



June 30, 2016

Colorado Oil & Gas Conservation Commission  
ATTN: Jim Hughes, Environmental Protection Specialist  
& Deputy Director Dave Kulmann  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

RE: Kinder Morgan CO2 Company, L.P.  
Conditions of Approval on Form 27 Remediation Workplans

Dear Mr. Hughes and Deputy Director Kulmann:

Kinder Morgan CO2 Company, L.P. ("Kinder Morgan") (Operator No. 46685) is addressing certain Conditions of Approval (COAs) on Kinder Morgan's Form 27 Remediation Workplans to close certain pit locations subject to a Rule 523.e. voluntary self-disclosure. As you are aware, on February 17, 2016 Kinder Morgan made a voluntary disclosure pursuant to COGCC Rule 523.e. regarding several drilling pit closures as required by COGCC Rule 905.b. Kinder Morgan met with the COGCC on March 17, 2016 to discuss the matter. On April 29, 2016 Kinder Morgan made a supplemental disclosure to the COGCC to update the Commission on the status of the subject drilling pits. On June 30, 2016, concurrent with the submittal of this letter, Kinder Morgan made its First Quarterly Report to the Commission and submitted the Pit Table attached hereto as Exhibit A identifying 12 pits closed prior to April 1, 2009 requiring sampling under the pre-2009 Table 910-1 and 13 pits closed after April 1, 2009 requiring sampling under the current Table 910-1.

To date, Kinder Morgan has submitted 8 Form 27 Remediation Workplans which have been approved with certain COAs requiring soil sampling, pit closure and clean-up in accordance with current 900 and 1000 Series COGCC rules. However, three of Kinder Morgan's Form 27s submitted for pits closed prior to April 1, 2009 contain COAs also requiring compliance with current 900 and 1000 Series COGCC rules. COGCC Form 27 approval for GP-9 (Location ID 313609), GP-11 (Location ID 313611), and GP-13 (Location ID 313620) all contain the following COA:

"Current COGCC Rules and Regulations regarding pit closures and clean-up standards shall be applied, specifically, but not limited to, the 900 and 1000 series rules. Given that there is no evidence or documentation of pit closure, the current COGCC Rules and Regulations effective May 1, 2009 on federal lands and April 1, 2009 on fee surface shall apply."

Kinder Morgan has discussed with the Commission the applicability of the pre-2009 Table 910-1 for pits closed prior to the effective date of the current Table 910-1. In the Statement of Basis and Purpose for the 900 Series amendments effective April 1, 2009, the COGCC states that the amendments to the 900 Series rules shall not be retroactive and that the future closure and remediation of pits existing on or after May 1, 2009 on federal land or on or after April 1, 2009 on all other land will be subject to the new concentration levels of Table 910-1. *See Statement of Basis and Purpose for 900 Series Amendments, Order No. 1R-106.* The express intent of the Commission in the 2008 rulemaking was for all pits closed prior to May 1, 2009 on federal land and prior to April 1, 2009 on all other lands be closed and in accordance with the soil sample concentrations contained in the prior version of Table 910-1.

Kinder Morgan submits Reclamation Invoices attached hereto as Exhibit B evidencing that the three pits with COAs requiring compliance with the current version of Table 910-1 were closed prior to April 1, 2009 and therefore governed by the pre-2009 Table 910-1.

Pursuant to the applicability of the pre-2009 Table 910-1 for all pits closed prior to the effective date of the current Table 910-1 on April 1, 2009, Kinder Morgan respectfully requests that the COGCC revise the 3 previously issued COAs for the GP-9, GP-11 and GP-13 to correctly require that for pits closed prior to April 1, 2009, the previous version of Table 910-1 applies.

In addition, for purposes of including all of Kinder Morgan's concerns with the COAs on the approved Form 27s, each of the approved Form 27s with COAs received by Kinder Morgan to date contain a requirement to evaluate for shallow groundwater and, if shallow groundwater is present, to collect a water sample for analysis under the current COGCC Table 910-1 constituents. In the meeting with the COGCC on March 17, 2016, the COGCC asked if Kinder Morgan was planning to evaluate the potential for shallow groundwater. During this discussion, Kinder Morgan proposed to advance a boring to identify the presence of shallow groundwater (located within 50 feet of the surface) and if present, Kinder Morgan would collect and submit a sample of this groundwater for analysis of constituents on the applicable Table 910-1. This shallow boring would be advanced only if there was documented groundwater use within ½ mile of the pit (similar to current COGCC Rule 609 requirements).

