

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

K N Energy, Inc.

(Name of Issuer)

Common Stock, \$5.00 par value

(Title of Class of Securities)

482620101

(CUSIP Number)

Robert Rothberg
Vice President and General Counsel
Cabot Corporation
75 State Street
Boston, MA 02109-1806
(617-345-0100)

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

July 13, 1994

(Date of Event which Requires filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this Schedule because of Rule 13d-1(b)(3) or (4), check the following box: / /
Check the following box if a fee is being paid with this statement: /x/

(1)	Name of Reporting Person S.S. or I.R.S. Identification No. of Above Person	Cabot Corporation 04-2271897
(2)	Check the Appropriate Box if a Member of a Group	(a) _____ (b) <input checked="" type="checkbox"/> _____
(3)	SEC Use Only	
(4)	Source of funds 00	
(5)	Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	----- -----
(6)	Citizenship or Place of Organization	Delaware
(7)	Sole Voting Power	4,840,186*
(8)	Shared Voting Power	0
(9)	Sole Dispositive Power	4,840,186
(10)	Shared Dispositive Power	0
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	4,840,186
(12)	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	----- -----
(13)	Percent of Class Represented by Amount in Row 11	17.2%
(14)	Type of Reporting Person (See Instructions)	C0

* Subject to limitations described in Item 4, on the Reporting Person's right to vote in excess of 9.99% of the Issuer's voting shares from time to time outstanding.

Item 1. Security and Issuer.

The class of securities to which this statement relates is the common stock, \$5.00 par value (the "Common Stock"), of K N Energy, Inc., a Kansas corporation ("K N"). The address of the principal executive offices of K N is 370 Van Gordon Street, Lakewood, Colorado 80228-8304.

Item 2. Identity and Background.

This statement is being filed by Cabot Corporation, a Delaware corporation (the "Reporting Person"). The Reporting Person has two principal businesses: (i) specialty chemicals and materials and (ii) energy. The Reporting Person's principal business and office address is 75 State Street, Boston, Massachusetts 02109-1806.

Attached hereto as Appendix A is a list of the executive officers and directors of the Reporting Person containing the information required by clauses (a) through (c) and (f) of Item 2 of Schedule 13D.

During the past five years, neither the Reporting Person nor, to the best knowledge of the Reporting Person, any person named in Appendix A hereto has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

The securities to which this statement relates were acquired in connection with the merger (the "Merger") of American Oil and Gas Corporation ("American") into KNE Acquisition Corporation, a wholly-owned Delaware subsidiary of K N, on July 13, 1994. As a result of the Merger, the Reporting Person will receive .47 shares of the Common Stock for each of the 8,931,818 shares of common stock of American owned by the Reporting Person prior to the Merger. In connection with the Merger, K N assumed warrants previously issued by American to the Reporting Person to acquire 1,366,452 shares of the common stock of American (the "AOG Warrants"). Under the AOG Warrants as assumed by K N (the "K N Warrants"), the Reporting Person is entitled to acquire the same number of shares of Common Stock

as it would have received had the AOG Warrants been exercised immediately prior to the Merger--that is .47 shares of Common Stock for each share of American common stock. In the event the Reporting Person were to exercise the K N Warrants, it could purchase 642,232 shares of Common Stock for a per share exercise price of \$17.55. Such number of shares and exercise price are subject to customary adjustments in the case of certain stock issuances, recapitalizations and other transactions.

Item 4. Purpose of Transaction.

The securities to which this statement relates were acquired in connection with the Merger referred to in Item 3 above. The Reporting Person is holding the securities of K N to which this statement relates as an investment. The Reporting Person has no present plans or proposals to acquire additional securities of K N, other than such as may be acquired upon possible exercise of the K N Warrants. The Reporting Person may dispose of securities of K N from time to time depending on market conditions and other factors including without limitation in order to avoid regulation as a public utility holding company.

The Reporting Person has filed an application (the "Application") under Section 2(a)(7) of the Public Utility Holding Company Act ("PUHCA") with the Securities and Exchange Commission ("SEC") seeking an exemption under the PUHCA. In connection with the Application, the Reporting Person has proposed that, as a condition to receiving the exemption and so long as it owns directly or indirectly 10% or more of the voting securities of K N, it would: (a) have one (but not more than one) designee serve as an advisory director of K N, who shall not vote on any matter submitted to the Board of Directors of K N (the "Board of Directors") and shall not be the chairperson of the Board of Directors or of any committee thereof; (b) be entitled to vote in its sole discretion the shares of Common Stock it owned up to 9.99% of the number of K N voting shares outstanding and, with respect to any additional shares of Common Stock it owned (the "Excess Shares"), either not vote such Excess Shares or vote them in the same proportions as other stockholders voted their K N shares (notwithstanding the foregoing, the Reporting Person would be free to oppose any action as to which dissenting shareholders would be entitled to appraisal rights under applicable law and the Reporting Person would be free to vote its shares of K N against the approval of such action or otherwise take any action required to perfect appraisal rights under applicable law); (c) not enter into any transaction with K N or any of its affiliates without the consent of the staff of the SEC ("Staff") except: (i) to settle existing liability sharing obligations and environmental claims; (ii) to exercise

