



December 20, 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 – Third 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 third quarterly status report to its Rule 523.e. voluntary self-disclosure made on February 17, 2016. This third quarterly status report follows the first quarterly status report of June 30, 2016 and the second quarterly status report of September 30, 2016, and provides an update regarding the status of certain drilling pits located in Montezuma and Dolores Counties, Colorado, which either 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– December 2016 Status Table" provides a summary of the status of the subject pits as of this third quarterly status report.

As previously reported, Kinder Morgan has worked directly with Jim Hughes to finalize Form 27 Remediation Workplans and to commence required sampling on a total of 25 pits. As of the date of this third quarterly report, the COGCC has approved all Form 27s for the 25 pits requiring a Site Investigation and Remediation Workplan. Kinder Morgan has completed all COGCC-approved field assessment activities to assess the subject drilling pits. The field assessment activities were conducted in June, October, and November of 2016.

Under the approved work plans, Kinder Morgan advanced 8 soil borings at each former drilling pit location to depths sufficient to obtain samples from undisturbed soil. Kinder Morgan also sampled the previously disturbed areas that may contain drill cuttings from the former pits. In addition, at 11 locations the COGCC required Kinder Morgan to evaluate the potential for shallow groundwater (within 50 feet of the ground surface). At two (2) of these 11 locations COGCC only required the evaluation for shallow groundwater if shallow groundwater was encountered at adjacent locations, which it was not. Of the nine (9) locations where Kinder Morgan advanced the deeper borings, only five (5) had measurable groundwater and were

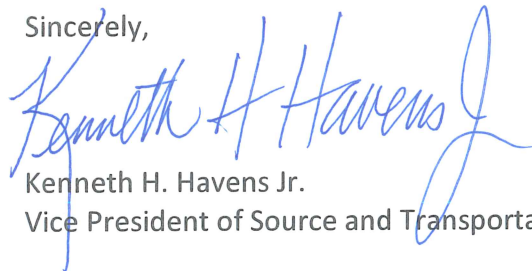
sampled for laboratory analysis. The deep boring in the other four (4) locations did not contain groundwater. Kinder Morgan expects to receive all of the laboratory analytical data by the end of the year. This data will be submitted to the COGCC as an appendix to the site summary report being prepared for each location. A summary of Kinder Morgan's findings regarding shallow groundwater and liner material is included on Exhibit A.

As part of the site assessment activities, Kinder Morgan's contractor also noted the presence of liner material and the depth for each soil boring location. Liner was identified in at least one soil boring at varying depths at 19 of the 25 locations. (See Exhibit A.)

Upon the receipt and review of the laboratory analytical data, Kinder Morgan will also submit revised Form 27 Remediation Workplans at locations that require additional remediation. As discussed at our last meeting with COGCC, Kinder Morgan also anticipates requesting a variance at select locations to allow the liner at depth to be left at the location with the permission and agreement of the landowner.

Kinder Morgan continues to work diligently to close all of the former pit sites subject to its voluntary self disclosure and appreciates the Commission's feedback and continued discussion. Kinder Morgan will submit its fourth quarterly report on or before March 31, 2017, 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 blue ink that reads "Kenneth H. Havens Jr." The signature is stylized with a large, flowing "K" and "H".