During the subsequent development of the Form 27s, Kinder Morgan personnel utilized both the COGCC GIS Online feature to locate mapped water wells as well as knowledge of the surrounding area. Extensive central potable and irrigation water distribution systems have been developed in this area which utilize surface water as the source and provide residents with water for all domestic uses. Due to the availability of these central water supply systems, groundwater wells are not common. In addition, shallow groundwater in the area is typically only associated with canyons, drainages and other low-lying areas. Kinder Morgan requests additional discussion on this issue as to the necessity for such sampling on every location, as well as the economics relating to such sampling.

Thank you for your time and consideration to this matter, and please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Jamie L. Jost". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

Jamie L. Jost  
Managing Shareholder

Enclosures

cc: Kenneth H. Havens Jr., Kinder Morgan  
Jessica Toll, Kinder Morgan  
Barry Swift, Kinder Morgan

EXHIBIT A

JUNE 30, 2016 STATUS TABLE

Well Information				Spud Dates		Pit Information			Landowner Information		Water Wells		Status	
Well Name	Category in KM letters	Surface/ Mineral	API #	Facility ID No.	APD Approved	Spud Date	Re-entry Spud Date	Pit Permit	Document No.	Pit Permit Date	Physical Pit Closure	Land Use	Water Well Within 1/2 Mile of the Wellhead	
Locations requiring soil sampling and landowner approval														
YA-4	1	Fee/Fee	05-083-06586	257924	8/16/00	4/30/2001	9/7/09	Yes - 257924	-	8/25/00	2002	crop land	No	On hold pending COGCC COA review
HB-5	1	Fee/Fee	05-083-06596	264308	8/15/02	8/3/2002		Yes - 264308	-	7/30/02	2003	CRP	No	On hold pending COGCC COA review
YE6	1	Fee/Fee	05-083-06594	263405	4/17/02	6/16/2002	9/14/2009	Yes - 263405	-	4/26/02	2003	non-crop land	No	On hold pending COGCC COA review
YF3	1	Fee/Fed	05-083-06593		4/9/02	5/22/2002		Yes	-		2003	crop land	No	On hold pending COGCC COA review
MC8*	1	Fee/Fee	05-083-06625	279715	9/2/05	12/3/2005		Yes - 279715	-	9/1/05	2006	non-crop land	No	On hold pending COGCC COA review
YA-5*	1	Fee/Fee	05-083-06623	278718	7/12/05	8/22/2005		Yes - 278718	-	7/8/05	2006	crop land	No	On hold pending COGCC COA review
DC2*	1	Fee/Fee	05-033-06135		8/28/07	8/30/2007	7/21/2013	No	-		2008	rangeland	No	On hold pending COGCC COA review
DC5*	1	Fee/Fee	08-033-06130	290061	5/7/07	6/2/2007		Yes - 290061	-	4/24/07	2008	non-crop land	Yes	On hold pending COGCC COA review
