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COGCC

February 1, 2000

Randall H. Ferguson
State of Colorado Oil and Gas Conservation Commission
Department of Natural Resources
1120 Lincoln St., Suite 801
Denver, Colorado 80203

RE: Abandoned Gas Plants or Gas Compressor Sites in Northeastern Colorado

Dear Mr. Ferguson:

Kinder Morgan, Inc. (KMI, formerly K N Energy, Inc.) has reviewed your April 12, 1999 correspondence requesting assistance in determining KMI's potential responsibility for site investigation and/or reclamation at eight abandoned gas plants or gas compressor stations in northeastern Colorado. In response to your correspondence, KMI has visited the properties in Logan County, reviewed available internal records, and reviewed Logan County Assessor records to ascertain current property ownership. I apologize for the delay in providing this information. A discussion relating to each of the properties of concern is provided below:

Mount Hope Gas Plant: NE ¼ NW ¼, Section 30 – T9N – R53W, Logan County, CO

Based on the Logan County Assessor records, the current ownership and tax assessment for the 5.0 acre site is owned in fee by Shell Oil Company, C/O Rex and Doris L. Monahan at 111 South 3rd Street, Sterling, Colorado 8075. The records indicate that there is a pending sale of this property from Shell/Monahans to Energy Partners Nominee Company, C/O Duncan Energy Company, 600 17th St., Suite 2630 South Tower, Denver, Colorado 80202. A Warranty Deed from Shell/Monahans is dated 7/7/98 and recorded in Book 919, Page 836. The assessor indicated that this deed has been withdrawn to sort out title problems. A copy of this deed is attached for your reference.

Your correspondence suggested that KMI was the operator from 1960 to 1962. No internal KMI records were present relating to this property. Although KMI currently operates an 8-inch diameter natural gas line in the vicinity of the former plant (as indicated by the line markers adjacent to the site), it is not known whether the site was operated in the past by KMI. However, based on the current assessor records, it is clear that other oil/gas operators have been involved with the property subsequent to any potential KMI involvement.

Little Hoot Gas Plant: SE ¼ SE ¼, Section 10 – T10N – R54W, Logan County, CO

The information you provided is consistent with KMI and county records. The records indicate 100% ownership of the southern half of this section by:

Cedar Creek Ranch, Inc.
Pete Fogale – Pres.
24736 County Road # 21
Sterling, Colorado 80751



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The Quit Claim Deed (QCD) from Kansas Nebraska Natural Gas (KNNG) and Associated Oil & Gas Co., to Cedar Creek Ranch, Inc., dated 9/2/66 indicates that a 660' X 660' tract (10 acres) was conveyed in it's entirety, being in the SE ¼ SE ¼, Section 10 – T10N – R54W. The QCD was likely requested by the landowner. The historic use of the property subsequent to KMI's involvement is not known.

Padroni Gas Plant: SW ¼ SW ¼, Section 15 – T9N – R52W

Logan County Assessor Records indicate a recent Quit Claim Deed from Tri-Energy LLC, P.O. Box 192, Holyoke, Colorado to the current owner, High Plains Cooperative Association, 1120 Front Street, Sterling, Colorado 80751, dated 12/28/97, recorded in Book 915, Page 207. The Assessor's record indicates 100% ownership of the west ½ of the SW ¼ and an additional smaller tract lying East of this tract in Section 15 – T9N – R52W. The QCD is attached for your reference.

The records provided by the COGCC indicate conveyance of an undivided 50 % interest in the property by Kansas Nebraska Natural Gas, Inc. to Hytrans, Inc., dated 8/31/79. No internal KMI records were present relating to this property and we assume that the above-mentioned conveyance represented KMI's entire interest. Although KMI currently operates a natural gas line in the vicinity of the site (as indicated by the line markers and valve set adjacent to the site), it is not known whether the site was operated in the past by KMI. However, based on the current assessor records, it is clear that other oil/gas operators have been associated with the property subsequent to any potential KMI involvement.

Lewis Creek – Gilham Compressor: NE ¼ NE ¼, Section 1 – T11N – R53W

Logan County Assessor record's indicate a 0.72 acre tract with a house on it owned by Gregory & Julie Griswinski, 35921 County Road 37, Peetz, Colorado 80747. The remainder of the NE ¼ NE ¼ of section 1 is owned by Williams Investments, Inc., and H. Rodney Williams (ONE IN THE SAME), HC # 5, Box 44, Peetz, Colorado 80747.

The majority of KMI's records relate to an existing and operating KMI facility (Lewis Creek Compressor Station), located south of the property of concern in the SE ¼ SE ¼ of Section 1 – T11N – R53W. KMI owns and currently operates the Lewis Creek Compressor (Deeded land to K N in book 775, Page 613-614.). Although KMI may have had a previous interest in the NE ¼ NE ¼ of Section 1, current county assessor records indicate the ownership as described above. The property use subsequent to KMI's involvement is not known.

West Peetz Gathering System: SE ¼, Section 30 – T12N – R52W

No existing structures or evidence of past use were noted at the above-referenced property during the site visit. The site is currently plowed and farmed for winter wheat.

KMI records refer to the subject property as the Olsen Compressor Station Site. Records indicate a Deed from George Olsen, ETUX, To KNNG, dated 8/23/55 for a 200' X 200' site in the SE ¼ SE ¼ of Section 30. The Deed has Right of Reverter whereby the land reverts back to the owner if site is not used.

The Logan County Assessor record's are consistent with KMI records and indicate that a 200' X 200' site (Approx. 1.0 acre) is still owned by KMI but, as noted above, the site has been totally restored. It is not known when the restoration took place. The adjoining land is owned by Lester L. and Doris P. Hiatt, Deed in Book 762, Page 415.



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An active oil production facility is located adjacent to the above-referenced site on the East Side of the Road in the SW ¼ SW ¼, Section 29, T12N, R52W. The land is owned 100% by K. Jean Williams (Deed in book 874, Page 825). The lease is producing and the operator is Rex Monahan. KMI has an additional meter house (currently empty) along an existing pipeline.

Northwest Graylin Compressor Unit: NE/4SW/4 1 – T8N – R54W

The Logan County assessor records indicate that the SW ¼ of the subject property is owned 100% by Virgil and Marjorie E. Ruke. The NW ¼ of the subject property is owned 100% by Byron S. Tappy.

No internal KMI records were present relating to this property. It is not clear from the information provided who would have been the owner of the Northwest Graylin Compressor prior to its removal. A small cement slab is located adjacent to KMI's current 10-inch mainline. Based on the location of the cement slab it would appear to have been associated with a producer's field booster for a gathering line tie-in to KMI's mainline.

Leader Gas Plant, T2S, R59W, Adams County, Colorado:

KMI has no information or knowledge of this facility. Based on our historic areas of operation, we do not believe that we have had any past involvement at the site.

Bijou Gas Plant, T3N, R58W, Morgan County, Colorado:

KMI has no information or knowledge of this facility. Based on our historic areas of operation, we do not believe that we have had any past involvement at the site.

KMI has devoted some notable time and effort in gathering this data and we hope that the information provided will help the COGCC resolve some questions relating to these sites and serve to absolve KMI of any further obligation. If you have any questions, please contact me at 303-914-7818.

Sincerely,

Michael A. Hanak P.G.
Environmental Coordinator

Cc: Tom Tripp, Kinder Morgan, Inc.

Attachments