc., Crimson Midstream Holdings, LLC, MoGas Debt Holdco LLC, MoGas Pipeline, LLC, CorEnergy Pipeline Company, LLC, United Property Systems, LLC, Crimson Pipeline, LLC, and Cardinal Pipeline, L.P., 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 (incorporated by reference to the Registrant's Form 8-K, filed February 10, 2021).
10.20.4	Amended and Restated Guaranty Agreement dated February 4, 2021, by and among Crimson Midstream Operating, LLC, Corridor MoGas, Inc., Crimson Midstream Holdings, LLC, MoGas Debt Holdco LLC, MoGas Pipeline, LLC, CorEnergy Pipeline Company, LLC, United Property Systems, LLC, Crimson Pipeline, LLC, and Cardinal Pipeline, L.P., the lenders from time to time party thereto and Wells Fargo Bank, National Association, as Administrative Agent (incorporated by reference to the Registrant's Form 10-Q, filed May 10, 2021).
10.20.5	Supplement No. 1, dated May 4, 2021, to Amended and Restated Guaranty Agreement dated February 4, 2021, executed by Crimson Midstream I Corporation and Crimson Midstream Services, LLC; (incorporated by reference to the Registrant's Form 10-Q, filed May 10, 2021).
10.20.6	Supplement No. 1, dated May 4, 2021, to Amended and Restated Pledge and Security Agreement dated February 4, 2021, executed by Crimson Midstream I Corporation; Crimson Midstream Operating, LLC, and Corridor MoGas, Inc., the pledgors from time to time and party thereto and Wells Fargo Bank, National Association, as Administrative Agent for such lenders, Swingline Lender and Issuing Bank (incorporated by reference to the Registrant's Form 10-Q, filed May 10, 2021).
10.20.7	Supplement No. 1, dated May 4, 2021, to Amended and Restated Security Agreement dated February 4, 2021, executed by Crimson Midstream I Corporation and Crimson Midstream Services, LLC. (incorporated by reference to the Registrant's Form 10-Q, filed May 10, 2021).
10.20.8	Registration Rights Agreement dated July 6, 2021, by and among CorEnergy Infrastructure Trust, Inc. and the Contributors (incorporated by reference to the Registrants Form 8-K, filed July 12, 2021).
10.20.9	Stock Exchange Agreement dated July 12, 2021, by and among CorEnergy Infrastructure Trust, Inc., John D. Grier, M. Bridget Grier, John D. Grier, as Trustee of the Bridget Grier Spousal Support Trust dated December 18, 2012; Robert G. Lewis, as Trustee of the Hugh David Grier Trust dated October 15, 2012; and Robert G. Lewis, as Trustee of the Samuel Joseph Grier Trust dated October 15, 2012, (incorporated by reference to the Registrant Form 8-K filed July 16, 2021).
10.20.10	Agreement of Understanding (Post-Closing Adjustment) dated July 12, 2021, by and among CorEnergy Infrastructure Trust, Inc., CGI Crimson Holdings, L.L.C., John D. Grier, John D. Grier, as Trustee of the Bridget Grier Spousal Support Trust dated December 18, 2012; Robert G. Lewis, as Trustee of the Hugh David Grier Trust dated October 15, 2012; and Robert G. Lewis, as Trustee of the Samuel Joseph Grier Trust dated October 15, 2012, (incorporated by reference to the Registrant Form 8-K filed July 16, 2021).
10.20.11	Revised Third Amended and Restated Limited Liability Company Agreement of Crimson Midstream Holdings, LLC dated as of July 16, 2021, (incorporated by reference to the Registrant Form 8-K filed July 16, 2021).
21.1	Subsidiaries of the Company - filed herewith
23.1	Consent of Ernst & Young LLP dated March 14, 2022 - filed herewith
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 - filed herewith
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 - filed herewith
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 - furnished herewith
101	The following materials from CorEnergy Infrastructure Trust, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2021, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statement of Equity, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements - furnished herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
*	Management contract or compensatory plan or arrangement.

All exhibits incorporated by reference were filed under SEC File No. 001-33292.

All other exhibits for which provision is made in the applicable regulations of the Securities and Exchange Commission are not required under the related instruction or are inapplicable and therefore have been omitted.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of CorEnergy Infrastructure Trust, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of CorEnergy Infrastructure Trust, Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, equity and cash flow for each of the three years in the period ended December 31, 2021, and the related notes and financial statement schedules listed in the Index at Item 15 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 14, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the [consolidated] 6 financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

	Crimson Midstream Business Combination
Description of the Matter	As more fully described in Note 3 to the consolidated financial statements, the Company acquired a 49.5 percent interest in Crimson Midstream Holdings ("Crimson") for a total purchase price of $326.5 million, effective February 1, 2021. The purchase price was allocated to the assets acquired and liabilities assumed based on their respective estimated fair values. The largest asset class acquired was property and equipment, for which fair value was determined based on the cost approach for pipelines, tanks, terminals and equipment, and the market approach for land and pipeline rights of way.

Auditing the Company's accounting for its acquisition of Crimson Midstream Holdings was complex due to the significant estimation required by management to determine the fair value of tangible assets of $345.6 million. The significant estimation was primarily due to the complexity of the valuation models used by management to measure the fair value of the property and equipment and the sensitivity of the respective fair values to the significant underlying assumptions. The Company used a discounted cash flow model to measure the property and equipment. The significant assumptions used to estimate the value of the assets included discount rates and certain assumptions that form the basis of the forecasted results (e.g., revenue growth rates, cost and operating profit margin projections). These significant assumptions are forward looking and could be affected by future economic and market conditions. This required a high degree of auditor judgment and an increased extent of effort, including the involvement of our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's projected future cash flows, the selection of a discount rate and the replacement cost and market value of the acquired property and equipment.

How We Addressed the Matter in Our Audit

We tested the Company's controls over its accounting for the acquisition, including controls over the estimation process supporting the recognition and measurement of the acquired assets. We also tested controls over management's review of the significant assumptions used in the valuation models.

To test the estimated fair value of the acquired assets, we performed audit procedures that included, among others, evaluating the Company's selection of the valuation methodologies, evaluating the significant assumptions used in the valuation, and testing the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. For example, we compared the significant assumptions used to estimate future cash flows to historical operating results, obtained third-party support, where available, to evaluate operating data, performed a sensitivity analysis to evaluate the assumptions that were most significant to the fair value estimate, and recalculated management's estimate. We involved our valuation specialists to assist with our evaluation of the methodologies used by the Company and significant assumptions included in the fair value estimates.

Impairment of Long-lived Assets

Description of the Matter

As discussed in Note 2 to the consolidated financial statements, the Company performs a periodic assessment of property and equipment and intangible assets (collectively, long-lived assets) to identify events or changes in circumstances, or triggering events, which indicate the carrying value of such assets may not be recoverable. Triggering events include sustained decreases in commodity prices, declines in customers' reservoir performance or changes to their development outlook, and increased construction or operating costs. The carrying value of property and equipment as of December 31, 2021 was $441.4 million.

We identified the assessment of long-lived assets for impairment triggering events as a critical audit matter. Sustained decreases in commodity prices or declines in customers shipments and increased operating costs could significantly affect the future profitability of the Company, and the evaluation of these items required a higher degree of auditor judgment.

How We Addressed the Matter in Our Audit

We evaluated the design and tested the operating effectiveness of certain internal controls related to the long-lived asset impairment process. This included a control related to the Company's process to identify and assess triggering events, including consideration of commodity prices and customer shipments, and historical financial results of the Company.

Our procedures to test management's assessment included, among others, evaluating the Company's triggering event identification and assessment through comparison against internal operational data and financial results. We assessed the Company's estimated transportation information by comparing it against customers' historical nominations. We selected a sample of revenue transactions throughout the year and compared those transactions to the underlying revenue agreements to identify modifications to the revenue agreements that could have a significant effect on future profitability.

/s/ Ernst & Young LLP
We have served as the Company's auditor since 2006.
Kansas City, Missouri
March 14, 2022

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED BALANCE SHEETS

	December 31, 2021	December 31, 2020
Assets		
Property and equipment, net of accumulated depreciation of $37,022,035 and $22,580,810 (Crimson VIE: $338,452,392 and $0, respectively)	$ 441,430,193	$ 106,224,598
Leased property, net of accumulated depreciation of $258,207 and $6,832,167	1,267,821	64,938,010
Financing notes and related accrued interest receivable, net of reserve of $600,000 and $600,000	1,036,660	1,209,736
Cash and cash equivalents (Crimson VIE: $1,870,000 and $0, respectively)	12,496,478	99,596,907
Accounts and other receivables (Crimson VIE: $11,291,749 and $0, respectively)	15,367,389	3,675,977
Due from affiliated companies (Crimson VIE: $676,825 and $0, respectively)	676,825	—
Deferred costs, net of accumulated amortization of $345,775 and $2,130,334	796,572	1,077,883
Inventory (Crimson VIE: $3,839,865 and $0, respectively)	3,953,523	87,940
Prepaid expenses and other assets (Crimson VIE: $5,004,566 and $0, respectively)	9,075,043	2,054,804
Operating right-of-use assets (Crimson VIE: $5,647,631 and $0, respectively)	6,075,939	85,879
Deferred tax asset, net	206,285	4,282,576
Goodwill	16,210,020	1,718,868
Total Assets	$ 508,592,748	$ 284,953,178
Liabilities and Equity		
Secured credit facilities, net of debt issuance costs of $1,275,244 and $0	$ 99,724,756	$ —
Unsecured convertible senior notes, net of discount and debt issuance costs of $2,384,170 and $3,041,870	115,665,830	115,008,130
Asset retirement obligation	—	8,762,579
Accounts payable and other accrued liabilities (Crimson VIE: $9,743,904 and $0, respectively)	17,036,064	4,628,847
Management fees payable	—	971,626
Due to affiliated companies (Crimson VIE: $648,316 and $0, respectively)	648,316	—
Operating lease liability (Crimson VIE: $5,647,036 and $0, respectively)	6,046,657	56,441
Unearned revenue (Crimson VIE: $199,405 and $0, respectively)	5,839,602	6,125,728
Total Liabilities	$ 244,961,225	$ 135,553,351
Commitments and Contingencies (Note 12)		
Equity		
Series A Cumulative Redeemable Preferred Stock 7.375%, $129,525,675 and $125,270,350 liquidation preference ($2,500 per share, $0.001 par value), 10,000,000 authorized; 51,810 and 50,108 issued and outstanding at December 31, 2021 and December 31, 2020, respectively	$ 129,525,675	$ 125,270,350
Capital stock, non-convertible, $0.001 par value; 14,893,184 and 13,651,521 shares issued and outstanding at December 31, 2021 and December 31, 2020 (100,000,000 shares authorized)	14,893	13,652
Class B Common Stock, $0.001 par value; 683,761 and 0 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively (11,896,100 shares authorized)	684	—
Additional paid-in capital	338,302,735	339,742,380
Retained deficit	(327,157,636)	(315,626,555)
Total CorEnergy Equity	140,686,351	149,399,827
Non-controlling Interest (Crimson)	122,945,172	—
Total Equity	263,631,523	149,399,827
Total Liabilities and Equity	$ 508,592,748	$ 284,953,178

Variable Interest Entity (VIE) (Note 18)
See accompanying Notes to Consolidated Financial Statements.

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31,		
	2021	2020	2019
Revenue			
Transportation and distribution revenue	$ 116,536,612	$ 19,972,351	$ 18,778,237
Pipeline loss allowance subsequent sales	8,606,850	—	—
Lease revenue	1,246,090	21,351,123	67,050,506
Deferred rent receivable write-off	—	(30,105,820)	—
Other revenue	1,744,244	120,417	116,827
Total Revenue	128,133,796	11,338,071	85,945,570
Expenses			
Transportation and distribution expenses	58,146,006	6,059,707	5,242,244
Pipeline loss allowance subsequent sales cost of revenue	8,194,040	—	—
General and administrative	26,641,161	12,231,922	10,596,848
Depreciation, amortization and ARO accretion expense	14,801,676	13,654,429	22,581,942
Loss on impairment of leased property	—	140,268,379	—
Loss on impairment and disposal of leased property	5,811,779	146,537,547	—
Loss on termination of lease	165,644	458,297	—
Total Expenses	113,760,306	319,210,281	38,421,034
Operating Income (Loss)	$ 14,373,490	$ (307,872,210)	$ 47,524,536
Other Income (Expense)			
Other income	$ 769,682	$ 471,449	$ 1,328,853
Interest expense	(12,742,157)	(10,301,644)	(10,578,711)
Gain (loss) on extinguishment of debt	(861,814)	11,549,968	(33,960,565)
Total Other Income (Expense)	(12,834,289)	1,719,773	(43,210,423)
Income (loss) before income taxes	1,539,201	(306,152,437)	4,314,113
Taxes			
Current tax benefit	(1,531)	(395,843)	(120,024)
Deferred tax expense	4,076,290	310,985	354,642
Income tax expense (benefit), net	4,074,759	(84,858)	234,618
Net Income (Loss)	(2,535,558)	(306,067,579)	4,079,495
Less: Net Income attributable to non-controlling interest	8,995,523	—	—
Net Income (Loss) attributable to CorEnergy Stockholders	$ (11,531,081)	$ (306,067,579)	$ 4,079,495
Preferred dividend requirements	9,395,604	9,189,809	9,255,468
Net Loss attributable to Common Stockholders	$ (20,926,685)	$ (315,257,388)	$ (5,175,973)
Loss Per Common Share:			
Basic	$ (1.44)	$ (23.09)	$ (0.40)
Diluted	$ (1.44)	$ (23.09)	$ (0.40)
Weighted Average Shares of Common Stock Outstanding:			
Basic	14,581,850	13,650,718	13,041,613
Diluted	14,581,850	13,650,718	13,041,613
Dividends declared per Common share	$ 0.200	$ 0.900	$ 3.000

See accompanying Notes to Consolidated Financial Statements.

C
orEnergy Infrastructure Trust, Inc.
CONSOLIDATED STATEMENTS OF EQUITY

	Capital Stock		Class B Common Stock		Preferred Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Non-controlling Interest	Total
	Shares	Amount	Shares	Amount	Amount				
Balance at December 31, 2018 [2]	11,960,225	$ 11,960	—	$ —	$ 125,555,675	$ 320,295,969	$ 9,147,701	$ —	$ 455,011,305
Net income	—	—	—	—	—	—	4,079,495	—	4,079,495
Series A preferred stock dividends	—	—	—	—	—	(4,627,561)	(4,627,560)	—	(9,255,121)
Preferred stock repurchases[3]	—	—	—	—	(62,500)	2,195	(245)	—	(60,550)
Common Stock dividends	—	—	—	—	—	(21,293,224)	(18,211,263)	—	(39,504,487)
Common Stock issued upon exchange of convertible notes	1,540,472	1,540	—	—	—	61,869,762	—	—	61,871,302
Common Stock issued upon conversion of convertible notes	127,143	128	—	—	—	4,193,536	—	—	4,193,664
Reinvestment of dividends paid to Common Stockholders	11,076	11	—	—	—	403,820	—	—	403,831
Balance at December 31, 2019	13,638,916	$ 13,639	—	$ —	$ 125,493,175	$ 360,844,497	$ (9,611,872)	$ —	$ 476,739,439
Net loss	—	—	—	—	—	—	(306,067,579)	—	(306,067,579)
Series A preferred stock dividends	—	—	—	—	—	(9,242,797)	—	—	(9,242,797)
Preferred stock repurchases[1]	—	—	—	—	(222,825)	7,932	52,896	—	(161,997)
Common Stock dividends	—	—	—	—	—	(12,286,368)	—	—	(12,286,368)
Common Stock issued upon exchange of convertible notes	12,605	13	—	—	—	419,116	—	—	419,129
Balance at December 31, 2020	13,651,521	$ 13,652	—	$ —	$ 125,270,350	$ 339,742,380	$ (315,626,555)	$ —	$ 149,399,827
Net income (loss)	—	—	—	—	—	—	(11,531,081)	8,995,523	(2,535,558)
Equity attributable to non-controlling interest	—	—	—	—	—	—	—	116,816,115	116,816,115
Series A preferred stock dividends	—	—	—	—	—	(9,395,604)	—	—	(9,395,604)
Common Stock dividends	—	—	—	—	—	(2,850,026)	—	—	(2,850,026)
Reinvestment of dividends paid to common stockholders	84,418	84	—	—	—	410,496	—	—	410,580
Common stock issued under director's compensation plan	3,399	3	—	—	—	22,497	—	—	22,500
Crimson cash distribution on A-1 Units	—	—	—	—	—	—	—	(2,256,113)	(2,256,113)
Crimson A-2 Units dividends payment in kind	—	—	—	—	—	—	—	(610,353)	(610,353)
Series A preferred stock issued due to internalization transaction	—	—	—	—	4,255,325	(10,213)	—	—	4,245,112
Common Stock issued due to internalization transaction	1,153,846	1,154	—	—	—	7,094,999	—	—	7,096,153
Class B Common Stock issued due to internalization transaction	—	—	683,761	684	—	3,288,206	—	—	3,288,890
Balance at December 31, 2021	14,893,184	$ 14,893	683,761	$ 684	$ 129,525,675	$ 338,302,735	$ (327,157,636)	$ 122,945,172	$ 263,631,523

See accompanying Notes to Consolidated Financial Statements.

(1) In connection with the repurchases of Series A Preferred Stock during 2020, the deduction to preferred dividends of $ 52,896 represents the discount in the repurchase price paid compared to the carrying amount derecognized.

(2) The retained earnings balance at December 31, 2018 was generated due to the timing of quarterly dividends and quarterly net income. In the fourth quarter of 2018, net income was greater than dividends due to the gain on sale of leased property, net from the sale of the Portland Terminal Facility resulting in a retained earnings balance as of December 31, 2018.

(3) In connection with the repurchases of Series A Preferred Stock during 2019, the addition to preferred dividends of $ 245 represents the premium in the repurchase price paid compared to the carrying amount derecognized.

CorEnergy Infrastructure Trust, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOW

	For the Years Ended December 31,		
	2021	2020	2019
Operating Activities			
Net income (loss)	$ (2,535,558)	$ (306,067,579)	$ 4,079,495
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Deferred income tax	4,076,290	310,985	354,642
Depreciation, amortization and ARO accretion	16,406,557	14,924,464	23,808,083
Loss on impairment of leased property	—	140,268,379	—
Loss on impairment and disposal of leased property	5,811,779	146,537,547	—
Loss on termination of lease	165,644	458,297	—
Deferred rent receivable write-off, noncash	—	30,105,820	—
(Gain) loss on extinguishment of debt	861,814	(11,549,968)	33,960,565
Gain on sale of equipment	(16,508)	(13,683)	(7,390)
Changes in assets and liabilities:			
Deferred rent receivables	—	(247,718)	(3,915,347)
Accounts and other receivables	(92,089)	467,257	940,009
Financing note accrued interest receivable	(8,780)	(18,069)	—
Inventory	(2,183,946)	—	—
Prepaid expenses and other assets	(958,283)	(1,424,332)	(136,108)
Due from affiliated companies, net	(28,509)	—	—
Management fee payable	(971,626)	(698,324)	(161,663)
Accounts payable and other accrued liabilities	(2,627,549)	(1,903,936)	2,517,069
Unearned revenue	(601,126)	(766,070)	339,749
Net cash provided by operating activities	$ 17,298,110	$ 10,383,070	$ 61,779,104
Investing Activities			
Acquisition of Crimson Midstream Holdings, net of cash acquired	(69,002,052)	—	—
Acquisition of Corridor InfraTrust Management, net of cash acquired	952,487	—	—
Purchases of property and equipment, net	(15,883,609)	(2,186,155)	(372,934)
Proceeds from sale of property and equipment	97,210	15,000	7,000
Proceeds from insurance recovery	60,153	—	—
Principal payment on financing note receivable	155,008	43,333	5,065,000
Decrease in financing note receivable	26,849	—	—
Net cash provided by (used in) investing activities	$ (83,593,954)	$ (2,127,822)	$ 4,699,066
Financing Activities			
Debt financing costs	(2,735,922)	—	(372,759)
Cash paid for extinguishment of convertible notes	—	—	(78,939,743)
Cash paid for maturity of convertible notes	—	(1,676,000)	—
Cash paid for repurchase of convertible notes	—	(1,316,250)	—
Cash paid for settlement of Pinedale Secured Credit Facility	—	(3,074,572)	—
Net offering proceeds on convertible debt	—	—	116,355,125
Repurchases of Series A preferred stock	—	(161,997)	(60,550)
Dividends paid on Series A preferred stock	(9,395,604)	(9,242,797)	(9,255,121)
Dividends paid on Common Stock	(2,439,446)	(12,286,368)	(39,100,656)
Common Stock issued under the director's compensation plan	22,500	—	—
Distributions to non-controlling interest	(2,256,113)	—	—
Advances on revolving line of credit	24,000,000	—	—
Payments on revolving line of credit	(22,000,000)	—	—
Principal payments on secured credit facilities	(6,000,000)	(1,764,000)	(3,528,000)
Net cash used in financing activities	$ (20,804,585)	$ (29,521,984)	$ (14,901,704)
Net change in cash and cash equivalents	$ (87,100,429)	$ (21,266,736)	$ 51,576,466

	For the Years Ended December 31,		
	2021	2020	2019
Cash and cash equivalents at beginning of year	99,596,907	120,863,643	69,287,177
Cash and cash equivalents at end of year	$ 12,496,478	$ 99,596,907	$ 120,863,643
Supplemental Disclosure of Cash Flow Information			
Interest paid	11,224,582	9,272,409	6,834,439
Income taxes paid (net of refunds)	(635,730)	(466,236)	89,433
Non-Cash Investing Activities			
Proceeds from sale of leased property provided directly to secured lender	$ —	$ 18,000,000	$ —
Purchases of property, plant and equipment in accounts payable and other accrued liabilities	113,847	591,421	—
In-kind consideration for the Grans Isle Gathering System provided as partial consideration for the Crimson Midstream Holdings acquisition	48,873,169	—	—
Crimson credit facility assumed and refinanced in connection with the Crimson Midstream Holdings acquisition	105,000,000	—	—
Equity consideration attributable to non-controlling interest holder in connection with the Crimson Midstream Holdings acquisition	116,205,762	—	—
Series A preferred stock issued due to internalization transaction	4,245,112	—	—
Common stock issued due to internalization transaction	7,096,153	—	—
Class B Common Stock issued due to internalization transaction	3,288,890	—	—
Non-Cash Financing Activities			
Proceeds from sale of leased property used in settlement of Pinedale Secured Credit Facility	$ —	$ (18,000,000)	$ —
Reinvestment of distributions by Common Stockholders in additional common shares	—	—	403,831
Common Stock issued upon exchange and conversion of convertible notes	—	419,129	66,064,966
Crimson A-2 Units dividends payment in-kind	610,353	—	—

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

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 shares are listed on the New York Stock Exchange ("NYSE") under the symbol "CORR" and its depositary shares representing Series A Preferred Stock are listed on the NYSE under the symbol "CORR PrA".

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, 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 natural gas or crude oil via non-pipeline alternatives resulting in the Company's assets providing utility-like criticality in the midstream supply chain for its customers. Prior to 2021, the Company focused primarily on entering into long-term triple-net participating leases with energy companies, and also has provided other types of capital, including loans secured by energy infrastructure assets. Over the last twelve months, the Company's asset portfolio has undergone significant changes. The Company divested all of its leased assets, including the Grand Isle Gathering System ("GIGS") and Pinedale Liquids Gathering System ("Pinedale LGS"), which are described in this Report.

CorEnergy's Private Letter Rulings ("PLRs") enable the Company to invest in a broader set of revenue contracts within its REIT structure, including the opportunity to not only own but also operate infrastructure assets. CorEnergy considers its investments in these energy infrastructure assets to be a single business segment and reports them accordingly in its financial statements.

Crimson Acquisition

On February 4, 2021 (effective February 1, 2021), the Company leveraged its PLRs and acquired a 49.50 percent interest in Crimson Midstream Holdings, LLC ("Crimson"), a California Public Utilities Commission ("CPUC") regulated crude oil pipeline owner and operator. The acquired assets include four critical infrastructure pipeline systems spanning approximately 2,000 miles (including approximately 1,100 active miles) across northern, central and southern California, connecting desirable native California crude production to in-state refineries producing state-mandated specialized fuel blends, among other products. This interest was acquired effective as of February 1, 2021 and is referred to throughout this Report as the "Crimson Transaction."

Management Internalization

On February 4, 2021, the Company entered into a Contribution Agreement with Richard C. Green, Rick Kreul, Rebecca M. Sandring, Sean DeGon, Jeff Teeven, Jeffrey E. Fulmer, David J. Schulte (as Trustee of the DJS Trust under Trust Agreement dated July 18, 2016), and Campbell Hamilton, Inc., which is an entity controlled by David J. Schulte (collectively, the "Contributors"), and Corridor InfraTrust Management, LLC ("Corridor" or the "Manager"), the Company's external manager, pursuant to which the Company agreed to acquire Corridor, its external manager (subject to stockholder approval as required by NYSE rules).

The required stockholder approval was received at the Company's Annual Meeting on June 29, 2021, and the Internalization and all related transactions closed on July 6, 2021 for a total consideration of approximately $14.6 million in equity of the Company. Pursuant to the Contribution Agreement, the Company issued (i)1,153,846 shares of Common Stock, (ii) 683,761 shares of Class B Common Stock, and (iii)170,213 depositary shares representing our Series A Preferred Stock.

Following the Internalization, our senior management team continues to oversee, manage and operate the Company, and the Company is no longer externally managed by our former Manager. As an internally managed company, the Company no longer pay the former Manager any fees or expense reimbursements arising from the Management Agreement but rather incurs the former Manager's direct employee compensation and office related expenses.

The principal executive office of our Company is located at 1100 Walnut, Suite 3350, Kansas City, Missouri 64106. Our telephone number is (816) 875-3705.

Basis of Presentation and Consolidation

The accompanying consolidated financial statements include CorEnergy accounts and the accounts of its wholly-owned subsidiaries and 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-K. The accompanying 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.

The Company consolidates a VIE when it is the primary beneficiary, which is the party that has both (i) the power to direct the activities that most significantly impact the VIE's economic performance and (ii) through its interests in the VIE, the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. In order to determine whether it has a variable interest in a VIE, the Company performs a qualitative analysis of the entity's design, primary decision makers, key agreements governing the VIE, voting interests and significant activities impacting the VIE's economic performance. The Company continually monitors VIEs to determine if any events have occurred that could cause the primary beneficiary to change.

As described above, the Company acquired a 49.50 percent interest in Crimson, which is a legal entity that meets the VIE criteria. As a result of its consolidation analysis more fully described in Note 18 ("Variable Interest Entity"), the Company determined it is the primary beneficiary of Crimson due to its related party relationship with Crimson's 50.50 percent interest holder. Therefore, beginning February 1, 2021, Crimson is consolidated in the Company's consolidated financial statements and the non-controlling interest is presented as a component of equity. Refer to Note 16 ("Stockholders' Equity") for further discussion of the non-controlling interest in Crimson. The consolidated financial statements also include the accounts of any limited partnerships where the Company represents the general partner and, based on all facts and circumstances, controls such limited partnerships, unless the limited partner has substantive participating rights or substantive kick-out rights. Refer to Note 18 ("Variable Interest Entity"), for further discussion of the Company's consolidated VIEs.

