



September 26, 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 – Tenth Quarterly Report

Dear Director Murphy:

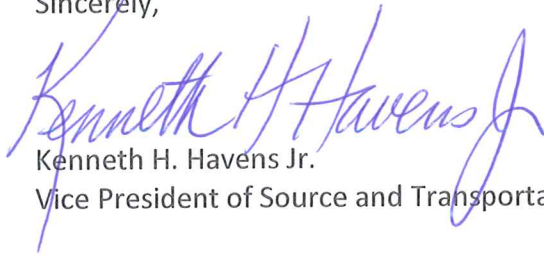
Kinder Morgan CO2 Company, L.P. ("Kinder Morgan") (Operator No. 46685) hereby provides the Colorado Oil and Gas Conservation Commission ("COGCC" or "Commission") with this tenth quarterly status report to its Rule 523.e. voluntary self-disclosure made on February 17, 2016. This tenth quarterly status 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, the eighth quarterly report of March 23, 2018, and the ninth quarterly report of June 22, 2018. Further, this tenth 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 – September 2018 Status Table" provides a summary of the status of the subject pits as of this tenth quarterly status report, and further clarifies the status of remediation activities at each location.

As we discussed in our meeting on August 16, 2018, Kinder Morgan has extensively engaged with the COGCC since the submittal of Kinder Morgan's February 17, 2016 voluntary self-disclosure. Through the over 2.5 years of engagement, Kinder Morgan has conducted authorized sampling of the subject pit sites, obtained signed waiver agreements from landowners consenting to leave the subject pit liners in place or, in the alternative, to remove the pit liners, and conducted 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 until Kinder Morgan's final variance request is approved.

At our meeting on August 16, 2018, we discussed Kinder Morgan's final variance request, which is specific to Rule 905.a (requiring drilling pits to be closed in accordance with 1000-Series Rules), Rule 905.b(3) (requiring removal and disposal of synthetic pit liners), and Rule 1003.d with respect to the timing of closure (requiring closing and reclamation to occur no later than 3 months after drilling and completion activities conclude on crop land, and no later than 6 months after drilling and completion activities occur on non-crop land). See Kinder Morgan's February 15, 2018 Final Variance Request, Page 6. We also discussed the status of soil sampling and remediation activities at the subject pit locations. The attached Exhibit A Status Table clarifies the status of remediation activities at each of the subject pit sites.

Kinder Morgan would like to continue to move forward with the COGCC to submit revised final variance requests to leave the pit liner in place at 17 of the 18 pit locations detailed on Exhibit A, which may take the form of one or more variance requests based on the status of remediation at each location. Kinder Morgan still intends to request a separate future variance at the 1 remaining pit location, the DC-2, at a later date. Kinder Morgan would like to schedule a follow up meeting with you and the COGCC Staff to discuss the preparation of revised variance requests. In addition, Kinder Morgan would like to confirm the COGCC's position on its jurisdiction over pit liners as E&P waste. As Kinder Morgan works with you and the COGCC Staff with respect to the revised variance requests, Kinder Morgan will submit its eleventh quarterly report on or before December 31, 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 the typed name and title.

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