



January 13, 2014

Dave Kubeczko
State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln St., Suite 801
Denver, CO 80203

Re: Kinder Morgan Response to Earl Wenger and Cindy Tout Comment Letter to the Form 2A Application for Kinder Morgan's Doe Canyon Central Facility

Per your request, this letter provides Kinder Morgan CO₂ Company, L.P.'s (Kinder Morgan's) initial response to the above mentioned comment letter. We have worked to address each alleged issue in the letter. Below, Kinder Morgan has restated the allegation in the letter followed by our response.

We would like to raise the following issues:

1. On the Facilities List on page 2 of 8 there is no mention of the depleted argon extraction equipment.

Kinder Morgan Response: The argon extraction equipment is not owned or operated by Kinder Morgan and therefore should not be listed on Form 2A. However, if determined necessary by the COGCC, Kinder Morgan can add a line item for this equipment as a revision to the Form 2A.

2. This Facilities list also indicates that there is a not a Vapor Recovery Unit at the Doe Canyon plant. If that is the case it is a direct violation of the Land Development Agreement which Kinder Morgan entered into with Dolores County. The emanation of unpleasant odors from the plant has been an ongoing problem. We have filed complaints with the Colorado Oil and Gas Conservation Commission, notified the Dolores County Sheriff's Department when the odors have been overwhelming and discussed the issue exhaustively with the Dolores County Commissioners. We continue to suffer from these odor issues, and are very disheartened that the promised 'state of the art' vapor recovery unit has either not been installed, or is not working to remove the odors. We have repeatedly expressed our concerns regarding negative health effects we have experienced over the past several years as a result of living with these emissions. The effects include headaches, sore throats and other respiratory ailments.

Kinder Morgan Response: Pursuant to the Dolores County Land Development Agreement for the expansion of the Doe Canyon Compressor Station (approved in July 2012), two vapor recovery units (VRU), one for higher process pressure and one to collect tank vapors,

have been installed. The high pressure VRU, which collects the vast majority of the vapors, has been in service since May 2013, 6 months ahead of schedule. The low pressure VRU was initially placed in service in October 2013, one month ahead of schedule; however, mechanical issues have inhibited continuous operation until repairs are completed. During this downtime period, the existing vapor scrubber is in service to handle the small quantity of vapor venting from the atmospheric tanks. Kinder Morgan will add a line item for this equipment as a revision to the Form 2A.

3. Under Plant Community on page 4 of 8 it is stated that there are no noxious weeds on the site. This seems highly unlikely since a variety of noxious weeds are endemic in this area.

Kinder Morgan Response: The COGCC requires Kinder Morgan to control all State listed noxious weeds at its facilities. Noxious weeds at the Doe Canyon Compressor station are controlled by Kinder Morgan's contractor Premier Weed Management & Consulting, LLC out of Mancos, Colorado.

4. Regarding Best Management Practices, item 3. The lighting at the plant continues to be an ongoing problem. Despite assurances that all lighting will be downcast, and only used at night on an emergency basis, the lights at the plant are not downcast, and are routinely left on all night, generating a significant amount of light pollution.

Kinder Morgan Response: Non-downcast light fixtures are in the process of being replaced with downcast fixtures. In normal operating conditions, lights will only be on at night during emergency situations when operators are called out to address a process upset, which is a very uncommon situation. During construction activities, non-daylight operations have been required and lights are needed to make the working conditions safe for construction workers. The current schedule is for all construction to be completed by March 2014, which would turn the facility back over to normal operating conditions.

5. Item 5 in Best Management Practices addresses the issue of storm water and erosion control. This fall there was major erosion caused in an adjacent field owned by Mark Coffey immediately west of the Kinder Morgan Doe Canyon plant. This event followed heavy rainfall and took runoff water from the plant across County Road 15, through the field, and finally ran out onto County Road M west and south of our house. While this happened following an extreme rain event, we feel that it is incumbent on Kinder Morgan to plan for such events and be prepared to protect surrounding properties from damage following such events.

Kinder Morgan Response: As stated above, the rain events during August and September 2013 were extreme and unusual for the Southwest Colorado region. Best management practices (BMPs) to handle construction storm water runoff were utilized by Kinder Morgan according to regulatory standards. All active BMPs are inspected by a certified erosion control specialist every 14 days (at minimum) and no more than 24 hours after any storm event that could cause erosion. If a BMP is in disrepair, it is repaired within 48 hours of the post-storm event inspection. Kinder Morgan maintains all inspection and repair records.

6. Item 6 in Best Management Practices addresses Material Handling and Spill Prevention. On at least 2 occasions we have noticed spills at the Kinder Morgan Doe Canyon Compressor Plant. The first one occurred during the first 6 months of operation. It has been noted that no

vegetation has grown on the affected area since that time. We are concerned that this may indicate that an extremely toxic spill took place which may require significant reclamation measures.