The FASB issued ASU 2015-02 *Consolidations (Topic 810) - Amendments to the Consolidation Analysis* ("ASU 2015-02"), which amended previous consolidation guidance, including introducing a separate consolidation analysis specific to limited partnerships and other similar entities. Under this analysis, limited partnerships and other similar entities are considered a variable interest entity ("VIE") unless the limited partners hold substantive kick-out rights or participating rights. Management determined that Crimson Midstream Holdings, Pinedale LP, and Grand Isle Corridor LP are VIEs under the amended guidance because the limited partners of both partnerships lack both substantive kick-out rights and participating rights. As such, management evaluated the qualitative criteria under FASB ASC Topic 810 in conjunction with ASU 2015-02 to make a determination whether these partnerships should be consolidated in the Company's financial statements. ASC Topic 810-10 requires the primary beneficiary of a variable interest entity's activities to consolidate the VIE. The primary beneficiary is identified as the enterprise that has a) the power to direct the activities of the VIE that most significantly impact the entity's economic performance and b) the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE. The standard requires an ongoing analysis to determine whether the variable interest gives rise to a controlling financial interest in the VIE. Based on the general partners' roles and rights as afforded by the partnership agreements and its exposure to losses and benefits of each of the partnerships through its significant limited partner interests, management determined that CorEnergy is the primary beneficiary of Crimson Midstream Holdings, Pinedale LP, and Grand Isle Corridor LP. Based upon this evaluation and the Company's 100 percent ownership interest in Pinedale LP and Grand Isle Corridor LP, the consolidated financial statements presented include full consolidation with respect to these partnerships

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 which are 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 (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) 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) Crimson's assets represent a substantial portion of the Company's total assets; and (iv) the Grier Members' interest in Crimson in Class A-1, Class A-2 and Class A-3 Units will earn distributions if the CorEnergy Board of Directors declares a common or preferred dividend for Series C Preferred, Series B Preferred and Class B Common Stock; among other factors. Therefore, CorEnergy is the primary beneficiary and consolidates the Crimson VIE and the Grier Members' equity ownership interest 50.62 percent (after the working capital adjustment and paid-in-kind dividends) is reflected as a non-controlling interest in the consolidated financial statements.

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2. SIGNIFICANT ACCOUNTING POLICIES

A. *Use of Estimates* – 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, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. *Leased Property and Leases* – In February of 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02" or "ASC 842"), which amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. The Company adopted ASC 842 effective January 1, 2019 using the modified retrospective approach by applying the transition provisions at the beginning of the period of adoption. The adoption of the new standard resulted in the recording of right-of-use assets and lease liabilities of approximately $75 thousand each, included in prepaid expenses and other assets and accounts payable and other accrued liabilities, respectively, as of January 1, 2019, with no impact to retained earnings. The standard did not materially impact the Company's Consolidated Statements of Operations and had no impact on the Consolidated Statements of Cash Flows.

Beginning in 2019, for the underlying asset class related to single-use office space, the Company accounts for each separate lease component and non-lease component as a single lease component. For the underlying lessor asset class related to pipelines residing on military bases, the Company accounts for each separate lease component and non-lease component as a single lease component if the non-lease components otherwise are accounted for in accordance with the revenue standard, and both the following criteria are met: (i) the timing and pattern of revenue recognition are the same for the non-lease component(s) and the related lease component and (ii) the lease component will be classified as an operating lease. The Company carried forward the accounting treatment for land easements under existing agreements, which are currently accounted for within property, plant and equipment. Land easements are reassessed under ASC 842 when such agreements are modified.

The Company's current leased properties are classified as operating leases and are recorded as leased property, net of accumulated depreciation, in the Consolidated Balance Sheets. Initial direct costs incurred in connection with the creation and execution of a lease prior to January 1, 2019 are capitalized and amortized over the lease term. Subsequent to January 1, 2019, initial direct costs under ASC 842 are incremental costs of a lease that would not have been incurred if the lease had not been obtained and may include commissions or payments made to an existing tenant as an incentive to terminate its lease. Base rent related to the Company's leased property is recognized on a straight-line basis over the term of the lease when collectibility is probable. Participating rent is recognized when it is earned, based on the achievement of specified performance criteria. Base and participating rent are recorded as lease revenue in the Consolidated Statements of Operations. Rental payments received in advance are classified as unearned revenue and included as a liability within the Consolidated Balance Sheets. Unearned revenue is amortized ratably over the lease period as revenue recognition criteria are met. Rental payments received in arrears are accrued and classified as deferred rent receivable and included in assets within the Consolidated Balance Sheets.

Under the Company's triple-net leases, the tenant is required to pay property taxes and insurance directly to the applicable third-party provider. Consistent with guidance in ASC 842, the Company will present the cost and the lessee's direct payment to the third-party under the triple-net leases on a net basis in the Consolidated Statements of Operations.

C. *Property and Equipment* – Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Expenditures for repairs and maintenance are charged to operations as incurred, and improvements, which extend the useful lives of assets, are capitalized and depreciated over the remaining estimated useful life of the asset. The Company initially records long-lived assets at their purchase price plus any direct acquisition costs, unless the transaction is accounted for as a business combination, in which case the acquisition costs are expensed as incurred. If the transaction is accounted for as a business combination, the Company allocates the purchase price to the acquired tangible and intangible assets and liabilities based on their estimated fair values.

D. *Long-Lived Asset Impairment* – The Company's long-lived assets consist primarily of oil and natural gas pipelines that have been obtained through asset acquisitions and a business combination. Management continually monitors its business, the business environment and performance of its operations to determine if an event has occurred that indicates that the carrying value of a long-lived asset may be impaired. When a triggering event occurs, which is a determination that involves judgment, management utilizes cash flow projections to assess its ability to recover the carrying value of its assets based on the Company's long-lived assets' ability to generate future cash flows on an undiscounted basis. This differs from the evaluation of goodwill, for which the recoverability assessment utilizes fair value estimates that include discounted cash flows in the estimation process and accordingly any goodwill impairment recognized may not be indicative of a similar impairment of the related underlying long-lived assets.

Management's projected cash flows of long-lived assets are primarily based on contractual cash flows that extend many years into the future. If those cash flow projections indicate that the long-lived asset's carrying value is not recoverable, management records an impairment charge for the excess of carrying value of the asset over its fair value. The estimate of fair value considers a number of factors, including the potential value that would be received if the asset were sold, discount rates and projected cash flows. Due to the imprecise nature of these projections and assumptions, actual results can differ from management's estimates. For the year ended December 31, 2021, the Company recognized a loss on impairment and disposal for the GIGS asset of $5.8 million, as more fully described in Note 5 ("Leased Properties And Leases"). For the year ended December 31, 2020, the Company recognized a loss on impairment for the GIGS asset of $140.3 million and a loss on impairment and disposal of the Pinedale LGS of $146.5 million, respectively, as more fully described in Note 5 ("Leased Properties And Leases"). There was no impairment of long-lived assets recorded during the year ended December 31, 2019.

E. *Financing Notes Receivable* – Financing notes receivable are presented at face value plus accrued interest receivable and deferred loan origination costs and net of related direct loan origination income. Each quarter the Company reviews its financing notes receivable to determine if the balances are realizable based on factors affecting the collectibility of those balances. Factors may include credit quality, timeliness of required periodic payments, past due status and management discussions with obligors. The Company evaluates the collectibility of both interest and principal of each of its loans to determine if an allowance is needed. An allowance will be recorded when based on current information and events, the Company determines it is probable that it will be unable to collect all amounts due according to the existing contractual terms. If the Company determines an allowance is necessary, the amount deemed uncollectible is expensed in the period of determination. An insignificant delay or shortfall in the amount of payments does not necessarily result in the recording of an allowance. Generally, when interest and/or principal payments on a loan become past due, or if the Company does not otherwise expect the borrower to be able to service its debt and other obligations, the Company will place the loan on non-accrual status and will typically cease recognizing financing revenue on that loan until all principal and interest have been brought current. Interest income recognition is resumed if and when the previously reserved-for financing notes become contractually current and performance has been demonstrated. Payments received subsequent to the recording of an allowance will be recorded as a reduction to principal. During the years ended December 31, 2021, 2020 and 2019, the Company did not record provisions for loan loss. The Company's financing notes receivable are discussed more fully in Note 6 ("Financing Notes Receivable").

F. *Fair Value Measurements* – FASB ASC 820, *Fair Value Measurements and Disclosure* ("ASC 820"), defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Various inputs are used in determining the fair value of the Company's assets and liabilities. These inputs are summarized in the three broad levels listed below:

- Level 1 - quoted prices in active markets for identical investments
- Level 2 - other significant observable inputs (including quoted prices for similar investments, market corroborated inputs, etc.)
- Level 3 - significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments)

See Note 13 ("Fair Value") for further discussion of the Company's fair value measurements.

G. *Cash and Cash Equivalents* – The Company maintains cash balances at financial institutions in amounts that regularly exceed FDIC insured limits. The Company's cash equivalents are comprised of short-term, liquid money market instruments.

H. *Accounts and other receivables* – Accounts receivable are presented at face value net of an allowance for doubtful accounts within accounts and other receivables on the balance sheet. Accounts are considered past due based on the terms of sale with the customers. The Company reviews accounts for collectibility based on an analysis of specific outstanding receivables, current economic conditions and past collection experience. For the years ended December 31, 2021 and 2020, the Company determined that an allowance for doubtful accounts was not necessary.

I. *Deferred rent receivables* – Lease receivables are determined according to the terms of the lease agreements entered into by the Company and its lessees. Lease receivables primarily represent timing differences between straight-line revenue recognition and contractual lease receipts. Beginning April 1, 2020, lease payments by the Company's GIGS tenant lapsed due to conditions related to the COVID-19 pandemic and energy markets, which resulted in the write-off of the deferred rent receivable of $0.1 million for the year ended December 31, 2020. Refer to Note 5 ("Leased Properties And Leases") for further details.

J. *Goodwill* – Goodwill represents the excess of the amount paid for the Corridor InfraTrust Management, Inc. and MoGas business over the fair value of the net identifiable assets acquired. To comply with ASC 350, *Intangibles - Goodwill and Other* ("ASC 350"), the Company performs an impairment test for goodwill annually, or more frequently in the event that a triggering event has occurred. December 31st is the Company's annual testing date associated with its goodwill.

In January 2017, the FASB issued ASU 2017-04, *Simplifying the Test for Goodwill Impairment*, which simplifies how an entity is required to test goodwill for impairment by eliminating step two from the goodwill impairment test. ASU 2017-04, *Simplifying the Test for Goodwill Impairment* became effective for all public entities on January 1, 2017.

In accordance with ASC 350, a company may elect to perform a qualitative assessment to determine whether the quantitative impairment test is required. If the company elects to perform a qualitative assessment, the quantitative impairment test is required only if the conclusion is that it is more likely than not that the reporting unit's fair value is less than its carrying amount. If a company bypasses the qualitative assessment, the quantitative goodwill impairment test should be followed in step one.

Step one compares the fair value of the reporting unit to its carrying value to identify and measure any potential impairment. The reporting unit fair value is based upon consideration of various valuation methodologies, one of which is projecting future cash flows discounted at rates commensurate with the risks involved ("Discounted Cash Flow" or "DCF"). Assumptions used in a DCF require the exercise of significant judgment, including judgment about appropriate discount rates and terminal values, growth rates and the amount and timing of expected future cash flows. Forecasted cash flows require management to make judgments and assumptions, including estimates of future volumes and rates. Declines in volumes or rates from those forecasted, or other changes in assumptions, may result in a change in management's estimate and result in an impairment.

The Company elected to perform a qualitative goodwill impairment assessment for the years ended December 31, 2021 and 2020. In performing the qualitative assessment, the Company analyzed the key drivers and other external factors that impact the business in order to determine if any significant events, transactions or other factors had occurred or were expected to occur that would impair earnings or competitiveness, therefore impairing the fair value of the reporting units. After assessing the totality of events and circumstances, it was determined that it was not more likely than not that the fair value of the reporting units was less than the carrying value, and so it was not necessary to perform the quantitative step one test. Key drivers that were considered in the qualitative evaluation included: general economic conditions, including the COVID-19 pandemic, energy markets, natural gas pricing, input costs, liquidity and capital resources and customer outlook. For the years ended December 31, 2021 and 2020 the Company recognized no impairment of the reporting units.

K. *Debt Discount and Debt Issuance Costs* – Costs incurred for the issuance of new debt are capitalized and amortized into interest expense over the debt term. Issuance costs related to long-term debt are recorded as a direct deduction from the carrying amount of that debt liability, net of accumulated amortization. Issuance costs related to line-of-credit arrangements however, are presented as an asset instead of a direct deduction from the carrying amount of the debt. In accordance with ASC 470, *Debt* ("ASC 470"), the Company recorded its Convertible Notes at the aggregate principal amount, less discount. The Company is amortizing the debt discount over the life of the Convertible Notes as additional non-cash interest expense utilizing the effective interest method. Refer to Note 14 ("Debt") for additional information.

L. *Asset Retirement Obligations* – The Company follows ASC 410-20, *Asset Retirement Obligations*, which requires that an asset retirement obligation ("ARO") associated with the retirement of a long-lived asset be recognized as a liability in the period in which it is incurred and becomes determinable, with an offsetting increase in the carrying amount of the associated asset. The Company recognized an existing ARO in conjunction with the acquisition of the GIGS in June of 2015.

The Company measures changes in the ARO liability due to passage of time by applying an interest method of allocation to the amount of the liability at the beginning of the period. The increase in the carrying amount of the liability is recognized as an expense classified as an operating item in the Consolidated Statements of Operations, hereinafter referred to as ARO accretion expense. The Company periodically reassesses the timing and amount of cash flows anticipated associated with the ARO and adjusts the fair value of the liability accordingly under the guidance in ASC 410-20.

The fair value of the obligation at the acquisition date was capitalized as part of the carrying amount of the related long-lived assets and is being depreciated over the asset's remaining useful life. The useful lives of most pipeline gathering systems are primarily derived from available supply resources and ultimate consumption of those resources by end users. Adjustments to the ARO resulting from reassessments of the timing and amount of cash flows will result in changes to the retirement costs capitalized as part of the carrying amount of the asset.

Upon decommissioning of the ARO or a portion thereof, the Company reduces the fair value of the liability and recognizes a (gain) loss on settlement of ARO as an operating item in the Consolidated Statements of Operations for the difference between the liability and actual decommissioning costs incurred.

Refer to Note 15 ("Asset Retirement Obligation") for additional information.

M. *Revenue Recognition* – In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09" or "ASC 606"), which became effective for all public entities on January 1, 2018. ASC 606 supersedes previously existing revenue recognition standards with a single model unless those contracts are within the scope of other standards (e.g. leases). The model requires an entity to recognize as revenue the amount of consideration to which it expects to be entitled for the transfer of promised goods or services to customers. During 2020 and 2019, a substantial portion of the Company's revenue consisted of rental income from leasing arrangements, which is specifically excluded from ASC 606. However, the Company's transportation and distribution revenue is within the scope of the new guidance. The Company elected to apply the guidance only to open contracts as of the effective date. The Company recognized the cumulative effect of applying the new standard as an adjustment to the opening balance of stockholders' equity. Refer to Note 5 ("Leased Properties And Leases") for further discussion of the transition impact and related disclosures under ASC 606.

Specific recognition policies for the Company's revenue items are as follows:

- *Transportation and distribution revenue* – The Company's contracts related to transportation and distribution revenue are primarily comprised of a mix of oil and natural gas supply, transportation and distribution performance obligations, as well as limited performance obligations related to system maintenance and improvement. Transportation revenues are recognized by Crimson and MoGas and distribution revenues are recognized by Omega and Omega Gas Marketing, LLC.
    - Under the Company's oil and natural gas supply, transportation and distribution performance obligations, the customer simultaneously receives and consumes the benefit of the services as natural gas is delivered. Therefore, the transaction price is allocated proportionally over the series of identical performance obligations with each contract. 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) FERC regulated rates or negotiated rates in the case of transportation agreements and (iii) contracted amounts (with annual CPI escalators) in the case of the Company's distribution agreement. Based on the nature of the agreements, revenue for all but one of the Company's oil and 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. The Company has a contract with one customer, Spire, that has fixed pricing which varies over the contract term. For this specific contract, the transaction price has been allocated ratably over the contractual performance obligation beginning in 2018 with the adoption of ASC 606. All invoicing is done in the month following service, with payment typically due a month from invoice date.
- *Pipeline loss allowance* - The Company's crude oil transportation revenue 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. For PLA volumes received in-kind, the Company records these in inventory.

    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, 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.

    - The Company's contracts may also contain performance obligations related to system maintenance and improvement, which are completed on an as-needed basis. The work performed is specific and tailored to the customer's needs and there are no alternative uses for the services provided. Therefore, as the work is being completed, control is transferring to the customer. These services are billed at the Company's cost, plus an agreed upon margin, and the Company has an enforceable right to payment as the services are provided. The Company invoices for this service on a monthly basis according to an agreed upon billing schedule. Revenue is recognized on an input method, based on the actual cost of a service as a measure of performance obligations satisfaction, which the Company determined to be the method which faithfully depicts the transfer of services. Differences between the amounts invoiced and revenue recognized under the input method are reflected as an asset or liability on the Consolidated Balance Sheets. Any differences are typically expected to be recognized within a year. As discussed in Note 5 ("Leased Properties And Leases"), the costs of system improvement projects are recognized as a financing arrangement in accordance with guidance in the lease standard while the margin is recognized in accordance with the revenue standard as discussed above.

  - Under a contract with the Department of Defense ("DOD"), gas sales and cost of gas sales are presented on a net basis in the transportation and distribution revenue line. The Company continues to present the gas sales and cost of gas sales on a net basis upon adoption of ASC 606.

- *Financing revenue* – Historically, financing notes receivable have been considered a core product offering and therefore the related income is presented as a component of operating income. For increasing rate loans, base interest income is recorded ratably over the life of the loan, using the effective interest rate. The net amount of deferred loan origination income and costs are amortized on a straight-line basis over the life of the loan and reported as an adjustment to yield in financing revenue. Participating financing revenues are recorded when specific performance criteria have been met.
- *Lease revenue* – Refer to *Leased Property and Leases* for the Company's lease revenue recognition policy.

N. *Transportation and distribution expense* – Included here are Crimson's cost of operating and maintaining the crude oil pipelines, MoGas' costs of operating and maintaining the natural gas transmission line, and Omega's costs of operating and maintaining the natural gas distribution system. These costs are incurred both internally and externally. The internal costs relate to system control, pipeline operations, maintenance, insurance and taxes. Other internal costs include payroll for employees associated with gas control, field employees and management. The external costs consist of professional services such as audit and accounting, legal and regulatory and engineering.

Under the Company's contract with the DOD, amounts paid by Omega for gas and propane are netted against sales and are presented in the transportation and distribution revenue line. See paragraph (M) above.

O. *Other Income Recognition* – Specific policies for the Company's other income items are as follows:

- *Net distributions and other income* – Includes interest income earned on the Company's money market instruments and distributions and dividends from historical investments. Distributions and dividends from investments were recorded on their ex-dates and were reflected as other income within the accompanying Consolidated Statements of Operations. Distributions received from the Company's investments were generally characterized as ordinary income, capital gains and distributions received from investment securities. The portion characterized as return of capital was paid by the Company's investees from their cash flow from operations. The Company recorded investment income, capital gains and distributions received from investment securities based on estimates made at the time such distributions were received. Such estimates were based on information available from each company and other industry sources. These estimates may have subsequently been revised based on information received from the entities after their tax reporting periods were concluded, as the actual character of these distributions was not known until after the fiscal year end of the Company.
- *Net realized and unrealized gain (loss) from investments* – Securities transactions were accounted for on the date the securities were purchased or sold. Realized gains and losses were reported on an identified cost basis. The Company recorded investment income and return of capital based on estimates made at the time such distributions were received. Such estimates were based on information available from the portfolio company and other industry sources. These estimates may have subsequently been revised based on information received from the portfolio company after their tax reporting periods were concluded, as the actual character of these distributions were not known until after the Company's fiscal year end.

P. *Asset Acquisition Expenses* – Costs incurred in connection with the research of real property acquisitions not accounted for as business combinations are expensed until it is determined that the acquisition of the real property is probable. Upon such determination, costs incurred in connection with the acquisition of the property are capitalized as described in paragraph (C) above. Deferred costs related to an acquisition that the Company has determined, based on management's judgment, not to pursue are expensed in the period in which such determination is made. Costs incurred in connection with a business combination are expensed as incurred.

Q. *Offering Costs* – Offering costs related to the issuance of common or preferred stock are charged to additional paid-in capital when the stock is issued.

R. *Earnings (Loss) Per Share* – Basic earnings (loss) per share ("EPS") is computed using the weighted average number of common shares outstanding during the period. Diluted EPS is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the period except for periods of net loss for which no common share equivalents are included because their effect would be anti-dilutive. Dilutive common equivalent shares consist of shares issuable upon conversion of the Convertible Notes calculated using the if-converted method.

S. *Federal and State Income Taxation* – The Company is treated as a REIT for federal income tax purposes. Because certain of its assets may not produce REIT-qualifying income or be treated as interests in real property, those assets are held in wholly-owned TRSs in order to limit the potential that such assets and income could prevent the Company from qualifying as a REIT.

As a REIT, the Company holds and operates certain of its assets through one or more wholly-owned TRSs. The Company's use of TRSs enables it to continue to engage in certain businesses while complying with REIT qualification requirements and also allows it to retain income generated by these businesses for reinvestment without the requirement of distributing those earnings. In the future, the Company may elect to reorganize and transfer certain assets or operations from its TRSs to the Company or other subsidiaries, including qualified REIT subsidiaries.

The Company's other equity securities were limited partnerships or limited liability companies which were treated as partnerships for federal and state income tax purposes. As a limited partner, the Company reported its allocable share of taxable income in computing its own taxable income. To the extent held by a TRS, the TRS's tax expense or benefit was included in the Consolidated Statements of Operations based on the component of income or gains and losses to which such expense or benefit related. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized. It is expected that for the year ended December 31, 2021, and future periods, any deferred tax liability or asset generated will be related entirely to the assets and activities of the Company's TRSs.

If the Company ceased to qualify as a REIT, the Company, as a C corporation, would be obligated to pay federal and state income tax on its taxable income.

T. *Recent Accounting Pronouncements* – In June of 2016, the FASB issued 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 ("CECL model"), will apply to financial assets subject to credit losses and measured at amortized cost, and certain off-balance sheet credit exposures. ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. In November of 2019, the FASB issued ASU 2019-10, *Financial Instruments - Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842) Effective Dates*, which deferred the effective dates of these standards for certain entities. Based on the guidance for smaller reporting companies, the effective date of ASU 2016-13 is deferred for the Company until fiscal year 2023, and the Company has elected to defer adoption of this standard.

Although the Company has elected to defer adoption of ASU 2016-13, it will continue to evaluate the potential impact of the standard on its consolidated financial statements. As part of its ongoing assessment work, the Company has formed an implementation team, completed training on the CECL model and has begun developing policies, processes and internal controls.

In December of 2019, the FASB issued ASU 2019-12, *"Simplifying the Accounting for Income Taxes (Topic 740)"* ("ASU 2019-12"), which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years; however, early adoption is permitted for all entities. The Company adopted the standard effective January 1, 2021. The Company does not believe the standard will have a material impact on its consolidated financial statements.

In March of 2020, the FASB issued ASU 2020-04, *"Reference Rate Reform (Topic 848)"* ("ASU 2020-04"). In response to concerns about structural risks of interbank offered rates including the risk of cessation of the London Interbank Offered Rate (LIBOR), regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates that are more observable and less susceptible to manipulation. The provisions of ASU 2020-04 are elective and apply to all entities, subject to meeting certain criteria, that have debt or hedging contracts, among other contracts, that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. ASU 2020-04, among other things, provides optional expedients and exceptions for a limited period of time for applying U.S. GAAP to these contracts if certain criteria are met to ease the potential burden in accounting for or recognizing the effects of reference rate reform on financial reporting. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The

Company is currently evaluating its contracts that reference LIBOR and the optional expedients and exceptions provided by the FASB.

In August 2020, the FASB issued ASU 2020-06, *"Accounting for Convertible Instruments and Contracts in an Entity's Own Equity"* ("ASU 2020-06"). The new guidance (i) simplifies an issuer's accounting for convertible instruments by eliminating the cash conversion and beneficial conversion feature models in ASC 470-20 that require separate accounting for embedded conversion features, (ii) simplifies the settlement assessment that issuers perform to determine whether a contract in its own equity qualifies for equity classification and (iii) requires entities to use the if-converted method for all convertible instruments and generally requires them to include the effect of share settlement for instruments that may be settled in cash or shares. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted for fiscal years beginning after December 15, 2020, but an entity must early adopt the guidance at the beginning of the fiscal year. The Company elected to early adopt ASU 2020-06 on January 1, 2021 and noted that the standard does not have an impact on the Company's consolidated financial statements.

3. ACQUISITIONS

On February 4, 2021 (effective February 1, 2021), the Company completed the acquisition of a 49.50 percent interest in Crimson (which includes a 49.50 percent voting interest and the right to 100.0 percent of the economic benefit of Crimson's business, after satisfying the distribution rights of the remaining equity holders) for total consideration with a fair value of $343.8 million after giving effect to the initial working capital adjustments and with the right to acquire the remaining 50.50 percent, subject to CPUC approval. After giving effect to the initial working capital adjustments, the consideration consisted of a combination of cash on hand of $74.6 million, commitments to issue new common and preferred equity valued at $115.3 million, contribution of the GIGS asset with a fair value of $48.9 million to the sellers and $105.0 million in new term loan and revolver borrowings, all as detailed further below. The consideration was subject to a final working capital adjustment. Crimson is a CPUC regulated crude oil pipeline owner and operator, and its assets include four critical infrastructure pipeline systems spanning approximately 2,000 miles (including approximately 1,100 active miles) across northern, central and southern California, connecting California crude production to in-state refineries.

To effect the Crimson Transaction, on February 4, 2021, the Company entered into and consummated a Membership Interest Purchase Agreement (the "MIPA") with CGI Crimson Holdings, L.L.C. ("Carlyle"), Crimson, and John D. Grier and certain affiliated trusts of Grier (the "Grier Members"). Pursuant to the terms of the MIPA, the Company acquired all of the Class C Units of Crimson owned by Carlyle, which represents 49.50 percent of all of the issued and outstanding membership interests of Crimson for approximately $66.0 million in cash (net of initial working capital adjustments) and the transfer to Carlyle of the Company's interest in GIGS (as further described in Note 5 ("Leased Properties And Leases")). Crimson Midstream Operating and Corridor MoGas also entered into a $105.0 million Amended and Restated Credit Agreement with Wells Fargo (as further described below and in Note 14 ("Debt").

Simultaneously, Crimson, the Company, and the Grier Members entered into the Third Amended and Restated Limited Liability Company Agreement ("Third LLC Agreement") of Crimson. Pursuant to the terms of the Third LLC Agreement, the Grier Members' outstanding membership interests in Crimson were exchanged for 1,613,202 Class A-1 Units of Crimson, 2,436,000 Class A-2 Units of Crimson and 2,450,142 Class A- 3 Units of Crimson, which, as described in Note 16 ("Stockholders' Equity"), may eventually be exchangeable for shares of the Company's common and preferred stock. The Company received 10,000 Class B-1 Units, which represent the Company's economic interest in Crimson. The Class A-1 Units issued were subject to a final working capital adjustment. Additionally, 495,000 Class C-1 Units (representing 49.50 percent of the voting interests under the Third LLC Agreement) were issued to the Company in exchange for the former Class C Units acquired from Carlyle and 505,000 Class C-1 Units (representing 50.50 percent of the voting interests under the Third LLC Agreement) were issued to the Grier Members, in exchange for the Class C Units held by the Grier Members prior to the Crimson Transaction.

In June 2021, a working capital adjustment was made for the Crimson Transaction which resulted in an increase in the assets acquired of $1.8 million. This resulted in an additional 37,043 Class A-1 Units being issued to the Grier Members for their 50.50 percent ownership interest and $907.7 thousand of additional cash being paid for the 49.50 percent ownership interest CorEnergy purchased. The newly issued units resulted in an increase in the aggregate value of non-controlling interest of $882.7 thousand and increased the Grier Members' total Class A-1 Units to 1,650,245. After the working capital adjustment and paid-in-kind dividends, the Grier Members' equity ownership interest is 50.62 percent as of September 30, 2021.

