

WASTE MANAGEMENT PLAN FOR DRILL CUTTINGS

KINDER MORGAN CO2

McELMO DOME & DOE CANYON FIELDS

SOUTHWEST COLORADO

2/14/2013

1. GENERAL

The drill cuttings generated from drilling of CO2 wells in the McElmo Dome & Doe Canyon Fields are managed on site while drilling. Management is currently through a closed loop pit system. The system is designed to drop the cuttings out of the drilling fluids. Free water is removed through the use of a centrifuge and/or absorbants incorporated with the cuttings during handling within the closed loop system. A standard paint filter test is performed on the cuttings to confirm that no free water exists after processing is completed in the closed loop system. The use of a closed loop system on drill site meets the COGCC Management of E&P Waste ,Rule 907 standard for the prevention of environmental impact to air, water, soil or biological resources to the extent necessary to ensure compliance with Table 910-1 standards.

2. Temporary Storage On Site

Drill cutting are stored on site during drilling in roll off containers placed on liners. Cuttings may also be stored in bermed and lined areas on the drill site while awaiting disposal. In an effort to prevent rainfall to accumulate in the storage containers or bermed areas the cuttings are covered with plastic while awaiting disposal.

3. Drill Cutting Disposal

The drill cuttings are currently loaded on trucks and shipped to the Montezuma County Solid Waste Landfill in accordance with the State of Colorado solid / petroleum waste disposal regulations. Cuttings are sampled and tests performed for parameters listed in COGCC Table 910-1 standards. Soil beneath pits and other potentially affected areas will be sampled and tested in accordance with COGCC Table 910-1. The number and location of samples shall be appropriate to determine the horizontal and vertical extent of the impact. Analytical results are provided to the Montezuma Count Waste Landfill prior to approval for disposal in the landfill. Upon approval/ acceptance of waste the cuttings are manifested and shipped to the landfill during normal operating hours. As stated above in Section 2 the cuttings are temporarily stored in containment on the drilling well site during none operating hours of the landfill.