

FORM
4
Rev 12/05

Page 2

TECHNICAL INFORMATION PAGE



FOR OGCC USE ONLY

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NOV 08 2012
COGCC/Rifle Office

1. OGCC Operator Number:	46685	API Number:	05-083-06700
2. Name of Operator:	KINDER MORGAN	OGCC Facility ID #	428680
3. Well/Facility Name:	HE	Well/Facility Number:	6
4. Location (QtrQtr, Sec, Twp, Rng, Meridian):	S1, T37N, R19W, NMPM		

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

5. **DESCRIBE PROPOSED OR COMPLETED OPERATIONS**

Expansion of wellpad location and layout to accommodate closed loop (no pits) drilling configuration. See attached revised SUPO (09/12/2012) with updated Access Route map, ROW & Easement Plat, Location of Existing Wells, Wellpad Plan View and Cross Section Diagram, Drilling Facility Layout Diagram and Production facilities and Interim wellpad reclamation diagram.

HE-6

1138 feet FNL & 2443 feet FEL

Sections 1 and 2, T37N, R19W

Montezuma County, CO

Grd. EL. 6479 feet

SURFACE USE PLAN OF OPERATIONS (SUPO)

September 12, 2012

Attachments

A - Access Route map

B - Right of Way and Easement Plat

C – Location of Existing Wells

D - Wellpad Plan View and Cross Section Diagram

E - Drilling Facility Layout Diagram

F- Production facilities and interim wellpad reclamation diagram

1) Existing Roads

The access route to the location from U.S. Hwy 491 is illustrated in the map in Attachment A.

- a) Driving Directions to HB-6 from the Intersection of Hwy 491 and County Road 8
 - i) Travel Westerly on County Road 8 for 3.9 miles;
 - ii) Turn left (southerly) on County Road 12 for 2 miles;
 - iii) Turn right (westerly) on County Road Z for 0.86 miles;
 - iv) Road then turns left (southerly) onto County Road 11 for 1.06 miles;
 - v) Turn right (westerly) on County Road Y for 1.3 miles;
 - vi) Road then turns left (southerly) through several curves for 1.4 miles;
 - vii) Turn right (westerly) onto unnamed road for 0.67 miles;
 - viii) Proposed access will be on the right (southern) side of the road, travel west on proposed access for 385 feet to proposed wellpad location.
- b) Existing access will be maintained in as good as or better condition than before operations began. The maintenance program will include, but not be limited to, upgrading, ditching, blading, culvert maintenance, installing additional drainage turnouts (if needed), and graveling of roadbed.

2) Access Road to be constructed

- a) Approximately 385 feet of gravel-surfaced access road will be constructed and will be limited to a traveled-road width of 18 feet. Approximately 111 feet of the access road will be on private land and 274 feet of the access road will be on BLM land. (See Attachment B – Right of Way and Easement Plat).
- b) Suitable topsoil material will be conserved in stockpiles in the most convenient location along the access route. Topsoil will be stripped to an average depth of 6 inches. Any stockpile not used within one year will be seeded to insure topsoil integrity and prevent erosion.

- c) The access road will be surfaced with 12 inches of gravel. Depending on weather conditions, water may be applied to the access road as a dust control measure.
 - d) Culvert size and location will be installed as to not interfere with the best management practice (BMP) of controlling the normal flow of natural or storm drainage.
 - e) Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Should additional area be needed, approval from the proper BLM person of authority will be requested in advance.
 - f) The road will be maintained to be reasonably smooth, and free of ruts, soft spots, chuckholes, rocks, slides and washboard conditions. The BLM, San Juan Resource Area road specification and The Gold Book, will be followed for specification on road design and culvert installation. All weather surfacing will remain in place if the proposed well becomes a producer. A regular maintenance program will include blading, ditching, sign replacement, surfacing and culvert maintenance. Maintenance deficiencies will be corrected when documented and directed by the Authorized Officer.
 - g) Kinder Morgan will adhere to the Montezuma County Road and Bridge Standard Specifications on all county roads.
- 3) Existing Wells
- a) The HE-6 well is a proposed new drill on a new location.
 - b) Locations of existing wells within a one-mile radius of the surface location are shown on the Locations of Existing Wells in Attachment C. Details of wells located within a 1-mile radius are listed in Table 1.

