



Overview of McElmo Dome Development Plans

Montezuma Co BOCC

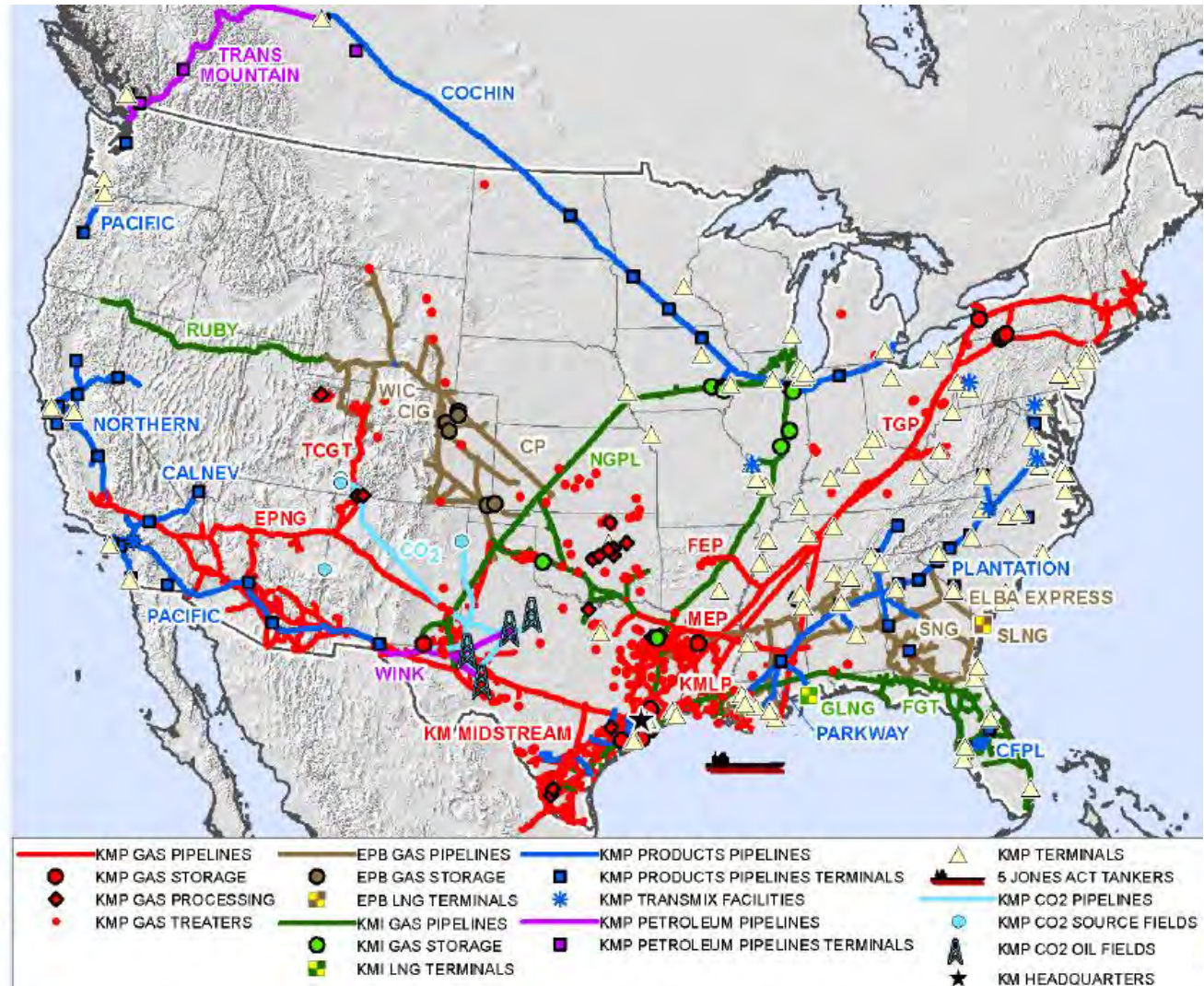
10/27/2014



Kinder Morgan Asset Map

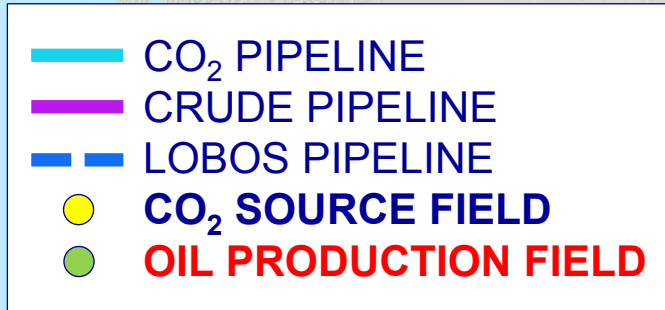
- **3rd largest energy company in North America with combined enterprise value of approximately \$110 billion** ^(a)
- **Largest natural gas network in North America**
 - Own an interest in / operate ~68,000 miles of natural gas pipeline
 - Connected to every important U.S. natural gas resource play, including: Eagle Ford, Marcellus, Utica, Uinta, Haynesville, Fayetteville and Barnett
- **Largest independent transporter of petroleum products in North America**
 - Transport ~2.3 MMBbl/d ^(b)
- **Largest transporter of CO₂ in North America**
 - Transport ~1.3 Bcf/d of CO₂ ^(b)
- **Largest independent terminal operator in North America**
 - Own an interest in or operate ~180 liquids / dry bulk terminals
 - ~125 MMBbls domestic liquids capacity
 - Handle ~103 MMtons of dry bulk products ^(b)
- **Only Oilsands pipe serving West Coast**
 - Transports ~300 MBbl/d to Vancouver / Washington State; proposed expansion takes capacity to 890 MBbl/d

(a) Combined enterprise value of KMI, KMP & EPB; see footnotes on slide 9 for further information.
 (b) 2014 budgeted volumes.



Kinder Morgan CO₂

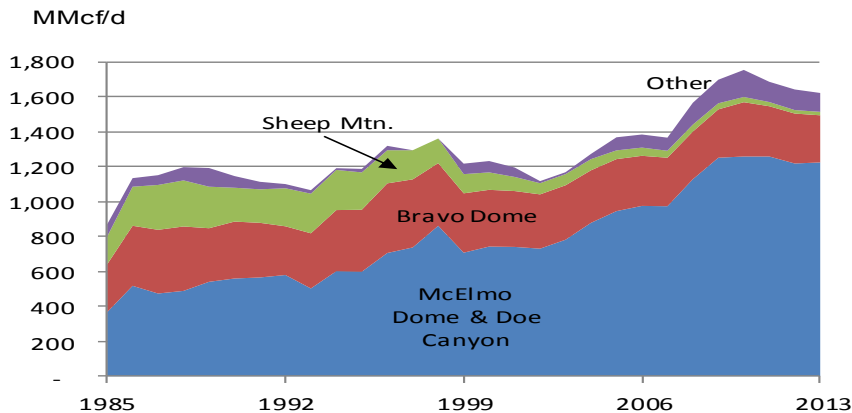
- Leading transporter and marketer of CO₂ in North America.
- Deliver approximately 1.3 billion cubic feet per day of CO₂ through about 1,300 miles of pipelines.
- One of the largest oil producers in Texas, producing over 55,000 barrels of oil per day at the SACROC, Yates, Katz, and GLSAU fields in the Permian Basin.
- Own significant interests in and operate CO₂ source fields, natural gas and gasoline processing plants, and crude oil pipelines.
- Transport CO₂ via pipeline from SW Colorado to west Texas where it is injected into oil producing fields.