The acquisition is being treated as a business combination in accordance with ASC 805, *Business Combinations*, which requires allocation of the purchase price to the estimated fair values of assets and liabilities acquired in the transaction. The allocation of purchase price is based on management's judgment after evaluating several factors, including a preliminary valuation assessment. Because the values assigned to assets acquired and liabilities assumed are based on preliminary estimates of fair value available as of the date of this Annual Report on Form 10-K, amounts may be adjusted during the measurement period of up to twelve months from the date of acquisition as further information becomes available. Any changes in the fair values of assets acquired and liabilities assumed during the measurement period may result in adjustments to goodwill. The allocation of purchase price is preliminary and subject to changes as an appraisal of tangible assets and liabilities are finalized and purchase price adjustments are completed. The following is a summary of a preliminary allocation of the purchase price:

Crimson Midstream Holdings, LLC	As of February 1, 2021	Working Capital Changes/PPA Adjustments	December 31, 2021
Assets Acquired			
Cash and cash equivalents	$ 6,554,921	$ —	$ 6,554,921
Accounts and other receivables	11,394,441	—	11,394,441
Inventory	1,681,637	—	1,681,637
Prepaid expenses and other assets	6,144,932	—	6,144,932
Property and equipment(1)	332,174,531	1,540,608	333,715,139
Operating right-of-use asset	6,268,077	—	6,268,077
Total assets acquired:	$ 364,218,539		$ 365,759,147
Liabilities Assumed			
Accounts payable and other accrued liabilities(1)	$ 13,790,011	$ (249,847)	$ 13,540,164
Operating lease liability	6,268,077	—	6,268,077
Unearned revenue	315,000	—	315,000
Total liabilities assumed:	$ 20,373,088		$ 20,123,241
Fair Value of Net Assets Acquired:	$ 343,845,451		$ 345,635,906
Non-controlling interest at fair value(2)(3)	$ 115,323,036	$ 882,726	$ 116,205,762

(1) Amounts recorded for property and equipment include land, buildings, lease assets, leasehold improvements, furniture, fixtures and equipment. During the three months ended June 30, 2021, the Company recorded a $1.8 million working capital adjustments primarily related to the valuation of land. During the three months ended December 31, 2021, the Company recorded measurement period adjustments relating to (i) rights of way and pipelines, which resulted in $734 thousand additional depreciation for the year ended December 31, 2021 and (ii) accrued office lease in the amount of $250 thousand, which is netted against the $1.8 million working capital adjustment.

(2) Includes a non-controlling interest for Grier Members' equity consideration in the Crimson Class A-1, A-2 and A-3 Units (including the37,043 newly issued A-1 Units) with a total fair value of $116.2 million. Refer to "Fair Value of Non-controlling Interest" below and Note 16 ("Stockholders' Equity") for further details.

(3) In addition to the newly issued Class A-1 Units, CorEnergy also paid $907,728 in cash as a contribution to Crimson Midstream Holdings, LLC.

Fair Value of Assets and Liabilities Acquired

The fair value of property and equipment was determined from an external valuation performed by an unrelated third party specialist based on the cost methodology. The preliminary fair value measurement of tangible assets is based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value measurement hierarchy. The significant unobservable input used includes a discount rate based on an estimated weighted average cost of capital of a theoretical market participant. The Company utilized a weighted average discount rate of 14.0 percent when deriving the fair value of the property and equipment acquired. The weighted average discount rate reflects management's best estimate of inputs a market participant would utilize. In addition, the Company utilized revenue, cost and growth projections in its discounted cash flows to value the assets and liabilities acquired as well as relevant third-party valuation data for the pipeline right of ways. The carrying value of cash and cash equivalents, accounts and other receivables, prepaid expenses and other assets, and accounts payable and other accrued liabilities, approximate fair value due to their short term, highly liquid nature. Inventory was valued based on average crude oil inventory prices, less an applicable discount to sell, at the acquisition date.

Fair Value of Non-controlling Interest

The fair value of the non-controlling interest for each of the Crimson Class A-1, A-2 and A-3 Units was determined from an external valuation performed by an unrelated third party specialist. As described in Note 16 ("Stockholders' Equity"), the holders of the Crimson A-1, A-2 and A-3 Units have the right to receive any distributions that the Company's Board of Directors determines would be payable as if they held (initially) the shares of Series C Preferred Stock, Series B Preferred Stock and Class B Common Stock, respectively, with all distributions on Class A-1 Units becoming tied to the Company's Series A Preferred Stock as of June 30, 2021 and distributions on the Class A-2 Units becoming tied to the Class B Common Stock as of July 7, 2021, as further described in Note 16 ("Stockholders' Equity"). To determine the fair value of the units on February 1, 2021, the third-party valuation specialists developed a Monte Carlo model to simulate a distribution of future prices underlying the CorEnergy securities associated with the Crimson A-1, A-2 and A-3 Units. The fair value measurement is based on observable inputs related to the Company's Common Stock and Series A Preferred Stock, including stock price, historical volatility and dividend yield. The fair value measurement is also based on significant inputs not observable in the market and thus represent Level 3 measurements. The significant unobservable inputs include a discount rate of 11.88 percent for the A-1 Units and 11.75 percent for the A-3 Units. The valuation for the A-2 Units assumed stockholder approval would be received to exchange the A-2 Units to Class B Common Stock instead of Series B Preferred Stock. Therefore, the valuation mirrors the assumptions utilized for the A-3 Units.

During the year ended December 31, 2021, the Company incurred transaction costs and financing costs at closing of approximately $2.0 million and $2.8 million, respectively. The Company also incurred due diligence costs and other financing costs of $783 thousand and $235 thousand, respectively for year ended December 31, 2021. Total transaction, due diligence and financing costs, including $1.5 million incurred for the year ended December 31, 2020, for the Crimson Transaction were $7.3 million. Transaction and due diligence costs are recorded in general and administrative expenses in the Consolidated Statements of Operation. Financing costs were capitalized as deferred debt issuance costs in the Consolidated Balance Sheet. For the period from February 1, 2021 (effective date of the acquisition) to December 31, 2021, revenues for Crimson were $106.3 million and net income was $17.8 million.

Pro Forma Results of Operations (Unaudited)

The following selected comparative unaudited pro forma revenue information for the year ended December 31, 2021 and 2020, assumes that the Crimson acquisition occurred at the beginning of 2020, and reflects the full results for the period presented. The pro forma results have been prepared for comparative purposes only and do not purport to indicate the results of operations which would actually have occurred had the combination been in effect on the dates indicated, or which may occur in the future. These amounts have been calculated after applying the Company's accounting policies. The Company has excluded pro forma information related to net earnings (loss) as it is impracticable to provide the information as Crimson was part of a larger entity that was separated via a common control transfer at the closing of the Crimson Transaction. As a result, quarterly financial information has not been carved-out for the Crimson entities acquired in prior quarterly periods.

	Pro Forma Year Ended	
	December 31, 2021	December 31, 2020
Revenues	$ 136,921,819	$ 116,842,301

Corridor InfraTrust Management, LLC

On July 6, 2021, the Company consummated the internalization of the Company's management company (the "Internalization") pursuant to the previously announced Contribution Agreement, dated as of February 4, 2021 (the Contribution Agreement"), by and among the Company and the Contributors. Pursuant to the Contribution Agreement and following approval by the Company's stockholders, the Company, acquired Corridor, which owns the assets previously used by Corridor in its performance of the management functions previously provided to the Company. Upon closing of the Internalization, the Company became an internally managed real estate investment trust. As an internally managed company, the Company no longer pays the former Manager any fees or expense reimbursements arising from the Management Agreement but rather incurs the former Manager's direct employee compensation and office related expenses.

The Internalization was consummated for a purchase price of approximately $14.6 million, payable in equity. Pursuant to the Contribution Agreement, the Company issued to the Contributors, based on each Contributor's percentage ownership in Corridor, an aggregate of: (i) 1,153,846 shares of Common Stock, (ii) 683,761 shares of Class B Common Stock, and (iii) 170,213 depositary shares of Series A Preferred Stock (collectively with the Common Stock and Class B Common Stock, the "REIT Stock"). At closing, the Management Agreement and Administrative Agreement were both effectively terminated.

The acquisition is being treated as a business combination in accordance with ASC 805,*Business Combinations*, which requires allocation of the purchase price to the estimated fair values of assets and liabilities acquired in the transaction. The allocation of purchase price is based on management's judgment after evaluating several factors, including a preliminary valuation assessment. Because the values assigned to assets acquired and liabilities assumed are based on preliminary estimates of fair value available as of the date of this Annual Report on Form 10-K, amounts may be adjusted during the measurement period of up to twelve months from the date of acquisition as further information becomes available. Any changes in the fair values of assets acquired and liabilities assumed during the measurement period may result in adjustments to goodwill. The allocation of purchase price is preliminary and subject to changes as an appraisal of tangible assets and liabilities are finalized and purchase price adjustments are completed. The following is a summary of a preliminary allocation of the purchase price:

Corridor InfraTrust Management, LLC		**As of July 6, 2021**
Assets Acquired		
Cash and cash equivalents	$	952,487
Accounts and other receivables		344,633
Prepaid expenses and other assets		14,184
Property and equipment		87,101
Operating right-of-use asset		453,396
Goodwill		14,491,152
Total assets acquired:	$	16,342,953
Liabilities Assumed		
Accounts payable and other accrued liabilities	$	1,259,402
Operating lease liability		453,396
Total liabilities assumed:	$	1,712,798
Fair Value of Net Assets Acquired:	$	14,630,155

Fair Value of Assets and Liabilities Acquired

The carrying value of cash and cash equivalents, accounts and other receivables, prepaid expenses and other assets, and accounts payable and other accrued liabilities, approximate fair value due to their short term, highly liquid nature.

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. Refer to Note 2 ("Significant Accounting Policies") for additional details on the Company's revenue recognition policies under ASC 606.

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 midstream 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 FERC regulated rates or negotiated rates in the case of transportation agreements and (iii) contracted amounts (with annual CPI 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. For PLA volumes received in-kind, the Company records these in inventory.

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, 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 the lease standard while the margin is recognized in accordance with the revenue standard as discussed above.

The table below summarizes the Company's contract liability balance related to its transportation and distribution revenue contracts as of December 31, 2021 and 2020:

	Contract Liability[(1)]	
	December 31, 2021	December 31, 2020
Beginning Balance January 1	$ 6,104,979	$ 6,850,790
Unrecognized Performance Obligations	199,405	347,811
Recognized Performance Obligations	(965,020)	(1,093,622)
Ending Balance December 31	$ 5,339,364	$ 6,104,979

(1) The contract liability balance is included in unearned revenue in the Consolidated Balance Sheets.

The Company's contract asset balance was $40 thousand and $363 thousand as of December 31, 2021 and 2020, respectively. 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 December 31, 2021, the remaining unamortized deferred contract costs balance was $853 thousand. The contract asset and deferred contract costs balances are included in prepaid expenses and other assets in the Consolidated Balance Sheets.

The following is a breakout of the Company's transportation and distribution revenue for the years ended December 31, 2021, 2020 and 2019:

	For the Years Ended December 31,		
	2021	2020	2019
Crude oil transportation revenue	81.5 %	— %	— %
Natural gas transportation contracts	13.1 %	64.3 %	67.8 %
Natural gas distribution contracts	4.1 %	23.9 %	25.5 %
Other	1.3 %	11.8 %	6.7 %

5. LEASED PROPERTIES AND LEASES

Prior to 2021, the Company primarily acquired midstream and downstream assets in the U.S. energy sector such as pipelines, storage terminals, and gas and electric distribution systems and, historically, leased many of these assets to operators under triple-net leases. The Company's leased property was classified as an operating lease and was recorded as leased property in the Consolidated Balance Sheets. Base rent related to the Company's leased property was recognized on a straight-line basis over the term of the lease when collectability was probable. Participating rent was recognized when it was earned, based on the achievement of specified performance criteria. Base and participating rent were recorded as lease revenue in the Consolidated Statements of Operations. The Company regularly evaluated the collectability of any deferred rent receivable on a lease by lease basis. The evaluation primarily included assessing the financial condition and credit quality of the Company's tenants, changes in tenants' payment history and current economic factors. When the collectability of the deferred rent receivable or future lease payments were no longer probable, the Company recognized a write-off of the deferred rent receivable as a reduction of revenue in the Consolidated Statements of Operations.

The Company divested all of its leased assets including (i) GIGS on February 4, 2021 as described further below and (ii) the Pinedale LGS on June 30, 2020 in a sale to its tenant, Ultra Wyoming, LLC ("Ultra Wyoming") pursuant to the terms of the sale agreement approved by the U.S. Bankruptcy Court overseeing the bankruptcy proceedings of Ultra Wyoming and its parent company, Ultra Petroleum Corp ("UPL").

Sale and Impairment of the Grand Isle Gathering System

During 2020, the EGC Tenant's nonpayment of rent along with the significant decline in the global oil market triggered indicators of impairment for the GIGS asset. As a result, the Company recognized a $140.3 million loss on impairment of leased property related to the GIGS asset in the Consolidated Statements of Operations for the year ended December 31, 2020. The Company also previously recognized a deferred rent receivable for the Grand Isle Gathering Lease, which primarily represented timing differences between the straight-line revenue recognition and contractual lease receipts over the lease term. Given the EGC's Tenant's nonpayment of rent and the Company's expectations surrounding the collectability of the contractual lease payments under the lease, the Company recognized a non-cash write-off of the deferred rent receivable of $30.1 million. The non-cash write-off was recognized as a reduction of revenue in the Consolidated Statements of Operations for the year ended December 31, 2020.

As discussed in Note 3 ("Acquisitions"), on February 4, 2021, the GIGS asset was used as partial consideration for the acquisition of the Company's interest in Crimson resulting in its disposal, along with the asset retirement obligation (collectively, the "GIGS Disposal Group"), which was assumed by the sellers. Upon meeting the held for sale criteria in mid-January 2021, the Company ceased recording depreciation on the GIGS asset. The GIGS asset had a carrying value of $63.5 million and the asset retirement obligation had a carrying value of $8.8 million, or a net carrying value of $54.7 million for the GIGS Disposal Group. The GIGS asset had a fair value of approximately $48.9 million at the time of disposal, which was determined by a discounted cash flow model and utilized the forecast of a market participant and their expected operation of the asset. The fair value measurement is also based on significant inputs not observable in the market and thus represent Level 3 measurements. The significant unobservable inputs include a discount rate of 11.75 percent. The contribution of the GIGS Disposal Group resulted in a loss on impairment and disposal of leased property of $5.8 million in the Consolidated Statements of Operations in the first quarter of 2021.

Termination of the Grand Isle Lease Agreement

As described in Note 11 ("Management Agreement"), in connection with the GIGS disposition, the Company and Grand Isle Corridor entered into a Settlement and Mutual Release Agreement (the "Settlement Agreement") with the EGC Tenant, EGC, and CEXXI, LLC (the "EXXI Entities") related to the previously reported litigation between them and terminated the Grand Isle Lease Agreement. The termination of the Grand Isle Lease Agreement resulted in the write-off of deferred lease costs of $ 166 thousand, which is recorded as a loss on termination of lease in the Consolidated Statements of Operations for the year ended December 31, 2021.

Sale and Impairment of the Pinedale Liquids Gathering System

On April 14, 2020, UPL, the parent and guarantor of the lease obligations of the tenant and operator of the Company's Pinedale LGS, announced that its significant indebtedness and extremely challenging current market conditions raised a substantial doubt about its ability to continue as a going concern. The going concern qualification in UPL's financial statements filed in its 2019 10-K resulted in defaults under UPL's credit and term loan agreement. UPL also disclosed that it elected not to make interest payments on certain outstanding indebtedness, triggering a 30-day grace period. If such interest payments were not made by the end of the grace period, an event of default would occur, potentially causing its outstanding indebtedness to become immediately due and payable. UPL further disclosed that if it was unable to obtain sufficient additional capital to repay the outstanding indebtedness and sufficient liquidity to meet its operating needs, it may be necessary for UPL to seek protection from creditors under Chapter 11 of the U.S. Bankruptcy Code.

On May 14, 2020, UPL filed a voluntary petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code. The filing included Ultra Wyoming, the operator of the Pinedale LGS and tenant under the Pinedale Lease Agreement with the Company's indirect wholly owned subsidiary Pinedale LP. The bankruptcy filing of both the guarantor, UPL, and the tenant constituted defaults under the terms of the Pinedale Lease Agreement. The bankruptcy filing imposed a stay of CorEnergy's ability to exercise remedies for the foregoing defaults. Ultra Wyoming also filed a motion to reject the Pinedale Lease Agreement, with a request that such motion be effective June 30, 2020. Pending the effective date of the rejection, Section 365 of the Bankruptcy Code generally requires Ultra Wyoming to comply on a timely basis with the provisions of the Pinedale Lease Agreement, including the payment provisions. Accordingly, the Company received the rent payments due on the first day of April, May and June 2020.

Pinedale LP, along with Prudential, the lender under the Amended Pinedale Term Credit Facility discussed in Note 14 ("Debt"), commenced discussions with UPL which resulted in UPL presenting an initial offer to purchase the Pinedale LGS. The Amended Pinedale Term Credit Facility was secured by the Pinedale LGS and was not secured by any assets of CorEnergy or its other subsidiaries.

On June 5, 2020, Pinedale LP filed a motion with the U.S. Bankruptcy Court objecting to Ultra Wyoming's motion to reject the Pinedale Lease Agreement while continuing its negotiations with UPL. Pinedale LP and the Company agreed in principle to terms with Ultra Wyoming to sell the Pinedale LGS for $18.0 million cash as set forth in a non-binding term sheet that was filed with the U.S. Bankruptcy Court in UPL's Chapter 11 case along with a motion for approval of the transaction on June 22, 2020. A copy of the draft definitive purchase and sale agreement was also filed with the motion.

On June 26, 2020, the U.S. Bankruptcy Court in UPL's Chapter 11 case approved the sale of the Pinedale LGS. Following such approval, on June 29, 2020, Pinedale LP entered into the purchase and sale agreement (the "Sale Agreement") with Ultra Wyoming. On June 30, 2020, Pinedale LP closed on the sale of the Pinedale LGS to its tenant, Ultra Wyoming, for total cash consideration of $18.0 million, and the Pinedale Lease Agreement was terminated. The sale was completed pursuant to the terms of the Sale Agreement previously approved by the bankruptcy court as discussed above. In connection with the closing of the sale, the Company and Pinedale LP entered into a mutual release of all claims related to the Pinedale LGS and the Pinedale Lease Agreement with UPL and Ultra Wyoming, including a release by Pinedale LP of all claims against UPL and Ultra Wyoming arising from the rejection or termination of the Pinedale Lease Agreement.

In conjunction with the sale of the Pinedale LGS described above, Pinedale LP and the Company entered into a compromise and release agreement (the "Release Agreement") with Prudential related to the Amended Pinedale Term Credit Facility, which had an outstanding balance of approximately $ 32.0 million, net of $132 thousand of deferred debt issuance costs. Pursuant to the Release Agreement, the $18.0 million sale proceeds from the Sale Agreement were provided by Ultra Wyoming directly to Prudential. The Company also provided the remaining cash available at Pinedale LP of approximately $3.3 million (including $198 thousand for accrued interest) to Prudential in exchange for (i) the release of all liens on the Pinedale LGS and the other assets of Pinedale LP, (ii) the termination of the Company's pledge of equity interests of the general partner of Pinedale LP, (iii) the termination and satisfaction in full of the obligations of Pinedale LP under the Amended Pinedale Term Credit Facility and (iv) a general release of any other obligations of Pinedale LP and/or the Company and their respective directors, officers, employees or agents pertaining to the Amended Pinedale Term Credit Facility.

During the negotiation and closing of the sale of the Pinedale LGS to Ultra Wyoming, the Company determined impairment indicators existed as the value to be received from the sale was less than the carrying value of the asset of $164.5 million. As a result of these indicators and the sale of the Pinedale LGS, the Company recognized a loss on impairment and disposal of leased property in the Consolidated Statement of Operations of approximately $146.5 million for the year ended December 31, 2020. Further, the sale of the Pinedale LGS resulted in the termination of the Pinedale Lease Agreement, and the Company recognized a loss on termination of lease of approximately $458 thousand for the year ended December 31, 2020. These losses were partially offset by the settlement of the Amended Pinedale Term Credit Facility with Prudential (as discussed above and in Note 14 ("Debt"), which resulted in a gain on extinguishment of debt of $11.0 million for year ended December 31, 2020.

LESSOR - LEASED PROPERTIES

Beginning in 2019, the Company concluded that Omega's long-term contract with the DOD to provide natural gas distribution to Fort Leonard Wood through Omega's pipeline distribution system on the military post meets the definition of a lease under ASC 842. Omega is the lessor in the contract and the lease is classified as an operating lease. The Company noted the non-lease component is the predominant component in the lease, and the timing and pattern of transfer of the lease component and the associated non-lease component are the same. As discussed in Note 2 ("Significant Accounting Policies"), the Company elected to not separate lease and related non-lease components if the non-lease components otherwise would be accounted for in accordance with the revenue standard under ASC 606; therefore, the Company continues to account for the DOD contract under the revenue standard.

In the second quarter of 2019, the Company started a system improvement project on Omega's pipeline distribution system, which is considered a "built to suit" transaction under ASC 842. The system improvement project is a separate lease component and the DOD is deemed to control the system improvement due to certain contract provisions. As a result, the Company accounted for the costs of the system improvement as a financing arrangement, which is included in accounts and other receivables in the Consolidated Balance Sheets. The margin the Company earned on the system improvement project is a non-lease component accounted for under the revenue standard. Refer to Note 2 ("Significant Accounting Policies") for further details.

LEASED PROPERTIES AND TENANT INFORMATION

Substantially all of the lease tenants' financial results are driven by exploiting naturally occurring oil and natural gas hydrocarbon deposits beneath the Earth's surface. As a result, the tenants' financial results are highly dependent on the performance of the oil and natural gas industry, which is highly competitive and subject to volatility. During the terms of the leases, management monitors the credit quality of its tenants by reviewing their published credit ratings, if available, reviewing publicly available financial statements, or reviewing financial or other operating statements, monitoring news reports regarding the tenants and their respective businesses and monitoring the timeliness of lease payments and the performance of other financial covenants under their leases.

The COVID-19 pandemic-related reduction in energy demand and the uncertainty of production from OPEC members, US producers and other international suppliers caused significant disruptions and volatility in the global oil marketplace during 2020, which adversely affected our tenants. In response to COVID-19, governments around the world implemented stringent measures to help reduce the spread of the virus, including stay-at-home and shelter-in-place orders, travel restrictions and other measures. These measures adversely affected the economies and financial markets of the U.S. and many other countries, resulting in an economic downturn that has negatively impacted global demand and prices for the products handled by the Company's pipelines, terminals and other facilities.

The following table reflects the depreciation and amortization included in the accompanying Consolidated Statements of Operations associated with the Company's leases and leased properties:

	For the Years Ended December 31,		
	2021	2020	2019
Depreciation Expense			
GIGS[(1)]	$ 140,860	$ 6,013,322	$ 9,763,163
Pinedale [(2)]	—	3,695,599	8,869,440
United Property Systems	41,256	39,737	39,117
Total Depreciation Expense	$ 182,116	$ 9,748,658	$ 18,671,720
Amortization Expense - Deferred Lease Costs			
GIGS[(1)]	$ 2,547	$ 30,564	$ 30,564
Pinedale [(2)]	—	30,684	61,368
Total Amortization Expense - Deferred Lease Costs	$ 2,547	$ 61,248	$ 91,932
ARO Accretion Expense			
GIGS[(1)]	$ 40,545	$ 461,713	$ 443,969
Total ARO Accretion Expense	$ 40,545	$ 461,713	$ 443,969

(1) In February 4, 2021, the Grand Isle Gathering System was sold as partial consideration for Crimson Midstream Holdings.
(2) On June 30, 2020, the Pinedale LGS was sold to Ultra Wyoming, terminating the Pinedale Lease Agreement.

The following table reflects the deferred costs that are included in the accompanying Consolidated Balance Sheets associated with the Company's leased properties:

	December 31, 2021	December 31, 2020
Net Deferred Lease Costs		
GIGS	$ —	$ 168,191
Total Deferred Lease Costs, net	$ —	$ 168,191

LESSEE - LEASED PROPERTIES

The Company's operating subsidiaries currently lease land, corporate office space, single-use office space and equipment. During the year ended December 31, 2021, the Company acquired additional right-of-use assets and lease liabilities in connection with the Crimson Transaction, in connection with the Internalization, and the Company signed a new lease for the Denver corporate office. The Company's leases are classified as operating leases and presented as operating right-of-use assets and operating lease liability on the Consolidated Balance Sheet. 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 years ended December 31, 2021 and 2020:

	For the Year Ended	
	December 31, 2021	December 31, 2020
Lease cost:		
Operating lease cost	$ 1,462,133	$ 41,426
Short term lease cost	229,166	—
Other Information:		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 1,691,894	$ 41,426

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

	December 31, 2021	December 31, 2020
Weighted-average remaining lease term - operating leases (in years)	10.0	1.8
Weighted-average discount rate - operating leases	7.04 %	7.45 %

The following table reflects the undiscounted cash flows for future minimum lease payments under noncancellable operating leases reconciled to the Company's lease liabilities on our Consolidated Balance Sheet as of December 31, 2021:

For the Years Ending December 31,	Operating Leases
2022	1,774,495
2023	1,179,989
2024	446,459
2025	419,068
2026	464,849
Thereafter	4,437,549
Total	8,722,409
Less: Present Value Discount	2,675,752
Operating Lease Liabilities	$ 6,046,657

6. FINANCING NOTES RECEIVABLE

Four Wood Financing Note Receivable

On August 10, 2021, the terms of the Compass REIT Loan were amended (i) to extend the maturity date from November 30, 2024 to July 31, 2026 and (ii) to reduce payments to $24 thousand per month through the maturity date beginning as of August 31, 2021. Additionally, the amended Compass REIT Loan will continue to accrue interest at an annual rate of 12.0 percent. As of December 31, 2021 and December 31, 2020, the Compass REIT Loan was valued at $1.0 million, and $1.2 million, respectively.

On May 22, 2020, the terms of the Compass REIT Loan were amended (i) to extend the maturity date from June 30, 2021 to November 30, 2024 and (ii) to reduce payments to interest only through December 31, 2020. Additionally, the amended Compass REIT Loan will continue to accrue interest at an annual rate of 8.5 percent through May 31, 2021. Subsequent to May 31, 2021 interest will accrue at an annual rate of 12 percent. Monthly principal payments of approximately $11 thousand resumed on January 1, 2021 and increase annually beginning on June 30, 2021 through the maturity date.

On June 12, 2019, Four Wood Corridor entered into an amended and restated Compass REIT Loan. The amended note has atwo-year term maturing on June 30, 2021 with monthly principal payments of approximately $11 thousand and interest accruing on the outstanding principal at an annual rate of8.5 percent. The amended and restated Compass REIT Loan is secured by real and personal property that provides saltwater disposal services for the oil and natural gas industry and pledged ownership interests of Compass SWD members.