Table 1: Wells located within 1 mile of proposed HE-6 well

Well Name	Well type and status	Location	Land/Mineral Status	Miles from HE-6
McElmo Dome Unit 35-38-19 #HE-1	CO2/Producing	Section 35, T38N, R19W	Federal/Federal	0.35 NW
McElmo Dome Unit 35-38-19 #HE-2	CO2/Producing	Section 35, T38N, R19W	Federal/Federal	0.75 NW
McElmo Dome Unit 35-38-19 #HE-3	CO2/Producing	Section 36, T38N, R19W	Federal/Federal	0.65 NW

- 4) Existing and/or Proposed Production Facilities
- a) No production facilities are proposed to be located on the wellpad.
 - b) Production for this well would occur off of the wellpad location. It would be produced into the Hovenweep Facility. A flowline will be constructed and will route from the wellhead along the access road right-of-way (ROW). All production equipment will be equipped with hospital-type mufflers. Regardless of whether the operation is at the construction, drilling or production phase, if the BLM determines that noise had become a nuisance, additional muffling techniques will be applied.

- c) The proposed CO2 flowline of approximate length of 2653 feet would be installed from the wellhead to the Hovenweep production facility as show in Attachment B- Proposed HB-6 Right of Way and Easement Plat. The pipeline would be a 10-inch carbon steel pipeline with a poly liner.

5) Location of Water Supply

- a) Water will be hauled from a private, off lease source during construction and drilling operations. The source will be the Dolores Water Conservancy District canal in which Kinder Morgan and RW Trucking own sufficient shares of Municipal & Industrial Water. RW Trucking will use vacuum trucks on Montezuma County truck route roads to access the well.

6) Construction Materials

- a) Construction materials (sand and gravel) not available on-site will be hauled from local pits.

7) Methods of Handling Waste Material

- a) Produced water will either be reused at another drill site in connection with this project or hauled to the Class I non-hazardous disposal wells (MWD-1, HWD-1, or YWD-1).
- b) Any produced water containing significant quantities of produced oil will be treated and the oil sold, recycled, or disposed of in a state-licensed treatment facility.
- c) The well area and lease premises will be maintained in a responsible manner with due regard to safety, conservation and appearance. All wastes other than sewage, drilling fluids and drill cuttings will be contained in a skid-mounted refuse container/trailer. The solid waste and garbage resulting from drilling operations will be hauled to the Montezuma County landfill or any other landfill permitted for this waste type.
- d) Sewage from on-site sanitary facilities will be stored in an on-site, Montezuma County-approved closed system and then hauled under existing permit to the licensed sewer treatment plant in Dolores, Colorado.
- e) Drilling fluids will be recycled whenever practical. The following will be conducted to accomplish the task of handling the drilling fluids and drill cuttings waste materials.
 - i) The free liquids from the closed loop system will be removed via vacuum truck. The liquids will either be hauled for reuse to another drilling location in connection with this project or disposed of in a Kinder Morgan disposal well; (MWD-1, HWD-1 and YWD-1).
 - ii) The closed loop system keeps fresh water cuttings separated from the salt formation and brine water cuttings. The fresh water cutting contents of the closed loop system will be tested using the COGCC Rule 910-1 procedures.
 - (1) Salt cuttings will also be tested according to COGCC rule 910-1 procedures. If they pass the test, they will be dried and left on site. If they do not pass the test, they will go to a permitted land farm. Site of preference will be 'Contract Environmental Services Inc. (CES)' located ¼ mile west of the Hovenweep National Monument off Road 10 in Utah. The CES main office is located at 410 N Auburn Ave., Farmington, New Mexico, 87401.
 - (2) If regulatory limits are met for fresh-water cuttings, they will be dried and left on site and mixed with the native soil.