CO₂ Source & Transportation

Growing Business Opportunities

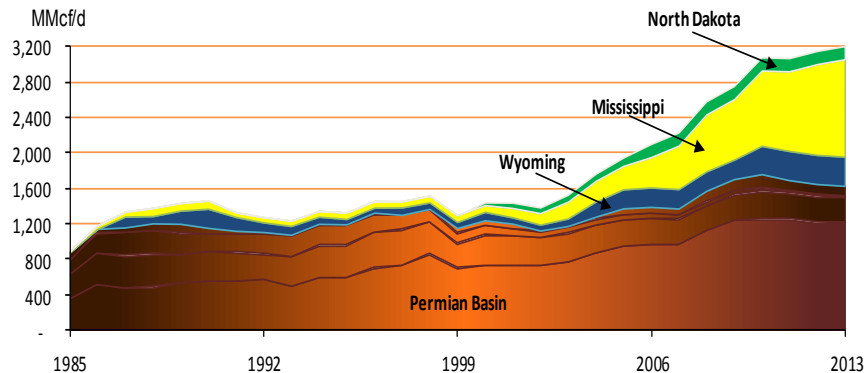
Permian Basin CO₂ Deliveries



Permian Basin

- 2013 supplies were at capacity, customers were being pro-rated at times
- Permian Basin demand is growing via new projects, extensions of existing projects, and ROZ projects
- Increased opportunities in the Permian Residual Oil Zone (ROZ)

Domestic CO₂ Deliveries



Domestic EOR

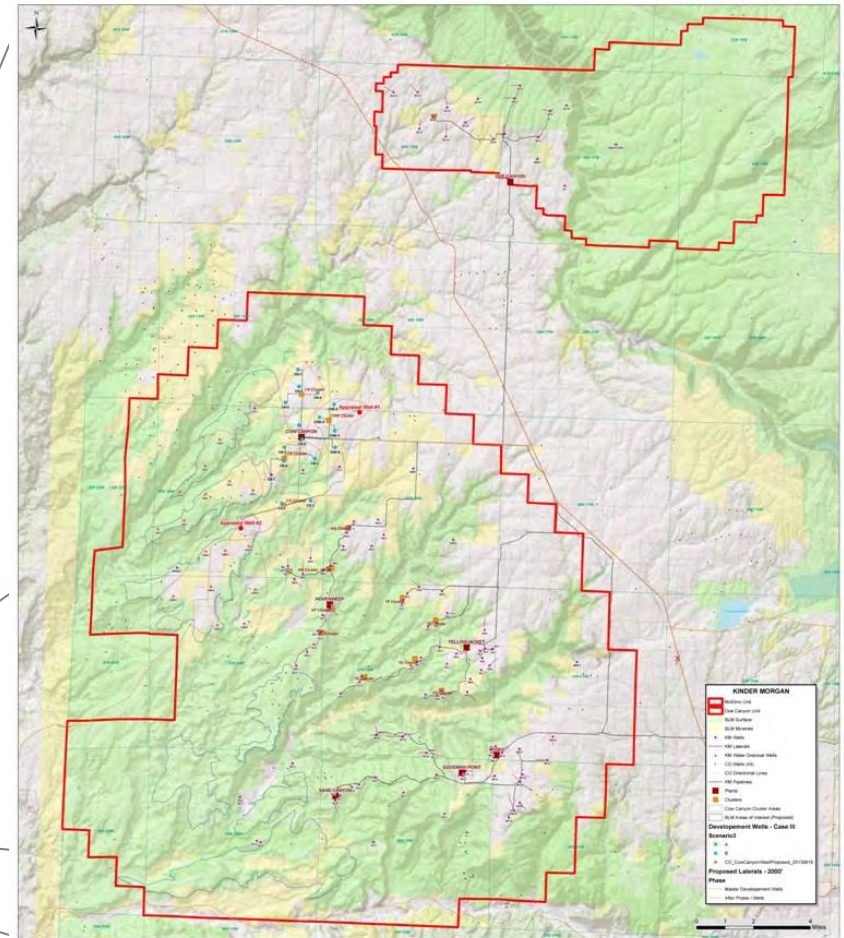
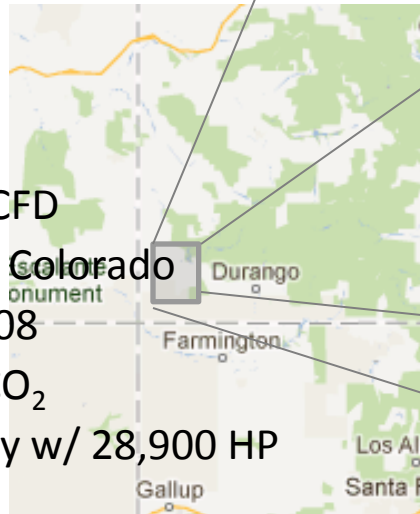
- CO₂ Industry EOR activity is increasing
- Naturally occurring sources are being expanded to ultimate capacity
- Several regions have potential
 - Gulf Coast, California, Mid-continent, Canada
- Emerging anthropogenic source momentum

SW Colorado CO₂ Production

Largest CO₂ producer in the US supplying ~75% of CO₂ used for EOR in the Permian Basin

SW Colorado CO₂ Source Fields

- McElmo Dome
 - Production – 1.1 BCFD
 - 203,000 acre unit in SW Colorado
 - In production since 1983
 - Largest natural CO₂ source in the world
 - 15 TCF of Recoverable CO₂
 - Five CO₂ Central Facilities w/ 114,200 HP Compression
- Doe Canyon
 - Production – 200 MMCFD
 - 53,000 acre unit in SW Colorado
 - In production since 2008
 - 2 TCF of Recoverable CO₂
 - One CO₂ Central Facility w/ 28,900 HP Compression