the K N Warrants; (iii) to be reimbursed for expenses incurred in connection with attendance at meetings of K N's Board of Directors in accordance with K N's general policies; and (iv) the registration of the Reporting Person's shares in K N under federal and state securities laws; (d) not solicit proxies with respect to any of K N's voting securities without the consent of the Staff; and (e) not acquire any additional shares of Common Stock or other securities of K N without the consent of the Staff except (i) shares of Common Stock acquired pursuant to stock dividends or splits that do not result in any increase in the Reporting Person's ownership of Common Stock in excess of 1% or (ii) shares of Common Stock acquired upon exercise of K N Warrants. Subject to compliance with the Securities Act of 1933, as amended (the "Act"), the conditions proposed in the Reporting Person's Application would not limit the Reporting Person's ability to sell its shares of Common Stock without restriction except a sale to an affiliate of the Reporting Person, which could only be made after giving the Staff 10 days advance notice and after the Staff had indicated it had no objection to the sale.

Pursuant to the merger agreement between AOG and K N, the By-laws of K N were amended to provide that for so long as the Reporting Person continues to own beneficially at least 10% of K N's voting securities, the Reporting Person will have the right to designate one advisory director. If the Reporting Person's beneficial ownership in K N is reduced below 10% but continues over 5%, then the Board of Directors of K N will appoint the Reporting Person's advisory director as a full director with voting rights, and the Reporting Person will be entitled to have one designee for election to the Board of Directors of K N. At the time of the Merger, K N elected a designee of the Reporting Person, John G.L. Cabot, as a non-voting advisory director of K N.

Except as set forth herein, the Reporting Person has no present plans or proposals that would result in or relate to any of the transactions described in subparagraphs (a) through (j) of Item 4 to Schedule 13D.

Item 5. Interest in Securities of the Issuer.

As a result of the Merger, the Reporting Person owns beneficially (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934 4,840,186 shares of Common Stock (currently issued and issuable upon exercise of the K N Warrants). The 4,840,186 shares of Common Stock beneficially owned amount to approximately 17.2% of the class of Common Stock, based upon 27,580,758 shares of Common Stock being outstanding on July 14, 1994, and 642,232 shares of Common Stock issuable upon exercise of the K N Warrants. Without taking into account any unexercised K N Warrants, the Reporting Person currently owns 4,197,954 shares

of Common Stock which represents approximately 15.2% of the class of Common Stock, based upon 27,580,758 shares of Common Stock being outstanding on July 14, 1994. The Reporting Person possesses sole voting and dispositive power with respect to the K N securities described in this paragraph, subject to the limitations described in Item 4 with respect to the voting of shares in excess of 9.99% of the voting shares of K N from time to time outstanding.

To the best knowledge of the Reporting Person, none of the persons listed in Appendix A hereto beneficially owned any Common Stock immediately after the Merger except for the following:

Director	No. of Shares Held
Samuel W. Bodman	73,856
Robert P. Henderson	446
Morris Tanenbaum	2,350

Each of the persons named above had sole voting and dispositive power with respect to such shares except for 7,385 shares held by Mr. Bodman as to which he shared voting and dispositive power.

To the best knowledge of the Reporting Person, none of the persons listed in Appendix A hereto effected any transactions of Common Stock of K N during the 60-day period prior to the Merger.

Item 6. Contracts, Arrangements, Understandings or Relationships

with Respect to Securities of the Issuer.

K N, American and the Reporting Person entered into an agreement dated June 27, 1994 (the "Claims Agreement") under which they agreed to extend the date previously agreed upon by American and the Reporting Person for settling a liability sharing agreement until the later of (i) such time as the Reporting Person owns less than 10% of K N's voting stock, (ii) such time as the SEC has entered into an order which exempts the Reporting Person from being treated as a public utility holding company under the PUHCA and expressly permits the Reporting Person to take actions it deems appropriate to resolve any claims the Reporting Person has against American or K N and any claims American and K N may have against the Reporting Person or (iii) June 30, 1995. K N and American also agreed in the Claims Agreement not to commence proceedings against the Reporting Person with respect to any matter until such time as either of the conditions referred to in clauses (i) and (ii) above are met. Various other issues concerning the applicability of the statute of limitations to claims between the

parties and remedies for failure to comply with the provisions of the Claims Agreement are also dealt with in the Claims Agreement.

Pursuant to the merger agreement between AOG and K N, the Reporting Person entered into a Registration Rights Agreement with K N on July 13, 1994, under which K N agreed at any time during a period of five years following the consummation of the Merger to use its diligent best efforts to register under the Act shares of Common Stock received as a result of the Merger by the Reporting Person and other AOG stockholders receiving similar registration rights agreements and shares held by affiliates of K N owning not less than 1% of the then outstanding shares of Common Stock ("Registrable Common Stock"), if the request to register relates to at least 750,000 shares of Registrable Common Stock. The obligation to effect such registration is subject to certain conditions and limitations set forth in said Agreement. K N also agreed in said Registration Rights Agreement to notify holders of Registrable Common Stock ("Holders") in the event K N determines to register any shares of Common Stock for its own account or under various other circumstances during said five year period and to include in such registration Registrable Common Stock of which K N was advised by such Holder or Holders subject only to certain conditions and limitations set forth in said Agreement.

