Permit No. 81011E

ENVIRONMENTAL

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee:	**KINDER MORGAN ENERGY PARTNERS, LP**
Source:	**UNDERGROUND**
Basin:	**LAS VEGAS VALLEY**
Manner of Use:	**ENVIRONMENTAL**
Period of Use:	**JANUARY 1ST TO DECEMBER 31ST**
Priority Date:	**07/28/2011**

****

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This environmental permit is issued pursuant to the provisions of NRS 533.4375, and provides for the completion of multiple extraction wells within the same quarter-quarter section, as long as the permitted amount is not exceeded. It is understood that the amount of water herein granted is only a temporary allowance for pollution control as mandated by orders issued by the Nevada Division of Environmental Protection. The right will cease to exist upon termination of clean up activity, as determined by the Nevada Division of Environmental Protection, and the permittee shall notify the State Engineer within 30 days after the completion of the remediation project. All wells shall be plugged and abandoned in accordance with Chapter 534 of the Nevada Administrative Code. A totalizing meter must be installed and maintained in the discharge pipeline and monthly records of this measurement shall be submitted on an annual basis not later than February 15th of each year. If additional wells are drilled under this permit, a new mylar map showing the surveyed locations must be submitted with the annual report.

This environmental permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permit 56058, Environmental Permits 72114E, 72115E, 81010E and 81011E, shall not exceed 419.18 acre-feet annually.

The issuance of this environmental permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This environmental permit is issued for environmental purposes within the described place of use, further identified by the Clark County Assessor as APN 161-05-110-001, 161-05-110-002, 161-05-110-003, 161-05-110-004, 161-05-110-005, 161-05-110-0006.

(Continued on Page 2)

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.225 cubic feet per second or 162.89 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**September 7 2012**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**N/A**
Map in support of proof of beneficial use shall be filed on or before:	**N/A**

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 7th day of **September**, A.D. **2011**

P.E.

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

81011 E

Application No._____ E

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA FOR ENVIRONMENTAL PURPOSES

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office JUL 2 8 2011

Returned to applicant for correction _____

Corrected application filed _____ Map filed' JUL 28 2011 under 81010E

The applicant Kinder Morgan Energy Partners, L.P.

370 Van Gordon Street (Street Address or P.O. Box) of Lakewood (City or Town)

Colorado 80228 (State and Zip Code), hereby make(s) application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a co-partnership or association give names of members.)

Limited Partnership, Delaware 1999, Calnev Pipe Line LLC, an operating partner of Kinder Morgan Energy Partners, L.P.

1. The source of the proposed appropriation is underground (shallow aquifer)
   Name of stream, lake, underground, spring or other sources.

2. The amount of water applied for is 0.225 second feet.
   One-second foot equals 448.83 gallons per minute.

   (a) If stored in reservoir give number of acre-feet N/A

3. Remediation Order or Letter (attach copy)

   (a) Issued by NDEP: Site ID: 8-000066

   (b) Order, Permit or Plan number UIC Permit UNEV2005210 and NPDES Permit NV0023230

   (c) Date Issued _____

4. The water is to be diverted from its source at the following point:

   Within the NE ¼ of the SE ¼ of Sec. 33, T.19S., R.62E., MDB&M.
   (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a found section corner.

   See exhibit A for individual well ties.
   If on unsurveyed land, it should be so stated.)

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5. Place of use

NE ¼ of the SE ¼ and a portion of the SE ¼ of the SE ¼ of Sec. 33, T.19S., R.62E., MDB&M.,
(Describe by legal subdivision. If on unsurveyed land, it should be so stated.)

Clark County, Nevada

6. Use will begin about January 1st (Month and Day) to December 31st (Month and Day) of each year.

7. Description of proposed works.

Drilled wells, pump and motor, ancillary piping to up gradient infiltration gallery or injection wells.
State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.

8. Estimated cost of works: $1.5 million

9. Estimated time required to construct works: Works associated with pilot testing are nearly complete; full-scale works are anticipated for completion by December 2011.
If well completed, describe works.

10. Remarks: Describe project

A series of extraction wells will be completed west of North Sloan Lane, along the down gradient property boundary of the Kinder Morgan Las Vegas fuel terminal (eastern edge of Section 33). The extraction wells will be operated to create a hydraulic boundary to capture on-site contaminants, and to prevent further off-site migration of free product and dissolved phase BTEX and MTBE. The extracted fluids will be conveyed to a treatment system for treatment. The water will then be injected into the aquifer at on-site locations up gradient to the free product and dissolved phase BTEX and MTBE plumes. The project will be constructed in two phases. The pilot study, which will provide information for the full scale design that, began May 2011. Implementation of the full scale design is anticipated to begin in late 2011.

By Jason Dixon
Signature, Applicant or Agent

Jason Dixon (Dixon Hydrologic PLLC)
Name

PO Box 1634
Street Address or P.O. Box

Round Mountain, Nevada 89045-1634
City, State, Zip Code

702-249-5223
Phone Number

dixonjm@gmail.com
E-mail

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APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

$150 FILING FEE MUST ACCOMPANY APPLICATION

EXHIBIT A

Diversion Source Description:

All extraction wells listed below are located within the NE ¼ of the SE ¼ of Section 33, T.19S., R.62E., M.D.B.&M., at points from which the East ¼ of said Section 33 bears as follows:

Name	Bearing	Distance
EW-1	N 04° 15' 16" E	821.7'
EW-3	N 01° 25' 53" E	1,072.4'
EW-4	N 03° 21' 31" E	638.4'
EW-5	N 02° 10' 27" E	941.3'
EW-6	N 00° 50' 27" E	1,213.7'
Discharge Point	N 49° 52' 04" E	1,674.0'
Discharge Point	N 59° 10' 49" E	1,454.3'

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