CO₂ Production Economic Impact

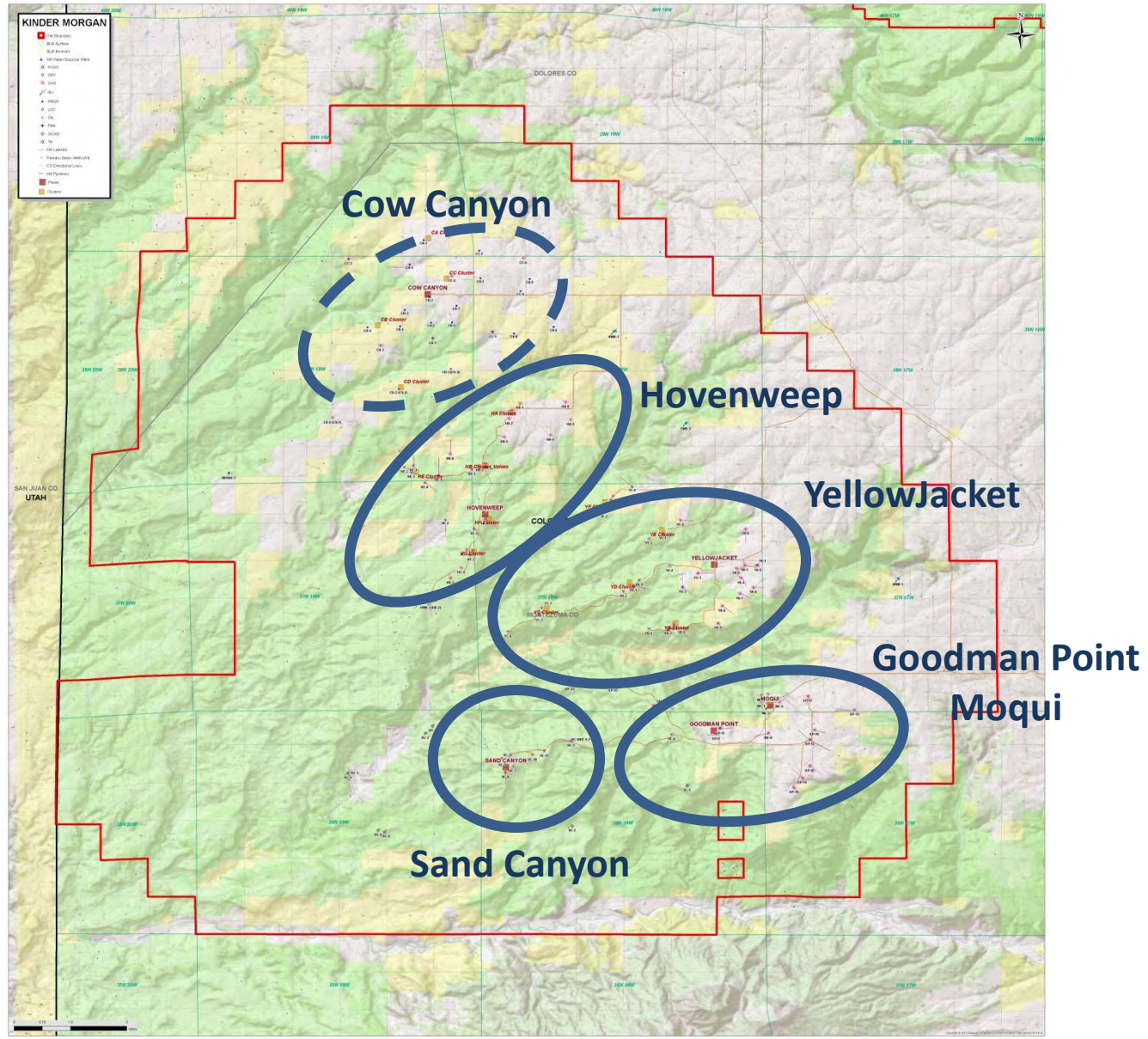
- KMCO₂ has a significant economic impact in Southwest Colorado, paying in 2013:
 - \$77.3 million in royalties to the Federal government
 - \$1.0 million in royalties to the State government
 - \$26.7 million in royalties to individual mineral owners
 - \$20 million to Montezuma , La Plata and Dolores County taxing bodies
 - Approximately 45% of Montezuma County and 53% of Dolores County tax revenue
 - \$44.4 million annual operating budget
 - Direct payroll of \$7.3 million
 - ~\$27 million to the local electrical cooperative (>50% of total load)
- Additional development projects are expected to create the following stimulus to the local economy:
 - \$1.1 billion spend over the life of the project.
 - Peak construction and drilling operations will include over 400 jobs (skilled craftsmen & trained laborers).
 - KMCO₂ will hire 13 new fulltime employees.
 - Over \$10 million infusion to local hotels, restaurants and RV Parks.
 - Over \$20 million to local retailers and suppliers.
 - Up to \$50 million increase in annual operating budget directly affecting local communities, 80% will be for electric power supply.

A Different Kind of
ENERGY COMPANY

McElmo Dome Development



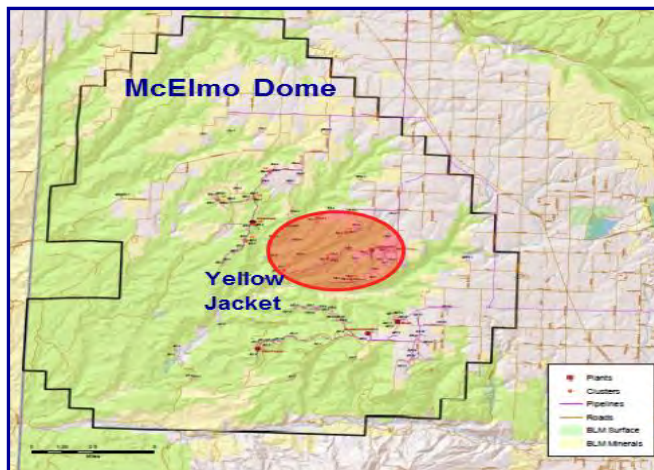
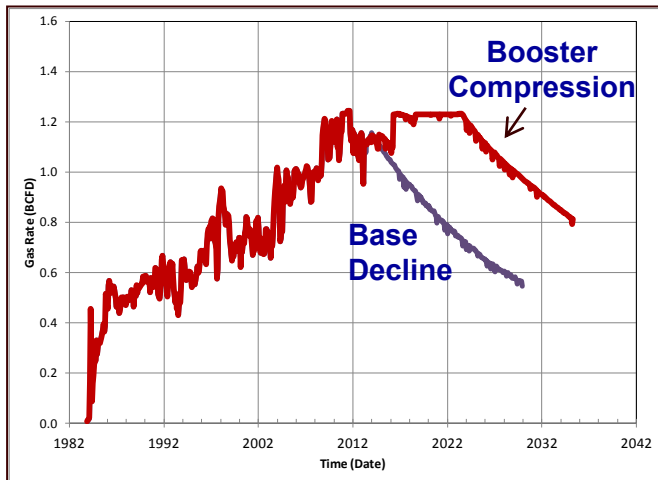
McElmo Dome CO₂ Development Areas



McElmo Dome Field Expansion

Yellow Jacket Area – Booster Compression Project

Incremental Production with Booster Compression, MMcf/d



- **Target Rate of 1.2 Bcf/d**
 - Yellow Jacket first step in adding field compression
 - Adds 1.7 TCF reserves
- **Successful YJ Project Startup 9/2014**
- **YJ Project Costs \$214 MM**

— Compression	\$141 MM
— Facilities	\$ 68 MM
— Engineering	\$ 5 MM
- **Next Phases for Other Plants In Planning**