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 December 31, 2021 and 2020, are as follows:

Deferred Tax Assets and Liabilities

	December 31, 2021	December 31, 2020
Deferred Tax Assets:		
Deferred contract revenue	$ 1,333,510	$ 1,474,962
Net operating loss carryforwards	6,929,821	6,438,628
Capital loss carryforward	92,418	92,418
Other	366	420
Sub-total	$ 8,356,115	$ 8,006,428
Valuation allowance	(3,891,342)	(92,418)
Sub-total	$ 4,464,773	$ 7,914,010
Deferred Tax Liabilities:		
Cost recovery of leased and fixed assets	$ (4,187,621)	$ (3,578,283)
Other	(70,867)	(53,151)
Sub-total	$ (4,258,488)	$ (3,631,434)
Total net deferred tax asset	$ 206,285	$ 4,282,576

As of December 31, 2021, the total deferred tax assets and liabilities presented above relate to the Company's 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 December 31, 2021, the Company had no uncertain positions. Tax years subsequent to the year ended December 31, 2017, remain open to examination by federal and state tax authorities.

As of December 31, 2021 and 2020, the TRSs had cumulative net operating loss carryforwards ("NOL") o $28.7 million and $26.7 million, respectively. Net operating losses of $25.5 million generated during the years ended December 31, 2021, 2020, 2019 and 2018 may be carried forward indefinitely, subject to limitation. Net operating losses generated for years prior to December 31, 2018 may be carried forward for 20 years. If not utilized, the net operating loss will expire as follows: $328 thousand, $176 thousand, $828 thousand, and $2 million in the years ending December 31, 2034, 2035, 2036 and 2037, respectively. The Company also has a capital loss carryforward of $440 thousand as of December 31, 2021 and 2020, respectively, which if not utilized, will expire as of December 31, 2024.

Management assessed the available evidence and determined that it is more likely than not that the capital loss carryforward 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 December 31, 2021 and 2020. Additionally, the Company determined that certain of the federal and state net operating losses would not be utilized prior to their expiration. Due to the uncertainty of realizing these deferred tax assets, a total valuation allowance of $3.8 million was recorded as of December 31, 2021. The valuation allowance at December 31, 2021 includes a $92 thousand valuation allowance for Corridor Private and $3.8 million valuation allowance for Corridor MoGas. 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.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, permitted NOL carryovers and carrybacks to offset 100 percent of taxable income for taxable years beginning before 2021. In addition, the CARES Act allowed NOLs originating in 2018, 2019 and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. Certain of the Company's TRSs have NOLs totaling approximately $1.2 million were eligible for carryback under the CARES Act. The benefit of these carrybacks has been recorded as an increase to income taxes receivable and a reduction to deferred tax assets. Certain NOLs which were initially measured at the current corporate income tax rate of 21 percent are being carried back to offset taxable income that was taxed at a pre-Tax Cuts and Jobs Act of 2017 rate of 34 percent. The benefit received from the rate differential is reflected in the income tax provision for the year ended December 31, 2020.

Total income tax expense (benefit) differs from the amount computed by applying the federal statutory income tax rate of 21 percent for the years ended December 31, 2021, 2020 and 2019, to income or loss from operations and other income and expense for the years presented, as follows:

Income Tax Expense (Benefit)

	For the Years Ended December 31,		
	2021	**2020**	**2019**
Application of statutory income tax rate	$ (2,717,152)	$ (64,292,012)	$ 904,111
State income taxes, net of federal tax benefit	681,342	35,371	409,839
Income of Real Estate Investment Trust not subject to tax	2,971,378	64,331,160	(941,900)
Increase in valuation allowance	3,159,313	—	—
Other	(20,122)	(159,377)	(137,432)
Total income tax expense (benefit)	$ 4,074,759	$ (84,858)	$ 234,618

Total income taxes are computed by applying the federal statutory rate of 21 percent plus a blended state income tax rate. CorEnergy BBWS has a blended state income tax rate of approximately 3 percent for the years ended December 31, 2021 and December 31, 2020 and a blended state income tax rate of approximately5 percent for the year ended December 31, 2019 due to its operations in Missouri. Because Corridor MoGas primarily only operates in the state of Missouri, a blended state income tax rate of 3 percent was used for the operation of the TRS for the years ended December 31, 2021 and December 31, 2020 and 5 percent was used for the year ended December 31, 2019. For CorEnergy BBWS and Corridor MoGas, the blended state rate includes the enacted decrease in the Missouri state income tax rate effective in 2020. As a result of the decreased rate, additional deferred state income taxes of $315 thousand resulting from the application of the newly enacted rate to existing deferred balances was recorded in the first quarter of 2019. Crimson Midstream Holding I operates only in the state of California and uses a net state rate of 7% for the year ended December 31, 2021.

For the years ended December 31, 2021, 2020 and 2019, all of the income tax expense (benefit) presented above relates to the assets and activities held in the Company's TRSs. The components of income tax expense (benefit) include the following for the periods presented:

Components of Income Tax Expense (Benefit)

	For the Years Ended December 31,		
	2021	**2020**	**2019**
Current tax expense (benefit)			
Federal	$ (7,154)	$ (420,074)	$ (159,381)
State (net of federal tax benefit)	5,623	24,231	39,357
Total current tax benefit	$ (1,531)	$ (395,843)	$ (120,024)
Deferred tax expense (benefit)			
Federal	$ 3,400,571	$ 299,845	$ (15,840)
State (net of federal tax benefit)	675,719	11,140	370,482
Total deferred tax expense	$ 4,076,290	$ 310,985	$ 354,642
Total income tax expense (benefit), net	$ 4,074,759	$ (84,858)	$ 234,618

The aggregate cost of securities for federal income tax purposes and securities with unrealized appreciation and depreciation, were as follows:

Aggregate Cost of Securities for Income Tax Purposes

	December 31, 2021	**December 31, 2020**
Aggregate cost for federal income tax purposes	$ —	$ 301,314
Gross unrealized appreciation	—	—
Gross unrealized depreciation	—	—
Net unrealized appreciation	$ —	$ —

The Company provides the following tax information to its Common Stockholders pertaining to the character of distributions paid during tax years 2021, 2020 and 2019. For a Common Stockholder that received all distributions in cash during 2021, 100.0 percent will be treated as return of capital.The per share characterization by quarter is reflected in the following tables (unaudited):

2021 Common Stock Tax Information

Record Date	Ex-Dividend Date	Payable Date	Total Distribution per Share	Total Ordinary Dividends	Qualified Dividends	Capital Gain Distributions	Nondividend Distributions	Section 199A Dividends
2/12/2021	2/11/2021	2/26/2021	$ 0.0500	$ —	$ —	$ —	$ 0.0500	$ —
5/14/2021	5/13/2021	5/28/2021	0.0500	—	—	—	0.0500	—
8/17/2021	8/16/2021	8/31/2021	0.0500	—	—	—	0.0500	—
11/16/2021	11/15/2021	11/30/2021	0.0500	—	—	—	0.0500	—
Total 2021 Distributions			$ 0.2000	$ —	$ —	$ —	$ 0.2000	$ —

2020 Common Stock Tax Information

Record Date	Ex-Dividend Date	Payable Date	Total Distribution per Share	Total Ordinary Dividends	Qualified Dividends	Capital Gain Distributions	Nondividend Distributions	Section 199A Dividends
2/14/2020	2/13/2020	2/28/2020	$ 0.7500	$ —	$ —	$ —	$ 0.7500	$ —
5/15/2020	5/14/2020	5/29/2020	0.0500	—	—	—	0.0500	—
8/17/2020	8/14/2020	8/31/2020	0.0500	—	—	—	0.0500	—
11/16/2020	11/13/2020	11/30/2020	0.0500	—	—	—	0.0500	—
Total 2020 Distributions			$ 0.9000	$ —	$ —	$ —	$ 0.9000	$ —

2019 Common Stock Tax Information

Record Date	Ex-Dividend Date	Payable Date	Total Distribution per Share	Total Ordinary Dividends	Qualified Dividends	Capital Gain Distributions	Nondividend Distributions	Section 199A Dividends
2/14/2019	2/13/2019	2/28/2019	$ 0.7500	$ 0.5803	$ —	$ 0.0156	$ 0.1541	$ 0.5803
5/17/2019	5/16/2019	5/31/2019	0.7500	0.4578	—	0.0150	0.2772	0.4578
8/16/2019	8/15/2019	8/30/2019	0.7500	0.4578	—	0.0150	0.2772	0.4578
11/15/2019	11/14/2019	11/29/2019	0.7500	0.4578	—	0.0150	0.2772	0.4578
Total 2019 Distributions			$ 3.0000	$ 1.9537	$ —	$ 0.0606	$ 0.9857	$ 1.9537

The Company provides the following tax information to its preferred stockholders pertaining to the character of distributions paid during the 2021, 2020 and 2019 tax years. For a preferred stockholder that received all distributions in cash during 2021, 100.0 percent will be treated as return of capital.The per share characterization by quarter is reflected in the following tables (unaudited):

2021 Preferred Stock Tax Information

Record Date	Ex-Dividend Date	Payable Date	Total Distribution per Share	Total Ordinary Dividends	Qualified Dividends	Capital Gain Distributions	Nondividend Distributions	Section 199A Dividends
2/12/2021	2/11/2021	2/26/2021	$ 0.4609	$ —	$ —	$ —	$ 0.4609	$ —
5/14/2021	5/13/2021	5/28/2021	0.4609	—	—	—	0.4609	—
8/17/2021	8/16/2021	8/31/2021	0.4609	—	—	—	0.4609	—
11/16/2021	11/15/2021	11/30/2021	0.4609	—	—	—	0.4609	—
Total 2021 Distributions			$ 1.8436	$ —	$ —	$ —	$ 1.8436	$ —

2020 Preferred Stock Tax Information

Record Date	Ex-Dividend Date	Payable Date	Total Distribution per Share	Total Ordinary Dividends	Qualified Dividends	Capital Gain Distributions	Nondividend Distributions	Section 199A Dividends
2/14/2020	2/13/2020	2/28/2020	$ 0.4609	$ —	$ —	$ —	$ 0.4609	$ —
5/15/2020	5/14/2020	5/29/2020	0.4609	—	—	—	0.4609	—
8/17/2020	8/14/2020	8/31/2020	0.4609	—	—	—	0.4609	—
11/16/2020	11/13/2020	11/30/2020	0.4609	—	—	—	0.4609	—
Total 2020 Distributions			$ 1.8436	$ —	$ —	$ —	$ 1.8436	$ —

2019 Preferred Stock Tax Information

Record Date	Ex-Dividend Date	Payable Date	Total Distribution per Share	Total Ordinary Dividends	Qualified Dividends	Capital Gain Distributions	Nondividend Distributions	Section 199A Dividends
2/14/2019	2/13/2019	2/28/2019	$ 0.4609	$ 0.4483	$ —	$ 0.0126	$ —	$ 0.4483
5/17/2019	5/16/2019	5/31/2019	0.4609	0.4463	—	0.0146	—	0.4463
8/16/2019	8/15/2019	8/30/2019	0.4609	0.4463	—	0.0146	—	0.4463
11/15/2019	11/14/2019	11/29/2019	0.4609	0.4463	—	0.0146	—	0.4463
Total 2019 Distributions			$ 1.8436	$ 1.7872	$ —	$ 0.0564	$ —	$ 1.7872

The Company elected, effective for the 2013 tax year, to be treated as a REIT for federal income tax purposes. The Company's REIT election, assuming continued compliance with the applicable tests, will continue in effect for subsequent tax years. The Company satisfied the annual income test and the quarterly asset tests necessary for us to qualify to be taxed as a REIT for 2021, 2020 and 2019.

8. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Property and Equipment

	December 31, 2021	December 31, 2020
Land	$ 24,989,784	$ 686,330
Crude oil pipelines	180,663,146	—
Natural gas pipeline	126,889,779	104,869,418
Right-of-way agreements	63,409,200	22,041,047
Pipeline related facilities	39,995,865	—
Tanks	30,679,194	—
Vehicles and trailers	1,840,609	719,897
Office equipment and computers	1,403,090	268,559
Construction work in progress	8,581,560	220,157
Gross property and equipment	$ 478,452,227	$ 128,805,408
Less: accumulated depreciation	(37,022,034)	(22,580,810)
Net property and equipment	$ 441,430,193	$ 106,224,598

Depreciation expense was $14.7 million, $3.4 million, and $3.4 million for the years ended December 31, 2021, 2020 and 2019, respectively.

9. GOODWILL

Goodwill represents the excess of the purchase price over the fair value of net identifiable assets on acquisition of a business. The carrying value of goodwill, which is not amortized, is assessed for impairment annually, or more frequently if events or changes in circumstances arise that suggest the carrying value of goodwill may be impaired. The Company performs its annual impairment test of the carrying value of goodwill on December 31 of each year.

The Company's most recent annual assessment of the goodwill balance was performed on December 31, 2021, using the step 0 qualitative goodwill impairment assessment. The Company's assessment of goodwill did not result in an impairment charge. If the Company is not able to enter into future revenue generating agreements for Corridor, the goodwill associated with the Corridor acquisition is at risk for impairment in the amount of $14.5 million.

Goodwill as of December 31, 2021, was as follows:

	Gross Carrying Amount	Impairment Losses	Net Carrying Value
Goodwill	$ 16,210,020	$ —	$ 16,210,020

The change in the net book value of goodwill for the years ended December 31, 2021 and 2020, was as follows:

	2021	2020
As of January 1,	$ 1,718,868	$ 1,718,868
Corridor Infrastructure Trust Acquisition	14,491,152	—
As of December 31,	$ 16,210,020	$ 1,718,868

10. CONCENTRATIONS

The Company has customer concentrations through several major customers which have contracted transportation revenues. Concentrations consist of the following:

	2021	2020	2019
	Percent of Revenues	Percent of Revenues(1)	Percent of Revenues
Crimson Midstream Holdings			
Phillips 66	12 %	NA	NA
Shell Trading US Company	17 %	NA	NA
Chevron Products Company	20 %	NA	NA
PBF Holding Company	13 %	NA	NA
MoGas Pipeline System			
Spire	6 %	16 %	7 %
Ameren Energy	4 %	11 %	NA
Omega Pipeline (Mowood, LLC)			
Department of Defense	4 %	15 %	NA

(1) The 2020 percent is calculated using consolidated revenues excluding the deferred rent receivable write-off recorded on GIGS for the year ended December 31, 2020.

11. MANAGEMENT AGREEMENT

On February 4, 2021, the Company entered into a Contribution Agreement with the Contributors and Corridor InfraTrust Management, LLC ("Corridor" or the "Manager"), the Company's external manager. Consummation of the transaction contemplated in the Contribution Agreement resulted in the internalization of the Manager, which was approved by stockholders on June 29, 2021.

On June 29, 2021, the CorEnergy stockholders approved the internalization of the manager, Corridor InfraTrust Management, LLC. The Internalization transaction was completed on July 6, 2021. Pursuant to the Contribution Agreement, the Company issued to the Contributors, based on each Contributor's percentage ownership in Corridor, an aggregate of: (i) 1,153,846 shares of Common Stock, (ii) 683,761 shares of the newly created Class B Common Stock, and (iii) 170,213 depositary shares of the Company's 7.375% Series A Cumulative Redeemable Preferred Stock (collectively, the "Internalization Consideration").

As a result of the Internalization transaction, the Company now (i) owns all material assets of Corridor used in the conduct of the business, and (ii) is managed by officers and employees who previously worked for Corridor, and have become employees of the Company. Both the Management Agreement and the Administrative Agreement are no longer in effect upon the closing of the Internalization Transaction. Additional information on the Internalization Transaction can be found on our Current Report in Form 8-K filed with the SEC on July 12, 2021.

Contemporaneously with the execution of the Contribution Agreement, the Company and Corridor entered into the First Amendment (the "First Amendment") to the Management Agreement dated as of May 8, 2015 (as amended, the "Management Agreement") that had the effect, beginning February 1, 2021, of (i) eliminating the management fee, (ii) providing a one-time,

$1.0 million advance to Corridor to fund bonus payments to its employees in connection with the Internalization and (iii) providing payments to Corridor for actual employee compensation and office related expenses. Further, the First Amendment provided that, beginning April 1, 2021, the Company paid Corridor additional cash fees equivalent to the aggregate amount of all distributions that would accrue, if declared, on and after such date with respect to the securities to be issued as the Internalization Consideration pursuant to the Contribution Agreement (an amount, assuming payment on a cash basis equal to approximately $172 thousand per quarter). This agreement was in effect until the closing of the Internalization on July 6, 2021. The Company paid $53 thousand for declared dividends under this agreement.

Prior to Internalization, the terms of the Management Agreement provided for a quarterly management fee to be paid to Corridor equal to 0.25 percent (1.00 percent annualized) of the value of the Company's Managed Assets as of the end of each quarter. "Managed Assets" means the total assets of the Company (including any securities receivables, other personal property or real property purchased with or attributable to any borrowed funds) minus (A) the initial invested value of all non-controlling interests, (B) the value of any hedged derivative assets, (C) any prepaid expenses and (D) all of the accrued liabilities other than (1) deferred taxes and (2) debt entered into for the purpose of leverage. For purposes of the definition of Managed Assets, the Company's securities portfolio will be valued at then current market value. For purposes of the definition of Managed Assets, other personal property and real property assets will include real and other personal property owned and the assets of the Company invested, directly or indirectly, in equity interests in or loans secured by real estate or personal property (including acquisition related costs and acquisition costs that may be allocated to intangibles or are unallocated), valued at the aggregate historical cost, before reserves for depreciation, amortization, impairment charges or bad debts or other similar noncash reserves. In light of previous provisions for loan losses on certain of the Company's energy infrastructure financing investments, the Manager voluntarily recommended, and the Company agreed, that effective on and after the Company's March 31, 2016 balance sheet date, solely for the purpose of computing the value of the Company's Managed Assets in calculating the quarterly management fee under the terms of the Management Agreement, that portion of the Management Fee attributable to such loans shall be based on the estimated net realizable value of the loans, which shall not exceed the amount invested in the loans as of the end of the quarter for which the Management Fee is to be calculated.

The Management Agreement also provided for payment of a quarterly incentive fee of 10 percent of the increase in distributions paid over a distribution threshold equal to $0.625 per share per quarter, and requires that at least half of any incentive fees that are paid be reinvested in the Company's Common Stock. The foregoing description of the terms of the May 1, 2015 Management Agreement is qualified in its entirety by reference to the full terms of such agreement, which is incorporated by reference as an exhibit to this Report.

During the years ended December 31, 2020 and 2019, the Company and the Manager agreed to the following modifications to the fee arrangements described above:

- During the year ended December 31, 2019, the Manager voluntarily recommended, and the Company agreed, that the Manager would waive $470 thousand of the total $658 thousand incentive fee that would otherwise be payable under the provisions of the Management Agreement with respect to dividends paid on the Company's Common Stock.
- In reviewing the application of the quarterly management fee provisions of the Management Agreement to the net proceeds received from the offering of 5.875% Convertible Notes, which closed on August 12, 2019, the Manager waived any incremental management fee due as of the end of (i) the third and fourth quarters of 2019 and (ii) first, second and third quarters of 2020 based on such proceeds (other than the cash portion of such proceeds that was utilized in connection with the exchange of the Company’s 7.00% Convertible Notes).
- During the year ended December 31, 2020, the Manager voluntarily recommended, and the Company agreed, that the Manager would waive all of the $171 thousand incentive fee earned during first quarter 2020. During the second, third and fourth quarters of 2020, the Company did not earn the incentive fee that would otherwise be payable under the provisions of the Management Agreement with respect to dividends paid on the Company's Common Stock.
- In reviewing the application of the quarterly management fee provisions of the Management Agreement to the sale of the Pinedale LGS, termination of the Pinedale Lease Agreement and settlement of the Amended Pinedale Term Credit Facility, which occurred on June 30, 2020 (collectively, the "Pinedale Transaction"), the Manager and the Company agreed that the incremental management fee attributable to the assets involved in the Pinedale Transaction should be paid for the second quarter of 2020 as such assets were under management for all but the last day of the period.

Fees incurred under the Management Agreement for the year ended December 31, 2021, 2020 and 2019 were $322 thousand, $5.1 million and $6.8 million, respectively. The Management Agreement ended effectively upon the signing of the Contribution Agreement on February 4, 2021. Thereafter, the Company paid the fees all related to reimbursement of Corridor employee compensation and office related expenses under the First Amendment. For the year ended December 31, 2021, the fees incurred include $1.0 million related to a transaction bonus outlined in the Contribution Agreement and $1.6 million for reimbursement of Corridor employee compensation and office related expenses under the First Amendment. The Company also reimbursed Corridor for approximately $50 thousand in legal fees incurred in connection with the Internalization and paid investment advisors $1.9 million in connection with the execution of the Contribution Agreement. Fees incurred are reported in the General and Administrative line item on the Consolidated Statements of Operations.

The Company pays Corridor, as the Company's Administrator pursuant to an Administrative Agreement, an administrative fee equal to an annual rate of 0.04 percent of the value of the Company's Managed Assets, with a minimum annual fee of $30 thousand. Fees incurred under the Administrative Agreement for the years ended December 31, 2021, 2020 and 2019 were $13 thousand, $203 thousand, and $264 thousand, respectively, and are reported in the General and Administrative line item on the Consolidated Statements of Operations.

12. COMMITMENTS AND CONTINGENCIES

CorEnergy Legal Proceedings

The Company initiated litigation on March 26, 2019 to enforce the terms of the Grand Isle Lease Agreement requiring that the Company be provided with copies of certain financial statement information that it was required to file pursuant to SEC Regulation S-X, as described in Section 2340 of the SEC Financial Reporting Manual, in the case *CorEnergy Infrastructure Trust, Inc. and Grand Isle Corridor, LP v. Energy XXI Gulf Coast, Inc. and Energy XXI GIGS Services, LLC,* Case No. 01-19-0228-CV in the 11th District Court of Harris County, Texas. The Company sought and obtained a temporary restraining order mandating that our tenant deliver the required financial statements. On April 1, 2019, that order was stayed pending an appeal by the tenant to the Texas First District Court of Appeals in Houston. On January 6, 2020, that appellate court rejected the tenant's appeal and remanded the case for further proceedings in the 11th District Court of Harris County, Texas. While the appeal was pending, the original temporary restraining order lapsed by its own terms. In May 2020, the trial court granted the Company's motion for partial summary judgment mandating the tenant deliver the required financial statements. The parties agreed to stay this case in order to facilitate settlement discussions (see below).

In addition to the foregoing lawsuit, the Company's subsidiary, Grand Isle Corridor, filed a separate lawsuit against EGC and EGC Tenant to recover unpaid rent due and owed under the Grand Isle Lease Agreement. The lawsuit was filed in the 129th District Court of Harris County, Texas and was styled as *Grand Isle Corridor, LP v. Energy XXI Gulf Coast, Inc. and Energy XXI GIGS Services, LLC*, Case No. 202027212. Grand Isle Corridor filed a motion for summary judgment against the EGC Tenant in this action. Grand Isle Corridor filed two identical lawsuits in Harris County seeking unpaid rent for June and July (Case Nos. 202036038 and 202039219, respectively). These cases were stayed pending negotiation of a business resolution with EGC and EGC Tenant (see below).

On April 20, 2020, EGC and its parent company, CEXXI, LLC, filed an adversary proceeding against the Company and Grand Isle Corridor, *Energy XXI Gulf Coast, LLC and CEXXI, LLC v. Grand Isle Corridor, LP and CorEnergy Infrastructure Trust, Inc.,* Adv. No. 20-03084, in the United States Bankruptcy Court for the Southern District of Texas. In this suit, EGC was asking the bankruptcy court in which EGC filed for bankruptcy in 2016 to declare that the assignment and assumption of the guarantee of the Grand Isle Lease Agreement, which was a part of that earlier bankruptcy proceeding, is null and void. The Company believes this claim was meritless. The parties agreed to stay this case (see below).

During the third quarter of 2020, the Company and Grand Isle Corridor reached an agreement with EGC, EGC Tenant, and CEXXI, LLC to stay each of the above-referenced lawsuits indefinitely while seeking a business resolution for their various disputes. During the agreed stay, all deadlines in the pending actions were suspended, and the parties may not engage in discovery, file pleadings, or initiate any new lawsuits against each other. Any party may terminate the agreed stay and resume litigation upon five days' written notice.

On February 4, 2021, the GIGS asset was used as partial consideration for the acquisition of its interest in Crimson. In connection with the disposition, the Company and Grand Isle Corridor entered into Settlement Agreement with the EXXI Entities. The EGC Tenant is the tenant under the Grand Isle Lease Agreement, dated June 30, 2015 with Grand Isle Corridor. Grand Isle Corridor initially received a Guaranty dated June 22, 2015 from Energy XXI Ltd. in connection with the original purchase of the GIGS, which was assumed by EGC, as guarantor of the obligations of the EGC Tenant pursuant to the terms of the Assignment and Assumption of Guaranty and Release dated December 30, 2016 (as assigned and assumed, the "Tenant Guaranty").

Pursuant to the terms of the Settlement Agreement, the Company and Grand Isle Corridor released the EXXI Entities from any and all claims, except for the Environmental Indemnity under the Grand Isle Lease Agreement, which shall survive, and the EXXI Entities released the Company and Grand Isle Corridor from any and all claims. The parties have also agreed to jointly dismiss the litigation described above in connection with the Settlement Agreement. Additionally, the Grand Isle Lease Agreement and Tenant Guaranty were cancelled and terminated.

Crimson Legal Proceedings

On October 30, 2014, the owner of a property on which Crimson built a valve access vault filed an action against Crimson, claiming that Crimson's pre-existing pipeline easement did not authorize the construction of the vault. Crimson responded by filing a condemnation action on October 26, 2015 to acquire new easements for the vault and related pipeline, and the cases were consolidated into one action, *Crimson California Pipeline L.P. v. Noarus Properties, Inc.; and Does 1 through 99,* Case No. BC598951, in the Los Angeles Superior Court-Central District. The property owner has claimed damages/compensation in the approximate amount of $11.7 million. The judge currently presiding over this case has rescheduled a jury trial to determine the amount of damages, if any, for May 9, 2022, pending the determination of procedural issues in the case on which the judge has requested further briefing. Crimson is vigorously defending itself against the claims asserted by the property owner in this matter and, while the outcome cannot be predicted, management believes the ultimate resolution of this matter will not have a material adverse impact on the Company's results of operations, financial position or cash flows.

In June 2016, Crimson discovered a leak on its Ventura pipeline located in Ventura County, California, at which time Crimson began remediation of the observed release and concurrently took the pipeline out of service. The pipeline was properly repaired and returned to service in June 2016. The remediation efforts are complete, the affected area has been restored, and Crimson has implemented a monitoring program for the area. In November 2018, Crimson was notified by the California State Water Resources Board of a Forthcoming Assessment of Administrative Civil Liability concerning alleged violations of the California Water Code related to this incident. Through pre-enforcement settlement discussion, Crimson and the California State Water Board reached a settlement requiring Crimson to pay a penalty which, in connection with final approval from the State of California, was set at $330 thousand, (including incidental charges) and was paid during the three months ended September 30, 2021. Pursuant to that settlement, annually Crimson also must perform certain ongoing monitoring obligations related to the condition of the affected barranca. Additionally, in July 2020 Crimson entered into a Stipulation of Final Judgment related to the same incident with the Ventura County, California Department of Fish and Wildlife, Office of Oil Spill Response, pursuant to which Crimson agreed to pay penalties of $900 thousand plus reimbursement of certain investigative costs. Half of this settlement was paid during 2020 prior to the Crimson Transaction, and the remainder was paid during the three months ended September 30, 2021.

As a transporter of crude oil, Crimson 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 even 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, and the Company maintains insurance coverage for environmental liabilities in amounts that management believes to be appropriate and customary for the Company's business.

The Company also is 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 adequately covered by insurance or by established reserves, and, if not so covered, 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.