Kenneth H. Havens Jr.
Vice President of Source and Transportation

Enclosures

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

EXHIBIT A

December 20, 2016 STATUS TABLE

Well Information					Spud Dates		Pit Information			Landowner Information		Water Wells		Sampling			Status	
Well Name	Category in KM letters	Surface/ Mineral	API #	Facility ID No.	APD Approved	Spud Date	Re-entry Spud Date	Pit Permit	Document No.	Pit Permit Date	Physical Pit Closure	Land Use	Water Well Within 1/2 Mile of the Wellhead	Soil Sampling Complete	Evidence of Pit Liner	Groundwater Sampling Complete	Groundwater Encountered	Status
Locations requiring soil sampling and landowner approval																		
YA-4	1	Fee/Fee	05-083-06586	257924	8/16/2000	4/30/2001	9/7/2009	Yes - 257924	-	8/25/2000	2002	crop land	No	Yes	Yes	-	-	Draft summary report in development.
HB-5	1	Fee/Fee	05-083-06586	264308	8/15/2002	8/3/2002		Yes - 264308	-	7/30/2002	2003	CRP	No	Yes	Yes	-	-	Draft summary report in development.
YE6	1	Fee/Fee	05-083-06594	263405	4/17/2002	6/16/2002	9/14/2009	Yes - 263405	-	4/26/2002	2003	non-crop land	No	Yes	Yes	-	-	Draft summary report in development.
YF3	1	Fee/Fed	05-083-06593		4/9/2002	5/22/2002		Yes	-		2003	crop land	No	Yes	Yes	-	-	Draft summary report in development.
MC8*	1	Fee/Fee	05-083-06625	279715	9/2/2005	12/3/2005		Yes - 279715	-	9/1/2005	2006	non-crop land	No	Yes	Yes	-	-	Draft summary report in development.
YA-5*	1	Fee/Fee	05-083-06623	278718	7/12/2005	8/22/2005		Yes - 278718	-	7/8/2005	2006	crop land	No	Yes	Yes	-	-	Draft summary report in development.
DC2*	1	Fee/Fee	05-033-06135		8/28/2007	8/30/2007	7/21/2013	No	-		2008	range land	No	Yes	Yes	Yes	No	Draft summary report in development.
DC5*	1	Fee/Fee	08-033-06130	290061	5/7/2007	6/2/2007		Yes - 290061	-	4/24/2007	2008	non-crop land	Yes	Yes	Yes	Yes	Yes	Draft summary report in development.
DC8*	1	Fee/Fed	05-033-06132		7/30/2007	8/30/2007		No	-	-	2008	crop land	Yes	Yes	Yes	-	-	Draft summary report in development.
GP11*	1	Fee/Fee	05-083-06635		11/2/2007	1/28/2008		No	-	-	2008	crop land	No	Yes	Yes	-	-	Draft summary report in development.
GP13*	1	Fee/Fee	05-083-06645		3/27/2008	5/19/2008		No	-	-	2008	crop land	Yes	Yes	Yes	Yes	Yes	Draft summary report in development.
GP9*	1	Fee/Fee	05-083-06633		10/12/2007	11/10/2007		No	-	-	2008	KM property	No	Yes	Yes	-	-	Draft summary report in development.
April 1, 2009 Significant Change to Table 910-1																		
GP12*	1	Fee/Fee	05-083-06634		11/2/2007	12/19/2007		No	-	-	2009	pasture	Yes	Yes	Yes	Yes	Yes	Draft summary report in development.
GP14*	1	Fee/Fee	05-083-06642		3/27/2008	9/20/2008		No	-		2009	pinon juniper	No	Yes	Yes	Yes	No	Draft summary report in development.
GP15*	1	Fee/Fee	05-083-06641		2/14/2008	8/6/2008		No	-		2009	crop land	No	Yes	Yes	-	-	Draft summary report in development.
GP16*	1	Fee/Fee	05-083-06649		4/9/2008	7/1/2008	4/28/2014	No	-		2009	crop land	Yes	Yes	Yes	Yes	No	Final summary report complete, remediation plan in development.
GP17*	1	Fee/Fee	05-083-06640		3/6/2008	3/24/2008		No	-		2009	crop land	Yes	Yes	Yes	Yes	Yes	Final summary report complete, remediation plan in development.
GP-19*	1	Fee/Fee	05-083-06655		9/25/2008	11/10/2008	2/27/2011	No	-		2009	crop land	Yes	Yes	Yes	Yes	Yes	Final summary report complete, remediation plan in development.
YE7*	1	Fee/Fed	05-083-06624	278776	9/2/2005	10/23/2005		Yes - 278776	-	7/12/2005	2010	non-crop land	No	Yes	Yes	-	-	Draft summary report in development.
DC11	1	Fee/Fee	05-033-06171	427014	1/15/2012	4/5/2012		Yes - 427014	-	12/30/2011	2012	crop land	Yes	Yes	No	Yes	No	Final summary report complete, remediation plan in development.
YG1	1	Fee/Fee	05-083-06697	428410	3/30/2012	8/24/2012		Yes - 428410	400254733	3/30/2012	2012	cropland	No	Yes	No	-	-	Draft summary report in development.
HA-4	1	Fee/Fee	05-083-06693	429408	3/30/2012	8/8/2012		Yes - 428408	400254078	3/30/2012	2013	cropland	No	Yes	No	-	-	Draft summary report in development.
YA-6	1	Fee/Fee	05-083-06694	428413	3/30/2012	5/30/2012		Yes - 428413	400254392	3/30/2012	2013	crop land	No	Yes	No	-	-	Draft summary report in development.
YA-7	1	Fee/Fee	05-083-06701	430761	5/3/2012	7/7/2012		Yes - 430761	400268556	11/15/2012	2013	crop land	No	Yes	No	-	-	Draft summary report in development.
YG2	1	Fee/Fee	05-083-06695	428412	3/30/2012	10/25/2012		Yes - 428412	400254734	3/30/2012	2013	cropland	No	Yes	No	-	-	Draft summary report in development.
No Earthen Pit Constructed - Form 27 Submitted to Close																		
DWD#1	3	Fee/Fee	05-033-06078		9/9/1983	11/1/1983	8/13/2012	N/A	-	N/A	N/A	rangeland	Yes	-	-	-	-	No pit constructed. Form 27 approved. No further action necessary.
DWD-1X	3	Fee/Fee	05-033-06129	289825	12/29/2006	not drilled		Yes - 289825		4/24/2007	N/A	crop land	NA	-	-	-	-	No pit constructed. Form 27 approved. No further action necessary.
HB-6	3	Fee/Fed	05-083-06699	429155	4/24/2012	3/2/2013		Yes - 429155	400254792	6/6/2012	N/A	crop land	No	-	-	-	-	No pit constructed. Form 27 approved. No further action necessary.