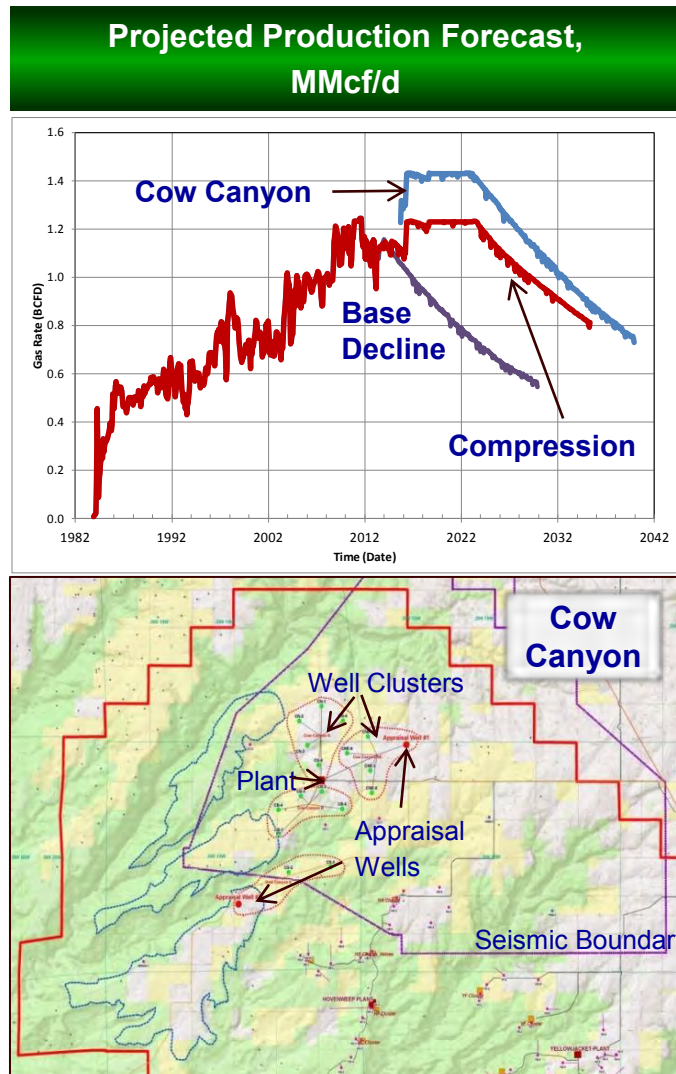
McElmo Dome – Yellow Jacket

Compression Expansion Project – Pictures



McElmo Dome Field Expansion

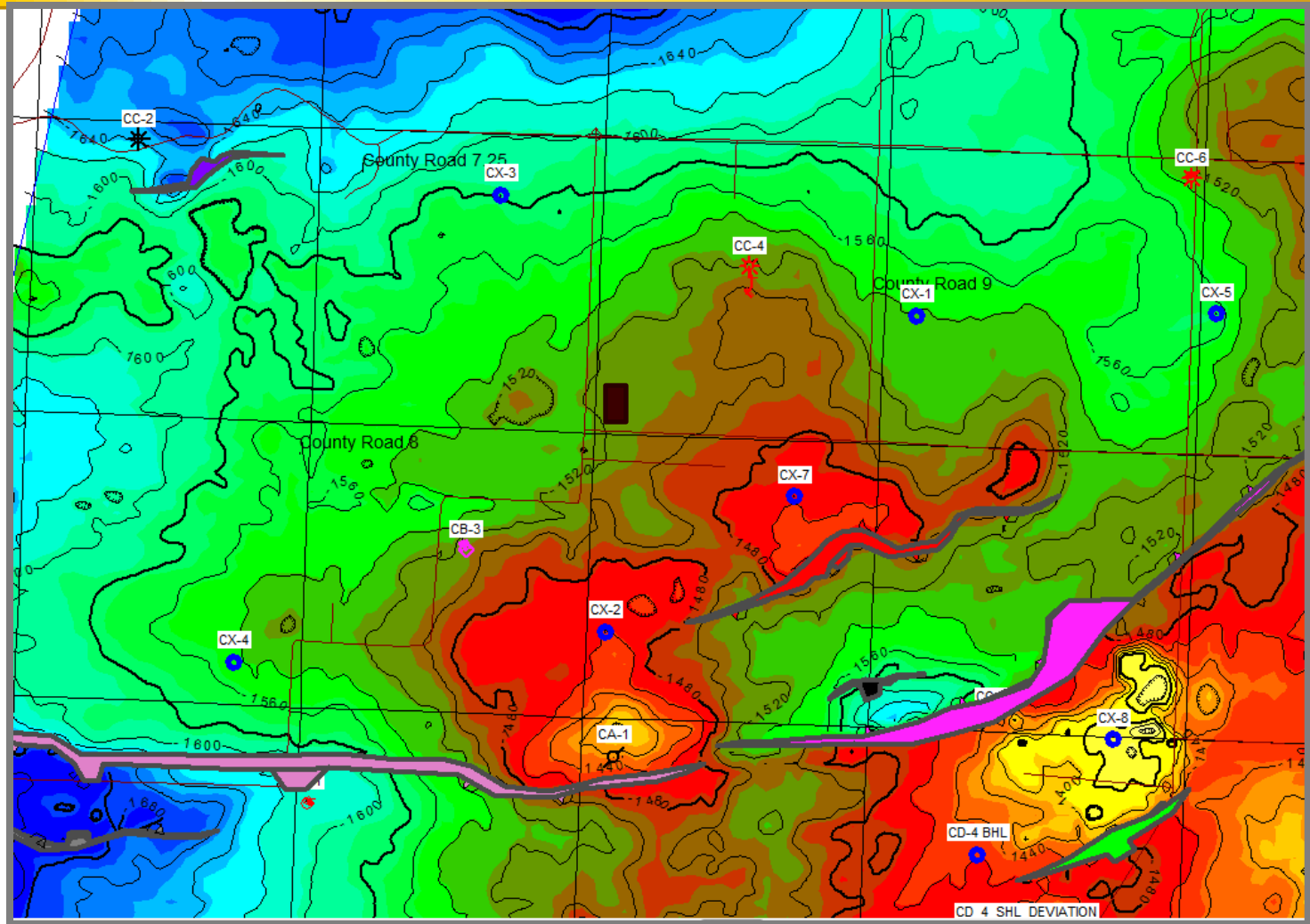
Cow Canyon Development

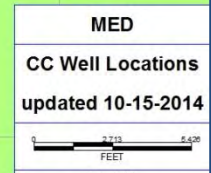


- **Additional 200 MMCFD Opportunity**
 - 1.3 TCF reserves potential
 - Known area from past drilling
- **Pre-Development Phase Complete**
 - 2 appraisal wells, 3D seismic
 - Facilities construction underway
- **Targeting mid-2015 1st Production**
- **Project Costs \$344 MM**
 - Pre-development investment
 - 14 development wells
 - Compression & gathering facilities