Pursuant to the merger agreement between AOG and K N, the Reporting Person and certain of its affiliates including the Reporting Person's Chairman and President (individually and as a trustee of a family trust) entered into Share Transfer and Registration Agreements with K N (the "Transfer Agreements"). The Reporting Person and such affiliates agreed in the Transfer Agreements not to contract to sell, sell or otherwise transfer or dispose of any of the Common Stock or interests therein prior to the date that K N first publishes financial statements which reflect at least 30 days of combined operations of K N and American. Notwithstanding the foregoing, the Reporting Person or such affiliates could contract to sell, sell or otherwise transfer or dispose of up to 1,500,000 shares of Common Stock received through the Merger ("Subject Stock") at anytime after the 60th day preceding a scheduled hearing, if set by the SEC for the purpose of determining whether or not the Reporting Person or such affiliates will be deemed to be a "public utility holding company" of K N under the PUHCA. K N agreed in the Transfer Agreements to prepare and file with the SEC a continuous registration statement to enable the Reporting Person or such affiliates to sell from time to time up to the number of shares of Subject Stock in one or more transactions on the New York Stock Exchange or as otherwise indicated in the Transfer Agreements. K N agreed to keep the registration statement effective until the Reporting Person or such affiliate does not own

shares of Common Stock aggregating 10% of the then outstanding shares of Common Stock.

In connection with the Merger, K N also entered into two agreements (the "Assumption Agreements") with the Reporting Person under which K N agreed to assume the AOG Warrants and to register shares of Common Stock purchased by the Reporting Person upon exercise of such warrants in the manner specified therein. See Item 3 above.

The foregoing descriptions of provisions of the Claims Agreement, the Registration Rights Agreement, the Transfer Agreements and the Assumption Agreements do not purport to be complete and are qualified by reference to the respective agreement, the form of which appears in Exhibits 1, 2, 3, 4 and 5 hereto. Each such Agreement in such form is hereby incorporated by reference herein.

Item 7. Material to be filed as Exhibits.

- Exhibit 1. Agreement between K N, American and the Reporting Person dated June 27, 1994.
- Exhibit 2. Registration Rights Agreement between K N and the Reporting Person dated July 13, 1994.
- Exhibit 3. Share Transfer and Registration Agreement between K N and the Reporting Person dated July 13, 1994.
- Exhibit 4. Assumption Agreement between K N and the Reporting Person dated July 13, 1994, relating to AOG Warrants to purchase 1,000,000 shares of American common stock.
- Exhibit 5. Assumption Agreement between K N and the Reporting Person dated July 13, 1994, relating to AOG Warrants to purchase 366,452 shares of American common stock.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

CABOT CORPORATION

By: /s/ Robert Rothberg

Robert Rothberg
Vice President

APPENDIX A

DIRECTORS AND EXECUTIVE OFFICERS OF CABOT CORPORATION

Unless otherwise stated, the business address of each person whose name is set forth below is 75 State Street, Boston, MA 02109 and such person is a citizen of the United States:

Name and Residence/ Business Address -----	Position/Present Principal Occupation or Employment -----
Damaris Ames 20 Beaver Pond Road Beverly, MA 01915	Director.
Samuel W. Bodman	Director; Chairman of the Board and President.
Jane C. Bradley 9 Eagle Head Road Manchester, MA 01944	Director.
Kennett F. Burnes	Director; Executive Vice President.
John G.L. Cabot	Director; Vice Chairman of the Board and Chief Financial Officer.
Robert A. Charpie 55 William Street Wellesley, MA 02181	Director; Chairman, Ampersand Ventures.
John D. Curtin, Jr.	Director; Executive Vice President.
Robert P. Henderson Greylock Investments One Federal Street Boston, MA 02110	Director; General Partner and Managing Partner of Greylock Investments.
Arnold S. Hiatt The Stride Rite Foundation 400 Atlantic Avenue Boston, MA 02110	Director; Chairman, The Stride Rite Foundation.
Gerrit Jeelof Philips Electronics N.V. Groenewoudseweg 1, Bldg. VH-12 5600 MD Eindhoven The Netherlands	Director; Member of Supervisory Board and Board of Governors, Philips Electronics N.V.; a citizen of The Netherlands.
John H. McArthur Harvard Business School Soldiers Field Road Boston, MA 02163	Director; Dean, Graduate School of Business Administration, Harvard University; a citizen of Canada.

Name and Residence/ Business Address -----	Position/Present Principal Occupation or Employment -----
John F. O'Brien State Mutual Life Assurance Company of America 440 Lincoln Street Worcester, MA 01605	Director; President and Chief Executive Officer, State Mutual Life Assurance Company of America.
David V. Ragone 8 Hillside Road Wellesley, MA 02181	Director; Senior Lecturer, Massachusetts Institute of Technology; and Partner, ASMV Management Company Limited Partnership.
Charles P. Siess, Jr. 242 Gessner Road Houston, TX 77024	Director.
Morris Tanenbaum 74 Falmouth Street Short Hills, NJ 07078	Director.
Robert Rothberg	Vice President and General Counsel.
William R. Thompson	Vice President and Controller.