Kinder Morgan Response: Any spill is addressed immediately upon discovery by Kinder Morgan. The spill volume is calculated using good engineering practices and it is reported to the COGCC if it exceeds the reportable quantity. In the event of a release, the methodology for remediating affected soil and the verification the remediation was completed is approved and documented by the COGCC.

7. Item 9 in Best Management practices addresses Noise Mitigation. As noted in the document the results of the noise testing which was requested by Dolores County are still pending. We have heard conversationally that before the completion on the expansion of the plant that the plant was operating right at the threshold of allowable noise. We understand that older fans have been swapped out for newer, quieter fans, but have no direct experience of this. We feel that it is likely that the plant is exceeding allowable sound levels at times, but can not back that feeling up with data. We question whether the engineering on the ‘sound barrier wall’ was sufficient for the project, and would welcome an opportunity to see the engineering which backs up that portion of the sound mitigation for the Doe Canyon Plant. In addition, the amount of construction work which has taken place at the Plant in recent months has made it difficult to separate operations sound levels and construction sound levels.

Kinder Morgan Response: As directed by the Dolores County Board of County Commissioners, Kinder Morgan funded a series of third party noise surveys that lasted approximately 14 months. During each unannounced visit to the site, these surveys included 4 measurements at various, consistent locations around the facility, including one in the direction of the Wenger-Tout residence, and followed the COGCC protocol for measuring noise levels. The last set of measurements was taken on May 4, 2013, and the final report was issued to Dolores County and Kinder Morgan simultaneously on September 17, 2013. The results of the study showed that at no time did the noise levels exceed COGCC regulations at any of the measurement locations.

Furthermore, since the time of the final survey Kinder Morgan installed the following new equipment and noise dampening material to improve the already compliant noise levels:

- All new buildings were installed with enhanced noise dampening material,
 - All new aerial (fin fan) coolers used minimum acoustic geometry technology, which are the lowest noise fans on the market at the time,
 - The existing aerial coolers were removed and replaced with the same coolers using minimum acoustic geometry technology,
 - Sounds walls were constructed around all aerial coolers,
 - New sound walls were installed with enhanced noise dampening material,
 - The noise dampening material in the existing sound wall was replaced with new, enhanced noise dampening material,
8. There was a lot of discussion of a buffer zone of “fast growing” trees that would be planted between the plant and County Road 15. At this point it appears that approximately 50% of these trees have died. While these trees were watered some in the early years, it appears that

they have been largely abandoned at this point. Without a consistent irrigation plan it is unlikely the remaining trees will survive.

Kinder Morgan Response: Due to the construction activities, replacement trees for those that have died have not yet been planted, but are expected to be planted in accordance with item #9 in the Dolores County Land Development Agreement by July 2014.

9. On the last page of the submitted document, which is the Site Plan for the Doe Canyon Compressor Plant, it is indicated that the plant is located in Montezuma County. The plant is actually located in Dolores County.

Kinder Morgan Response: Kinder Morgan will correct this as a revision to the Form 2A.

10. An issue not addressed in the document is vibration felt in surrounding homes when the plant is operating. We have spoken with various people at Kinder Morgan regarding the vibration problem in our home and have heard experts hired by Kinder Morgan explain how 'harmonics' would provide a solution to the problem when the expansion of the plant was completed. Our experience is that the expansion has only made the problem worse not better. We have been assured by several people at Kinder Morgan that this problem would be solved. At this point it has not been.

Kinder Morgan Response: In accordance with item #5 of the Land Development Agreement, Kinder Morgan secured the services of Engineering Dynamics as a consultant in the engineering and design of the Doe Canyon Expansion Project. According to Engineering Dynamics, vibration levels at Doe Canyon are below industry standards.

In closing we would like to once again express our serious concerns about how Kinder Morgan has decided to pursue its efforts at the Doe Canyon Plant. While there have been numerous public hearings and meetings where we have been assured that all of our concerns would be seriously considered and addressed, we continue to feel that it has been nothing but lip services, and that our concerns continue to fall upon deaf ears.

Kinder Morgan Response: As explained above, Kinder Morgan has taken steps to address the concerns that have been raised. We have previously met with Mr. Wenger and Ms. Tout and plan to extend an invitation to meet with them again in the near future to discuss and hopefully resolve their concerns. We will contact Mr. Wenger and Ms. Tout directly to schedule the meeting.

Kinder Morgan remains committed to compliance with the COGCC regulations. Please contact me at 970-882-5505 if you would like to discuss further.

Sincerely,



Coy Bryant
Manager of Operations