Cow Canyon Development

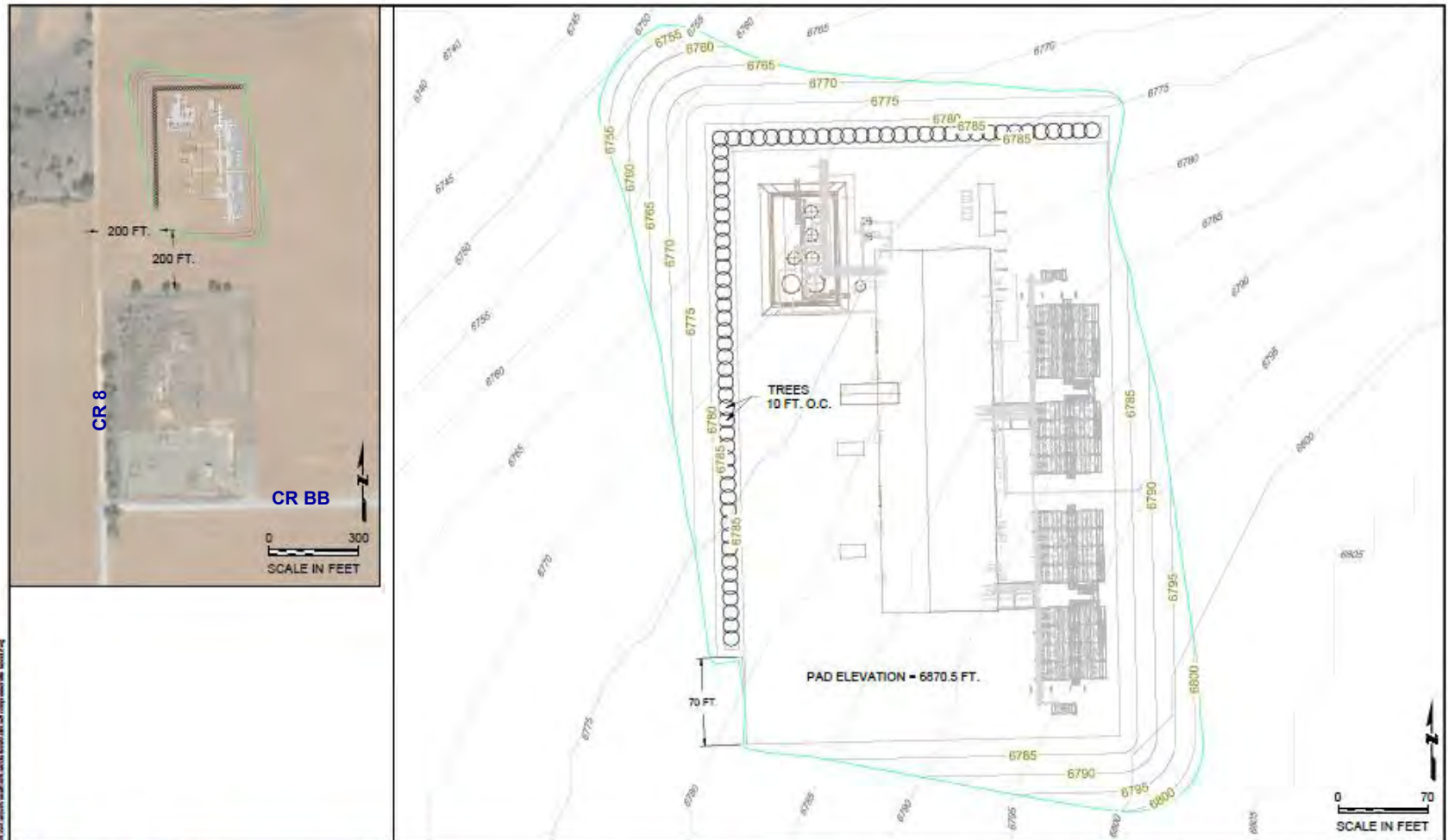
3D Seismic Results





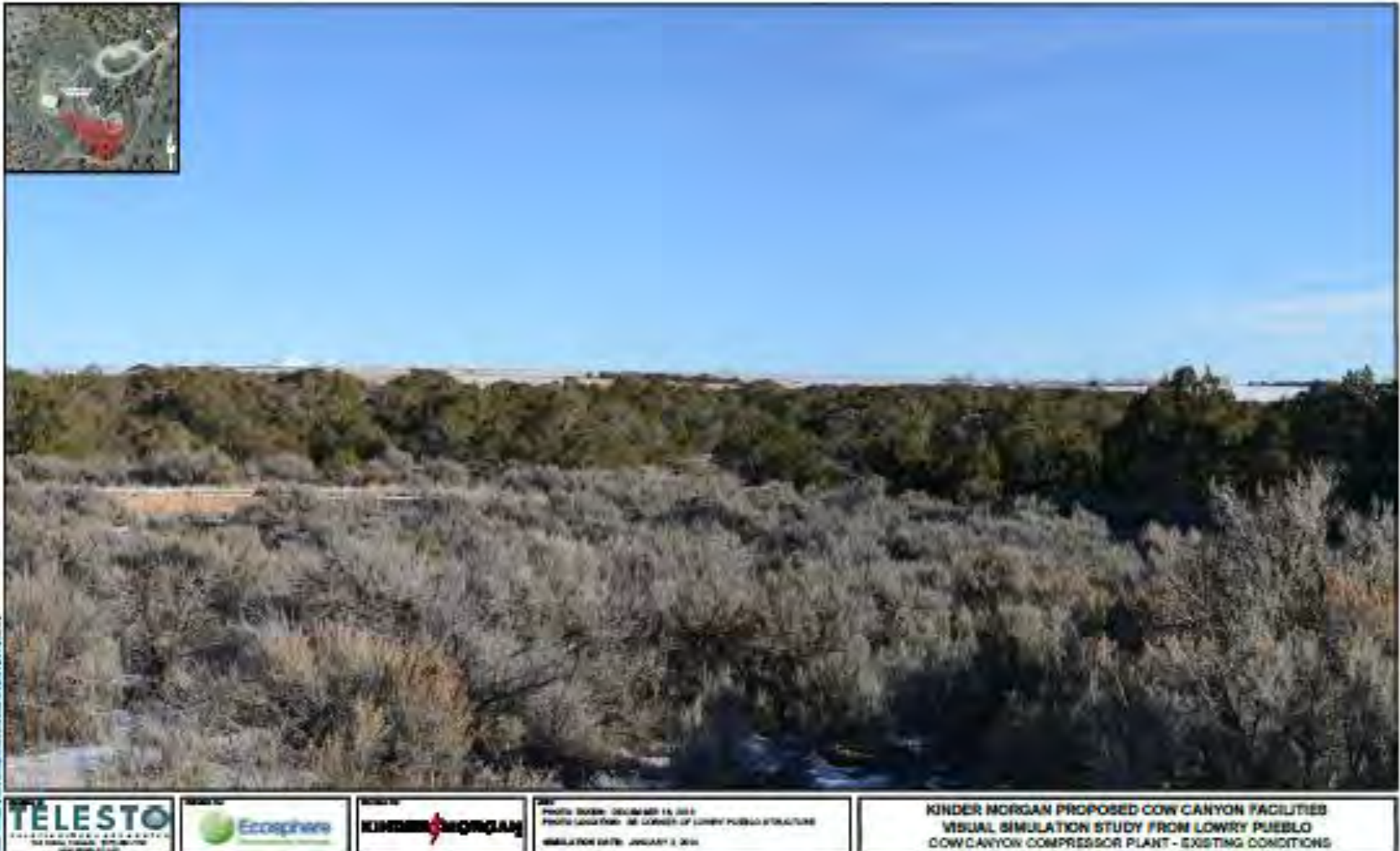
Cow Canyon Project – McElmo Dome

Compression Facility Plot Plan



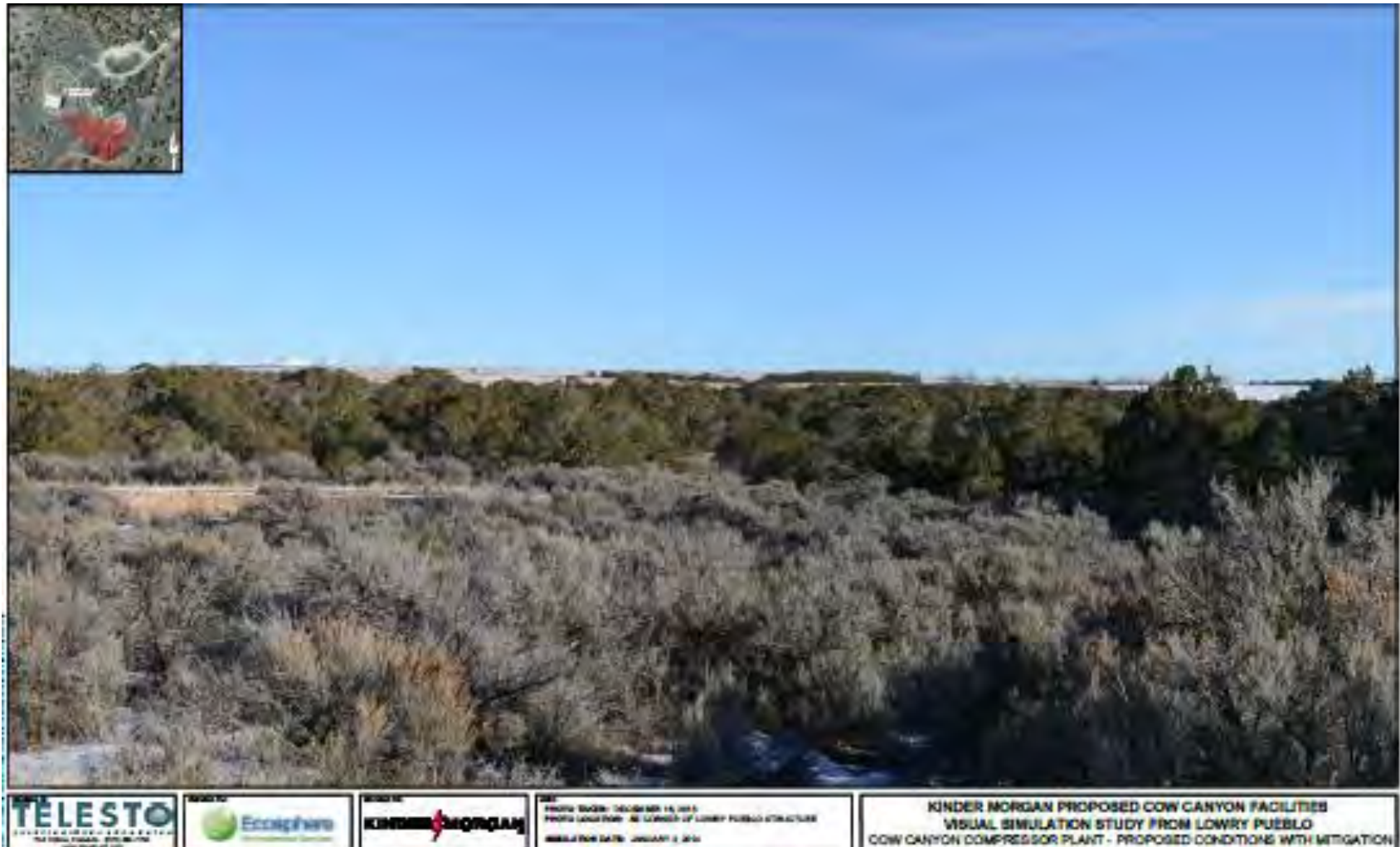
Cow Canyon Project – McElmo Dome

Compression Facility – view from Lowry Pueblo (current)