California Bonds Indemnification

On March 31, 2021, the Company executed a General Agreement of Indemnity for the benefit of Federal Insurance Company, Westchester Fire Insurance Company and each of their respective direct and indirect subsidiaries, parent companies and affiliates related to the surety bonds at Crimson. On April 26, 2021, the Company executed a General Agreement of Indemnity for the benefit of Argonaut Insurance Company, itself, its subsidiaries, affiliates, parents, co-sureties, fronting companies and/or reinsurers and their successors and assigns, whether now in existence or formed hereafter, individually and collectively, as "Surety" related to the surety bonds of Crimson. On May 17, 2021, the Company executed a General Agreement of Indemnity for the benefit of Arch Insurance Company, itself, its subsidiaries, affiliates, parents, co-sureties, fronting companies, reinsurers and their successors and assigns, whether now in existence or hereafter formed, individually and collectively, as "Surety" related to the surety bonds of Crimson. The Company, jointly and severally, agrees to pay the Surety the agreed premium for the bonds and upon written request of the Surety at any time, collateral security for its suretyship until such time evidence is provided of the termination of any past, present and future liability under any bonds. The Indemnity Agreement may be terminated by the Company upon thirty days written notice. The total annual premium paid for the bonds currently outstanding is approximately $173 thousand.

13. FAIR VALUE

The following section describes the valuation methodologies used by the Company for estimating fair value for financial instruments not recorded at fair value, but fair value is included 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 financing notes receivable are valued at fair value on a non-recurring basis. The financing notes receivable are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Financing notes with carrying values that are not expected to be recovered through future cash flows are written-down to their estimated net realizable value. 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 and net realizable value.

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

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

Carrying and Fair Value Amounts

	Level within Fair Value Hierarchy	December 31, 2021		December 31, 2020	
		Carrying Amount (1)	Fair Value	Carrying Amount (1)	Fair Value
Financial Assets:					
Cash and cash equivalents	Level 1	$ 12,496,478	$ 12,496,478	$ 99,596,907	$ 99,596,907
Financing notes receivable (Note 6)	Level 3	1,036,660	1,036,660	1,209,736	1,209,736
Inventory	Level 1	3,953,523	3,953,523	87,940	87,940
Financial Liabilities:					
Crimson secured credit facility - Term Loan	Level 2	72,724,757	72,724,757	—	—
Crimson secured credit facility - Revolver(2)	Level 2	$ 26,266,330	$ 26,266,330	$ —	$ —
5.875% Unsecured convertible senior notes	Level 2	115,665,830	111,144,075	115,008,130	84,409,292

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

(2) The carrying value of the Crimson Revolver is presented net of unamortized debt issuance costs classified as an asset in deferred costs.

14. DEBT

The following is a summary of debt facilities and balances as of December 31, 2021 and 2020:

	Total Commitment or Original Principal	Quarterly Principal Payments	Maturity Date	December 31, 2021 Amount Outstanding	December 31, 2021 Interest Rate	December 31, 2020 Amount Outstanding	December 31, 2020 Interest Rate
Crimson Secured Credit Facility:							
Crimson Revolver	$ 50,000,000		2/4/2024	$ 27,000,000	4.11 %	$ —	— %
Crimson Term Loan	80,000,000	2,000,000	2/4/2024	74,000,000	4.10 %	—	— %
Crimson Uncommitted Incremental Credit Facility	25,000,000		2/4/2024	—	— %	—	— %
CorEnergy Secured Credit Facility(1):							
CorEnergy Revolver	160,000,000	—	7/28/2022		— %	—	2.89 %
MoGas Revolver	1,000,000	—	7/28/2022	—	— %	—	2.89 %
Omega Line of Credit(2)	1,500,000	—	4/30/2021	—	— %	—	4.14 %
5.875% Unsecured Convertible Senior Notes	120,000,000	—	8/15/2025	118,050,000	5.875 %	118,050,000	5.875 %
Total Debt				$ 219,050,000		$ 118,050,000	
Less:							
Unamortized deferred financing costs on 5.875% Convertible Senior Notes				$ 301,859		$ 385,131	
Unamortized discount on 5.875% Convertible Senior Notes				2,082,311		2,656,739	
Unamortized deferred financing costs on Crimson Secured Credit Facility(3)				1,275,244		—	
Long-term debt, net of deferred financing costs				$ 215,390,586		$ 115,008,130	
Debt due within one year				$ 8,000,000		$ —	

(1) The CorEnergy Secured Credit Facility was terminated on February 4, 2021 in connection with the Crimson Transaction described in Note 21 ("Subsequent Events"). Refer to "CorEnergy Credit Facilities" section below.

(2) The Omega Line of Credit was terminated on February 4, 2021 in connection with the Crimson Transaction described in Note 21 ("Subsequent Events"). Refer to "Mowood/Omega Revolver" section below.

(3) 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. Refer to the "Deferred Financing Costs" paragraph below.

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, as administrative agent for other participating lenders. 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. Upon closing of the Crimson Transaction described in Note 3 ("Acquisitions"), 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 have become 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.

The loans under the Crimson Credit Facility mature on February 4, 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. Subject to certain conditions, all loans made under the Crimson Credit Facility shall, at the option of the Borrowers, bear interest at either (a) LIBOR 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 LIBOR 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); however, the initial interest rate was set at the top level of the pricing grid until the first compliance reporting event for the period ended June 30, 2021. The effective interest rate for the Crimson Credit Facility was approximately 4.9% as of December 31, 2021.

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 customary excluded assets, pursuant to an Amended and Restated Pledge Agreement and an Amended and Restated Security Agreement. Under the terms of the Crimson Credit Facility, the Borrowers and their restricted subsidiaries will be subject to certain financial covenants commencing with the fiscal quarter ended June 30, 2021 as follows (i): the total leverage ratio shall not be greater than: (a) 3.00 to 1.00 commencing with the fiscal quarter ended June 30, 2021 through and including the fiscal quarter ending December 31, 2021; (b) 2.75 to 1.00 commencing with the fiscal quarter ending March 31, 2022 through and including the fiscal quarter ending December 31, 2022; and (c) 2.50 to 1.00 commencing with the fiscal quarter ending March 31, 2023 and for each fiscal quarter thereafter and (ii) the debt service coverage ratio, shall not be less than 2.00 to 1.00.

Cash distributions to the Company 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. The Borrowers and their restricted subsidiaries are also subject to certain additional affirmative and negative 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).

Contractual Payments

The remaining contractual principal payments as of December 31, 2021 under the Crimson Credit Facility are as follows:

Year	Crimson Term Loan	Crimson Revolver	Total
2022	8,000,000	—	8,000,000
2023	8,000,000	—	8,000,000
2024	58,000,000	27,000,000	85,000,000
2025	—	—	—
Thereafter	—	—	—
Total Remaining Contractual Payments	$ 74,000,000	$ 27,000,000	$ 101,000,000

Subsequent to December 31, 2021, Crimson Midstream Operating and Corridor MoGas, Inc. borrowed an additional $2.0 million under the Crimson Revolver on January 18, 2022, so the outstanding borrowings under the Crimson Revolver increased by $2 million for a total of $29 million.

CorEnergy Credit Facilities

Prior to 2017, the Company had a credit facility with Regions Bank (as lender and administrative agent for the other participating lenders) providing borrowing capacity of $153.0 million, consisting of (i) the CorEnergy Revolver of $105.0 million, (ii) the CorEnergy Term Loan of $45.0 million and (iii) the MoGas Revolver of $3.0 million.

On July 28, 2017, the Company entered into an amendment and restatement of the CorEnergy Credit Facility with Regions Bank, as lender and administrative agent for other participating lenders (collectively, with the Agent, the "Lenders"). The amended facility provided for borrowing commitments of up to $161.0 million, consisting of (i) $160.0 million on the CorEnergy Revolver, subject to borrowing base limitations, and (ii) $1.0 million on the MoGas Revolver, as detailed below.

The amended facility had a 5-year term maturing on July 28, 2022. Borrowings under the credit facility generally bore interest on the outstanding principal amount using a LIBOR pricing grid that was expected to equal a LIBOR rate plus an applicable margin of 2.75 percent to 3.75 percent, based on the Company's senior secured recourse leverage ratio. Total availability was subject to a borrowing base. The CorEnergy Credit Facility contained, among other restrictions, certain financial covenants including the maintenance of certain financial ratios, as well as default and cross-default provisions customary for transactions of this nature (with applicable customary grace periods).

The CorEnergy Credit Facility was secured by substantially all of the assets owned by the Company and its subsidiaries other than (i) the assets held by Mowood, LLC, Omega, Pinedale LP and Pinedale GP (the "Unrestricted Subs") and (ii) the equity investments in the Unrestricted Subs.

Effective May 14, 2020, the Company entered into a Limited Consent with the Lenders under the CorEnergy Revolver that was part of the CorEnergy Credit Facility, pursuant to which the Lenders agreed to extend the required date for delivery of the Company's financial statements for the fiscal quarter ended March 31, 2020 to coordinate with the Company's previously announced extension of the filing date for its first quarter Form 10-Q pursuant to applicable SEC relief (which filing and delivery occurred within the permitted extension period). The Limited Consent also documented notice previously provided by the Company to the Agent that certain events of default occurred under the Company's lease for its GIGS asset, as a result of the tenant under the Grand Isle Lease Agreement having failed to pay the rent due for April and May 2020. The Limited Consent was subject to the Company's continued compliance with all of the other terms of the CorEnergy Revolver, and included the Company's agreement with the Lenders that the borrowing base value of the GIGS asset for purposes of the CorEnergy Revolver shall be zero, effective as of the Company's March 31, 2020 balance sheet date. The Company also provided written notification to the Lenders of the EGC Tenant's nonpayment of rent in June, July, August, September, October and November 2020.

As of December 31, 2020, the Company violated the total leverage ratio under the CorEnergy Revolver due to declining trailing-twelve month EBITDA primarily as a result of the nonpayment of rent from the EGC Tenant during 2020. The Company was in compliance with all other covenants of the CorEnergy Credit Facility. As of December 31, 2020, the violation of the total leverage ratio was expected to reduce the remaining borrowing base under the CorEnergy Revolver to zero upon filing of the fourth quarter of 2020 compliance certificate. The Company continued to have $1.0 million of availability under the MoGas Revolver. Prior to entering into discussions with the Lenders regarding the covenant violation and filing the compliance certificate for the fourth quarter of 2020, the Company terminated the CorEnergy Credit Facility in connection with the Crimson Transaction on February 4, 2021 as described in Note 3 ("Acquisitions"). The Company's subsidiary, Corridor MoGas, became a co-borrower under the Crimson Amended and Restated Credit Facility described further below. As of December 31, 2020 and through the termination date of the facility, the Company had no borrowings outstanding on the CorEnergy Revolver and MoGas Revolver. The termination of the CorEnergy Credit Facility resulted in the payment of unused fees and certain legal expenses.

The Company previously disclosed debt covenant considerations in its Quarterly Reports on Form 10-Q that raised substantial doubt about the Company's ability to continue as a going concern. However, the Company determined that the debt covenant considerations were mitigated by management's plans. Further, the Crimson Transaction, along with the termination of the CorEnergy Credit Facility, on February 4, 2021, have resolved the considerations identified in the Company's Quarterly Reports on Form 10-Q as the Company has leveraged its liquidity to invest in revenue-generating assets. As a result, the accompanying consolidated financial statements and related notes for the year ended December 31, 2021 have been prepared assuming that the Company will continue as a going concern.

MoGas Revolver

In conjunction with the MoGas Transaction, MoGas and United Property Systems, as co-borrowers, entered into a revolving credit agreement dated November 24, 2014 ("the MoGas Revolver") with certain lenders, including Regions Bank as agent for such lenders. Following subsequent amendments and restatements made on July 8, 2015 and July 28, 2017, in connection with the amendments and restatements of the CorEnergy Credit Facility discussed above, commitments under the MoGas Revolver were reduced from the original level of $3.0 million to a current total of $1.0 million.

The MoGas Revolver was secured by the assets held at MoGas and had a maturity date of July 28, 2022. Interest accrued under the MoGas Revolver at the same rate and pursuant to the same terms as it accrues under the CorEnergy Revolver. As of December 31, 2020, the co-borrowers were in compliance with all covenants, and there were no borrowings against the MoGas Revolver. As discussed under "CorEnergy Credit Facilities" above, the MoGas Revolver component of the CorEnergy Credit Facility was terminated on February 4, 2021.

Mowood/Omega Revolver

On July 31, 2015, a $1.5 million revolving line of credit ("Mowood/Omega Revolver") was established with Regions Bank with a maturity date of July 31, 2016. Following annual extensions, the maturity of the facility had been amended and extended to April 30, 2021. The Mowood/Omega Revolver was used by Omega for working capital and general business purposes and was guaranteed and secured by the assets of Omega. Interest accrued at LIBOR plus 4 percent and was payable monthly in arrears with no unused fee. There was no outstanding balance at December 31, 2020. On February 4, 2021, the Mowood/Omega Revolver was terminated in connection with the Crimson Transaction described in Note 3 ("Acquisitions").

Amended Pinedale Term Credit Facility

On December 29, 2017, Pinedale LP entered into the Amended Pinedale Term Credit Facility with Prudential and a group of lenders affiliated with Prudential as the sole lenders and Prudential serving as administrative agent. Under the terms of the Amended Term Credit Facility, Pinedale LP was provided with a 5-year $41.0 million term loan facility, bearing interest at a fixed rate of 6.5 percent, which was scheduled to mature on December 29, 2022. Principal payments of $294 thousand, plus accrued interest, were payable monthly. Outstanding balances under the facility were secured by the Pinedale LGS assets.

As previously discussed in Note 5 ("Leased Properties And Leases"), UPL's bankruptcy filing constituted a default under the terms of the Pinedale Lease Agreement with Pinedale LP. Such default under the Pinedale Lease Agreement was an event of default under the Amended Pinedale Term Credit Facility, which was secured by the Pinedale LGS. Among other things, an event of default could give rise to a Cash Control Period (as defined in the Amended Pinedale Term Credit Facility), which impacted Pinedale LP's ability to make distributions to the Company. During such a Cash Control Period, which was triggered May 14, 2020, by the bankruptcy filing of Ultra Wyoming and its parent guarantor, UPL, distributions by Pinedale LP to the Company were permitted to the extent required for the Company to maintain its REIT qualification, so long as Pinedale LP's obligations under the Amended Pinedale Term Credit Facility were not accelerated following an Event of Default (as defined in the Amended Pinedale Term Credit Facility).

Effective May 8, 2020, Pinedale LP entered into a Standstill Agreement with Prudential. The Standstill Agreement anticipated Pinedale LP's notification to Prudential of two Events of Default under the Amended Pinedale Term Credit Facility (the "Specified Events of Default") as a result of the occurrence of either (i) any bankruptcy filing by UPL or Ultra Wyoming and (ii) any resulting impact on Pinedale LP's net worth covenant under the Amended Pinedale Term Credit Facility due to any accounting impairment of the assets of Pinedale LP triggered by any such bankruptcy filing of Ultra Wyoming. Under the Standstill Agreement, Prudential agreed to forbear through September 1, 2020, or the earlier occurrence of a separate Event of Default under the Amended Pinedale Term Credit Facility (the "Standstill Period") from exercising any rights they may have had to accelerate and declare the outstanding balance under the credit facility immediately due and payable as a result of the occurrence of either of the Specified Events of Default, provided that there were no other Events of Default and Pinedale LP continued to meet its obligations under all of the other terms of the Amended Pinedale Term Credit Facility. The Standstill Agreement also required that Pinedale LP not make any distributions to the Company during the Standstill Period and that interest was to accrue and be payable from the effective date of such agreement at the Default Rate of interest provided for in the Amended Pinedale Term Credit Facility, which increased the effective interest rate to 8.50 percent.

As previously discussed in Note 5 ("Leased Properties And Leases"), Pinedale LP and the Company entered into the Release Agreement with Prudential related to the Amended Pinedale Term Credit Facility, which had an outstanding balance of approximately $ 32.0 million, net of $132 thousand of deferred debt issuance costs. Pursuant to the Release Agreement, the $18.0 million sale proceeds were provided by Ultra Wyoming directly to Prudential at closing of the Pinedale LGS sale transaction on June 30, 2020. The Company also provided all cash available at Pinedale LP of approximately $3.3 million (including $198 thousand for accrued interest) to Prudential in exchange for (i) the release of all liens on the Pinedale LGS and the other assets of Pinedale LP, (ii) the termination of the Company's pledge of equity interests of the general partner of Pinedale LP, (iii) the termination and satisfaction in full of the obligations of Pinedale LP under the Amended Pinedale Term Credit Facility and (iv) a general release of any other obligations of Pinedale LP and/or the Company and their respective directors, officers, employees or agents pertaining to the Amended Pinedale Term Credit Facility. The Release Agreement resulted in a gain on extinguishment of debt of approximately $11.0 million recorded in the Consolidated Statements of Operations for the year ended December 31, 2020.

Deferred Financing Costs

A summary of deferred financing cost amortization expenses for the years ended December 31, 2021, 2020 and 2019 is as follows:

Deferred Financing Cost Amortization Expense (1)(2)

	For the Years Ended December 31,		
	2021	**2020**	**2019**
Crimson Credit Facility	$ 899,304	$ —	$ —
CorEnergy Credit Facility	47,879	574,541	574,542
Amended Pinedale Term Credit Facility	—	26,410	52,821
Total Deferred Debt Cost Amortization	$ 947,183	$ 600,951	$ 627,363

(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 costs amortization relating to the Convertible Notes included in the Consolidated Statements of Operations, refer to the Convertible Note Interest Expense table below.

CorEnergy Credit Facilities

Prior to the July 28, 2017 credit facility amendment and restatement, previously existing deferred financing costs related to the CorEnergy Credit Facility were approximately $1.8 million, of which approximately $1.6 million continued to be deferred and amortized under the amended and restated facility. Additionally, the Company incurred approximately $1.3 million in new debt issuance costs which were deferred and were being amortized over the term of the new facility. The total deferred financing costs of $2.9 million were being amortized on a straight-line basis over the 5-year term of the amended and restated CorEnergy Credit Facility prior to its termination in February 2021 as described above. In connection with such termination, the Company wrote-off the remaining deferred debt costs of approximately $862 thousand as a loss on extinguishment of debt in the Consolidated Statement of Operations in the first quarter of 2021.

Convertible Debt

7.00% Convertible Notes

On June 29, 2015, the Company completed a public offering of $115.0 million aggregate principal amount of 7.00% Convertible Senior Notes Due 2020 (the "7.00% Convertible Notes"). The Convertible Notes matured on June 15, 2020 and bore interest at a rate of 7.0 percent per annum, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2015. The 7.00% Convertible Notes were convertible into shares of the Company's Common Stock at a rate of 30.3030 shares of Common Stock per $1,000 principal amount of the 7.00% Convertible Notes, equivalent to an initial conversion price of $33.00 per share of Common Stock. Such conversion rate was subject to adjustment in certain events as specified in the Indenture.

On May 23, 2016, the Company repurchased $1.0 million of its 7.00% Convertible Notes on the open market. During the year ended December 31, 2018, certain holders elected to convert approximately $42 thousand of 7.00% Convertible Notes for 1,271 shares of CorEnergy Common Stock.

On January 16, 2019, the Company agreed with three holders of its 7.00% Convertible Notes, pursuant to privately negotiated agreements, to exchange $43.8 million face amount of such notes for an aggregate of 837,040 shares of the Company's Common Stock, par value $0.001 per share, plus aggregate cash consideration of $19.8 million, including $315 thousand of interest expense. The Company's agent and lenders under the CorEnergy Credit Facility provided a consent for the convertible note exchange. The Company recorded a loss on extinguishment of debt of approximately $5.0 million in the Consolidated Statements of Operations for the first quarter of 2019. The loss on extinguishment of debt included the write-off of a portion of the underwriter's discount and deferred debt costs of $409 thousand and $27 thousand, respectively.

On August 15, 2019, the Company used a portion of the net proceeds from the offering of the 5.875% Convertible Notes discussed further below, together with shares of its Common Stock, to exchange $63.9 million face amount of its 7.00% Convertible Notes pursuant to privately negotiated agreements with three holders. The total cash and stock consideration for the exchange was valued at approximately $93.2 million. This included an aggregate of 703,432 shares of Common Stock plus cash consideration of approximately $60.2 million, including $733 thousand of interest expense. The Company recorded a loss on extinguishment of debt of approximately $28.9 million in the Consolidated Statements of Operations for the third quarter of 2019. The loss on extinguishment of debt included the write-off of a portion of the underwriter's discount and deferred debt costs of $360 thousand and $24 thousand, respectively. Collectively, for the two exchange transactions described above, the Company recorded a loss on extinguishment of debt of $34.0 million in the Consolidated Statements of Operations for the year ended December 31, 2019.

Additionally, during the year ended December 31, 2019, certain holders elected to convert $4.2 million of 7.00% Convertible Notes for approximately 127,143 shares of Common Stock, respectively. As of December 31, 2019, the Company has $2.1 million aggregate principal amount of 7.00% Convertible Notes outstanding.

During the first quarter of 2020, certain holders elected to convert $416 thousand of 7.00% Convertible Notes for approximately 12,605 shares of Common Stock. On June 12, 2020, the Company paid $1.7 million in aggregate principal and $59 thousand in accrued interest upon maturity of the 7.00% Convertible Notes to extinguish the remaining debt outstanding.

5.875% Convertible Notes

On August 12, 2019, the Company completed a private placement offering of $120.0 million aggregate principal amount of 5.875% Convertible Senior Notes due 2025 (the "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 percent 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 percent per annum, payable semiannually in arrears on February 15 and August 15 of each year, beginning on February 15, 2020.

The 5.875% Convertible Notes were issued with an initial purchasers' discount of $3.5 million, which is being amortized over the life of the notes. The Company also incurred approximately $508 thousand of deferred debt costs in issuing the 5.875% Convertible Notes, which are also being amortized over the life of the notes.

Holders may convert all or any portion of their 5.875% Convertible Notes into shares of the Company's 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 the Company's Common Stock. Such conversion rate will be subject to adjustment in certain events as specified in the Indenture.

Upon the occurrence of a make-whole fundamental change (as defined in the Indenture), holders may require the Company to repurchase for cash all or any portion of their 5.875% Convertible Notes at a fundamental change repurchase price equal to 100 percent of the principal amount of the 5.875% Convertible Notes to be repurchased, plus any accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date as prescribed in the Indenture. Following the occurrence of a make- whole fundamental change, or if the Company delivers a notice of redemption (as discussed below), the Company will, in certain circumstances, increase the applicable conversion rate for a holder that elects to convert its notes in connection with such make-whole fundamental change or notice of redemption.

The Company may not redeem the 5.875% Convertible Notes prior to August 15, 2023. On or after August 15, 2023, the Company may redeem for cash all or part of the 5.875% Convertible Notes, at its option, if the last reported sale price of its Common Stock has been at least 125 percent of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption. The redemption price will equal 100 percent of the principal amount of the 5.875% Convertible Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

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.

The 5.875% Convertible Notes rank equal in right of payment to any other current and future unsecured obligations of the Company and senior in right of payment to any other current and future indebtedness of the Company that is contractually subordinated to the 5.875% Convertible Notes. The 5.875% Convertible Notes are structurally subordinated to all liabilities (including trade payables) of the Company’s subsidiaries. The 5.875% Convertible Notes are effectively junior to all of the Company’s existing or future secured debt, to the extent of the value of the collateral securing such debt.

On April 29, 2020, the Company repurchased approximately $2.0 million face amount of its 5.875% Convertible Notes for approximately $1.3 million, including $24 thousand of accrued interest. The repurchase resulted in a gain on extinguishment of debt of $576 thousand recorded in the Consolidated Statements of Operations for the year ended December 31, 2020. Subsequent to the transaction and as of December 31, 2021, the Company has $118.1 million aggregate principal amount of 5.875% Convertible Notes outstanding.

The following is a summary of the impact of Convertible Notes on interest expense for the years ended December 31, 2021, 2020 and 2019:

Convertible Note Interest Expense

	For the Years Ended December 31,		
	2021	2020	2019
7.00% Convertible Notes:			
Interest Expense	$ —	$ 55,331	$ 3,354,178
Discount Amortization	—	6,682	320,821
Deferred Debt Issuance Cost Amortization	—	1,140	21,004
Total 7.00% Convertible Notes	$ —	$ 63,153	$ 3,696,003
5.875% Convertible Notes:			
Interest Expense	$ 6,935,438	$ 6,972,988	$ 2,722,083
Discount Amortization	574,428	577,539	225,458
Deferred Debt Issuance Amortization	83,272	83,723	31,493
Total 5.875% Convertible Notes	$ 7,593,138	$ 7,634,250	$ 2,979,034
Total Convertible Note Interest	$ 7,593,138	$ 7,697,403	$ 6,675,037

Including the impact of the convertible debt discount and related deferred debt issuance costs, (i) the effective interest rate on the 7.00% Convertible Notes was approximately 7.7 percent for the year ended December 31, 2019, and (ii) the effective interest rate on the 5.875% Convertible Notes is approximately 6.4 percent for the years ended December 31, 2021, 2020, and 2019.

15. ASSET RETIREMENT OBLIGATION

On February 4, 2021, the Company disposed of the ARO upon providing the GIGS asset as partial consideration for the Crimson Transaction. Refer to Note 5 ("Leased Properties And Leases") for further details.

A component of the consideration exchanged to purchase the GIGS assets in June 2015 was the assumption of the seller's ARO associated with such assets. The ARO represents the estimated costs of decommissioning the GIGS pipelines and onshore oil receiving and separation facilities in Grand Isle, Louisiana at retirement. The Company recognized the ARO at its estimated fair value on the date of acquisition with a corresponding ARO asset capitalized as part of the carrying amount of the related long-lived assets to be depreciated over the assets' remaining useful lives.

The Company's former tenant, EGC Tenant, had an ARO related to the platform which was attached to the GIGS pipelines. If EGC Tenant was unable to fulfill their obligation, the Company would have been required to assume the liability for the related asset removal costs.

In periods subsequent to the initial measurement of an ARO, the Company recognized changes in the liability resulting from (a) the passage of time through accretion expense and (b) revisions to either the timing or the amount of the estimate of undiscounted cash flows based on periodic revaluations. Future expected cash flows was based on subjective estimates and assumptions, which inherently included significant uncertainties which were beyond the Company's control. These assumptions represent Level 3 inputs in the fair value hierarchy. The Company has no assets that are legally restricted for purposes of settling asset retirement obligations.

In 2020, the Company revised its estimates to reflect a decrease in timing of the cash flows due to a change in the useful life of the ARO segments identified during the GIGS asset impairment discussed in Note 5 ("Leased Properties And Leases").

The following table is a reconciliation of the asset retirement obligation as of December 31, 2021 and 2020:

Asset Retirement Obligation

	For the Years Ended December 31,	
	2021	2020
Beginning asset retirement obligation	$ 8,762,579	$ 8,044,200
Liabilities assumed	—	—
ARO accretion expense	40,546	461,713
ARO disposed	(8,803,125)	—
Revision in cash flow estimates	—	256,666
Ending asset retirement obligation	$ —	$ 8,762,579

16. STOCKHOLDERS' EQUITY

PREFERRED STOCK

The Company's authorized preferred stock consists of 10.0 million shares having a par value of $0.001 per share. On January 27, 2015, the Company sold, in an underwritten public offering, 2,250,000 depositary shares, each representing 1/100th of a share of 7.375% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock"). Pursuant to this offering, the Company issued 22,500 whole shares of Series A Preferred Stock. On April 18, 2017, the Company closed a follow-on underwritten public offering of 2,800,000 depositary shares, each representing 1/100th of a share of 7.375% Series A Preferred Stock, at a price of $25.00 per depositary share. On May 10, 2017, the Company sold an additional 150,000 depositary shares at a public offering price of $25.00 per depositary share in connection with the underwriters' exercise of their over-allotment option to purchase additional shares. Following the offering, the Company had a total of 5,200,000 depositary shares outstanding, or 52,000 whole shares.