DC8*	1	Fee/Fed	05-033-06132		7/30/07	8/30/2007		No	-		2008	crop land	Yes	On hold pending COGCC COA review
GP11*	1	Fee/Fee	05-083-06635		11/2/07	1/28/2008		No	-		2008	crop land	No	On hold pending COGCC COA review
GP13*	1	Fee/Fee	05-083-06645		3/27/08	5/19/2008		No	-		2008	crop land	Yes	On hold pending COGCC COA review
GP9*	1	Fee/Fee	05-083-06633		10/12/07	11/10/2007		No	-		2008	KM property	No	On hold pending COGCC COA review
April 1, 2009 Significant Change to Table 910-1														
GP12*	1	Fee/Fee	05-083-06634		11/2/07	12/19/2007		No	-		2009	pasture	Yes	KM scheduling sampling
GP14*	1	Fee/Fee	05-083-06642		3/27/08	9/20/2008		No	-		2009	pinyon juniper	No	KM scheduling sampling
GP15*	1	Fee/Fee	05-083-06641		2/14/08	8/6/2008		No	-		2009	crop land	No	KM scheduling sampling
GP16*	1	Fee/Fee	05-083-06649		4/9/08	7/1/2008	4/28/2014	No	-		2009	crop land	Yes	Soil and groundwater sampled in June 2016. No groundwater encountered during 50-foot boring. Laboratory analysis for soil samples received.
GP17*	1	Fee/Fee	05-083-06640		3/6/08	3/24/2008		No	-		2009	crop land	Yes	Soil and one 50-foot groundwater sample taken in June 2016. Laboratory results received.
GP-19*	1	Fee/Fee	05-083-06655		9/25/08	11/10/2008	2/27/2011	No	-		2009	crop land	Yes	Soil and one 50-foot groundwater sample taken in June 2016. Laboratory results received for groundwater sample.
YE7*	1	Fee/Fed	05-083-06624	278776	9/2/05	10/23/2005		Yes - 278776	-	7/12/05	2010	non-crop land	No	KM scheduling sampling
DC11	1	Fee/Fee	05-033-06171	427014	1/15/12	4/5/2012		Yes - 427014	-	12/30/11	2012	crop land	Yes	Soil sampled in June 2016. No groundwater encountered during 50-foot boring.
YG1	1	Fee/Fee	05-083-06697	428410	3/30/12	8/24/2012		Yes - 428410	400254733	3/30/12	2012	cropland	No	KM scheduling sampling
HA-4	1	Fee/Fee	05-083-06693	429408	3/30/12	8/8/2012		Yes - 428408	400254078	3/30/12	2013	cropland	No	KM scheduling sampling
YA-6	1	Fee/Fee	05-083-06694	428413	3/30/12	5/30/2012		Yes - 428413	400254392	3/30/12	2013	crop land	No	KM scheduling sampling
YA-7	1	Fee/Fee	05-083-06701	430761	5/9/12	7/7/2012		Yes - 430761	400268556	1/15/12	2013	crop land	No	KM scheduling sampling
YG2	1	Fee/Fee	05-083-06695	428412	3/30/12	10/25/2012		Yes - 428412	400254734	3/30/12	2013	cropland	No	KM scheduling sampling
No Earthen Pit Constructed - Form 27 Submitted to Close														
DWD#1	3	Fee/Fee	05-033-06078		9/9/83	1/11/1983	8/13/12	N/A	-	N/A	N/A	rangeland	Yes	No pit constructed. Form 27 approved. No further action necessary.

