



December 20, 2018

Colorado Oil & Gas Conservation Commission
ATTN: Acting Director Leonard & Environmental Manager Deranleau
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

RE: Kinder Morgan CO2 Company, L.P.
Rule 523.e. Voluntary Self Disclosure – Eleventh Quarterly Report

Dear Mr. Leonard and Mr. Deranleau:

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 eleventh quarterly status report to its Rule 523.e. voluntary self-disclosure made on February 17, 2016. This eleventh quarterly status report follows ten prior quarterly status reports from June 30, 2016 to September 26, 2018, and summarizes the current path forward with respect to certain drilling pits located in Montezuma and Dolores Counties, Colorado, subject to pending future variance requests. The attached tables labeled "Exhibit A – December 2018 Status Table" and "Exhibit B – BLM Sites" provide a summary of the status of the subject pits as of this eleventh quarterly status report. In addition, the attached table labeled "Exhibit C" provides a summary of the groundwater sampling results for the DC-5 location.

As we discussed in our meeting with the COGCC and the CDPHE on November 9, 2018, we understand that Kinder Morgan, the COGCC and the CDPHE have arrived at an informal path forward with respect to the subject pit locations. Kinder Morgan is seeking formal confirmation from the COGCC regarding the path to closure of the subject pit locations, as set forth herein. We understand that Mr. Deranleau will be formally confirming these points in writing, and we greatly appreciate your time and attention to these matters.

First, Kinder Morgan would like confirmation that the eleven (11) sites physically closed prior to April 1, 2009 on non-irrigated land, as summarized on Exhibit A, will not require a variance to Rule 905, and will be closed by the COGCC upon submission of written landowner permission to leave the pit liner in place and completion of remediation to the current Table 910-1 standards.

Second, following communication between the COGCC and the BLM, Kinder Morgan is confirming the closure of the fourteen (14) BLM sites summarized on Exhibit B. As we discussed in our meeting on November 9th, the five (5) pits closed after 2009 on federal lands have been fully removed and the BLM considers all fourteen (14) sites to be closed. In an email dated

November 13, 2018, we provided you with the written acknowledgement from the BLM that interim reclamation is satisfactory to the BLM, and the BLM has no intention of requiring Kinder Morgan to excavate and verify closing procedures. This email was previously submitted to the COGCC with Form 4s. We understand that you will be conducting further outreach to the BLM to confirm the closure of these sites.

Third, upon finalization of the Environmental Covenant with the CDPHE, and confirmation of these outstanding points above, Kinder Morgan will submit individual variance requests to leave the pit liner in place for each of the seven (7) sites summarized on Exhibit A to the COGCC using individual Form 4 variance requests to Rule 905.b.(3)A.

Finally, based on our conversation at our October 25, 2018 meeting, we would like to confirm your agreement that a variance is not required to the timing of interim remediation per Rule 1003.b (3 months on crop land, 6 months on non-crop land) for the seven (7) sites summarized on Exhibit A, as the variance to Rule 905 encompasses the variance to Rule 1003.b.

Upon confirmation of these outstanding points, Kinder Morgan looks forward to working with you and COGCC Staff to bring these sites to final closure. We would like to reiterate our appreciation for your time and efforts on this matter. As Kinder Morgan works with you and COGCC Staff with respect to the revised variance requests, Kinder Morgan will submit its twelfth quarterly report, if necessary, on or before March 31, 2019, and will supplement this report with additional information if needed. 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 a horizontal line.

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