



June 22, 2018

Colorado Oil & Gas Conservation Commission  
ATTN: Director Julie Murphy  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

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

Dear Director Murphy:

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 ninth quarterly status report to its Rule 523.e. voluntary self-disclosure made on February 17, 2016. This ninth quarterly status report follows the first quarterly status report of June 30, 2016, the second quarterly status report of September 30, 2016, the third quarterly status report of December 20, 2016, the fourth quarterly status report of March 23, 2017, the fifth quarterly report of June 23, 2017, the sixth quarterly report of September 28, 2017, the seventh quarterly report of December 20, 2017, and the eighth quarterly report of March 23, 2018. Further, this ninth report provides an update regarding the status of certain drilling pits located in Montezuma and Dolores Counties, Colorado, which either required 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 – June 2018 Status Table" provides a summary of the status of the subject pits as of this ninth quarterly status report.

Following Kinder Morgan's February 17, 2016 voluntary self-disclosure, Kinder Morgan representatives had multiple meetings with COGCC Staff, including former Director Lepore, regarding Kinder Morgan's plan to conduct sampling, to obtain signed waiver agreements from landowners consenting to leave the subject pit liners in place or, in the alternative, to remove the pit liners, and to conduct remediation at each location. The COGCC has approved Form 27 remediation plans as indicated on Exhibit A that do not involve removing the pit liner with landowner consent. Furthermore, the COGCC supported Kinder Morgan submitting one final variance request for the subject pits. Kinder Morgan has provided quarterly reports at the request of the COGCC to provide a status update on each of the subject pits in advance of Kinder Morgan's final variance request.

In Kinder Morgan's December 20, 2017 quarterly report, Kinder Morgan reported that it had completed the soil samples at all 25 fee locations, it had removed the pit liner material at 1 of

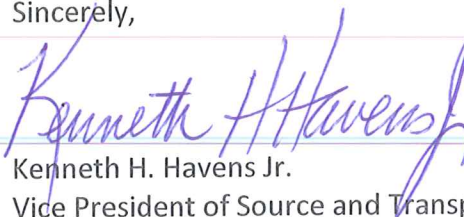
the 19 pit locations, the DC-5, and it had received signed waiver agreements from landowners consenting to leave the pit liner in place for 17 of the remaining 18 pit locations, with the remaining landowner considering Kinder Morgan's request for a waiver. With respect to the DC-5 location, Kinder Morgan is including herewith a summary of the DC-5 Groundwater Sampling Results as Exhibit B.

On February 15, 2018, Kinder Morgan submitted a final Rule 502.b. variance request for Rules 905.a., 905.b(3) and 1003.d. for 17 of the remaining 18 locations to allow Kinder Morgan to leave the pit liners in place with written consent from each landowner. As reported in the final variance request, Kinder Morgan plans to request a separate future variance at the 1 remaining pit location, the DC-2, at a later date. On June 18, 2018, Kinder Morgan received notice that the COGCC denied Kinder Morgan's Rule 502.b variance request. Kinder Morgan will be following up directly with the appropriate COGCC Staff to coordinate a meeting with you and Staff to discuss the COGCC's response to Kinder Morgan's final variance request as the denial of Kinder Morgan's variance request is contrary to the COGCC's prior discussions and position on this matter, and contrary to the approved remediation that Kinder Morgan is performing that contemplates leaving the pit liner in place with landowner consent.

As summarized on Exhibit A hereto, Kinder Morgan discussed the pits closed pursuant to BLM requirements with both the COGCC and the BLM, and Kinder Morgan has submitted fourteen (14) Form 4s to the COGCC attaching correspondence from the BLM in order to close out the audit with regard to the former pit sites on BLM land. The BLM represents that interim reclamation at these sites has occurred with satisfactory results, and the BLM has no intention of requiring Kinder Morgan to excavate and verify closing procedures. Pursuant to the BLM's statements on the BLM locations, Kinder Morgan considers these locations to be closed.

Kinder Morgan continues to work diligently to close all of the remaining pits subject to its voluntary self-disclosure in compliance with applicable Rules and Regulations. As Kinder Morgan addresses the COGCC's denial of its Rule 502.b variance request, and works with the COGCC Staff with respect to such variance request, Kinder Morgan will submit its tenth quarterly report on or before September 28, 2018, and will supplement this report with additional information if necessary. If at any time you or the COGCC Staff 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, reading "Kenneth H. Havens Jr.", is written over a horizontal line.

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