Cow Canyon Project – McElmo Dome

Compression Facility – view from Lowry Pueblo with mitigation



McElmo Dome – Cow Canyon

Gathering System – Project Overview

Flow Lines (10")

- Quantity: 15
- Length: 110,000 ft (20.89 mi.)

Cluster Discharge Line (16")

- 1 per cluster (3 total)
- Length: 53,000 ft (10.03 mi.)

Cluster Water Disposal Lines (4")

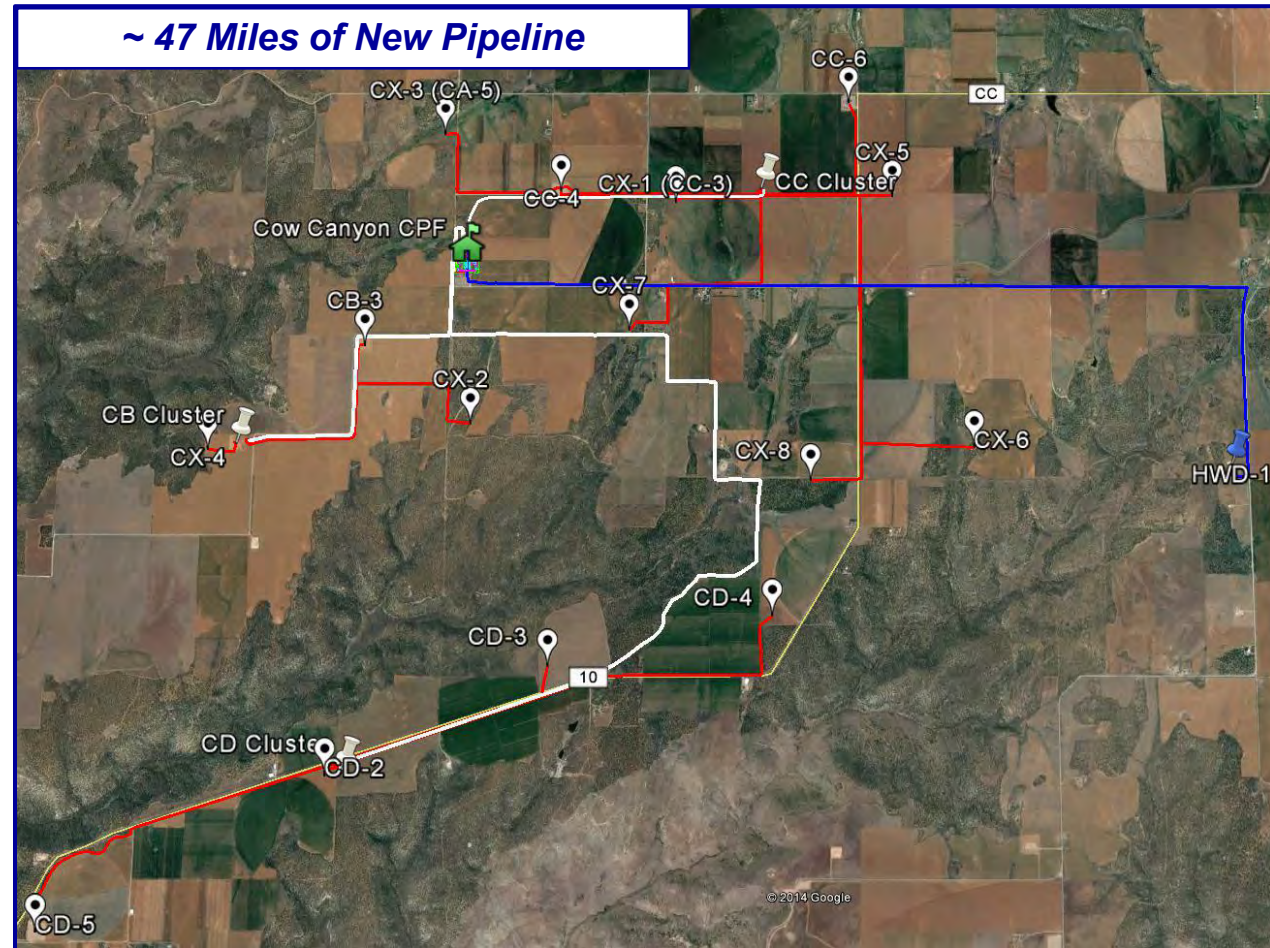
- 1 per cluster (3 total)
- Length: 53,000 ft (10.03 mi.)

Plant Discharge Line (12")

- Quantity: 1
- Length: 750 ft

Plant Water Disposal Line (6")

- Quantity: 1
- Length: 29,000 ft (5.5 mi.)



Cow Canyon Facilities Construction Schedule

Cow Canyon Development Construction Schedule

Cow Canyon Development Construction Schedule																						
Task											2015											
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Central Facility																						
Cluster 1																						
Cluster 2																						
Cluster 3																						
Cluster 4																						
Gathering System																						

1st Recip
Online

2nd Recip
Online

Southern McElmo Dome Development Planning

Facility (Rates in MMCFD)	Nameplate (Appx.)
Sand Canyon	105
Goodman Point	230
Moqui	105
Total	440