AGREEMENT

June 27, 1994

K N Energy, Inc. ("KN"), American Oil and Gas Corporation ("AOG") and Cabot Corporation ("Cabot"), in connection with the proposed merger of AOG with a subsidiary of KN (the "Merger"), hereby agree as follows:

1. AOG and/or its subsidiaries have asserted certain claims against Cabot and/or its subsidiaries under a Stock Purchase Agreement dated June 30, 1989 among Cabot Transmission Corporation ("CTC"), Cabot and The Maple Gas Corporation (the "Maple Claims") and under the Amended and Restated Omnibus Acquisition Agreement dated November 13, 1989 among AOG, Cabot and CTC, as amended. In addition, a final settlement has not yet been reached between AOG and Cabot pursuant to the Amended and Restated Basket Agreement dated as of June 30, 1990 among AOG, American Pipeline Company, Cabot and CTC, as amended (the "Basket Agreement"); and it is hereby agreed that (i) the Initial Settlement Date provided for in the Basket Agreement shall be extended until the later of June 30, 1995 or one of the conditions (a) or (b) set forth in Section 2 hereof shall have occurred and (ii) the condition that the Basket Agreement be terminated prior to consummation of the Merger is hereby waived.

2. KN and AOG agree that following the Merger, neither KN nor AOG will commence any proceedings (litigation, arbitration or other) against Cabot with respect to any matter, and that Cabot need not respond to or discuss any claims asserted by KN or AOG in correspondence or otherwise (and that Cabot's not responding to any such assertions shall not be taken as an admission or acquiescence by Cabot), until such time as one or both of the following conditions are met:

(a) Cabot owns less than 10% of KN's voting stock; or

(b) the Securities and Exchange Commission has entered an order which exempts Cabot from being treated as a public utility holding company under the Public Utility Holding Company Act of 1935 and expressly permits Cabot to take any and all actions it deems appropriate to resolve any claims that Cabot may have against KN or AOG, or which may be asserted by them against Cabot, including without limitation meetings and discussions with KN, AOG and their respective officers, directors or other representatives, initiating or defending litigation or arbitration, participating in mediation efforts, or otherwise.

Provided, however, that if one or both of the foregoing conditions (a) and (b) are met and subsequently cease to be met (i.e. Cabot's stock ownership of KN decreases below 10% and then increases above 10% pursuant to the exercise of certain warrants Cabot will hold to buy KN shares, or such order is entered and is then withdrawn or modified), KN and AOG shall not commence any further proceedings against Cabot and shall take all steps necessary to suspend all proceedings that may have been initiated, until such time as one or both of such conditions (a) and (b) are again satisfied. Further provided, that if neither of the foregoing conditions (a) or (b) shall have occurred by August 1, 1996, then Cabot shall pay \$2 million to AOG with respect to the Maple Claims, which payment shall be without prejudice to Cabot's right to assert that it has no liability to AOG with respect to the Maple Claims, or that any liability Cabot may have is less than \$2 million, and without prejudice to AOG's right to assert that Cabot's liability to AOG with respect to the Maple Claims is greater than \$2 million; and upon final determination of the liability, if any, of Cabot to AOG with respect to the Maple Claims (the proceedings for which shall not be commenced or prosecuted except when one or both of the conditions (a) or (b) are satisfied), Cabot shall pay to AOG, or AOG shall pay to Cabot, the amount by which Cabot's liability to AOG with respect to the Maple Claims is determined to be greater or less than \$2 million, as the case may be.

3. Nothing herein shall relieve AOG and KN of any obligation to give Cabot timely notice of any claims.

4. Cabot hereby agrees that with respect to any claim as to which AOG or KN has given Cabot notice that is both timely under any applicable agreement and within the applicable statute of limitations, but as to which AOG or KN is unable to commence proceedings within the applicable statute of limitations because of Section 2 of this Agreement, the applicable statute of limitations shall be deemed extended to 60 days after AOG or KN is next permitted under Section 2 of this Agreement to commence such proceedings.

5. AOG and KN hereby agree that in case any applicable statute of limitations for a claim by Cabot against AOG or KN would expire at a time when Cabot owns more than 10% of the outstanding voting stock of KN and there is not in effect an order of the Securities and Exchange Commission as described in condition (b) of Section 2, the applicable statute of limitations shall be deemed extended to 60 days after Cabot no longer owns more than 10% of the voting stock of KN or has obtained such an order. AOG and KN further agree that upon Cabot's request at any time when neither of conditions (a) and (b) of Section 2 has been and remains satisfied, they will cooperate with Cabot to suspend any such proceedings until such time as one or both of such conditions (a) and (b) are satisfied.