- (3) Estimated number of truck trips required to remove cuttings is between 9 and 35 depending on the amount of salt cuttings produced.
- f) Kinder Morgan and its contractors shall ensure that all use, production, storage, transport and disposal of hazardous materials or hazardous wastes associated with the drilling, completion and production of the well and project operations will be in accordance with all applicable existing or hereafter promulgated federal, state and local government rules, regulations and guidelines.
- 8) Ancillary Facilities
- a) No ancillary facilities are required for this proposed well project.
- 9) Well Site Layout
- a) A wellpad plan view and a cross-section diagram are included as Attachment D illustrating the orientation of the wellpad and cut and fill location. Attachment E is the proposed drilling facility layout diagram. Note that the actual drilling facility layout may be different than proposed due to differences in equipment implemented or to give the drilling crew flexibility to respond to changes at the time of well development.
- b) The wellpad is estimated to cover an area of 3.81 acres. The flowline that will connect the well to the production line is estimated to total 2653 linear feet from wellhead to HB cluster. The flowline will have a construction corridor width of approximately 25 feet. Approximately 2359 feet of the flowline will be located on BLM and 294 feet will be located on private land. (See Attachment B - Right of Way and Easement Plat).
- c) The closed loop system will be set up in such a manner as to prevent leakage of the fluids. To insure containment of drilling fluids in the closed loop system, the bottom and outside will have plastic liners.
- d) The closed loop system will then be drained with a vacuum truck and the fluids will either be reused at another drill location in connection with this project or disposed of at a Kinder Morgan disposal well.
- e) Any removed liner will be disposed of at an approved solid waste disposal site. The site of choice will be the Montezuma County landfill located south of Cortez, Colorado.
- f) Prior to rigging up, a one-foot high berm will be constructed around the perimeter of the wellpad in such a manner as to prevent stormwater runoff and contain spills. The wellpad will be designed in such a manner as to prevent stormwater runoff and contain spills. The need for the berm will be reassessed upon the completion of the well and production is established.
- g) Topsoil will be stockpiled on the back side of the wellpad and will be segregated from areas where subsoil materials are stored.
- 10) Plans for Surface Reclamation
- a) Attachment F includes the proposed production facility layout interim reclamation areas. The total wellpad area is 3.81 acres located on private land. The unreclaimed area that will have gravel surface during production is approximately 0.50 acres.

- b) Immediately upon completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in a mesh wire cage, and hauled to an approved sanitary landfill.
- c) If production is established, unused portions of the wellpad will be re-contoured, topsoil spread, and reseeded.
- d) All disturbed areas will be re-contoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts except as provided in 9.d. above. All compacted portions of the pad will be ripped to a depth of 12 inches unless in solid rock.
- e) Stormwater control will be in accordance with Kinder Morgan's Regional Stormwater Management Plan and Construction General Permit issued by Colorado Department of Public Health and Environment (CDPHE).
- f) Stockpiled topsoil will be spread evenly over the areas designated for restoration. Enough topsoil will be kept to reclaim at a later date the portion of the location and access road needed for production operations. This remaining topsoil stockpile will be seeded in place using the prescribed seed mixture below.
- g) Seed will be broadcast between September 1 and December 1 (prior to ground frost) utilizing the following prescription. Seed may be drilled at half the rate of broadcast seeding. Seed depth = ½ inch. Kinder Morgan will adhere to the seed mix specified in the BLM's conditions of approval. The following seed mix will be used unless specified otherwise by the landowner.

Species	Common Name – Variety	Rate lbs/acre
<i>Oryzopsis hymenoides</i>	Indian ricegrass – Poloma	1
<i>Sporobolus cryptandrus</i>	Sand dropseed	0.05
<i>Sporobolus airoides</i>	Alkali sacation	0.1
<i>Hilaria jamesii</i>	Galleta – vivia	1
<i>Sanguisorba minor</i>	Small burnet	1
<i>Penstemon strictus</i>	Rocky Mountain penstemon – Bandera	0.1
<i>Atriplex canescens</i>	Fourwing saltbush	1
<i>Ephedra viridis</i>	Green ephedra	1
<i>Cercocarpus moutanus</i>	Mountain mahogany	0.5
<i>Cowania Mexicana</i>	Cliff rose	2
<i>Purshis glandulosa</i>	Desert bitterbrush	1

- h) Reclamation operations will start immediately after drilling and completion operations cease and will be completed as soon as practical under prevailing weather conditions.
- i) Precautionary measures will be taken to control noxious weeds adjacent to disturbed areas throughout the course of operations (including production phase). Noxious weeds, which may be introduced due to soil disturbance, will be treated. These methods may include biological, mechanical or chemical treatments.

- j) Reclamation will be considered successful when the desired vegetative species are established, erosion is controlled, weeds are considered a minimum threat, and a uniform vegetative cover has been established with an individual plant density of at least 70 percent of pre-disturbance levels. Kinder Morgan will continue re-vegetation efforts until this CDPHE standard is met.