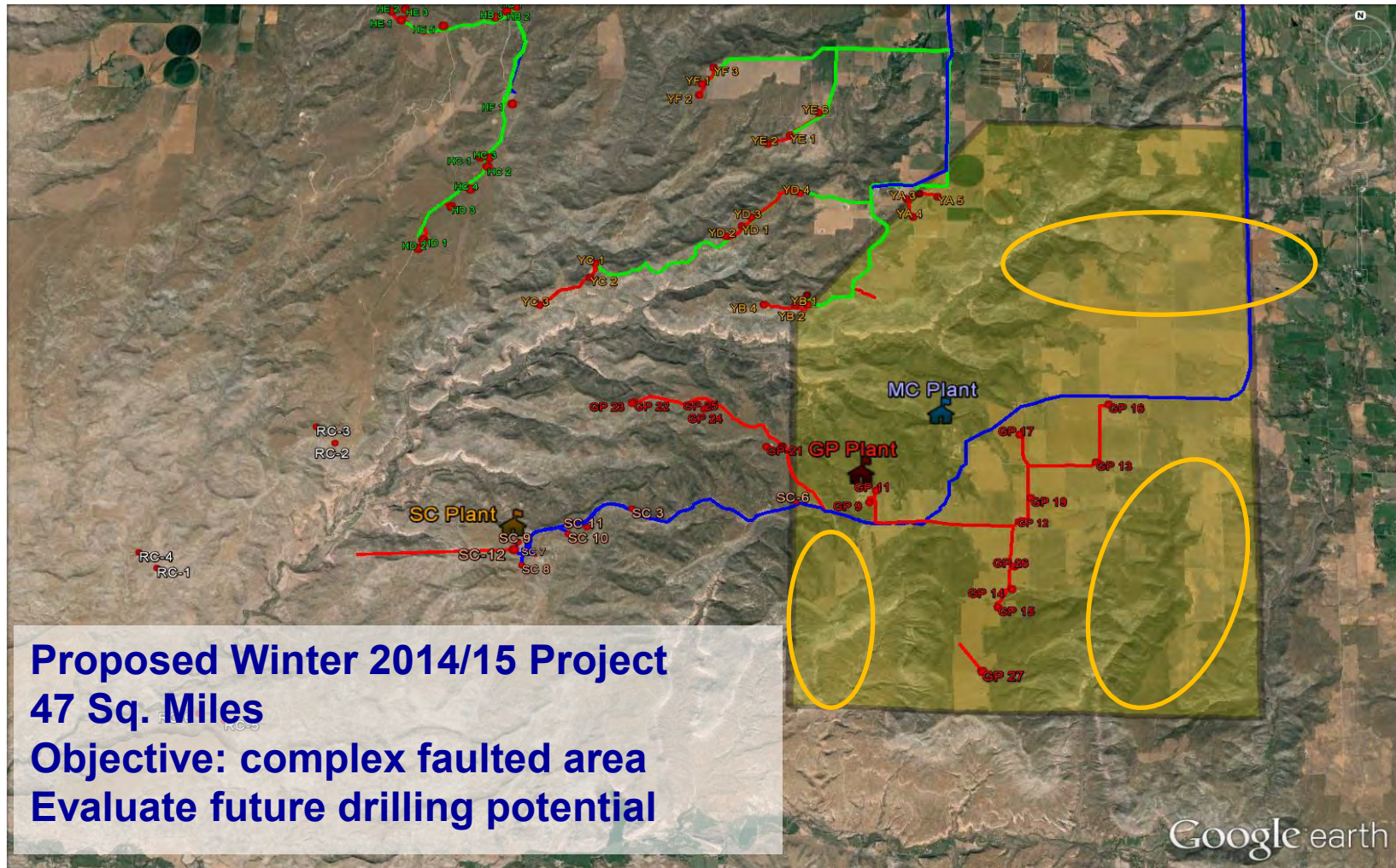


Scope

1. 2014 Drilling, Workovers & Seismic
2. Infrastructure Development
 - GA Cluster
 - Booster Compression
3. Future Development Evaluations