EXHIBIT A

December 20, 2016 STATUS TABLE

Well Information					Spud Dates		Pit Information			Landowner Information	Water Wells	Sampling			Status			
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HE-6	3	Fed/Fed	05-083-06700	429156	4/26/2012	4/24/2013		Yes - 429156	400254793	6/6/2012	N/A	non-crop land	No	-	-	-	-	No pit constructed. Form 27 approved. No further action necessary.
YB-6	3	Fed/Fed	05-083-06696	428411	3/20/2012	1/3/2013		Yes - 428411	400254413	3/30/2012	N/A	crop land	Yes	-	-	-	-	No pit constructed. Form 27 approved. No further action necessary.
Closed Per BLM Requirements																		
YB-4	2	Fed/Fed	05-083-06587		6/21/1998	5/29/2001		No			2002	CANM	No	-	-	-	-	KM requested documentation from BLM
HE-5	2	Fed/Fed	05-083-06601		3/6/2003	9/10/2002		No			2003	CANM	No	-	-	-	-	KM requested documentation from BLM
SC10	2	Fed/Fed	05-083-06604		3/12/2003	10/6/2002		No			2003	CANM	No	-	-	-	-	KM requested documentation from BLM
HC-4*	2	Fed/Fed	05-083-06681		11/23/2009	10/4/2003		No			2004	CANM	No	-	-	-	-	KM requested documentation from BLM
DC3*	2	Fed/Fed	05-033-06133		8/28/2007	7/11/2007		No			2007	BLM	No	-	-	-	-	KM requested documentation from BLM
DC4*	2	Fed/Fed	05-033-06137		8/28/2007	8/17/2007		No			2007	BLM	No	-	-	-	-	KM requested documentation from BLM
HF-3*	2	Fed/Fed	05-083-06646		4/3/2008	4/15/2007	4/2/2009	No			2007	CANM	No	-	-	-	-	KM requested documentation from BLM
SC11*	2	Fed/Fed	05-083-06684		8/11/2010	2/20/2007		No			2007	CANM	No	-	-	-	-	KM requested documentation from BLM
DC6*	2	Fed/Fed	05-033-06134		8/28/2007	9/22/2007		No			2008	BLM	No	-	-	-	-	KM requested documentation from BLM
GP20	2	Fed/Fed	05-083-06686	419732	10/7/2010	2/7/2012		Yes - 419732	2213436	3/17/2011	2013	CANM	No	-	-	-	-	KM requested documentation from BLM
GP21	2	Fed/Fed	05-083-06687	419732	10/7/2010	4/17/2012		Yes - 419732	2213436	3/17/2011	2013	CANM	No	-	-	-	-	KM requested documentation from BLM
GP22	2	Fed/Fed	05-083-06689	393066	10/7/2010	7/24/2011		Yes - 393066	2213434	3/17/2011	2013	CANM	No	-	-	-	-	KM requested documentation from BLM
GP23	2	Fed/Fed	05-083-06688	393066	10/7/2010	11/15/2011		Yes - 393066	2213434	3/17/2011	2013	CANM	No	-	-	-	-	KM requested documentation from BLM
GP24	2	Fed/Fed	05-083-06690	419724	10/7/2010	not drilled		Yes - 419724	2213436	3/17/2011	2013	CANM	No	-	-	-	-	This well was never drilled. No further action necessary.
GP25	2	Fed/Fed	05-083-06685	419724	10/7/2010	11/14/2012		Yes - 419721	2213435	3/17/2011	2013	CANM	No	-	-	-	-	KM requested documentation from BLM

LEGEND

* signifies wells that were part of the 2011 final settlement between KM and COGCC

Category 1 signifies wells for which testing and landowner approval did not take place per the COAs or no pit permit obtained

Category 2 signifies wells located on BLM land where KM completed remediation per BLM requirements

Category 3 signifies wells drilled with closed loop

Category 4 Kinder Morgan has reviewed all wells previously in category 4 and moved them to category 1 or 2 if appropriate

12/20/2016