11) Surface Ownership

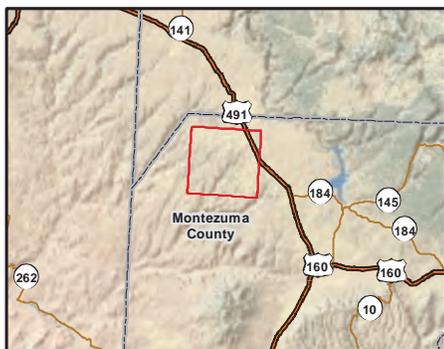
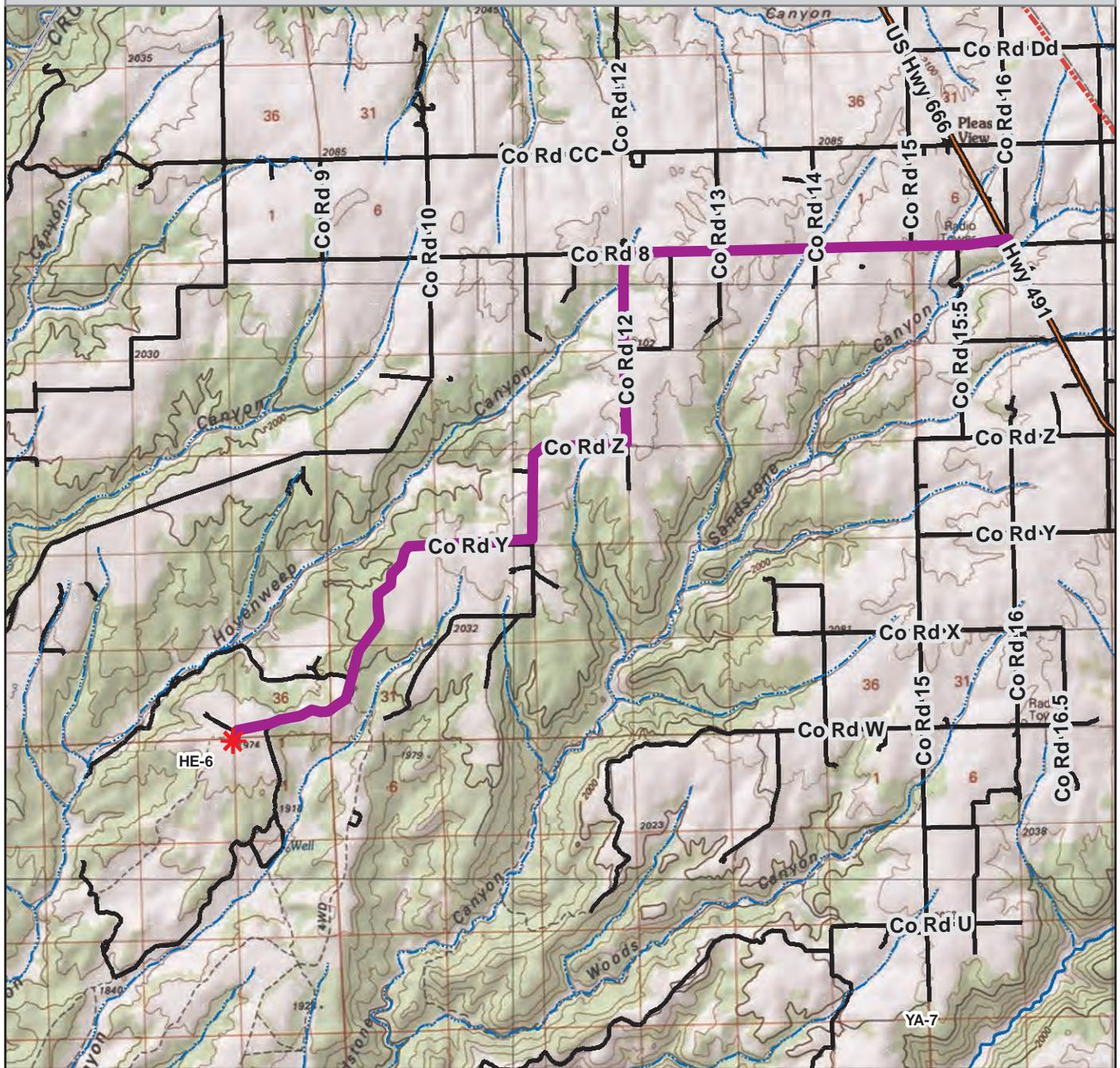
- a) The proposed wellpad location and access road would be location on private land. Landownership information is listed in Table 2.

Landowner Name	Address
Cortez, LLC., A California Liability Company (surface owner)	13202 Bruder Lane Redlands, CA 92373

- a. A copy of the SUPO was sent to Cortez, LLC in March of 2012.
- b. Refer to the attached landowner agreement to allow access to private property, in accordance with IM2009-078.

