

WATSON DANIEL E

Form 4

November 29, 2004

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

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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
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(Print or Type Responses)

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

(Last) (First) (Middle)

KINDER MORGAN, 370 VAN
GORDON STREET

(Street)

LAKEWOOD, 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
__X__ Officer (give title ____ Other (specify
below) below)

Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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)
COMMON STOCK	11/24/2004		M	10,500 A	\$ 23.8125	44,389 ⁽¹⁾	D
COMMON STOCK	11/24/2004		S	10,500 D	\$ 70.2938	33,889 ⁽¹⁾	D

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

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SEC 1474
(9-02)

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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

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.

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