6. If at any time when AOG or KN would not be permitted under Section 2 of this Agreement to commence proceedings against Cabot a governmental unit or body shall conduct any investigation or proceedings (i) relating to the remediation (or the recovery of costs associated with the remediation) of any property formerly owned by Cabot or one of its subsidiaries and subsequently owned by AOG or one of its subsidiaries, or (ii) as a result of substances originating from or used at any such property, AOG and KN agree not to seek to assert any claim against Cabot or to affirmatively assert that Cabot is responsible for any such remediation or costs. The foregoing agreement by KN and AOG to defer taking any action against Cabot by reason of the matters described in the foregoing sentence shall be without prejudice to their rights, if any, to commence an action against Cabot for indemnification with respect to such matters at such time as such an action would be permitted under Section 2 of this Agreement. If KN or AOG shall breach their obligations under this Section 6, then Cabot shall be entitled to recover from the party or parties responsible for such breach, jointly and severally, as liquidated damages, an amount equal to the costs incurred by Cabot in defending or paying any claim asserted by KN or AOG, or by any governmental unit or any third party as a result of the breach by KN or AOG, or in conducting any remediation that AOG or KN may assert that Cabot is responsible for in breach of this Section 6.

7. Nothing herein shall be deemed an agreement by Cabot that AOG or KN is entitled to assert any Maple Claims against Cabot.

8. Each provision of this Agreement applicable to a party shall be deemed to apply to each of its subsidiaries (and such party will cause each of its subsidiaries to comply therewith) to the extent necessary to carry out the purpose and intent of this Agreement, which is to enable Cabot to defer all disputes between Cabot and its subsidiaries on the one hand and KN and its subsidiaries (including AOG following the Merger) on the other hand until one or both of conditions (a) and (b) of Section 2 are satisfied.

EXECUTED in one or more counterparts as a sealed instrument to be governed by and construed in accordance with Massachusetts law as of the date first above written.

CABOT CORPORATION
 By: /s/ Samuel W. Bodman

 Chairman

KN ENERGY, INC.
 By: /s/ Larry D. Hall

 AMERICAN OIL AND GAS
 CORPORATION
 By: /s/ David M. Carmichael

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement is entered into by and between K N Energy, Inc., a Kansas corporation (the "Company") and Cabot Corporation, a Delaware corporation ("Stockholder") pursuant to Section 5.11 of that certain Agreement of Merger dated as of March 24, 1994 (the "Merger Agreement") by and among the Company, K N Acquisition Corporation, a Delaware corporation and American Oil and Gas Corporation, a Delaware corporation ("AOG"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Merger Agreement.

WITNESSETH:

WHEREAS, Stockholder beneficially owns shares of Common Stock of AOG;

WHEREAS, the Company has been advised that Stockholder is an "affiliate" of AOG, as that term is defined for purposes of paragraphs (c) and (d) of Rule 145 promulgated by the Commission (hereinafter defined) and Stockholder may be an affiliate of the Company upon consummation of the Merger;

WHEREAS, due to Stockholder's status as an affiliate, Stockholder will be restricted under Rule 145 promulgated by the Commission from effecting sales and transfers of shares of KNE Common Stock received by Stockholder as a result of the Merger in excess of certain volumes; and

WHEREAS, KNE desires to grant Stockholder certain rights to registration under the Act (hereinafter defined) so as to permit Stockholder the opportunity to dispose of shares of KNE Common Stock received by Stockholder as a result of the Merger without constraint by the volume limitation restrictions imposed by Rule 145 promulgated by the Commission;

NOW, THEREFORE, for and in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1.01 CERTAIN DEFINITIONS. As used in this Agreement, the following terms shall have the following respective meanings:

(a) "Act" shall mean the Securities Act of 1933, as amended, or any similar federal statute enacted hereafter, and the rules and regulations of the Commission thereunder all as the same shall be in effect from time to time.

(b) "Commission" shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Act.

(c) "Holder" shall mean any holder of outstanding Registrable Common Stock.

(d) "Initiating Holders" shall mean any Holders of shares of Registrable Common Stock which such shares total not less than 1% of the then outstanding shares of KNE Common Stock as shown by the most recent report or statement published by KNE.

(e) The terms "register", "registered" and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Act, and the declaration or ordering of the effectiveness of such registration statement.

(f) "Registrable Common Stock" shall mean (i) KNE Common Stock received as a result of the Merger by Stockholder and all other stockholders of AOG who have executed similar Registration Rights Agreements pursuant to Section 5.11 of the Merger Agreement and (ii) KNE Common Stock beneficially owned by any affiliate of KNE who beneficially owns in excess of 1% of the then outstanding shares of KNE Common Stock as of the Effective Time and who enters into a registration rights agreement similar to this Agreement.

(g) "Share Transfer Agreement" shall mean that certain Share Transfer and Registration Agreement dated of even date herewith by and between the Company and Stockholder.

1.02 REQUIRED REGISTRATION. At any time during a period of five years following the date of consummation of the Merger, the Initiating Holders may request that the Company effect a registration with respect to the Registrable Common Stock, as follows:

(a) REQUEST FOR REGISTRATION OF COMMON STOCK. In the event that the Company shall receive from one or more Initiating Holders a written request that the Company effect any registration with respect to all or any part but not less than 750,000 shares of the Registrable Common Stock, the Company will: (i) promptly give written notice of the proposed registration to all other Holders; and (ii) as soon as practicable, use its diligent best efforts to effect all such registration, qualification and compliance (including, without limitation, the execution of an undertaking to file post-effective amendments, appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Act) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Common Stock as is specified in such request, together with all or such portion of the Registrable Common Stock of any Holder or Holders thereof joining in such request as are specified in a

written request given within 30 days after receipt of such written notice from the Company.