**EXHIBIT A**

**JUNE 30, 2016 STATUS TABLE**

Well Information				Spud Dates		Pit Information			Landowner Information	Water Wells	Status			
Well Name	Category in KM letters	Surface/ Mineral	API #	Facility ID No.	APD Approved	Spud Date	Re-entry Spud Date	Pit Permit	Document No.	Pit Permit Date	Physical Pit Closure	Land Use	Water Well Within 1/2 Mile of the Wellhead	
DWD-1X	3	Fee/Fee	05-083-06129	289825	12/29/06	not drilled		Yes - 289825		4/24/07	N/A	crop land	NA	No pit constructed. Form Z7 approved. No further action necessary.
HB-6	3	Fee/Fed	05-083-06899	429155	4/24/12	3/2/2013		Yes - 429155	400254792	6/6/12	N/A	crop land	No	No pit constructed. Form Z7 approved. No further action necessary.
HE-6	3	Fee/Fed	05-083-06700	429156	4/26/12	4/24/2013		Yes - 429156	400254793	6/6/12	N/A	non-crop land	No	No pit constructed. Form Z7 approved. No further action necessary.
YB-6	3	Fee/Fed	05-083-06696	428411	3/20/12	1/3/2013		Yes - 428411	400254413	3/30/12	N/A	crop land	Yes	No pit constructed. Form Z7 approved. No further action necessary.
<b>Closed Per BLM Requirements</b>														
YB-4	2	Fed/Fed	05-083-06587		6/2/198	5/29/2001		No			2002	CANM	No	KM requesting documentation from BLM
HE-5	2	Fed/Fed	05-083-06601		3/6/03	9/10/2002		No			2003	CANM	No	KM requesting documentation from BLM
SC10	2	Fed/Fed	05-083-06804		3/12/03	10/6/2002		No			2003	CANM	No	KM requesting documentation from BLM
HC-4*	2	Fed/Fed	05-083-06891		11/23/09	10/4/2003		No			2004	CANM	No	KM requesting documentation from BLM
DC3*	2	Fed/Fed	05-033-06133		8/28/07	7/1/2007		No			2007	BLM	No	KM requesting documentation from BLM
DC4*	2	Fed/Fed	05-033-06137		8/28/07	8/17/2007		No			2007	BLM	No	KM requesting documentation from BLM
HF-3*	2	Fed/Fed	05-083-06646		4/3/08	4/15/2007	4/2/2009	No			2007	CANM	No	KM requesting documentation from BLM
SC11*	2	Fed/Fed	05-083-06884		8/1/10	2/20/2007		No			2007	CANM	No	KM requesting documentation from BLM
DC6*	2	Fed/Fed	05-033-06134		8/28/07	9/22/2007		No			2008	BLM	No	KM requesting documentation from BLM
GP20	2	Fed/Fed	05-083-06686		10/7/10	2/7/2012		Yes - 419732	2213436	3/17/11	2013	CANM	No	KM requesting documentation from BLM
GP21	2	Fed/Fed	05-083-06687		4/19/32	10/7/10		Yes - 419732	2213436	3/17/11	2013	CANM	No	KM requesting documentation from BLM
GP22	2	Fed/Fed	05-083-06689		393066	10/7/10		Yes - 393066	2213434	3/17/11	2013	CANM	No	KM requesting documentation from BLM
GP23	2	Fed/Fed	05-083-06688		393066	10/7/10		Yes - 393066	2213434	3/17/11	2013	CANM	No	KM requesting documentation from BLM
GP24	2	Fed/Fed	05-083-06689		449724	not drilled		Yes - 449724	2243435	3/17/11	2013	CANM	Yes	This well was never drilled
GP25	2	Fed/Fed	05-083-06685		419724	10/7/10	11/14/2012	Yes - 419721	2213435	3/17/11	2013	CANM	No	KM requesting documentation from BLM

**LEGEND**

- \* signifies wells that were part of the 2011 final settlement between KM and COGCC
- Category 1 signifies wells for which testing and landowner approval did not take place per the COAs or no pit permit obtained
- Category 2 signifies wells located on BLM land where KM completed remediation per BLM requirements
- Category 3 signifies wells drilled with closed loop
- Category 4 Kinder Morgan has reviewed all wells previously in category 4 and moved them to category 1 or 2 if appropriate





**NORMAN UTLEY CONSTRUCTION, INC.**

Drawer 1540  
Cortez, Colorado 81321  
Phone (970) 565-7244

To: KINDER MORGAN CO2 CO L.P.

CORRTEZ, CO 81321

Invoice No. KMCO-09808

Date: 9-8-08

Customer Order No. 06-CC51-558-C02

Salesman *Norm Utley*

VIA GOODMAN POINT WELL #13

TERMS: PAYABLE 10<sup>TH</sup> OF MONTH FOLLOWING DATE OF PURCHASE- 24% INTEREST RATE PER ANNUM (2% PER MO.) ON PAST DUE ACCOUNTS. In the event collection of this account is initiated, I agree to pay all costs of collection including, but not limited to, reasonable attorney fees.

QUANTITY	DESCRIPTION	PRICE	AMOUNT
	RECLAMATION DONE ON LOCATION #13		29,933 00
		S & T	
		SEP - 8 2008	
		By <i>[Signature]</i>	
		22977	
	ENT/LOC/RC: <u>047001261028</u>		
	ACCT: <u>137401</u> TOC: <u>9900</u>		
	AFE: <u>34521</u> 7401999999		
	ACCT CAT: <u>39609</u> DATE: _____		
	PROP. CODE: _____		
	POWD: _____ EAR: _____		
	VOUCHER: _____		
	VENDOR: <u>100026639</u>		
		S & T	
		SEP 10 2008	
		By <i>[Signature]</i>	
			29,933 00

ENTERED  
SEP 12 2008

EA+P  
SMH

Accepted By  
Signature *[Signature]*

V. 100026639aw  
3815860