Goodman Point 3D- Seismic



Areas of Interest



Budgeted Wells



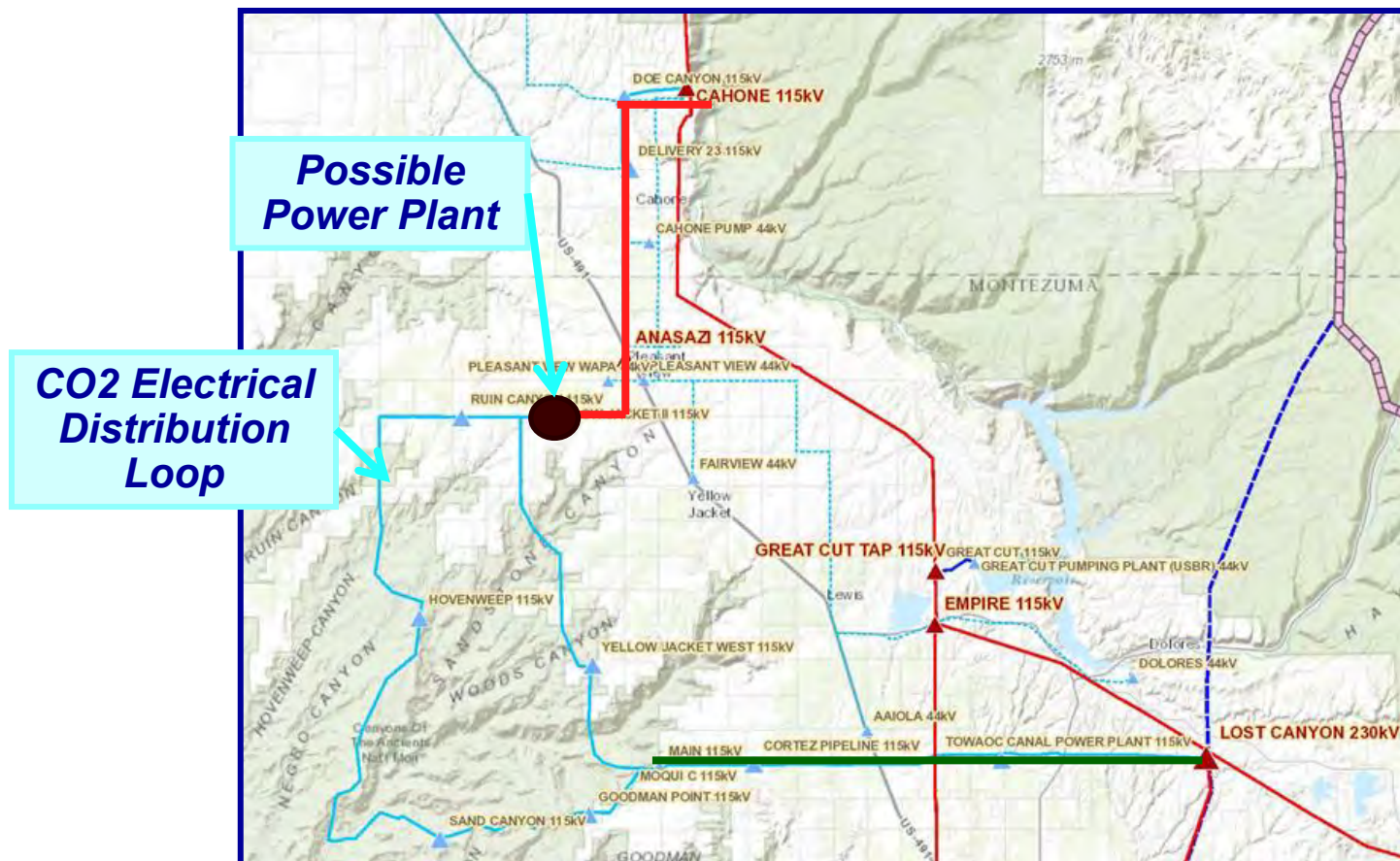
3D Seismic Phase II

Meeting Future Power Needs

Electrical Supply Update

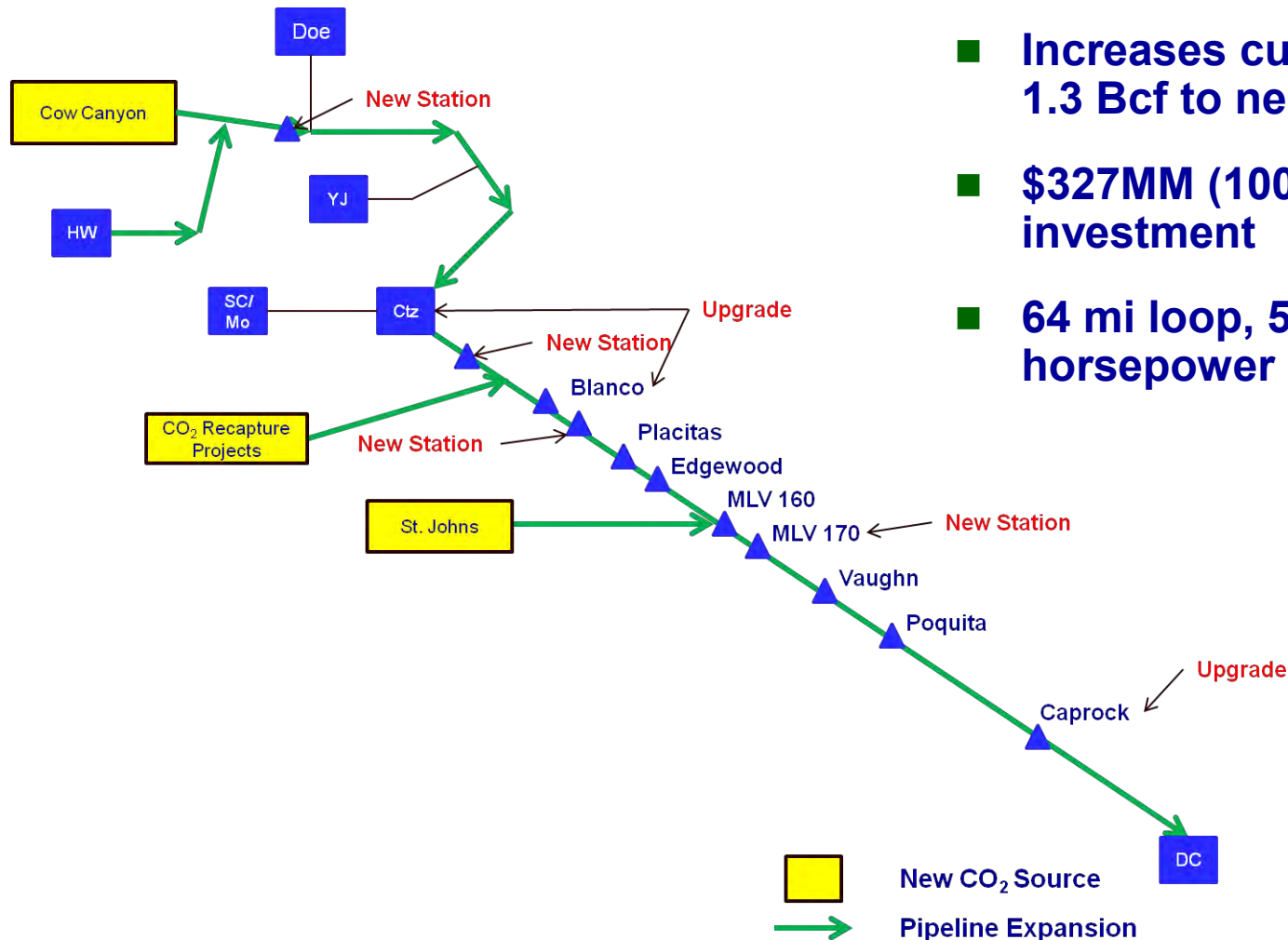
Evaluating options for long term electrical power needs

- TriState/Empire or Self Generate



Cortez Pipeline Expansion Project

Expansion enables significant growth in CO₂ supply to the Permian

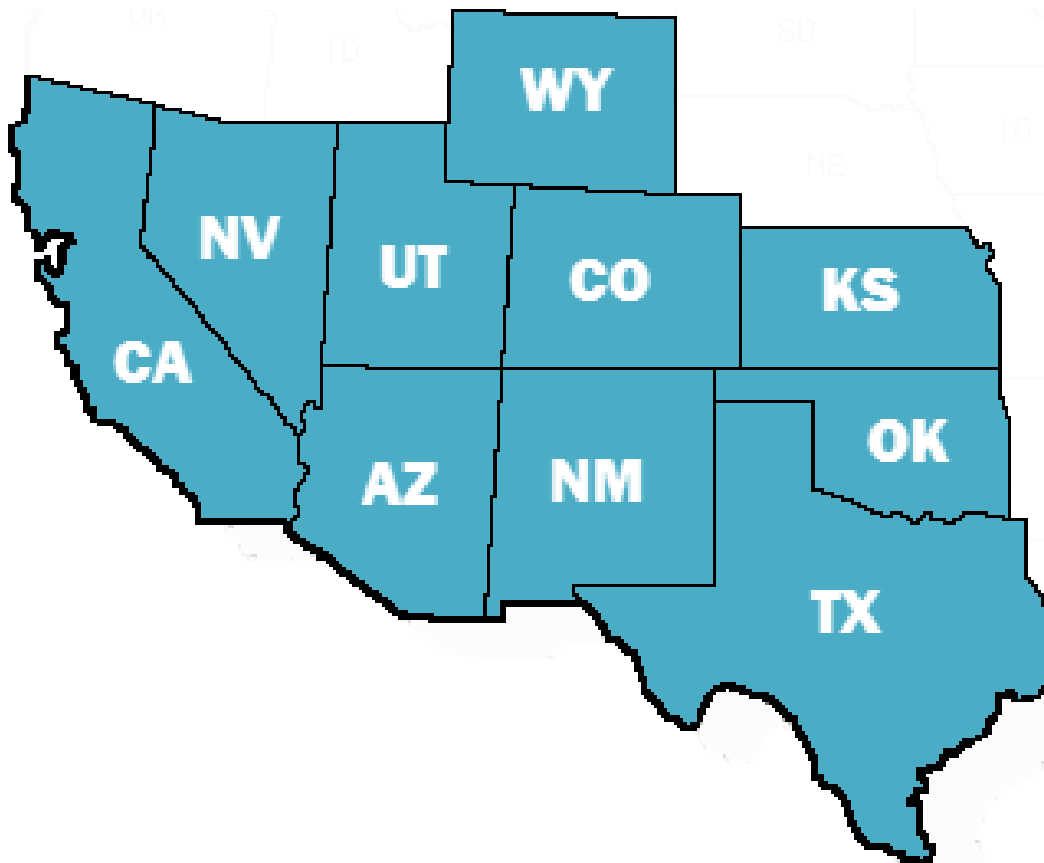


- Increases current capacity from 1.3 Bcf to nearly 2.0 Bcf
- \$327MM (100%) planned investment
- 64 mi loop, 50,000 additional horsepower

Additional CO₂ Development Underway

As we meet Permian need, focus shifts to new sources and new markets

Potential New Markets



- New source fields being evaluated across the region
- CO₂ Recapture projects identified or under development with initial recapture of 48MMcfd of CO₂ off amine units
- New CO₂ markets under development will expand customer base and provide more optionality to KM CO₂ supply portfolio

A Different Kind of
ENERGY COMPANY



Kinder Morgan in the Community



Kinder Morgan Foundation

- The Kinder Morgan Foundation funds programs that promote the academic and artistic interests of young people in the many cities and towns across North America where Kinder Morgan operates.

Since January 2011, the Kinder Morgan Foundation has donated over **\$77,000 to recipients in Dolores, La Plata and Montezuma Counties:**

- Dolores County Schools Technology Plan: \$10,000
- CSU, Dove Creek Extension: \$1,500
- Durango Independent Film Festival: \$1,000
- Music in the Mountains: \$5,000
- San Juan Board of Cooperative Edu. Services: \$5,000
- Durango Nature Studies, Children Discovering Nature Program: \$3,000
- Escalante Middle School Targeted Literacy Intervention Program: \$3,146
- Still Water Foundation, Music Program: \$1,000
- Mountain Middle School, Science Curriculum: \$1,000
- San Juan Basin Regional Science Fair: \$2,500
- Durango Nature Studies, Nature in the Classroom



The Durango Arts Center recognizes a recent \$2,500 donation from the Kinder Morgan Foundation.

Program: \$2,500

-Durango Arts Center, Youth Summer Arts Camp

Program: \$2,500

-Crow Canyon Archaeological Center: \$9,000

-Dolores Rotary Club, Dictionary Project: \$12,030

-Dolores Elementary Summer School Program:
\$10,050

-Manauagh Elementary School, Technology upgrades:
\$2,500

-Montezuma-Cortez High School, Computer Lab:
\$5,000

KINDER MORGAN
FOUNDATION



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