(b) UNDERWRITING. If the Initiating Holders intend to distribute the Registrable Common Stock covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.02 and the Company shall include such information in the written notice referred to in Section 1.02(a)(i). In such event, the right of any Holder to registration pursuant to this Section 1.02 shall be conditioned upon such Holder's participation in such underwriting and the inclusion in the underwriting of not less than 10% of the Registrable Common Stock held by such Holder (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein.

The Company shall (together with all Holders proposing to distribute their Registrable Common Stock through such underwriting) enter into an underwriting agreement in customary form with the representative of the lead managing underwriter selected for such underwriting by a majority in interest of the Initiating Holders and approved by the Company, which approval shall not be unreasonably withheld and any co-managing underwriters mutually selected for such underwriting by a majority-in-interest of the Initiating Holders and the Company. Notwithstanding any other provision of this Section 1.02, if the underwriter determines, in good faith and independent of any request by the Company, that marketing factors require a limitation of the number of shares to be underwritten, and if all directors or officers of the Company who had sought to have any of their shares included in such registration shall have withdrawn all such shares from registration, the underwriter may limit the number of shares of Registrable Common Stock to be included in the registration and underwriting to the extent such underwriter deems necessary. The Company shall so advise all Holders, and the number of shares of Registrable Common Stock that may be included in the registration and underwriting shall be allocated among all Holders thereof in proportion, as nearly as practicable, to the respective amounts of Registrable Common Stock entitled to inclusion in such registration held by such Holders at the time of filing the registration statement. If any Holder of Registrable Common Stock disapproves of the terms of the underwriting, such person may elect to withdraw therefrom by written notice to the Company, the underwriter and the Initiating Holders and the Registrable Common Stock so withdrawn shall also be withdrawn from registration but shall be entitled to such registration rights granted to such Registrable Common Stock pursuant to this Section 1.02 as may thereafter remain in effect.

The Company and the holders of the Common Stock and of any other security of the Company to whom the Company has granted registration rights substantially identical to those granted to Holders of Registrable Common Stock may include their respective securities for their own accounts in such

registration if the underwriter so agrees and if the number of shares of Registrable Common Stock and other securities which would otherwise have been included in such registration and underwriting will not thereby be limited and if such inclusion will not otherwise adversely impact the offering.

(c) EXPENSES OF REQUESTED REGISTRATION. The Company shall bear all expenses incurred in connection with each registration, qualification or compliance pursuant to Section 1.02(a), including, without limitation, all registration, filing and qualification fees, printing expenses, audit fees and fees and disbursements of counsel for the Company and counsel for the underwriters, if any (unless any such underwriter pays such counsel fees) (but excluding underwriter's commissions, fees and expenses allocable to the Registrable Common Stock of the Holders and fees of independent counsel, if any, for the Holders, which commissions, fees and expenses and fees of counsel shall be borne PRO RATA (by share) by the Holders electing to participate in such requested registration).

(d) LIMITATIONS ON REGISTRATION. Notwithstanding any provision to the contrary in this Section 1.02, the Company shall not be obligated to take any action to effect any such registration, qualification or compliance pursuant to Section 1.02(a) if (i) Vinson & Elkins L.L.P. or other reputable counsel designated by the Company and reasonably satisfactory to the Initiating Holders delivers an opinion to such Initiating Holders, in form and substance satisfactory to such Initiating Holders, to the effect that the Registrable Common Stock specified in the request for registration may be sold or distributed as planned by the Initiating Holders without registration or (ii) the Company has effected two previous registrations pursuant to this Section 1.02(a). Additionally, the Company shall not be obligated to include in any registration statement effected pursuant to this Section 1.02, any shares of Registrable Common Stock which are subject to an effective and current shelf registration statement under the Share Transfer Agreement.

1.03 REGISTRATION RIGHTS; COMPANY REGISTRATION.

(a) REGISTRATION INITIATED BY THE COMPANY. In the event the Company shall determine to register any shares of KNE Common Stock, either for its own account or for the account of a security holder or holders exercising their respective demand registration rights (other than a shelf registration referred to in Section 1.02(d) or a registration relating to stock options or employee benefit plans, the Company's dividend reinvestment plan, or the acquisition or purchase by or combination by merger or otherwise of the Company of or with another company or business entity or partnership or a registration pursuant to Section 1.02) the Company will:

(i) promptly give to each Holder written notice thereof (which shall include a list of the jurisdictions in which the Company intends to

attempt to qualify such securities under the applicable blue sky or other state securities laws); and

(ii) include in such registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all the Registrable Common Stock specified in a written request or requests, made within 30 days after receipt of such written notice from the Company, by any Holder or Holders of such Registrable Common Stock, except as set forth in Section 1.03(b) below.