12) Other Information

- a) If subsurface archaeological/cultural material is exposed during construction, work in that spot will stop immediately and the San Juan Resource Area office will be contacted. All employees working in the area will be informed by the operator that they are subject to prosecution for disturbing archeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will only be done if damage occurs.
- b) Kinder Morgan CO2 Company will be responsible for informing all persons associated with this project that they will be subject to prosecution for knowingly disturbing Native American Indian shrines, historic and prehistoric archaeology sites, or for collecting artifacts of any kind, including arrowheads and pottery sherds, from all federal lands; they may also be subject to prosecution for similar activity on private lands without the permission of the private surface owner.
- c) Kinder Morgan CO2 Company will furnish the dirt contractor a copy of the approved Surface Use Plan of Operations prior to commencing any work. A copy will be made available on site during construction.
- d) Any accidental spill will be cleaned up immediately, and contaminated soils will either be landfarmed or land-filled. Proper reporting procedures will be followed.
- e) The Kinder Morgan representative for operation, engineering or regulatory issues is Bob Clayton (970) 882-5507.



Legend

-  HE-6 Well Pad
-  Proposed Access Route
-  Minor Road
-  Highway/Major Road



1:100,000

HE-6 Well Pad
Proposed Access Map

Date: 3/13/2012

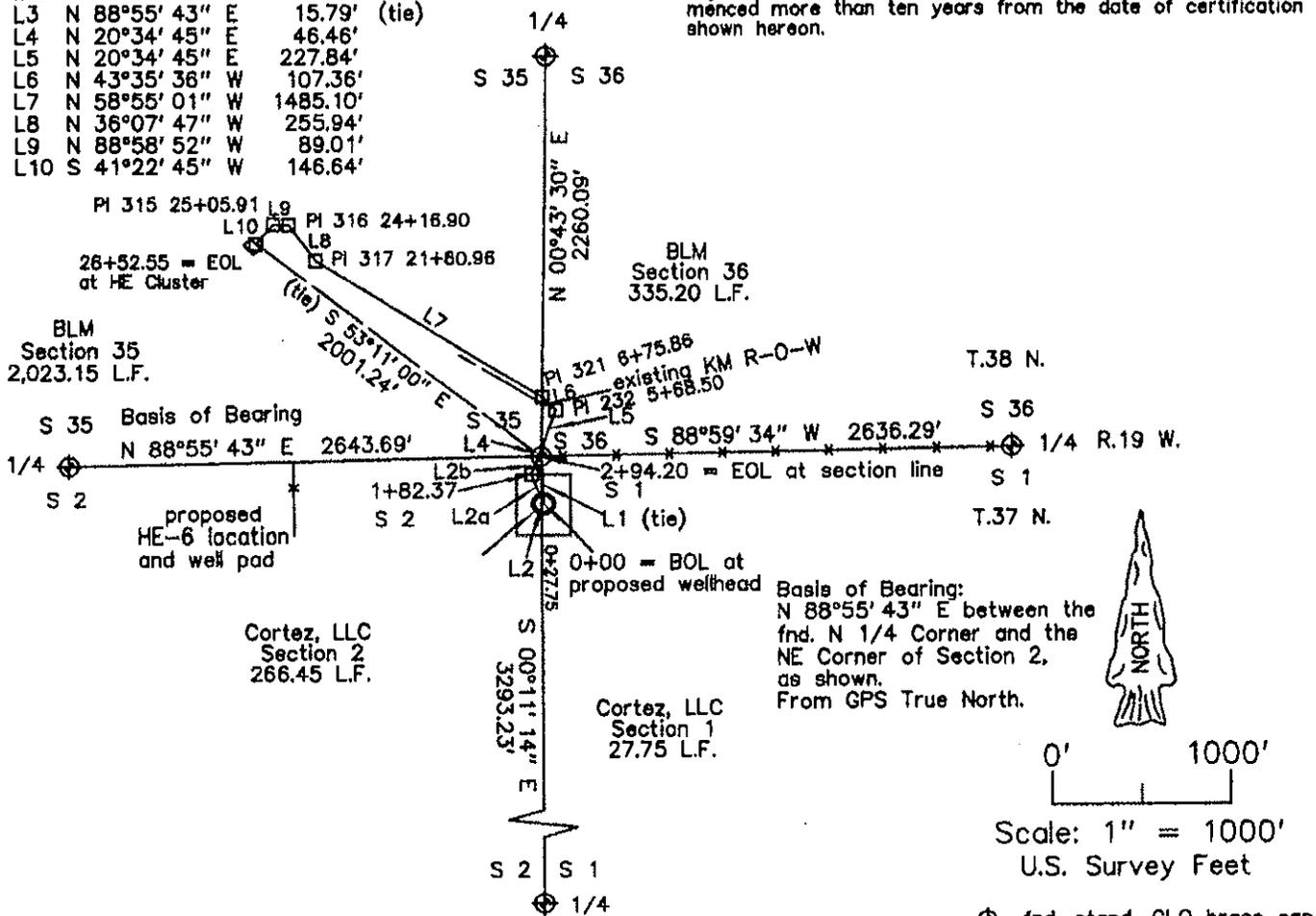
Name: HE-6 Access Map.mxd

LINE DESCRIPTION TABLE

L1	N 02°15' 31" W	275.24'	(tie)
L2	N 21°11' 50" W	27.75	
L2a	N 21°11' 50" W	154.62'	
L2b	N 20°34' 45" E	111.83'	
L3	N 88°55' 43" E	15.79'	(tie)
L4	N 20°34' 45" E	46.46'	
L5	N 20°34' 45" E	227.84'	
L6	N 43°35' 38" W	107.36'	
L7	N 58°55' 01" W	1485.10'	
L8	N 36°07' 47" W	255.94'	
L9	N 88°58' 52" W	89.01'	
L10	S 41°22' 45" W	146.64'	

NOTICE:

According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of certification shown hereon.



LEGAL DESCRIPTION - Right of Way and Easement

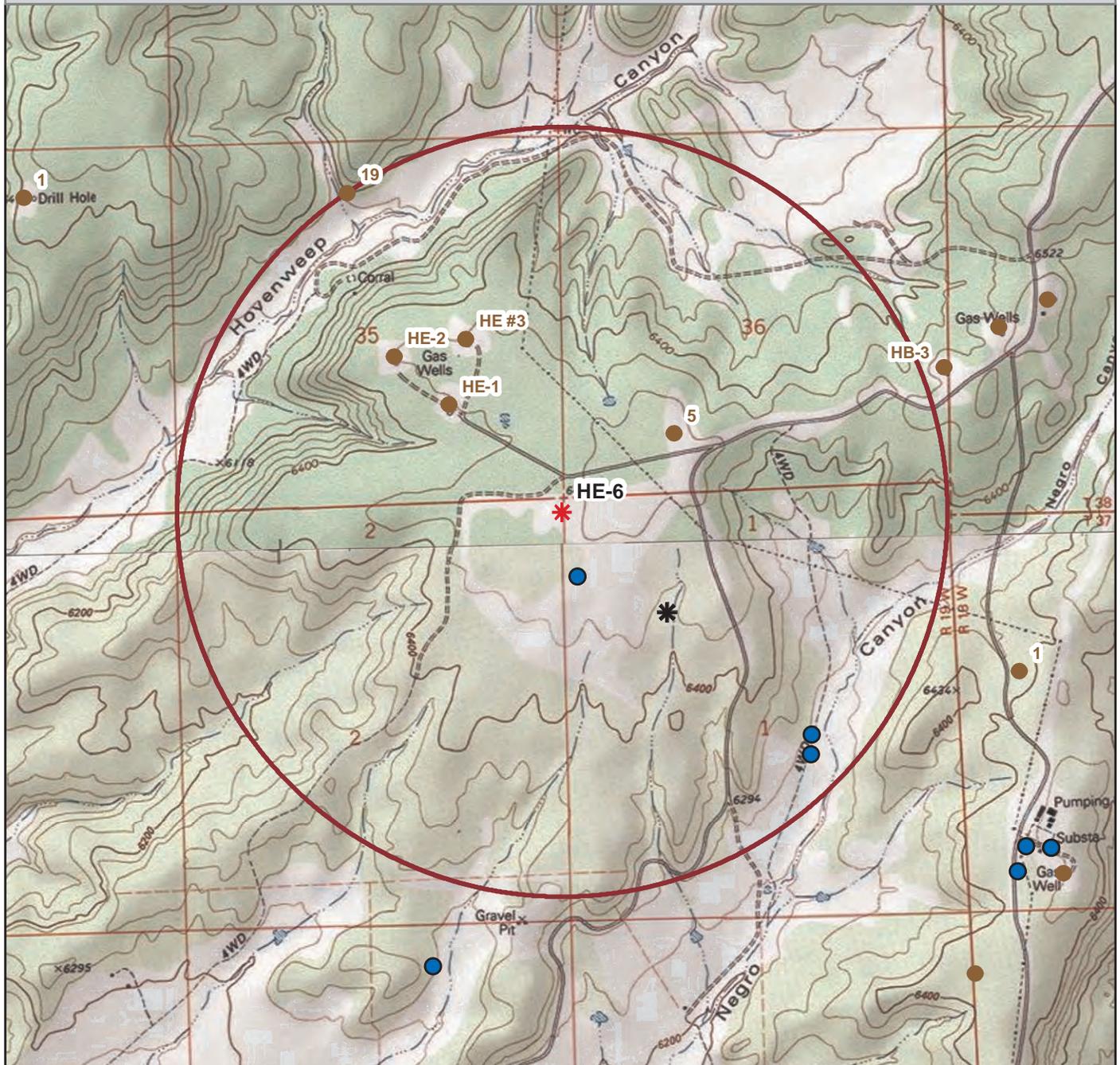
A 50 foot wide right of way and easement lying 25 feet each side of the following centerline description contained in the NW/4 NW/4 of Section 1 and the NE/4 NE/4 of Section 2, T.37 N., R.19 W., NMPM, Montezuma County, Colorado:

