

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL**

**OIL AND GAS DOCKET
NO. 08-0261255**

**IN THE YATES FIELD, PECOS
COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF KINDER MORGAN CO2 COMPANY
FOR POSITIVE PRODUCTION RESPONSE CERTIFICATION
YATES FIELD UNIT, YATES FIELD
PECOS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on April 1, 2009, the presiding examiner has made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiner's report and proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own findings of fact Nos. 1 and 2 and conclusions of law Nos. 1 and 2, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein. The Commission further adopts substitute findings of fact Nos. 3-7 and substitute conclusion of law No. 3 as set out below:

Substitute Findings of Fact:

3. On or about July 19, 2004, Kinder Morgan received the H-12 approval letter from Commission staff. This letter was dated February 2, 2004 and reflected an H-12 effective date of February 2, 2004.
4. On February 10, 2004, Commission staff verbally informed Kinder Morgan's attorney that the Form H-12 had not yet been approved, but would be approved with an effective date of February 2, 2004.
5. The first written communication from the Commission regarding H-12 approval was on February 27, 2004, when Commission staff informed Kinder Morgan by email that the Form H-12 would be approved prior to commencing injection on March 1, 2004.
6. CO2 injection was commenced on or about March 1, 2004 and a positive production response was first noted in July 2004.
7. The Commission received Kinder Morgan's Form H-13 for the positive production response certification for the project Form H-13 on February 10, 2009.

Substitute Conclusion of Law:

3. Kinder Morgan CO₂ Company, L.P. met the requirements of Statewide Rule 50(g)(2)(A) for Positive Production Response Certification.

Therefore, it is ordered by the Railroad Commission of Texas that the application of Kinder Morgan CO₂ Company, L.P. for Positive Production Response Certification pursuant to Statewide Rule 50, for the Yates Field Unit, Yates Field, Pecos County, Texas, Project No. F-6861D, is hereby APPROVED with a certification date of March 1, 2009.

Done this 14th day of July, 2009.

RAILROAD COMMISSION OF TEXAS

Chairman Victor G. Carrillo

Commissioner Elizabeth A. Jones

Commissioner Michael L. Williams

ATTEST:

Secretary