(b) UNDERWRITING. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 1.03(a)(i). In such event, the right of any Holder to registration pursuant to this Section 1.03 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Common Stock in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Common Stock through such underwriting shall (together with the Company and the other holders (if any) distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Section 1.03, if the underwriter determines, in good faith and independent of any request by the Company, that marketing factors require a limitation of the number of shares to be underwritten, and if all directors or officers of the Company who had sought to have any of their shares included in such registration shall have withdrawn all such shares from registration, the underwriter may limit the number of shares of Registrable Common Stock to be included in the registration and underwriting to the extent such underwriter deems necessary. The Company shall so advise all Holders, and the number of shares of Registrable Common Stock that may be included in the registration and underwriting shall be allocated among all Holders thereof in proportion, as nearly as practicable, to the respective amounts of Registrable Common Stock entitled to inclusion in such registration held by such Holders at the time of filing the registration statement. If any Holder disapproves of the terms of any such underwriting, he may elect to withdraw therefrom by written notice to the Company and the underwriter. Any Registrable Common Stock excluded or withdrawn from such underwriting shall be withdrawn from such registration.

(c) EXPENSES OF REGISTRATION BY THE COMPANY. The Company shall bear all expenses incurred in connection with each registration, qualification or compliance pursuant to this Section 1.03, including, without limitation, all registration, filing and qualification fees, printing expenses, audit fees and fees and disbursements of counsel for the Company and counsel for the underwriters, if any (unless any such underwriter pays such counsel fees) (but excluding underwriter's commissions, fees and expenses allocable to the

Registrable Common Stock of the Holders and fees of independent counsel, if any, for the Holders, which commissions, fees and expenses and fees of counsel shall be borne PRO RATA (by share) by the Holders electing to participate in such requested registration).

(d) LIMITATIONS ON REGISTRATION. The Company's obligation to effect a registration under Section 1.03(a) shall expire five years from the date of consummation of the Merger. Notwithstanding any provision to the contrary in this Section 1.03, the Company shall not be obligated to take any action to effect any such registration, qualification or compliance pursuant to Section 1.03 if the Company has effected two previous registrations pursuant to this Section 1.03. Additionally, the Company shall not be obligated to include in any registration statement effected pursuant to this Section 1.03, any shares of Registrable Common Stock which are subject to an effective and current shelf registration statement under the Share Transfer Agreement.

1.04 REGISTRATION PROCEDURES. In the case of each registration, qualification or compliance effected by the Company pursuant to this Agreement pursuant to which Registrable Common Stock for a Holder is included therein, the Company will keep such Holder advised in writing as to the initiation of each registration, qualification and compliance and as to the completion thereof. At its expense, the Company will:

(a) keep such registration, qualification or compliance effective for a period of at least 120 days or until the Holder or Holders have completed the distribution described in the registration statement relating thereto, whichever first occurs;

(b) furnish such number of prospectuses and other documents incident thereto as such Holder from time to time may reasonably request; and

(c) list such Registrable Common Stock on each securities exchange (if any) on which the Common Stock is listed.

1.05 INDEMNIFICATION.

(a) The Company shall, if Registrable Common Stock held by a Holder is included in the securities as to which such registration, qualification or compliance is being effected, indemnify such Holder, each of its officers and directors, and each person controlling such Holder, with respect to which registration, qualification or compliance has been effected pursuant to Section 1.02 or 1.03, and each underwriter, if any, and each person who controls any underwriter, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular or other document (including any related registration statement,

notification or the like) incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements not misleading, and will reimburse each such Holder, each of its officers and directors, and each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission based upon written information furnished to the Company by an instrument duly executed by such Holder or underwriter and stated to be specifically for use therein. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such party and shall survive the subsequent transfer of shares of Common Stock by the seller thereof and the transfer of any shares of Common Stock of the Company which were the subject of such registration, qualification or listing.

(b) Each Holder will, if Registrable Common Stock held by such Holder is included in the securities as to which such registration, qualification or compliance is being effected, indemnify the Company, each of its directors and officers, each legal counsel and independent accountant of the Company, each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of the Act, and each other Holder registering Registrable Common Stock, each of its officers and directors and each person controlling such Holder, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company, such Holders, such directors, officers, persons, underwriters or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by such Holder and stated to be specifically for use therein; PROVIDED, HOWEVER, that (i) the obligations of such Holders hereunder shall be limited to an amount equal to the proceeds to each such Holder of Registrable Common Stock sold as contemplated herein and (ii) the indemnity for untrue statements or omissions described above shall not apply if the Holder providing such written information provides the Company with such additional written information prior to the effectiveness of the

registration as is required to make the previously supplied written information true and complete, together with a description in reasonable detail of the information previously supplied which was untrue or incomplete.

(c) Each party entitled to indemnification under this Section 1.05 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of any obligations it may have otherwise than on account of this Section 1.05. After notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense of such claim or litigation, the Indemnifying Party will not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation, unless the Indemnifying Party abandons the defense of such claim or litigation. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

1.06 INFORMATION BY HOLDER. The Holder or Holders of Registrable Common Stock included in any registration shall furnish to the Company such information regarding such Holder or Holders and the distribution proposed by such Holder or Holders as the Company may reasonably request in writing, and as shall be required in connection with any registration, qualification or compliance referred to in this Agreement.

1.07 POSTPONEMENT OF REQUESTED REGISTRATION. If, within five days of the Company's receipt of a registration request from Initiating Holders, the Company notifies such Initiating Holders in writing that effecting the requested registration would materially and adversely affect a material transaction then under current consideration by the Company, as determined by the Board of Directors, and such determination is confirmed by an independent investment banker satisfactory to the Initiating Holders, then the Company may postpone its performance of its obligations hereunder for a period not to exceed 90 days.

