



S&T-2016-004

September 29, 2016

Colorado Oil & Gas Conservation Commission
ATTN: Director Matt Lepore & Deputy Director Dave Kulmann
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

RE: Kinder Morgan CO2 Company, L.P.
Rule 523.e. Voluntary Self Disclosure – Second Quarterly Report

Dear Director Lepore and Deputy Director Kulmann:

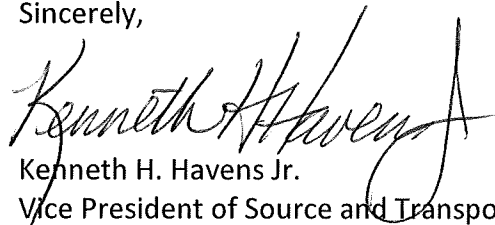
Kinder Morgan CO2 Company, L.P. ("Kinder Morgan") (Operator No. 46685) hereby provides the Colorado Oil and Gas Conservation Commission ("COGCC" or "Commission") with this second quarterly status report to its Rule 523.e. voluntary self-disclosure made on February 17, 2016. This second quarterly status report follows the first quarterly status report of June 30, 2016, and provides an update regarding the status of certain drilling pits located in Montezuma and Dolores Counties, Colorado, which require soil sampling, were closed pursuant to BLM requirements, or were drilled without a pit and closed with a Form 27. The attached table labeled "Exhibit A– September 30, 2016 Status Table" provides a summary of the status of the subject pits as of this second quarterly status report.

As reported previously, in June 2016, Kinder Morgan sampled four locations and we are currently working on preparation of remediation Form 27s for those locations. On August 23, 2016, Kinder Morgan met with Deputy Director Kulmann, Environmental Protection Specialist Jim Hughes, Environmental Manager Greg Deranleau, and West Environmental Supervisor Alex Fischer regarding certain Form 27 Conditions of Approval and the applicable testing requirements for pits closed prior to April 1, 2009 when the current Table 910-1 became effective, in addition to the requirements for groundwater testing at each location. At the meeting, the parties discussed approval of Form 27s for locations that require soil sampling where (1) testing is complete by Kinder Morgan with a potential reduced analyte package that otherwise adheres to the current version of Table 910-1, and (2) available groundwater data evidences no impacts to groundwater. It was also agreed that at the appropriate time Kinder Morgan would provide a single variance request with evidence of surface owner consent to leaving the pit liner in place at applicable pit sites.

Following the August 23, 2016 meeting, Kinder Morgan has worked directly with Jim Hughes to finalize the remaining Form 27 Remediation Workplans and to supplement certain of the Form 27 Remediation Workplans that were filed by Kinder Morgan in June 2016. As of the date of this second quarterly report, Kinder Morgan has submitted a total of 13 new Form 27 Remediation Workplans. To date, COGCC has approved 6 of these Form 27 Remediation Workplans. In addition, Kinder Morgan is working to prepare additional Form 27s that will be submitted to COGCC in the near future. Kinder Morgan intends to commence outreach to landowners in anticipation of beginning sampling on the remaining pit locations on October 10, 2016.

Kinder Morgan continues to work diligently to sample and close all of the pits subject to its voluntary self-disclosure and appreciates the Commission's feedback and continued discussion. Kinder Morgan will submit its third quarterly report on or before December 30, 2016, and will supplement this report with additional information if necessary. If at any time the Commission has questions or would like additional detail on any item, please let me know by contacting me at 713-369-9113 or ken_havens@kindermorgan.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth H. Havens Jr.", written over a printed name and title.

Kenneth H. Havens Jr.

Vice President of Source and Transportation

Enclosures

cc: Jessica Toll, KM
Barry Swift, KM
Jamie Conway, KM
Jamie Jost, Jost Energy Law, P.C.
Alex Fisher, COGCC
Greg Deranleau, COGCC
Jim Hughes, COGCC