The depositary shares pay an annual dividend of $1.84375 per share, equivalent to 7.375 percent of the $25.00 liquidation preference. The depositary shares may be redeemed on or after January 27, 2020, at the Company's 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 depositary shares have no stated maturity, are not subject to any sinking fund or mandatory redemption and are not convertible into any other securities of the Company except in connection with certain changes of control. Holders of the depositary shares generally have no voting rights, except for limited voting rights if the Company fails to pay dividends for six or more quarters (whether or not consecutive) and in certain other circumstances. The depositary shares representing the Series A Preferred Stock trade on the NYSE under the ticker "CORRPrA."

The Company's Board of Directors authorized a share repurchase program for the Company to buy up to $10.0 million of its depositary shares of Series A Preferred Stock, which commenced August 6, 2018. Purchases were made through the program until it expired on August 5, 2019. During 2018, the Company repurchased 177,773 depositary shares for approximately $4.3 million in cash. During 2019, the Company repurchased 2,500 depositary shares of Series A Preferred Stock for approximately $61 thousand in cash.

The Company's Board of Directors authorized a securities repurchase program for the Company to buy up to the remaining amount of its 7.00% Convertible Notes prior to maturity on June 15, 2020 and up to $5.0 million of its Common Stock and 7.375% Series A Preferred Stock, which commenced March 21, 2020. Purchases were made through the program until it expired on August 20, 2020. During 2020, the Company repurchased 8,913 depositary shares of Series A Preferred Stock for approximately $162 thousand in cash.

On July 6, 2021, the Company completed the internalization of the Company's management company Corridor InfraTrust Management, LLC. The Internalization was consummated for a purchase price of approximately $14.6 million, payable in equity. Pursuant to the Contribution Agreement, the Company issued to the Contributors, based on each Contributor's percentage ownership in Corridor, an aggregate of: (i) 1,153,846 shares of Common Stock, (ii) 683,761 shares of Class B Common Stock, and (iii) 170,213 depositary shares of Series A Preferred Stock.

As of December 31, 2021, the Company had a total of 5,181,027 depositary shares outstanding, or approximately 51,810 whole shares, with an aggregate par value of $51.81. See Note 21 ("Subsequent Events"), for further information regarding the declaration and payment of a dividend on the Series A Preferred Stock.

COMMON STOCK

As of December 31, 2021, the Company had 14,893,184 of common shares issued and outstanding. See Note 21 ("Subsequent Events"), for further information regarding the declaration and payment of a dividend on the Common Stock.

CLASS B COMMON STOCK

On June 29, 2021, the stockholders approved (i) the issuance of Class B Common Stock upon conversion of the Series B Preferred Stock issuable pursuant to the terms of the Crimson Transaction, which effectively will make the Crimson Class A-2 Units exchangeable directly for Class B Common Stock following receipt of CPUC approval, and (ii) the issuance of Class B Common Stock pursuant to the terms of the Internalization. On July 6, 2021, the Company issued 683,761 Class B common shares to the contributors of Corridor InfraTrust Management, LLC as partial consideration for the Internalization transaction.

NON-CONTROLLING INTEREST

As disclosed in Note 3 ("Acquisitions") as part of the Crimson Transaction, the Company and the Grier Members entered into the Third LLC Agreement of Crimson.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:

	Grier Members				
		Adjustments			
	As of February 1, 2021	Final Working Capital	Paid in Kind Distribution	As of December 31, 2021	CorEnergy
	(in units, except as noted)				
Economic ownership interests in Crimson Midstream Holdings, LLC					
Class A-1 Units	1,613,202	37,043	—	1,650,245	—
Class A-2 Units	2,436,000	—	24,414	2,460,414	—
Class A-3 Units	2,450,142	—	—	2,450,142	—
Class B-1 Units	—	—	—	—	10,000
Voting ownership interests in Crimson Midstream Holdings, LLC					
Class C-1 Units	505,000	—	—	505,000	495,000
Voting Interests of C-1 Units (%)	50.50 %	—	—	50.62 %	49.38 %

In June 2021, the final working capital adjustment was made for the Crimson Transaction which resulted in an increase in the assets acquired of $1,790,455 (as further described above in Note 3 ("Acquisition"). This resulted in 37,043 Class A-1 Units being issued to the Grier Members for their 50.50% ownership interest. The newly issued units resulted in an increase in non-controlling interest of $882,726. After the working capital adjustment and paid-in-kind dividends, the Grier Members' equity ownership interest is 50.62 percent as of December 31, 2021.

After working capital adjustments, the fair value of the Grier Members' noncontrolling interest, which is represented by the Crimson Class A-1, A-2 and A-3 Units listed above, was $116.2 million. As described further below, the Crimson Class A-1, A-2 and A-3 Units may eventually be exchanged for shares of the Company's common and preferred stock subject to the approval of the CPUC ("CPUC Approval"), which is expected to occur in late 2022. The Crimson A-1, A-2 and A-3 Units held by the Grier Members and the B-1 Units held by the Company represent economic interests in Crimson while the Class C-1 Units represent voting interests.

Upon CPUC Approval, the parties will enter into a Fourth Amended and Restated LLC Agreement of Crimson ("Fourth LLC Agreement"), which will, among other things, (i) give the Company voting 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 (as defined below) the right to exchange their entire interest in Crimson for securities of the Company as follows:

- 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 7.375% Series A Cumulative Redeemable Preferred Stock ("Series A Preferred") (prior to the changes made, effective June 30, 2021, pursuant to the Stock Exchange Agreement described in the Company's Current Report Form 8-K filed July 12, 2021, the Class A-1 Units would have become exchangeable into the Company's 9.0% Series C Preferred Stock);

- Class A-2 units will become exchangeable for up to 8,762,158 additional shares of a new non-listed Class B Common Stock of the Company, and

- Class A-3 Units will become exchangeable for up to 2,450,142 shares of the newly created Class B Common Stock.

Class B Common Stock will eventually be converted into the Common Stock of the Company ("Common Stock") 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, A-2 and A-3 Units into corresponding CORR securities (and after giving effect to the changes to the CORR securities into which the Class A-1 and A-2 Units may be exchanged, as described above), the Grier Members only have the right to receive distributions to the extent that the Company's Board of Directors determines dividends would be payable if they held the shares of Series A Preferred (for the Class A-1 Units), Series B Preferred (for the Class A-2 Units prior to July 7, 2021), and Class B Common Stock (for the Class A-2 Units (on and after July 7, 2021) and Class A-3 Units), respectively, regardless of whether the securities are outstanding. If the respective shares of Series A Preferred, Series B Preferred and Class B Common Stock are not outstanding, the Company's Board of Directors must consider that they would be outstanding when declaring dividends on the Common Stock. Following CPUC Approval, the terms of the Fourth LLC Agreement provide that such rights will continue until the Grier Members elect to exchange the Crimson Class A-1, A-2 and A-3 Units for the related securities of the Company. In addition, after CPUC Approval, certain Crimson Units held by the Grier Members are expected to be transferred to other individuals currently managing Crimson (the "Management Members"). The following table summarizes the distributions payable under the Crimson Class A-1, A-2 and A-3 Units as if the Grier Members held the respective underlying Company securities. The Crimson Class A-1, A-2 and A-3 Units are entitled to the distribution regardless of whether the corresponding Company security is outstanding.

Units	Distribution Rights of CorEnergy Securities	Annual Distribution per Share
A-1 Units	7.375% Series A Cumulative Redeemable Preferred Stock(1)	$ 1.84
A-2 Units	Class B Common Stock(3) (4)	Varies(2)(3)
A-3 Units	Class B Common Stock(3) (4)	Varies(2)(3)

(1) On June 29, 2021, the Board of the Company authorized management to enter into an agreement to convert the right to receive the Company's 9.00% Series C Preferred Stock into 7.375% Series A Cumulative Redeemable Preferred Stock.

(2) On July 7, 2021, the Company converted the right that holders of Class A-2 Units would have had to exchange such units for shares of the Company's 4.00% Series B Preferred Stock into a right to exchange such units for shares of the Company's Class B Common Stock with the effective date, for dividend purposes, of June 30, 2021.

(3) (A) For the fiscal quarters of the Company ending June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022, the Common Stock Base Dividend Per Share shall equal $0.05 per share per quarter; (B) for the fiscal quarters of the Company ending June 30, 2022, September 30, 2022, December 31, 2022 and March 31, 2023, the Common Stock Base Dividend Per Share shall equal $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 31, 2024, the Common Stock Base Dividend Per Share shall equal $0.06 per share per quarter. The Class B Common Stock dividend is subordinated based on a distribution formula described in footnote (4) below.

(4) 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) CAFD of 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.

For the three months ended June 30, 2021, distributions were paid to the Grier Members for the Class A-1 Units ($504,951), Class A-2 Units (based on distributions that would have been payable on Series B Preferred, but authorized by the Board of Directors to be paid as 16,240 additional Class A-2 units paid-in-kind), as distributions for the Series C Preferred and the Series B Preferred began accruing April 1, 2021. No distributions were paid to the Class A-3 Units as no distributions were declared on the Class B Common Stock.

For the three months ended September 30, 2021, distributions were paid to the Grier Members for the Class A-1 Units ($841,950) and Class A-2 Units (8,174 units paid-in-kind, for distributions that would have accrued on underlying Series B Preferred shares through the date Class A-2 Units became exchangeable directly into Class B Common Stock following stockholder approval). No distributions were paid to the Class A-3 Units as no distributions were declared on the Class B Common Stock.

For the three months ended December 31, 2021, distributions were owed to the Grier Members for the Class A-1 Units ($809 thousand). The Company paid these distributions during February 2022. No distributions were paid to the Class A-2 or Class A-3 Units as no distributions were declared on the Class B Common Stock.

See Note 21 ("Subsequent Events") for further information regarding the declaration of distributions related to the Class A-1 and A-2 Units.

SHELF REGISTRATION

On October 30, 2018, the Company filed a shelf registration statement with the SEC, pursuant to which it registered1,000,000 shares of Common Stock for issuance under its dividend reinvestment plan. As of December 31, 2021, the Company has issued 106,422 shares of Common Stock under its dividend reinvestment plan pursuant to the shelf, resulting in remaining availability (subject to the current limitation discussed below) of approximately 893,578 shares of Common Stock.

On September 16, 2021, the Company 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 for resale by the Contributors: 1,837,607 shares of Common Stock (including both (i)1,153,846 shares of Common Stock issued at the closing of the Internalization and (ii) up to 683,761 additional shares of Common Stock which may be acquired by the Contributors upon the conversion of outstanding shares of our unlisted Class B Common Stock issued at the closing of the Internalization) and 170,213 depositary shares each representing 1/100th fractional interest of a share of 7.375% Series A Cumulative Redeemable Preferred Stock, par value $0.001 per share issued at the closing of the Internalization.

On November 3, 2021, the Company filed a new shelf registration statement, which replaced the previous Shelf Registration Statement, declared effective on November 17, 2021 by the SEC, pursuant to which the Company is now able to publicly offer additional debt or equity securities with an aggregate offering price of up to $600.0 million. As of December 31, 2021, the Company has not issued any securities under this new shelf registration statement, so total availability remains at $600.0 million.

17. EARNINGS (LOSS) PER SHARE

Basic loss per share data is computed based on the weighted-average number of shares of Common Stock and Class B Common Stock outstanding during the periods. Diluted loss per share data is computed based on the weighted-average number of shares of Common Stock and Class B Common Stock outstanding, including all potentially issuable shares of Common Stock and Class B Common Stock. Diluted loss per share for the years ended December 31, 2021 and 2020 excludes the impact to income and the number of shares outstanding from the conversion of the 7.00% Convertible Notes and the 5.875% Convertible Notes, as applicable, because such impact is antidilutive. The remaining 7.00% Convertible Notes matured on June 15, 2020.

Under the if converted method, the 5.875% Convertible Notes would result in an additional 2,361,000 common shares outstanding for the years ended December 31, 2021 and December 31, 2020. For the year ended December 31, 2019, the 7.00% Convertible Senior Notes and 5.875% Convertible Senior Notes would result in an additional 2,463,394 common shares outstanding from the if-converted method.

Earnings (Loss) Per Share

	For the Years Ended December 31,		
	2021	2020	2019
Net Income (Loss) attributable to CorEnergy Stockholders	$ (11,531,081)	$ (306,067,579)	$ 4,079,495
Less: preferred dividend requirements[(1) (2)]	9,395,604	9,189,809	9,255,468
Net Loss attributable to Common Stockholders	$ (20,926,685)	$ (315,257,388)	$ (5,175,973)
Weighted average shares - basic	14,581,850	13,650,718	13,041,613
Basic loss per share	$ (1.44)	$ (23.09)	$ (0.40)
Net Loss attributable to Common Stockholders (from above)	$ (20,926,685)	$ (315,257,388)	$ (5,175,973)
Weighted average shares - diluted	14,581,850	13,650,718	13,041,613
Diluted loss per share	$ (1.44)	$ (23.09)	$ (0.40)

18. VARIABLE INTEREST ENTITY

Crimson Midstream Holdings

As of February 1, 2021 and December 31, 2021, CorEnergy holds a 49.50 percent voting interest in Crimson and the Grier Members hold the remaining 50.50 percent voting interest. Crimson is a VIE as 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 Grier, who was appointed to CorEnergy's Board of Directors 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 that has disproportionately few voting rights, including Grier as a *de facto* agent. After the working capital adjustment and paid-in-kind dividends, the Grier Members' equity ownership interest is 50.62 percent as of December 31, 2021.

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 which are 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 (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) 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) Crimson's assets represent a substantial portion of the Company's total assets; and (iv) the Grier Members' interest in Crimson in Class A-1, Class A-2 and Class A-3 Units will earn distributions if the CorEnergy Board of Directors declares a common or preferred dividend for Series A Preferred and Class B Common Stock; among other factors. Therefore, CorEnergy is the primary beneficiary and consolidates the Crimson VIE and the Grier Members' equity ownership interest 50.62 percent (after the working capital adjustment and paid-in-kind dividends) 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. As discussed in Note 14 ("Debt"), 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 and Corridor MoGas, Inc. For the year ended December 31, 2021, the Company received $10.0 million, in cash distributions from Crimson, which were in accordance 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.

Limited Partnerships

Under the consolidation guidance, limited partnerships and other similar entities are considered VIEs unless the limited partners hold substantive kick-out rights or participating rights. Management determined that Pinedale LP and Grand Isle Corridor LP are VIEs because the limited partners of both partnerships lack both substantive kick-out rights and participating rights. However, based on the general partners' roles and rights as afforded by the partnership agreements and its exposure to losses and benefits of each of the partnerships through its significant limited partner interests, management determined that CorEnergy is the primary beneficiary of both Pinedale LP and Grand Isle Corridor LP. Based upon this evaluation and the Company's 100 percent ownership of the limited partnership interest in both Pinedale LP and Grand Isle Corridor LP, the consolidated financial statements presented include full consolidation with respect to both partnerships.

19. RELATED PARTY TRANSACTIONS

Transition Services Agreements

The subsidiaries of Crescent Midstream Holdings, LLC ("Crescent Midstream Holdings") were formerly a part of Crimson prior to the Crimson Transaction. Prior to Crescent Midstream Holdings' spin-off from Crimson, Crimson, or certain of its subsidiaries, provided various business services for Crescent Midstream Holdings and its subsidiaries. Effective February 4, 2021, Crimson, certain of Crimson's subsidiaries or a combination thereof, 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 to assign all of the TSAs to Crimson's direct, wholly-owned

TRS, Crimson Midstream I Corporation ("Crimson Midstream I"). Under the TSA, Crimson and/or certain of its subsidiaries were reimbursed at a fixed fee of approximately $156 thousand per month, for which the billed amount was allocated 50.0 percent to Crescent Midstream, LLC ("Crescent Midstream"), a wholly-owned subsidiary of Crescent Midstream Holdings, and 50.0 percent to Crescent Louisiana Midstream, LLC ("CLM"), a 70.0 percent owned subsidiary of Crescent Midstream. The amounts billed to Crescent Midstream reduced a prepaid TSA liability on the Company's books until such time as the TSA liability was reduced to zero. As of December 31, 2021, the prepaid TSA liability related to Crescent Midstream was $532 thousand and recorded in due to affiliated companies in the Consolidated Balance Sheets. For the year ended December 31, 2021, Crimson billed both Crescent Midstream and CLM $1.7 million for services provided under the TSAs.

As previously disclosed, John D. Grier, a director and Chief Operating Officer of the Company, together with the Grier Members, own an aggregate 50.62 percent equity interest in Crimson, which the Company has a right to acquire in the future, pursuant to the terms of the MIPA, following receipt of CPUC approval for a change of control of Crimson's CPUC regulated assets. The Grier Members also retain an aggregate 50.62 percent equity interest in Crescent Midstream Holdings, which they held prior to the Crimson Transaction.

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 Administrative TSA 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.

Crimson Midstream Operating also 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. Unless terminated in writing by Crescent Midstream Holdings earlier, the Control Center TSA shall expire on February 3, 2022. The Control Center TSA has been assigned from Crimson Midstream Operating to Crimson Midstream I by the Assignment and Assumption Agreement discussed above.

Similarly, Crimson and Crescent Midstream Holdings entered into a transition services agreement (the "Employee TSA") whereby an indirect, wholly-owned subsidiary of Crimson shall continue to provide 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 shall make available and assign to Crescent Midstream Holdings and its subsidiaries certain employees to provide services primarily to Crescent Midstream Holdings and its subsidiaries. While the Employee TSA is in effect, Crescent Midstream Holdings shall be responsible for the daily supervision of and assignment of work to the employees providing services to Crescent Midstream Holdings and its subsidiaries. The Employee TSA will conclude on February 3, 2022 if not previously terminated in writing by Crescent Midstream Holdings. Additionally, Crimson's indirect, wholly-owned subsidiary entered into an Employee Sharing Agreement with Crimson Midstream I 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 binds Crimson Midstream I to the terms of the Employee TSA in the same manner as Crimson's indirect, wholly-owned subsidiary. For the year ended December 31, 2021, Crimson billed employee-related costs and benefits to Crescent Midstream and CLM totaling $7.9 million.

Likewise, a transition services agreement (the "Insurance Coverage TSA") was entered into between Crimson Midstream Operating, a wholly-owned subsidiary of Crimson, and Crescent Midstream Operating, LLC ("Crescent Midstream Operating") (collectively, the "Insurance TSA Parties"). The Insurance Coverage TSA related to the remaining term of coverage on certain insurance policies which were shared by Crimson, certain of its subsidiaries (including Crimson Midstream Operating), Crescent Midstream Operating and certain other entities related to Crescent Midstream Operating (collectively, the "Insureds"). Under the Insurance Coverage TSA, the Insurance TSA Parties agreed to retain and maintain the certain insurance policies, and continue to split the premium payments among the Insureds in line with the historical practices prior to Crescent Midstream Holdings' spin-off from Crimson. By entering into the Insurance Coverage TSA, the Insurance TSA Parties acknowledged that any claims made which result in a loss by one of the Insureds will erode and may exhaust the shared limits and/or aggregates stated in any of the certain insurance policies. Additionally, under the terms of the Insurance Coverage TSA, it was agreed that the Insurance TSA Party which was directly responsible for any incident that results in any loss of coverage under any of the certain shared insurance policies may be primarily financially responsible for such self-insurance and/or covering any increase in costs of the certain insurance policy that occurred as a result of such incident. The Insurance Coverage TSA expired on May 31, 2021, and simultaneously, the Company, Crimson, and certain other subsidiaries of the Company obtained stand-alone insurance coverage effective through May 31, 2022 and as such, there is no relationship between the insurance coverage of the Company and its subsidiaries and Crescent Midstream Operating and its subsidiaries as of December 31, 2021.

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

Other Related Party Transactions

As of December 31, 2021, certain entities affiliated with the Grier Members (Crescent Midstream, CLM, Crimson Renewable Energy, L.P. and Delta Trading, L.P.) owe Crimson and certain subsidiaries $677 thousand, which is reflected in due from affiliated companies in the Consolidated Balance Sheets. Grier directly or indirectly owns a 35.35 percent interest in CLM and owns100.0 percent of both Crimson Renewable Energy, L.P. and Delta Trading, L.P. These balances primarily represent receivables related to payroll, employee benefits and other related employment services that are provided by certain subsidiaries of Crimson. As of December 31, 2021, Crimson and certain subsidiaries owe Crescent Midstream $116 thousand, which is reflected in due to affiliated companies in the Consolidated Balance Sheet. This balance represents amounts owed to Crescent Midstream as part of the common control transfer completed prior to the Crimson Transaction, partially offset by receivables related to payroll, employee benefits and other related employment services.

The Company incurred $416 thousand of expenses from Crescent Midstream for costs related to accounting and consulting services for the Crimson Transaction that it agreed to reimburse subsequent to the transaction closing, which reimbursement was paid during the three months ended June 30, 2021.

20. **QUARTERLY FINANCIAL DATA *(Unaudited)***

	For the Fiscal 2021 Quarters Ended			
	March 31	**June 30**	**September 30**	**December 31**
Total Revenue	23,040,498	32,296,578	37,028,882	35,767,838
Operating Income (Loss)	$ (6,963,501)	$ 5,579,415	$ 9,374,487	$ 6,383,089
Net Income (Loss)	(10,694,263)	2,427,409	5,919,971	(188,675)
Less: Net Income attributable to non-controlling interest	1,605,308	2,014,870	3,155,685	2,219,660
Net Income (loss) attributable to CorEnergy Stockholders	$ (12,299,571)	$ 412,539	$ 2,764,286	$ (2,408,335)
Preferred dividend requirements	2,309,672	2,309,672	2,388,130	2,388,130
Net Income (loss) attributable to Common Stockholders	$ (14,609,243)	$ (1,897,133)	$ 376,156	$ (4,796,465)
Earnings (Loss) Per Common Share:				
Basic	$ (1.07)	$ (0.14)	$ 0.02	$ (0.31)
Diluted	$ (1.07)	$ (0.14)	$ 0.02	$ (0.31)

	For the Fiscal 2020 Quarters Ended			
	March 31	**June 30**	**September 30**	**December 31**
Total Revenue	(9,132,509)	9,966,987	4,625,380	5,878,213
Operating Loss	$ (159,499,327)	$ (146,239,842)	$ (1,776,437)	$ (356,604)
Net Loss attributable to CorEnergy Stockholders	$ (162,042,368)	$ (137,434,433)	$ (3,919,098)	$ (2,671,680)
Preferred dividend requirements	2,260,793	2,309,672	2,309,672	2,309,672
Net Loss attributable to Common Stockholders	$ (164,303,161)	$ (139,744,105)	$ (6,228,770)	$ (4,981,352)
Loss Per Common Share:				
Basic	$ (12.04)	$ (10.24)	$ (0.46)	$ (0.36)
Diluted	$ (12.04)	$ (10.24)	$ (0.46)	$ (0.36)

21. SUBSEQUENT EVENTS

The Company performed an evaluation of subsequent events through the date of the issuance of these financial statements and determined that no additional items require recognition or disclosure, except for the following:

Common Stock Dividend

On February 4, 2022, the Company's Board of Directors declared a 2021 fourth quarter dividend of $0.05 per share for CorEnergy Common Stock. The dividend was paid on February 28, 2022, to stockholders of record on February 14, 2022.

Preferred Stock Dividend

On February 4, 2022, the Company's Board of Directors also declared a dividend of $0.4609375 per depositary share for its 7.375% Series A Preferred Stock. The preferred stock dividend was paid on February 28, 2022, to stockholders of record on February 14, 2022.

Class A-1 Units Distribution

On February 4, 2022, the Company's Board of Directors authorized the declaration of dividends of $0.4609375 per depositary share for its 7.375% Series A Preferred Stock payable in cash. Pursuant to the terms of Crimson's Third LLC Agreement, this determination by the Company's Board of Directors will entitle the holders of Crimson's Class A-1 Units to receive, from Crimson, a cash distribution of $0.4609375 per unit.

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

On February 4, 2022, the Board decided not to declare a dividend on Class B Common Stock. Pursuant to the terms of Crimson's Third LLC Agreement, this determination by the Company's Board of Directors will result in no distribution to the holders of Crimson's Class A-2 Units or Crimson's Class A-3 Units.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS - CorEnergy Infrastructure Trust, Inc.

		Additions			
Description	**Balance at Beginning of Period**	**Charged to Costs and Expenses**	**Charged to Other Accounts**	**Deductions**	**Balance at End of Period**
For Year Ended December 31, 2021					
Deferred tax asset valuation allowance	**$ 92,418**	$ 3,798,925	$ —	$ —	$ 3,891,343
For Year Ended December 31, 2020					
Deferred tax asset valuation allowance	104,595	(12,177)	—	—	92,418
For Year Ended December 31, 2019					
Deferred tax asset valuation allowance	—	104,595	—	—	104,595

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION - CorEnergy Infrastructure Trust, Inc.

			Initial Cost to Company		Costs Capitalized Subsequent to Acquisition	Gross Amount Carried at Close of Period December 31, 2021						
Description	Location	Encumbrances	Land	Building & Fixtures	Improvements / Adjustments	Land	Building & Fixtures	Total	Accumulated Depreciation	Investment in Real Estate, net, at 12/31/21	Date Acquired	Life on which depreciation in latest income statement is computed
United Property Systems (1)	St. Louis, MO	$ —	$ 210,000	$ 1,188,000	$ 128,026	$ 210,000	$ 1,316,026	$ 1,526,026	$ 258,207	$ 1,267,819	2014	40 years
		$ —	$ 210,000	$ 1,188,000	$ 128,026	$ 210,000	$ 1,316,026	$ 1,526,026	$ 258,207	$ 1,267,819		

(1) Property originally served as collateral under the CorEnergy Credit Facility. The CorEnergy Credit Facility was terminated on February 4, 2021. Refer to Note 14 ("Debt") for further details.

NOTES TO SCHEDULE III - CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION

Reconciliation of Real Estate and Accumulated Depreciation

	For the Years Ended December 31,		
	2021	2020	2019
Investment in real estate:			
Balance, beginning of year	$ 71,770,177	$ 485,037,215	$ 485,368,450
Addition: Acquisitions and developments[2]	—	361,196	24,877
Deduction: Dispositions and other[1][3][4][5]	(70,244,151)	(413,628,234)	(356,112)
Balance, end of year	$ 1,526,026	$ 71,770,177	$ 485,037,215
Accumulated depreciation:			
Balance, beginning of year	$ 6,832,167	$ 105,825,816	$ 87,154,095
Addition: Depreciation	182,116	9,748,659	18,671,721
Deduction: Dispositions and other[1][3][4]	(6,756,076)	(108,742,308)	—
Balance, end of year	$ 258,207	$ 6,832,167	$ 105,825,816

(1) On February 4, 2021, the Grand Isle Gathering System asset was used as partial consideration for the acquisition of its interest in Crimson resulting in its disposal with a net carrying value of $54.7 million (i.e. gross investment of $70.2 million less accumulated depreciation of $6.7 million and the asset retirement obligation value of $8.8 million). Refer to Note 5 ("Leased Properties And Leases") for further details.

(2) Includes a change in estimate related to the ARO for the Grand Isle Gathering System in 2020. Refer to Note 14 ("Asset Retirement Obligation") for further details.

(3) On March 31, 2020, the Company recognized a long-lived asset impairment for the Grand Isle Gathering System of $140.3 million (i.e. gross investment of $183.0 million less accumulated depreciation of $42.7 million). Refer to Note 5 ("Leased Properties And Leases") for further details.

(4) On June 30, 2020, the Company sold the Pinedale LGS with a net carrying value of $164.5 million (i.e. gross investment of $230.6 million less accumulated depreciation of $66.1 million). Refer to Note 5 ("Leased Properties And Leases") for further details.

(5) Includes a change in estimate related to the ARO for the Grand Isle Gathering System in 2019. Refer to Note 15 ("Asset Retirement Obligation") for further details.

SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE - CorEnergy Infrastructure Trust, Inc.

Description	Interest Rate(1)	Final Maturity	Monthly Payment Amount(2)	Prior Liens	Face Value	Carrying Amount of Mortgage	Principal Amount of Loans Subject to Delinquent Principal or Interest
First Mortgages							
Billings, Dunn and McKenzie Counties, North Dakota (Morlock Well)	12.00%	7/31/2026	$ 14,081	None	$ 1,300,000	$ 1,036,660	$ —
Total					$ 1,300,000	$ 1,036,660	$ —

(1) The interest rate was 8.50% through May 31, 2021 and increased to 12.00% on June 1, 2021 through maturity.

(2) The monthly principal payment was $10,833 from January 31, 2021 through May 31, 2021, $16,250 from June 30, 2021 through July 31, 2022. During August 2021, the terms of the note were amended to extend the maturity to July 31, 2026 and to reduce the total payments to a total principal and interest of $24,339 per month. The monthly principal payments progressively increase from $14,081 in January 31, 2022 to approximately $23,859 on June 30, 2026 and $34,932 on July 31, 2026.

NOTES TO SCHEDULE IV - CONSOLIDATED MORTGAGE LOANS ON REAL ESTATE

Reconciliation of Mortgage Loans on Real Estate

	For the Years Ended December 31, 2021	2020	2019
Beginning balance	$ 1,209,736	$ 1,235,000	$ 1,300,000
Additions:			
Interest receivable	—	18,069	—
Total Additions	$ —	$ 18,069	$ —
Deductions:			
Principal repayments	$ 155,007	$ 43,333	$ 65,000
Principal, Interest and Deferred Costs Write Down	18,069	—	—
Total deductions	$ 173,076	$ 43,333	$ 65,000
Ending balance	$ 1,036,660	$ 1,209,736	$ 1,235,000

ITEM 16. FORM 10-K SUMMARY

None.

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)

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

SIGNATURE	TITLE	DATE
/s/ David J. Schulte David J. Schulte	Chairman and Chief Executive Officer (Principal Executive Officer)	March 14, 2022
/s/ Robert L Waldron Robert L Waldron	Chief Financial Officer (Principal Financial Officer)	March 14, 2022
/s/ Christopher M. Huffman Christopher M. Huffman	Chief Accounting Officer (Principal Accounting Officer)	March 14, 2022
/s/ Todd Banks Todd Banks	Director	March 14, 2022
/s/ Conrad S. Ciccotello Conrad S. Ciccotello	Director	March 14, 2022
/s/ John D. Grier John D. Grier	Director	March 14, 2022
/s/ Catherine A. Lewis Catherine A. Lewis	Director	March 14, 2022

DESCRIPTION OF SECURITIES
OF CORENERGY INFRASTRUCTURE TRUST, INC.

The following is a brief description of the Securities of CorEnergy Infrastructure Trust, Inc. (the "Company" or "we," "us" or "our") registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The following summary description of our capital stock is not complete and for a more detailed description of these securities, you should refer to the applicable provisions of our Articles of Amendment and Restatement, as amended, and as supplemented by our Articles Supplementary dated January 22, 2015, our Articles Supplementary dated April 12, 2017, our Articles Supplementary dated February 4, 2021, our Articles Supplementary dated July 6, 2021, our Articles Supplementary dated July 12, 2021, our Articles Supplementary dated August 19, 2021 and our Articles of Amendment dated December 1, 2015 and August 19, 2021 (collectively, our "Charter") and our Third Amended and Restated Bylaws, as amended ("Bylaws"), each of which has been filed as exhibits to the periodic reports we file with the Securities and Exchange Commission (the "SEC"), as well as to applicable provisions of the laws of the State of Maryland, our state of incorporation, including without limitation the Maryland General Corporation Law ("MGCL"). For additional information concerning the rights of holders of our capital stock and related terms and conditions, please refer to the discussion set forth below under the heading "Certain Provisions of Our Charter and Bylaws and the Maryland General Corporation Law." Such discussion includes a description of certain provisions of our Charter and Bylaws that could delay, defer or prevent other entities or persons from acquiring control of us, including certain restrictions on ownership and transfer that apply to our capital stock (including both common stock and preferred stock) to assist in preserving our status as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code").

General

Our Charter authorizes us to issue up to 110,000,000 shares of capital stock, consisting of 100,000,000 shares of common stock, $0.001 par value per share, and 10,000,000 shares of preferred stock, $0.001 par value per share. The Board of Directors may, without any action by the stockholders, amend our Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue under our Charter. Additionally, our Charter authorizes our Board of Directors, without any action by our stockholders, to classify and reclassify any unissued common stock and preferred stock into other classes or series of stock from time to time, to specify the number of our total authorized shares that will be included in any such new class or series, and to set or change (subject to the express terms of any then-outstanding class or series and to our Charter restrictions on ownership and transfer of our capital stock) the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Under the MGCL, stockholders generally are not liable for our debts or obligations.

We believe that the power of our Board of Directors to increase or decrease the number of authorized shares of stock, issue additional authorized but unissued shares of our common stock or preferred stock and to classify or reclassify unissued shares of our common stock or preferred stock and thereafter to cause us to issue such classified or reclassified shares of stock will provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs which might arise. The additional classes or series, as well as any additional Common Stock, will be available for issuance without further action by our stockholders, unless stockholder consent is required by applicable law or the rules of the New York Stock Exchange ("NYSE"), on which our Common Stock is traded. Although there is no present intention of doing so, we could issue a class or series of stock that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change in control of our company that might involve a premium price for holders of our common stock or otherwise be in their best interests.

Common Stock

General. Our Charter authorizes us to issue up to 100,000,000 shares of common stock, $0.001 par value per share. We have outstanding shares of regular common stock, which are referred to herein as our "Common Stock" and shares of unlisted Class B Common Stock, which are referred to herein as our “Class B Common Stock.” All outstanding shares of our common stock (including both our Common Stock and Class B Common Stock discussed below) are duly authorized, fully paid and nonassessable. Subject to the preferential rights of any other outstanding class or series of stock and to the provisions of our Charter regarding the restrictions on transfer of stock, holders of shares of common stock are entitled to receive distributions if, as and when authorized by the Board of Directors and declared by us out of assets legally available for the payment of distributions. Holders of our common stock have no preference, exchange, sinking fund, redemption or appraisal rights and have no preemptive rights to subscribe for any of our securities and, except as discussed below concerning the prospective conversion of outstanding shares of Class B Common Stock into Common Stock, have no conversion rights. Subject to the provisions of our Charter regarding certain restrictions on the ownership and transfer of our stock designed to assist in preserving our status as a REIT, and to the terms of the Class B Common Stock as discussed below, all shares of our common stock have equal distribution, liquidation and other rights. (For a description of such restrictions, see “Certain Provisions of Our Charter and Bylaws and the Maryland General Corporation Law—Restrictions on Ownership and Transfer.”)

Distributions. As a REIT, we are required to make distributions, other than capital gain distributions, to our stockholders each year in the amount of at least 90% of our REIT taxable income. We have historically, and intend to continue, subject to the discretion of our Board of Directors, to pay quarterly distributions to our stockholders. Our Board of Directors will determine the amount of each distribution.

Because of the effect of other items, including depreciation and amortization associated with real estate investments, distributions, in whole or in part, in any period may constitute a return of capital for federal tax purposes. There is no assurance that we will continue to make regular distributions.

If a stockholder’s shares of Common Stock are registered directly with us or with a brokerage firm that participates in our Dividend Reinvestment Plan (the "Plan"), then, during periods that the Plan is operating, distributions will be automatically reinvested in additional Common Stock under the Plan unless a stockholder elects to receive distributions in cash. If a stockholder elects to receive distributions in cash, payment will be made by check or automatic deposit to a bank account that you designate. The federal income tax treatment of distributions is the same whether they are reinvested in our shares or received in cash.

Liquidation Rights. Common stockholders are entitled to share ratably in the assets legally available for distribution to stockholders in the event of liquidation, dissolution or winding up, after payment of or adequate provision for all known debts and liabilities, including any outstanding debt securities or other borrowings and any interest accrued thereon. These rights are subject to the provisions of our Charter regarding the restrictions on transfer of stock, and also to the preferential rights of any other class or series of our stock, including the preferred stock. The rights of common stockholders upon liquidation, dissolution or winding up will be subordinated to the rights of holders of any outstanding notes or shares of preferred stock.

Voting Rights. Subject to the provisions of our Charter regarding the restrictions on transfer of stock and except as may be otherwise specified therein with respect to any class or series of common stock, each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of common stockholders, including the election of directors and removal of directors, and, except as provided with respect to any other class or series of stock, the holders of shares of common stock possess exclusive voting power. The presence of the holders of shares entitled to cast one-third (1/3) of the votes entitled to be cast (without regard to class) shall constitute a quorum at a meeting of stockholders. In uncontested elections, a director will be elected by the affirmative vote of a majority of the total votes cast for and votes cast against as to each director nominee, meaning the number of shares voted “for” a director nominee must exceed fifty percent (50%) of the total number of votes cast with respect to such nominee in order for that nominee to be elected. Any director who is nominated for reelection in an uncontested election, and who does not receive a greater number of votes in favor of his or her election than votes against such election, will be required to promptly tender his or her resignation to the Board of Directors for consideration. In contested elections, directors will be elected by a plurality of the votes cast. An election will be deemed to be an “uncontested” election if no stockholder provides notice of intention to nominate one or more candidates to compete with our Board of Directors’ nominee(s) in a director election in the manner required by our Bylaws, or if any such stockholder or stockholders have withdrawn all such nominations at least ten days prior to our filing with the SEC of our definitive proxy statement for such meeting of stockholders. There is no cumulative voting in the election of directors. Consequently, at each annual meeting of stockholders, the holders of a majority of the outstanding shares of stock entitled to vote will be able to elect all of the successors of the class of directors whose terms expire at that meeting.

Market. Our Common Stock trades on the NYSE under the ticker symbol “CORR.” Our Class B Common Stock is unlisted and is not publicly traded.

Transfer Agent, Dividend Paying Agent and Dividend Reinvestment Plan Agent. Computershare Trust Company, N.A., P.O. Box 43078, Providence, Rhode Island 02940, serves as the transfer agent and registrar and Computershare, Inc. serves as the Plan Agent for our Dividend Reinvestment Plan and dividend paying agent for both our Common Stock and our Class B Common Stock.

Class B Common Stock

On February 4, 2021, the Company filed Articles Supplementary with the Department of Assessments and Taxation of the State of Maryland (“SDAT”), which Class B Common Stock Articles Supplementary were effective as of 12:02 p.m., Eastern Time, on February 4, 2021, classifying 11,810,000 authorized but unissued shares of the Company’s common stock, par value $.001 per share, as Class B Common Stock. On August 19, 2021, the Company filed (i) additional Articles Supplementary with the SDAT classifying an additional 86,100 authorized but unissued shares as Class B Common Stock and (ii) Articles of Amendment with the SDAT revising the rights of holders of Class B Common Stock to receive dividends as described below under “—Dividends” (collectively with the Articles Supplementary filed on February 4, 2021, the “Class B Common Articles Supplementary”). The Class B Common 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 will be subordinated to the Common Stock with respect to dividends and will automatically convert into Common Stock under certain circumstances as described below. The Class B Common Stock is not registered under the Exchange Act and the Company does not intend to list the Class B Common Stock on any exchange.

Voting Rights. Class B Common Stock is entitled to one vote per share and 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 Articles Supplementary without the affirmative vote of at least 66-2/3% of the outstanding shares of Class B Common Stock. The holders of the Class B Common Stock have exclusive voting rights on any amendment to the Company’s Charter that would alter only the rights of the Class B Common Stock. The holders of the Class B Common Stock unanimously approved the changes to the rights of the holders of the Class B Common Stock to receive dividends as reflected in the Articles of Amendment filed with the SDAT on August 19, 2021.

Dividends. Subject to preferences that may apply to any shares of preferred stock outstanding at the time, holders of the Class B Common Stock will be entitled to receive dividends to the extent authorized by the Company’s Board of Directors and declared by the Company. That formula, as originally set forth in the Class B Common Articles Supplementary as filed on February 4, 2021 and described in the Company’s Form 8-K filed February 10, 2021, was modified by the Articles of Amendment filed August 19, 2021 such that, for each fiscal quarter of the Company beginning with the fiscal quarter ending June 30, 2021 through and including the fiscal quarter ending March 30, 2024, the shares of Class B Common Stock will be entitled to receive dividends (“Class B Dividends”) in any quarter, at the discretion of the Company’s Board of Directors, equal to the quotient of (i) the difference of (A) cash available for distribution (“CAFD”) of the most recently completed quarter and (B) 1.25 multiplied by the base dividend established for the Common Stock as set forth in the Class B Common Articles Supplementary, divided by (ii) shares of Class B Common Stock issued and outstanding multiplied by 1.25.

In no event will the Class B Dividend per share be greater than the dividends per share authorized by the Board of Directors and declared with respect to the Common Stock. Class B Dividends are not cumulative.

Liquidation Rights. With respect to the right to payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company (collectively, “Liquidation Rights”), the Class B Common Stock will rank (i) senior to any future equity securities issued by the Company, the terms of which specifically provide that such securities rank junior to the Class B Common Stock as to Liquidation Rights; (ii) on parity with the Company’s Common Stock (subject to the differential in dividend rights as described above), and with any future class of equity securities issued by the Company, the terms of which specifically provide that such securities rank on a parity with the Class B Common Stock as to Liquidation Rights; and (iii) junior to the Company’s Series A Preferred Stock, Series B Redeemable Convertible Preferred Stock and 9.00% Series C Exchangeable Preferred Stock, as well as any future equity securities issued by the Company, the terms of which specifically provide that such securities rank senior to the Class B Common Stock as to Liquidation Rights.

Preemptive Rights. Holders of shares of Class B Common Stock will not have any preemptive or preferential rights to subscribe for, or to purchase, any additional shares of any class or series of the Company’s stock, or any other security that the Company may issue or sell.

Change of Control. The holders of Class B Common Stock will receive the same consideration that the holders of the Common Stock will receive for any change of control but only to the extent that the holders of Common Stock receive consideration.

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 of Directors authorizes and the Company declares a quarterly dividend per share on outstanding shares of Common Stock in excess of the then-applicable Common 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 Senior Notes due 2025 or Series A Preferred Stock, (iv) any exchange for fair value for the issuance of Common Stock (as determined by the Company’s Board of Directors), 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 of Directors authorizes and the Company declares a quarterly dividend per share to the Class B Common Stock equal to the then-applicable Common Base Dividend for any four consecutive fiscal quarters beginning with the fiscal quarter ending June 30, 2022 through the fiscal quarter ending March 30, 2024.

To the extent no conversion occurs as described 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 LTM CAD, as defined in the Articles Supplementary, divided by the product of (x) 1.25 and (y) four (4) times the then-applicable Common 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.

Restrictions on Transfer. The Class B Common Stock is subject to the ownership limitations and transfer restrictions set forth in Article VII of our Charter, designed to protect the Company’s status as a REIT. See “Certain Provisions of Our Charter and Bylaws and the Maryland General Corporation Law—Restrictions on Ownership and Transfer.” In addition, pursuant to the terms of a Registration Rights Agreement entered into with the members of Crimson in connection with the Crimson Transaction, and of the Contribution Agreement entered into in connection with the Internalization of the Company's manager, the prospective holders of Class B Common Stock agreed with the Company that they would not transfer any shares of Class B Common Stock for one year from February 4, 2021. On and after February 4, 2022, the terms of the Class B Common Articles Supplementary generally permit the holders of Class B Common Stock to transfer shares of such stock to affiliates of the holder or if at least 15% of the shares of Class B Common Stock then held by the holder will be transferred, subject to compliance with applicable federal and state securities laws.

The foregoing is a summary of the terms of the Class B Common Stock as set forth in the Class B Common Articles Supplementary and Articles of Amendment, copies of which are filed as Exhibit 3.5 to the Company's Current Report on Form 8-K filed with the SEC on February 10, 2021 and Exhibits 3.1 and 3.2 to the Company's Current Report on Form 8-K filed with the SEC on August 25, 2021.

Preferred Stock

General. Our Charter authorizes the issuance of up to 10,000,000 shares of preferred stock, $0.001 par value per share, with preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption as determined by the Board of Directors. All outstanding shares of our preferred stock are duly authorized, fully paid and nonassessable, and all of such shares rank junior to our outstanding indebtedness and senior, with respect to dividend rights and rights upon any dissolution or liquidation of the Company, to our common stock.

Series A Preferred Stock

An aggregate of 69,367 shares of preferred stock have been classified and designated as shares of our 7.375% Series A Cumulative Redeemable Preferred Stock, which is issuable and listed for trading on the NYSE in the form of depositary shares, each representing one-hundredth of a whole share (the "Series A Preferred Stock").

The depositary shares representing our Series A Preferred Stock trade on the NYSE under the ticker symbol "CORRPrA." The Series A Preferred Stock has a liquidation preference of $2,500.00 per share ($25.00 per depositary share). Holders of depositary shares representing interests in our Series A Preferred Stock will be entitled to receive, when and as authorized by our Board of Directors, out of funds legally available for payment of dividends, cumulative cash dividends at the rate of 7.375% per annum of the $2,500.00 per share (equivalent to $25.00 per depositary share) liquidation preference, equivalent to $184.375 per annum per share (or $1.84375 per annum per depositary share). Dividends on our outstanding shares of Series A Preferred Stock will accrue and are cumulative from and including the respective dates of issuance of each such share. Dividends are payable quarterly in arrears on or about the last day of February, May, August and November of each year, when, as and if authorized by our board of directors and declared by us out of funds legally available therefor.

Upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of Series A Preferred Stock are entitled to be paid out of our assets legally available for distribution to our stockholders a liquidation preference of $2,500.00 per share (equivalent to $25.00 per depositary share), plus an amount equal to any accrued and unpaid dividends to the date of payment (whether or not declared), before any distribution or payment may be made to holders of shares of common stock or any other class or series of our equity stock ranking, as to liquidation rights, junior to the Series A Preferred Stock. If, upon our voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the full amount of the liquidating distributions on all outstanding Series A Preferred Stock and the corresponding amounts payable on all shares of each other class or series of stock ranking, as to liquidation rights, on a parity with the Series A Preferred Stock, then the holders of depositary shares representing interests in the Series A Preferred Stock and each such other class or series of stock ranking, as to liquidation rights, on a parity with the Series A Preferred Stock will share ratably in any distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

Holders of the Series A Preferred Stock generally have no voting rights, except that, if dividends on the Series A Preferred Stock are in arrears for six or more quarterly periods, whether or not declared or consecutive, the holders of the Series A Preferred Stock, voting separately as a class with the holders of all other series of parity preferred stock upon which like voting rights have been conferred and are exercisable, will have the right to elect an additional two directors until all such dividends and dividends for the then current quarterly period on the Series A Preferred Stock have been paid in full or declared and set aside for payment in full. In addition, the approval of two-thirds of the votes entitled to be cast by the holders of outstanding shares of the Series A Preferred Stock, voting separately as a single class, is required to authorize, create, issue or increase the authorized number of shares of any class or series of equity securities having rights senior to the Series A Preferred Stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up, or amend, alter or repeal any provision of the Charter, including the articles supplementary establishing the Series A Preferred Stock, whether by merger, consolidation or otherwise, in any manner that would materially and adversely affect the rights, preferences, privileges or voting power of the Series A Preferred Stock, unless in connection with any such amendment, alteration or repeal, the Series A Preferred Stock remains outstanding without the terms thereof being materially and adversely affected (taking into account that the Company may not be the surviving entity) or the holders of Series A Preferred Stock receive equity securities with the rights, preferences, privileges and voting powers substantially the same as those of the Series A Preferred Stock.

The Series A Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption, and, except as described below under “Conversion Rights,” is not convertible into any of our other securities. We could not redeem the Series A Preferred Stock prior to January 27, 2020, except as described below under “Special Optional Redemption” or, pursuant to the ownership limit contained in our Charter, under circumstances intended to, among other purposes, preserve our status as a REIT for federal and/or state income tax purposes. On and after January 27, 2020, we have the right, at our option, to redeem the outstanding Series A Preferred Stock, in whole or in part, at any time for a cash redemption price of $2,500.00 per share ($25.00 per depositary share) plus accrued and unpaid dividends to, but not including, the date fixed for redemption, without interest.

<u>Special Optional Redemption</u>

Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series A Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, by paying $2,500.00 per share (equivalent to $25.00 per depositary share), plus any accrued and unpaid dividends to, but not including, the date of redemption. If, prior to the Change of Control Conversion Date (as defined below), we have provided or provide notice of redemption with respect to the Series A Preferred Stock (whether pursuant to our optional redemption right described above or this special optional redemption right), the holders of depositary shares representing interests in the Series A Preferred Stock will not be permitted to exercise the conversion right described below under “Conversion Rights” in respect of their shares called for redemption.

We will mail to each preferred stockholder, if such stockholder is a record holder of the Series A Preferred Stock, a notice of redemption no fewer than 30 days nor more than 60 days before the redemption date. We will send the notice to the address shown on our share transfer books. A failure to give notice of redemption or any defect in the notice or in its mailing will not affect the validity of the redemption of any Series A Preferred Stock except as to the holder to whom notice was defective. In addition to any information required by law or by the applicable rules of any exchange upon which the Series A Preferred Stock may be listed or admitted to trading, each notice will state the following:

- the redemption date;
- the redemption price;
- the conditions of redemption;
- the number of shares of Series A Preferred Stock and depositary shares to be redeemed;
- the place(s) where the depositary receipts (or Series A Preferred Stock certificates, if no longer held in depositary form) are to be surrendered for payment;
- the procedure for surrendering non-certificated shares of Series A Preferred Stock for payment of the redemption price;

- that the Series A Preferred Stock is being redeemed pursuant to our special optional redemption right in connection with the occurrence of a Change of Control and a brief description of the transaction or transactions constituting such Change of Control;
- that the holders of depositary shares representing interests in the Series A Preferred Stock to which the notice relates will not be able to tender such shares of Series A Preferred Stock for conversion in connection with the Change of Control and each share of Series A Preferred Stock tendered for conversion that is selected, prior to the Change of Control Conversion Date, for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date; and
- that dividends on the depositary shares and the Series A Preferred Stock to be redeemed will cease to accrue on the redemption date.

Notwithstanding the foregoing, if the Series A Preferred Stock are held in global form, such notice shall comply with the applicable procedures of The Depository Trust Company ("DTC").

If fewer than all of the outstanding shares of Series A Preferred Stock are to be redeemed, the shares to be redeemed will be determined pro rata or by lot. In the event that the redemption is to be by lot, and if as a result of the redemption any holder of Series A Preferred Stock would own, or be deemed by virtue of certain attribution provisions of the Code to own, in excess of 9.8% in value of our issued and outstanding shares of stock (which includes the depositary shares and the Series A Preferred Stock), then, except in certain instances, we will redeem the requisite number of shares of Series A Preferred Stock of that stockholder such that the stockholder will not own or be deemed by virtue of certain attribution provisions of the Code to own, subsequent to the redemption, in excess of 9.8% in value of our issued and outstanding shares of stock (which includes the depositary shares and the Series A Preferred Stock).

If we redeem fewer than all of the shares of Series A Preferred Stock, the notice of redemption mailed to each stockholder will also specify the number of shares of Series A Preferred Stock that we will redeem from each stockholder. In this case, we will determine the number of shares of Series A Preferred Stock to be redeemed on a pro rata basis or by lot.

If we have given a notice of redemption, have set aside sufficient funds for the redemption in trust for the benefit of the holders of depositary shares representing interests in the Series A Preferred Stock called for redemption and given irrevocable instructions to pay the redemption price and all accrued and unpaid dividends, then from and after the redemption date, those shares of Series A Preferred Stock will be treated as no longer being outstanding, no further dividends will accrue and all other rights of the holders of those shares of Series A Preferred Stock will terminate. The holders of those shares of Series A Preferred Stock will retain their right to receive the redemption price for their shares and any accrued and unpaid dividends to but excluding the redemption date.

The holders of depositary shares representing interests in the Series A Preferred Stock at the close of business on a dividend record date will be entitled to receive the dividend payable with respect to the Series A Preferred Stock on the corresponding payment date notwithstanding the redemption of the Series A Preferred Stock between such record date and the corresponding payment date or our default in the payment of the dividend due. Except as provided above, we will make no payment or allowance for unpaid dividends, whether or not in arrears, on Series A Preferred Stock to be redeemed.

A "Change of Control" for purposes of this special optional redemption right or the conversion rights described below for our Series A Preferred Stock is when the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of our company entitling that person to exercise more than 50% of the total voting power of all shares of our company entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE MKT (the “NYSE MKT”) or the NASDAQ Stock Market, Inc. (“NASDAQ”), or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE MKT or NASDAQ.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of depositary shares representing interests in the Series A Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the depositary shares or the Series A Preferred Stock) to direct the depositary, on such holder’s behalf, to convert some or all of the shares of Series A Preferred Stock underlying the depositary shares held by such holder (the “Change of Control Conversion Right”) on the Change of Control Conversion Date into a number of shares of our Common Stock (or equivalent value of alternative consideration) per share of Series A Preferred Stock, or the Common Stock Conversion Consideration, equal to the lesser of:

- the quotient obtained by dividing (1) the sum of the $2,500.00 per share (or $25.00 per depositary share) liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series A Preferred Stock dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and then remaining unpaid dividend will be included in this sum) by (2) the Common Stock Price (such quotient, the Conversion Rate); and
- 152.586 (equivalent to 1.52586 per depositary share) (i.e., the Share Cap), as adjusted to reflect a 1-for-5 share reverse split of our Common Stock effective December 1, 2015 and subject to certain further adjustments.

The Share Cap is subject to additional pro rata adjustments for any future share splits (including those effected pursuant to a distribution of shares of our Common Stock), subdivisions or combinations (in each case, a “Share Split”) with respect to our Common Stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of our Common Stock that is equivalent to the product obtained by multiplying (1) the Share Cap in effect immediately prior to such Share Split by (2) a fraction, the numerator of which is the number of shares of our Common Stock outstanding after giving effect to such Share Split and the denominator of which is the number of shares of our Common Stock outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of our Common Stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable in connection with the exercise of the Change of Control Conversion Right and in respect of the Series A Preferred Stock underlying the depositary shares will not exceed 7,934,472 shares of Common Stock, as adjusted to reflect the December 1, 2015 reverse stock split (or equivalent Alternative Conversion Consideration, as applicable) (the “Exchange Cap”). The Exchange Cap is subject to additional pro rata adjustments for any future Share Splits on the same basis as the corresponding adjustment to the Share Cap and is subject to increase in the event that additional shares of Series A Preferred Stock or depositary shares are issued in the future.

In the case of a Change of Control pursuant to which our Common Stock will be converted into cash, securities or other property or assets (including any combination thereof) (the “Alternative Conversion Consideration”), a holder of depositary shares representing interests in the Series A Preferred Stock will receive upon conversion of such Series A Preferred Stock the kind and amount of Alternative Conversion Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of our Common Stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the “Alternative Conversion Consideration,” and the Common Stock Conversion Consideration or the

Alternative Conversion Consideration, as may be applicable to a Change of Control, is referred to as the “Conversion Consideration”).

If the holders of our Common Stock have the opportunity to elect the form of consideration to be received in the Change of Control, the consideration that the holders of the depositary shares representing interests in the Series A Preferred Stock will receive will be the form and proportion of the aggregate consideration elected by the holders of our Common Stock who participate in the determination (based on the weighted average of elections) and will be subject to any limitations to which all holders of our Common Stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in the Change of Control.