Beginning at the proposed HE-6 wellhead, from which point the NW Corner of said Section 1 bears N 02°15' 31" W a distance of 275.24 feet; thence N 21°11' 50" W a distance of 182.37 feet; thence N 20°34' 45" E a distance of 111.83 feet to a point on the North line of said Section 2 and the end of said right of way and easement, from which point the NE Corner of said Section 2 bears N 88°55' 43" E a distance of 15.79 feet.
SUBJECT TO all easement of record or prescriptive.



KNOW ALL MEN BY THESE PRESENTS that I, GERALD G. HUDDLESTON, do hereby certify that this plat was prepared from field notes of an actual survey made by me or under my supervision and that the same is true and accurate to the best of my knowledge and belief.

KINDER-MORGAN CO2 COMPANY, LP	
Proposed HE-6 right of way and easement	
Cortez, LLC - Sections 1 & 2, T.37 N., R.19 W., NMPM, Montezuma County, Colorado	
	revised 3 August 2012
	revised 23 November 2011
	25 October 2011
HUDDLESTON LAND SURVEYING	
P.O. Box KK / Cortez, CO 81321 / 970-565-3330	



Legend

-  HE-6 Well Pad
 -  Bottom Hole
 -  Water Well
 -  Existing Well Pads
 -  1 Mile Buffer
- 0 0.125 0.25 0.5
Miles



1:25,000

HE-6

LOCATION OF EXISTING WELLS
MAP

MONTEZUMA COUNTY,

T37N, R19W SECTION 2

RUIN CANYON, CO
QUADRANGLE

Date: 3/13/2012

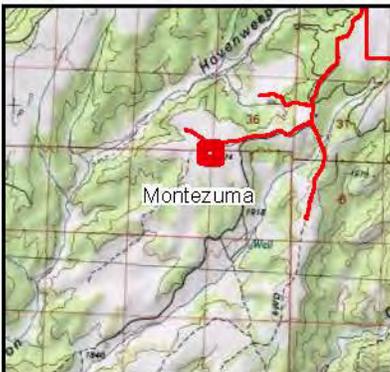
Name: HE-6 Well Buffer Map.mxd

Coordinate System: NAD 1983 UTM Zone 12N

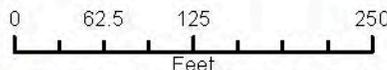


Temporary Use Areas

- | | |
|----|----------------------------------------|
| 1 | Safety trailer |
| 2 | Wind sock and safe brief area |
| 3 | Storage Building |
| 4 | Company Trailer |
| 5 | Drilling trailer |
| 6 | Potable water |
| 7 | Mud logger trailer |
| 8 | Mud engineers trailer |
| 9 | Potable water |
| 10 | Gen-Set for trailers |
| 11 | Fuel & containment |
| 12 | Rig wash water |
| 13 | Water storage fracs |
| 14 | Rig |
| 15 | Cat walk |
| 16 | Pipe racks |
| 17 | Lay down rack |
| 18 | Closed loop with roll off bins |
| 19 | Drilling water storage and containment |
| 20 | Dry cutting storage with containment |
| 21 | Parking |
| 22 | Junk basket |
| 23 | Flare box |
| 24 | Mud storage |



- | | | | |
|-------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------------------|--------------------|
|  | Well Head |  | General |
|  | Construction Site Boundary |  | Building Materials |
|  | Well Pad |  | Equipment |
|  | Pipeline |  | Soil |
|  | Road and Pipeline |  | Tree Stock Pile |



