

WATSON DANIEL E  
Form 4  
November 29, 2004

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
WATSON DANIEL E

(Last) (First) (Middle)  
KINDER MORGAN, 370 VAN GORDON STREET  
(Street)

LAKESWOOD, CO 80228

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
KINDER MORGAN INC [KMI]

3. Date of Earliest Transaction (Month/Day/Year)  
11/24/2004

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Vice President

6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
COMMON STOCK	11/24/2004		M	10,500 A \$ 23.8125	44,389 <sup>(1)</sup>	D	
COMMON STOCK	11/24/2004		S	10,500 D \$ 70.2938	33,889 <sup>(1)</sup>	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
STOCK OPTION (Right to Buy)	\$ 23.8125	11/24/2004		M	10,500	10/08/2003 10/08/2009	COMMON STOCK 10,500

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WATSON DANIEL E KINDER MORGAN 370 VAN GORDON STREET LAKEWOOD, CO 80228			Vice President	

## Signatures

/s/ Daniel E. Watson  
11/29/2004  
Date

\*\*Signature of Reporting Person

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Includes: (i) 500 shares subject to forfeiture restrictions that lapse on 1/17/05, (ii) 1,000 shares subject to forfeiture that lapse in 500 share increments on 1/16/05 and 1/16/06; and (iii) 20,000 shares subject to (a) forfeiture restrictions that lapse on 25% of such shares on 7/16/06 and on 75% of such shares on 7/16/08 and (b) performance targets for issuer or its affiliates. Also includes 138 shares received under a tax conditioned employee stock purchas plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.