We will not issue fractional shares of Common Stock upon the conversion of the Series A Preferred Stock. Instead, we will pay the cash value of such fractional shares in lieu of such fractional shares. Because each depositary share represents a 1/100th interest in a share of the Series A Preferred Stock, the number of shares of Common Stock ultimately received for each depositary share will be equal to the number of shares of Common Stock received upon conversion of each share of Series A Preferred Stock divided by 100. In the event that the conversion would result in the issuance of fractional shares of Common Stock, we will pay the holder of depositary shares the cash value of such fractional shares in lieu of such fractional shares.

Within 15 days following the occurrence of a Change of Control, we will provide to holders of the depositary shares representing interests in the Series A Preferred Stock, unless we have provided notice of our intention to redeem all of the shares of the Series A Preferred Stock in accordance with their terms, a notice of occurrence of the Change of Control that describes the resulting Change of Control conversion right and provides additional prescribed information concerning the exercise of their Change of Control conversion right.

To exercise the Change of Control Conversion Right, each holder of depositary shares representing interests in the Series A Preferred Stock will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the depositary receipts or certificates, if any, evidencing the depositary shares or Series A Preferred Stock, respectively, to be converted, duly endorsed for transfer, together with a written conversion notice completed, to the depositary, in the case of the depositary shares, or to our transfer agent, in the case of shares of the Series A Preferred Stock. The conversion notice must state:

- the relevant Change of Control Conversion Date;
- the number of depositary shares or shares of Series A Preferred Stock to be converted; and
- that the depositary shares or the shares of Series A Preferred Stock are to be converted pursuant to the applicable provisions of the Series A Preferred Stock.

The “Change of Control Conversion Date” is the date the Series A Preferred Stock is to be converted, which will be a business day that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of the depositary shares representing interests in the Series A Preferred Stock.

The “Common Stock Price” will be: (i) if the consideration to be received in the Change of Control by the holders of our Common Stock is solely cash, the amount of cash consideration per share of our Common Stock or (ii) if the consideration to be received in the Change of Control by holders of our Common Stock is other than solely cash (x) the average of the closing sale prices per share of our Common Stock on the principal U.S. securities exchange on which our Common Stock is then traded (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid prices and the average closing ask prices) for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control as reported on the principal U.S. securities exchange on which our Common Stock is then traded, or (y) the average of the last quoted bid prices for our Common Stock in the over-the-counter market as reported by Pink Sheets LLC or similar organization for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if our Common Stock is not then listed for trading on a U.S. securities exchange.

Holders of the depositary shares representing interests in the Series A Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to the depositary, in the case of the depositary shares, or to our transfer agent, in the case of shares of the Series A Preferred Stock, prior to the close of business on the business day prior to the Change of Control Conversion Date. The notice of withdrawal must state:

- the number of withdrawn depositary shares or shares of Series A Preferred Stock;
- if certificated depositary shares or shares of Series A Preferred Stock have been issued, the receipt or certificate numbers of the withdrawn shares of Series A Preferred Stock; and
- the number of depositary shares or shares of Series A Preferred Stock, if any, which remain subject to the conversion notice.

Notwithstanding the foregoing, if the Series A Preferred Stock is held in global form, the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures of DTC.

Shares of Series A Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date we have provided or provide notice of our election to redeem such shares of Series A Preferred Stock, whether pursuant to our optional redemption right or our special optional redemption right. If we elect to redeem shares of Series A Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Series A Preferred Stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date $2,500.00 per share (or $25.00 per depositary share), plus any accrued and unpaid dividends thereon to, but not including, the redemption date.

We will deliver amounts owing upon conversion no later than the third business day following the Change of Control Conversion Date.

In connection with the exercise of any Change of Control Conversion Right, we will comply with all federal and state securities laws and stock exchange rules in connection with any conversion of Series A Preferred Stock into our Common Stock. Notwithstanding any other provision of the Series A Preferred Stock, no holder of Series A Preferred Stock or depositary shares will be entitled to convert such shares for our Common Stock to the extent that receipt of such Common Stock would cause such holder (or any other person) to exceed the share ownership limits contained in our Charter and the articles supplementary setting forth the terms of the Series A Preferred Stock, unless we provide an exemption from this limitation for such holder. See “-Restrictions on Ownership and Transfer,” below.

Except as otherwise provided above, neither the Series A Preferred Stock nor the depositary shares is convertible into or exchangeable for any other securities or property.

The foregoing description of the Series A Preferred Stock is a summary and, as such, does not purport to be complete and is qualified in its entirety by reference to the full text of the articles supplementary classifying and designating the Series A Preferred Stock, which is attached as Exhibit 3.3 to the Form 8-A filed with the SEC on January 26, 2015.

CERTAIN PROVISIONS OF OUR CHARTER AND BYLAWS AND THE MARYLAND GENERAL CORPORATION LAW

The following description of certain provisions of our Charter and Bylaws and Maryland law is only a summary. For a complete description, please refer to our Charter and Bylaws, copies of which are filed with the SEC as Exhibits to the Company’s periodic reports, and to the MGCL.

Certain of the provisions of our Charter and Bylaws, and of the MGCL, that are summarized below could delay, defer or prevent other entities or persons from acquiring control of us, causing us to *engage in certain transactions or modifying our structure, including certain restrictions on ownership and transfer that apply to our capital stock to assist in preserving our status as a REIT. These provisions may be regarded as “anti-takeover” provisions. Such provisions could limit the ability of stockholders to sell their shares at a premium over the then-current market prices by discouraging a third party from seeking to obtain control of us.*

Number and Classification of our Board of Directors; Election of Directors

Our Charter and Bylaws provide that the number of directors may be established only by our Board of Directors pursuant to the Bylaws, but may not be less than the minimum required by the MGCL, which is one. Our Bylaws provide that the number of directors may not be greater than nine. Pursuant to our Charter, our Board of Directors is divided into three classes: Class I, Class II and Class III. The term of each class of directors expires in a different successive year. Upon the expiration of their term, directors of each class are elected to serve until the third annual meeting following their election and until their successors are duly elected and qualify. Each year, only one class of directors is elected by the stockholders. The classification of our Board of Directors should help to assure the continuity and stability of our strategies and policies as determined by our Board of Directors.

Our classified board provision could have the effect of making the replacement of incumbent directors more time-consuming and difficult. At least two annual meetings of our stockholders, instead of one, will generally be required to effect a change in a majority of our Board of Directors. Thus, the classification of our Board of Directors may delay, defer or prevent a change in control of the Board of Directors, even though a change in control might be in the best interests of our stockholders.

Subtitle 8 Provisions; Vacancies on Board of Directors; Removal of Directors

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any of:

- a classified board,
- a two-thirds vote requirement for removing a director,
- a requirement that the number of directors be fixed only by vote of the directors,
- a requirement that a vacancy on the board be filled only by the remaining directors and for the remainder of the full term of the class of directors in which the vacancy occurred, and
- a majority requirement for the calling of a special meeting of stockholders.

Our Charter provides that we have elected to be subject to the provision of Subtitle 8 regarding the filling of vacancies on the Board of Directors. Accordingly, except as may be provided by the Board of Directors in setting the terms of any class or series of preferred stock, any and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies. Through provisions in our Charter and Bylaws unrelated to Subtitle 8, we already have a Board of Directors that is divided into three classes and vest in the Board the exclusive power to fix the number of directorships as described above, and require, unless called by the Chairman of our Board of Directors, our President or Chief Executive Officer or our Board of Directors, the written request of stockholders entitled to cast not less than a majority of all votes entitled to be cast at such meeting to call a special meeting.

Our Charter also provides that, subject to the rights of holders of one or more classes or series of our preferred stock, a director may be removed only for cause and only by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of our directors. This provision, when coupled with the provisions in our Charter and Bylaws regarding the filling of vacancies on the Board of Directors, precludes our stockholders from removing incumbent directors, except for cause and by a substantial affirmative vote, and filling the vacancies created by the removal with nominees of our stockholders.

Approval of Extraordinary Corporate Action; Amendment of Charter and Bylaws

A Maryland corporation generally cannot dissolve, amend its charter, merge, convert, sell all or substantially all of its assets, engage in a statutory share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our Charter generally provides for approval of Charter amendments requiring stockholder approval and extraordinary transactions, once they have been declared advisable by the Board of Directors, by the stockholders entitled to cast at least a majority of the votes entitled to be cast on the matter, except for certain amendments related to the removal of directors and the vote required to amend that provision (which must be declared advisable by the Board of Directors and approved by the affirmative vote of stockholders entitled to cast not less than two-thirds of all votes entitled to be cast on the matter).

Our Charter and Bylaws provide that the Board of Directors will have the exclusive power to make, alter, amend or repeal any provision of our Bylaws.

Advance Notice of Director Nominations and New Business

Our Bylaws provide that with respect to an annual meeting of our stockholders, nominations of persons for election to our Board of Directors and the proposal of business to be considered by our stockholders may be made only:

- pursuant to our notice of the meeting;
- by or at the direction of our Board of Directors; or
- by one or more stockholders of the Company who (A) have each continuously owned shares of stock of the Company entitled to vote in the election of directors or on a proposal of other business, for at least three years as of the date of the giving of the notice required by the Bylaws, the record date for determining the stockholders entitled to vote at the meeting and the time of the annual meeting (including any adjournment or postponement thereof), with the aggregate shares owned by such stockholder(s) as of each of such dates and during such three year period representing at least one percent of the Company’s shares of stock, (B) holds, or hold, a certificate or certificates representing the aggregate number of shares of stock required by the advance notice provisions of the Bylaws, as of the time of giving the notice required by the Bylaws, the record date for determining the stockholders entitled to vote at the meeting and the time of the annual meeting (including any adjournment or postponement thereof), (C) is, or are, entitled to make such nomination or propose such other business and to vote at the meeting on such election or proposal of other business and (D) complies, or comply, with the advance notice procedures of the Bylaws.

With respect to special meetings of our stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of persons for election to our Board of Directors at a special meeting may be made only:

- pursuant to our notice of the meeting;
- by or at the direction of our Board of Directors; or
- provided that our Board of Directors has determined that directors will be elected at the meeting, by a stockholder who was a stockholder of record both at the time of giving notice and at the time of the meeting, who is entitled to vote at the meeting and who has complied with the advance notice provisions of our Bylaws.

Preemptive and Appraisal Rights

Our Charter provides that, except as may be provided otherwise by the Board of Directors in setting the terms of any classified or reclassified series of our stock as described above under “Description of Securities–General”, or as may otherwise be provided by contract, no holder of shares of our stock shall have any preemptive right to purchase or subscribe for any additional shares of our stock or any other security that we may issue. Our Charter also provides that no holder of our stock will be entitled to exercise the rights of an objecting stockholder under Title 3, Subtitle 2 of the MGCL, or any successor statute, unless the Board of Directors determines by majority vote that such rights shall apply, with respect to all or any portion of any class or series of stock, with regard to a particular transaction or all transactions occurring after the date of such determination. To date, our Board of Directors has made no such determination.

Limitation of Liability of Directors and Officers; Indemnification and Advance of Expenses

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (i) actual receipt of an improper benefit or profit in money, property or services or (ii) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our Charter contains such a provision, which eliminates directors' and officers' liability to the maximum extent permitted by Maryland law.

Our Charter authorizes us, and our Bylaws obligate us, to the maximum extent permitted by Maryland law, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to:

- any present or former director or officer, or
- any individual who, while a director or officer and at our request, serves or has served as a director, officer, partner or trustee of another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise,

who, in either case, is made, or threatened to be made, a party to the proceeding by reason of his or her service in any such capacity from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity. Our Charter and Bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and any employee or agent of our Company or a predecessor of our Company.

The MGCL requires a corporation (unless its charter provides otherwise, which our Charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. The MGCL permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding and
  1. was committed in bad faith or
  2. was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received, unless in either case a court orders indemnification, and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (i) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (ii) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

Both our Charter and our Bylaws provide that neither the amendment nor repeal of any of the provisions concerning indemnification and advancement of expenses described above, nor the adoption or amendment of any other provision of the Charter or Bylaws inconsistent with such provisions, shall apply to or affect the applicability of any of such provisions to any act or failure to act which occurred prior to such amendment, repeal or adoption. These provisions do not limit or eliminate our rights or the rights of any of our stockholders to seek nonmonetary relief such as an injunction or rescission in the event any of our directors or officers breaches his or her duties.

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we have been informed that in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Control Share Acquisitions

The Maryland Control Share Acquisition Act (the “Control Share Act”), provides that a holder of “control shares” of a Maryland corporation acquired in a “control share acquisition” has no voting rights with respect to those shares except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by a person who makes a proposal to make a control share acquisition (the “acquiring person”), by officers and by directors who are employees of the corporation are excluded from shares entitled to vote on the matter. “Control shares” are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiring person or in respect of which the acquiring person is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiring person to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

The requisite stockholder approval must be obtained each time an acquiring person crosses one of the thresholds of voting power set forth above. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A “control share acquisition” means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the Board of Directors of the corporation to call a special meeting of stockholders, which generally must be held within 50 days of demand, to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right to redeem control shares is subject to certain conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiring person or of any meeting of stockholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiring person becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiring person in the control share acquisition.

The Control Share Act does not apply (i) to shares acquired in a merger, consolidation or share exchange if we are a party to the transaction or (ii) to acquisitions approved or exempted by our Charter or Bylaws.

Our Bylaws contain a provision exempting from the Control Share Act any and all acquisitions by any person of our shares of stock. We cannot provide you any assurance that our Board of Directors will not amend or eliminate this provision at any time in the future.

Business Combinations

The Maryland Business Combination Act (the "Business Combination Act"), provides that certain "business combinations" between a Maryland corporation and an "interested stockholder" or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These covered "business combinations" include a merger, consolidation, statutory share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An "interested stockholder" is defined as:

- any person who beneficially owns 10% or more of the voting power of the corporation's shares; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an "interested stockholder" under this statute if our Board of Directors approved in advance the transaction by which such stockholder otherwise would have become an interested stockholder. However, in approving a transaction, the Board of Directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the Board.

After the five-year prohibition, any business combination between a covered Maryland corporation and an interested stockholder generally must be recommended by the Board of Directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom, or with whose affiliate, the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under the Business Combination Act, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the Board of Directors before the time that the interested stockholder becomes an interested stockholder. Our Board of Directors has adopted a resolution exempting any business combination between us and any other person from the provisions of the Business Combination Act, provided that the business combination is first approved by our Board of Directors. This resolution, however, may be altered or repealed in whole or in part at any time. If this resolution is repealed, or our Board of Directors does not otherwise approve a business combination, the Business Combination Act may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Exclusive Forum

Our Bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland, or, if that court does not have jurisdiction, the U.S. District Court for the District of Maryland, Baltimore Division, will be the sole and exclusive forum for (a) any derivative action or proceeding brought on our behalf, (b) any action asserting a claim of breach of any duty owed by any of our directors, officers or other employees to us or to our stockholders, (c) any action asserting a claim against us or any of our directors, officers or other employees arising pursuant to any provision of the MGCL or our Charter or Bylaws or (d) any action asserting a claim against us or any of our directors, officers or other employees that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our stock will be deemed to have notice of and consented to the provisions of our Charter and Bylaws, including the exclusive forum provisions in our bylaws. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that the stockholder believes is favorable for such disputes and may discourage lawsuits against us and any of our directors, officers or other employees. We believe that requiring these claims to be filed in a single court in Maryland is advisable because (i) litigating these claims in a single court avoids unnecessarily redundant, inconvenient, costly and time-consuming litigation in multiple forums and (ii) Maryland courts are authoritative on matters of Maryland law and Maryland judges have more experience in dealing with issues of Maryland corporate law than judges in any other state.

Restrictions on Ownership and Transfer

In order for us to qualify as a REIT under the Code, not more than 50% in value of our outstanding shares may be owned, directly or indirectly, by five or fewer individuals (defined in the Code to include certain entities) during the last half of a taxable year and shares must be beneficially owned by 100 or more persons at least 335 days of a taxable year of twelve months (or during a proportionate part of a shorter taxable year). In addition, certain percentages of our gross income must be from particular activities.

In order to assist our Board of Directors in preserving our status as a REIT by complying with the ownership concentration limits described above, among other purposes, our Charter generally prohibits any person (subject to certain exceptions described below) from actually or constructively owning more than:

- 9.8% of our common stock by value or by number of shares, whichever is more restrictive (the "Common Stock Ownership Limit"); or
- 9.8% of our outstanding capital stock (which includes our common stock and preferred stock) by value (the "Aggregate Stock Ownership Limit").

Our Charter also prohibits any person from:

- beneficially or constructively owning shares of our capital stock that would result in our being "closely held" under Section 856(h) of the Code or otherwise failing to qualify as a REIT; and
- making any transfer of shares of our capital stock that, if effective, would result in our being beneficially owned by fewer than 100 persons (as determined under Section 856(a)(5) of the Code).

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of our capital stock that will or may violate any of the foregoing restrictions on transferability and ownership is required to give notice immediately to us (or, in the case of a proposed or attempted transaction, to provide us with at least 15 days prior written notice) and, in either case, to provide us with such other information as we may request in order to determine the effect of such transfers or ownership on our status as a REIT.

Our Board of Directors, in its sole discretion, may exempt, prospectively or retroactively, a particular stockholder from the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit or establish a different limit on ownership (an "Excepted Holder Limit") if our Board of Directors determines that:

- no person's beneficial or constructive ownership of Company stock will result in the Company being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise failing to qualify as a real estate investment trust under the Code; and
- such stockholder does not and will not own, actually or constructively, an interest in a tenant of the Company (or a tenant of any entity owned or controlled by the Company) that would cause the Company to own, actually or constructively, more than a 9.9% interest (as set forth in Section

856(d)(2)(B) of the Code) in such tenant (or the Board determines that revenue derived from such tenant will not affect the Company's ability to qualify as a real estate investment trust under the Code).

Any violation or attempted violation of any such representations or undertakings will result in such stockholder's shares of Company stock being automatically transferred to a charitable trust. As a condition of granting the waiver or establishing an Excepted Holder Limit, our Board of Directors may require an opinion of counsel or a ruling from the Internal Revenue Service, in either case in form and substance satisfactory to our Board, in its sole discretion, in order to determine or ensure the Company's status as a real estate investment trust under the Code and such representations and undertakings from the person requesting the exception as our Board of Directors may require in its sole discretion to make the determinations above. Our Board of Directors may impose such conditions or restrictions as it deems appropriate in connection with granting such a waiver or establishing an Excepted Holder Limit. In connection with a waiver of the Common Stock Ownership Limit or the Aggregate Stock Ownership Limit or at any other time, our Board of Directors may increase or decrease the Common Stock Ownership Limit or the Aggregate Stock Ownership Limit, except that a decreased ownership limit will not be effective for any person whose ownership of our stock exceeds the decreased ownership limit at the time of the decrease until the person's ownership of our stock equals or falls below the decreased ownership limit, although any further acquisition of our stock will violate the decreased ownership limit. Our Board of Directors may not increase or decrease the Common Stock Ownership Limit or the Aggregate Stock Ownership Limit if the new ownership limit would allow five or fewer persons to actually or beneficially own more than 49.9% in value of our outstanding stock or could cause us to be “closely held” under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise cause us to fail to qualify as a REIT.

In the event of any attempted transfer of our shares of capital stock which, if effective, would result in any person beneficially or constructively owning shares in excess, or in violation, of the transfer or ownership limitations described above (including any applicable Excepted Holder Limit), then that number of shares of capital stock, the beneficial or constructive ownership of which otherwise would cause such person (referred to in our Charter as a “Prohibited Owner”) to violate the transfer or ownership limitations (rounded up to the nearest whole share), will be automatically transferred to a charitable trust for the exclusive benefit of a charitable beneficiary, and the Prohibited Owner will not acquire any rights in such shares. This automatic transfer will be considered effective as of the close of business on the business day before the violative transfer, subject to the following:

- if a transfer to a charitable trust, as described above, would be ineffective for any reason to prevent a violation of the restrictions described above, the transfer that would have resulted in such violation will be void ab initio, and the proposed transferee shall acquire no rights in such shares; and
- any transfer that results in the violation of the restriction relating to our shares of capital stock being beneficially owned by fewer than 100 persons will be void ab initio, and the intended transferee shall acquire no rights in such shares.

Shares held in the charitable trust will continue to constitute issued and outstanding shares of our capital stock. The Prohibited Owner will not benefit economically from ownership of any shares held in the charitable trust, will have no rights to dividends or other distributions and will not possess any rights to vote or other rights attributable to the shares of capital stock held in the charitable trust. The trustee of the charitable trust will be appointed by us and must be unaffiliated with us or any Prohibited Owner and will have all voting rights and rights to dividends or other distributions with respect to shares of capital stock held in the charitable trust, and these rights will be exercised for the exclusive benefit of the trust's charitable beneficiary. Any dividend or other distribution paid before our discovery that shares of capital stock have been transferred to the trustee are required by our Charter to be paid by the recipient of such dividend or distribution to the trustee upon demand, and any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or distribution so paid to the trustee is required to be held in trust for the trust's charitable beneficiary. Subject to Maryland law, effective as of the date that such shares of stock have been transferred to the trustee, the trustee, in its sole discretion, will have the authority, subject to the Company not having already taken irreversible corporate action on the basis of any such vote, to:

- rescind as void any vote cast by a Prohibited Owner prior to our discovery that such shares have been transferred to the trustee; and
- recast such vote in accordance with the desires of the trustee acting for the benefit of the trust's beneficiary.

Within 20 days of receiving notice from us that shares of capital stock have been transferred to the charitable trust, and unless we buy the shares first as described below, the trustee will sell the shares held in the charitable trust to a person, designated by the trustee, whose ownership of the shares will not violate the ownership limitations in our Charter. Upon the sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the Prohibited Owner and to the charitable beneficiary. The Prohibited Owner will receive the lesser of:

- the price paid by the Prohibited Owner for the shares or, if the Prohibited Owner did not give value for the shares in connection with the event causing the shares to be held in the charitable trust (for example, in the case of a gift or devise), the market price of the shares on the day of the event causing the shares to be held in the charitable trust; and
- the price per share received by the trustee from the sale or other disposition of the shares held in the charitable trust (less any commission and other expenses of a sale).

The trustee may reduce the amount payable to the Prohibited Owner by the amount of dividends and distributions paid to the Prohibited Owner and owed by the Prohibited Owner to the trustee. Any net sale proceeds in excess of the amount payable to the Prohibited Owner will be paid immediately to the charitable beneficiary. If, before our discovery that shares of stock have been transferred to the charitable trust, such shares are sold by a Prohibited Owner, then:

- such shares will be deemed to have been sold on behalf of the charitable trust; and
- to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that the Prohibited Owner was entitled to receive as described above, the excess must be paid to the trustee upon demand.

In addition, shares of stock held in the charitable trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of:

- the price per share in the transaction that resulted in such transfer to the charitable trust (or, in the case of a gift or devise, the market price at the time of the gift or devise); and
- the market price on the date we, or our designee, accept such offer.

We may reduce the amount payable to the Prohibited Owner by the amount of dividends and distributions paid to the Prohibited Owner and owed by the Prohibited Owner to the trustee. We may pay the amount of such reduction to the trustee for the benefit of the charitable beneficiary. We will have the right to accept such deemed offer until the trustee has sold the shares of capital stock held in the charitable trust. Upon such a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the Prohibited Owner and any dividends or other distributions held by the trustee will be paid to the charitable beneficiary.

All certificated shares of our capital stock will bear a legend referring to the restrictions described above.

Every owner of 5% or more (or such lower percentage as required by the Code or the regulations promulgated thereunder) of all classes or series of our capital stock, within 30 days after the end of each taxable year, is required to give us written notice, stating such person's name and address, the number of shares of each class and series of our capital stock beneficially owned by such owner and a description of the manner in which the shares are held. Each such owner must also provide us with such additional information as we may request in order to determine the effect, if any, of such beneficial ownership on our status as a REIT and to ensure compliance with the restrictions on ownership and transfer of our shares. In addition, each stockholder will upon demand be required to provide us with such information as we may request, in good faith, in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

Our Charter generally provides that an underwriter which participates in a public offering or private placement of shares of our capital stock (or securities convertible into or exchangeable for capital stock) may beneficially or constructively own shares in excess of the Aggregate Stock Ownership Limit and/or the Common Stock Ownership Limit described above, but only to the extent necessary to facilitate such public offering or private placement.

These ownership limitations could delay, defer or prevent a transaction or a change in control of us that might involve a premium price for holders of our common stock, or might otherwise be in the best interest of our stockholders. The foregoing restrictions on transferability and ownership will not apply if our Board of Directors determines that it is no longer on our best interest to attempt to qualify, or continue to qualify, as a REIT, or that compliance with such restrictions is no longer necessary in order for us to qualify as a REIT.

REIT Qualification

Our Charter provides that, while our Board of Directors shall use its reasonable best efforts to take such actions as are necessary or appropriate to preserve our status as a REIT, our Board also may revoke or otherwise terminate our REIT election, without approval of our stockholders, if it determines that it is no longer in our best interests to continue to qualify as a REIT.

Exhibit 21.1

Subsidiaries of CorEnergy Infrastructure Trust, Inc.
As of December 31, 2021

Subsidiary	State of Incorporation or Formation
Cardinal Pipeline, L.P.	California
CorEnergy BBWS, Inc.	Delaware
CorEnergy Pipeline Company, LLC	Delaware
Corridor Bison, LLC	Delaware
Corridor InfraTrust Management, Inc.	Delaware
Corridor Leeds Path West, Inc.	Delaware
Corridor MoGas, Inc.	Delaware
Corridor Private Holdings, Inc.	Delaware
Corridor Public Holdings, Inc.	Delaware
Crimson California Pipeline, L.P.	Delaware
Crimson Midstream Holdings. LLC	Delaware
Crimson Midstream I Corporation	Delaware
Crimson Midstream Operating, LLC	Delaware
Crimson Midstream Services, LLC	Delaware
Crimson Pipeline, LLC	California
Four Wood Corridor, LLC	Delaware
Grand Isle Corridor, LP	Delaware
Grand Isle GP, Inc.	Delaware
Grand Isle LP, Inc.	Delaware
LCP Oregon Holdings, LLC	Delaware
MoGas Debt Holdco LLC	Delaware
MoGas Pipeline LLC	Delaware
Mowood, LLC	Delaware
Omega Gas Marketing, LLC	Delaware
Omega Pipeline Company, LLC	Delaware
Pinedale Corridor, LP	Delaware
Pinedale GP, Inc.	Delaware
Pinedale LP I, LLC	Delaware
San Pablo Bay Pipeline Company, LLC	Delaware
United Property Systems, LLC	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-260733) of CorEnergy Infrastructure Trust, Inc.,

(2) Registration Statement (Form S-8 No. 333-259319) of CorEnergy Infrastructure Trust, Inc.,
(3) Registration Statement (Form S-8 No. 333-198799) pertaining to the CorEnergy Infrastructure Trust, Inc. Director Compensation Plan, and
(4) Registration Statement (Form S-3 No. 333-228065) pertaining to the CorEnergy Infrastructure Trust, Inc. Dividend Reinvestment Plan.

of our reports dated March 14, 2022, with respect to the consolidated financial statements of CorEnergy Infrastructure Trust, Inc. and the effectiveness of internal control over financial reporting of CorEnergy Infrastructure Trust, Inc. included in this Annual Report (Form 10-K) of CorEnergy Infrastructure Trust, Inc. for the year ended December 31, 2021.

/s/ Ernst & Young LLP
Kansas City, Missouri
March 14, 2022

Exhibit 31.1

CERTIFICATIONS

I, David J. Schulte, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: March 14, 2022

/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 Annual Report on Form 10-K 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: March 14, 2022

/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 Annual Report on Form 10-K for the period ended December 31, 2021, 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: March 14, 2022

/s/ Robert L Waldron

Robert L Waldron
Chief Financial Officer (Principal Financial Officer)
Date: March 14, 2022

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.**