Coordinate System: NAD 1983 StatePlane Colorado South FIPS 0503 Feet

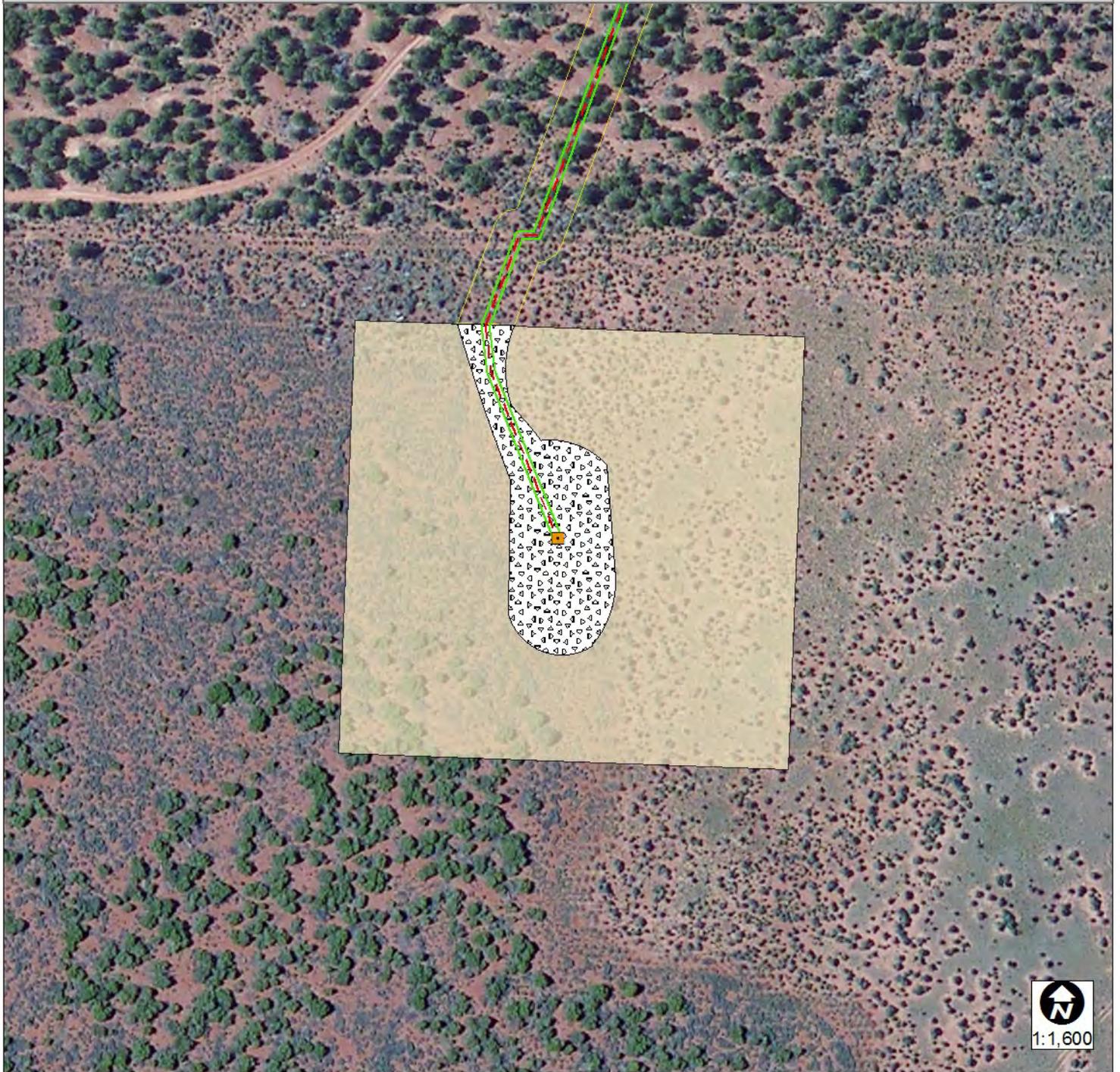
HE 6 DRILLING FACILITY LAYOUT

MONTEZUMA COUNTY,
COLORADO

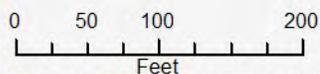
RUIN CANYON, CO
QUADRANGLE

Date: 9/11/2012

Name: HE-6 EA Map.mxd



- Legend**
- Well Head
 - Pipeline
 - Road and Pipeline
 - Gravel
 - Reclamation Area
 - Construction Site Boundary(ROW)



Coordinate System: NAD 1983 StatePlane Colorado South FIPS 0503 Feet

HE 6
**PRODUCTION FACILITIES
AND INTERIM WELL PAD
RECLAMATION DIAGRAM**

MONTEZUMA COUNTY,
COLORADO

RUIN CANYON, CO
QUADRANGLE

Date: 9/12/2012