1.08 AMENDMENTS. This Agreement may not be modified, amended, altered or supplemented except by way of a written agreement executed by each of

the parties hereto. However, either party may waive any condition to the obligations of the other party hereunder.

1.09 NOTICES. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or facsimile transmission:

(a) If to the Company, to:

K N Energy, Inc.
370 Van Gordon Street
Lakewood, Colorado 80228
Attention: General Counsel

(b) If to Stockholder, to the address specified on the signature page hereof.

1.10 ASSIGNABILITY AND ASSUMPTION. The registration rights granted hereunder to Stockholder may be assigned in whole or in part by Stockholder to any affiliate in connection with a transfer of Registrable Common Stock to such affiliate provided that (i) Stockholder shall remain liable for its obligations hereunder, (ii) Stockholder provides the Company with written notice of such assignment and (iii) the assignee of such rights agrees in writing to be bound by the terms and conditions of this Agreement. The Company agrees that any successor to the Company by merger or operation of law shall be bound by the terms of this Agreement and the terms of this Agreement shall apply to any securities of such successor received by Stockholder in exchange for Registrable Common Stock.

IN WITNESS WHEREOF, the parties have executed this Agreement this 13th day of July, 1994.

K N ENERGY, INC.

By: /s/ LARRY D. HALL

Larry D. Hall
President

STOCKHOLDER:

CABOT CORPORATION

By: /s/ SAMUEL W. BODMAN

Name: Samuel W. Bodman

Title: Chairman of the Board and President

Stockholder's Address:

75 State Street
Boston, MA 02109-1806
Attention: General Counsel

SHARE TRANSFER AND REGISTRATION AGREEMENT

THIS SHARE TRANSFER AND REGISTRATION AGREEMENT (this "Agreement"), made and entered into as of July 13, 1994, by and between K N Energy, Inc., a Kansas corporation ("KNE"), and Cabot Corporation, a Delaware corporation (the "Stockholder"),

WITNESSETH:

WHEREAS, the Stockholder beneficially owns shares of Common Stock of American Oil and Gas Corporation, a Delaware corporation ("AOG");

WHEREAS, KNE, and its wholly-owned subsidiary ("Sub") and AOG have entered into an Agreement of Merger dated as of March 24, 1994 (the "Merger Agreement"), providing for the merger (the "Merger") of Sub with and into AOG with the issued and outstanding shares of Common Stock of AOG being converted into shares of Common Stock of KNE. The shares of Common Stock of KNE received in the Merger are hereinafter referred to as the "KNE Shares";

WHEREAS, KNE has been advised that the Stockholder is an "affiliate" of AOG, as that term is defined for purposes of paragraphs (c) and (d) of Rule 145 promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933 (the "Act");

WHEREAS, the Merger is conditional upon, among other things, KNE's receipt of an undertaking from the Stockholder restricting the disposition of the Stockholder's KNE Shares received by the Stockholder pursuant to the Merger such that the Merger will be treated as a pooling of interests under generally accepted accounting principles, and the Stockholder desires to deliver such undertaking hereby; and

WHEREAS, KNE desires to grant the Stockholder certain rights to the registration under the Act of up to 1,500,000 KNE Shares received by the Stockholder pursuant to the Merger (the "Subject Shares"), generally so as to permit the Stockholder to dispose of the Subject Shares from time to time in market transactions without constraint by the volume limitations imposed by Rules 144(e) and 145(d) promulgated by the SEC under the Act and to provide Stockholder with similar liquidity provided other affiliated stockholders of AOG;

NOW, THEREFORE, for and in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

ARTICLE I
Representations and Warranties

1.01 REPRESENTATIONS OF THE STOCKHOLDER. The Stockholder represents and warrants to KNE that:

(a) the Stockholder has the requisite power and authority to enter into and perform this Agreement;

(b) since June 13, 1994 to and including the date hereof, the Stockholder has not sold, transferred or otherwise disposed of any shares of Common Stock of AOG; and

(c) the Stockholder will not make any sale, transfer or other disposition of all or any part of the KNE Shares in violation of the Act or the rules and regulations thereunder, including, without limitation, Rule 145.

1.02 REPRESENTATIONS OF KNE. KNE represents and warrants to the Stockholder that:

(a) KNE has the requisite power and authority to enter into and perform this Agreement; and

(b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action on the part of KNE, and this Agreement has been duly executed by a duly authorized officer on behalf of KNE.

ARTICLE II
Transfer Restrictions

2.01 RESTRICTIONS ON DISPOSITION OF SUBJECT SHARES. Prior to the Expiration Date (as hereinafter defined), the Stockholder agrees not to contract to sell, sell or otherwise transfer or dispose of any of the KNE Shares or any interest therein. For purposes of this Agreement, the term "Expiration Date" shall mean the date that KNE first publishes financial statements (the "Combined Financials") which reflect at least thirty (30) days of combined operations of KNE and AOG. Notwithstanding the foregoing, and without regard to the Expiration Date, if the SEC notifies the Stockholder of a scheduled hearing for the purpose of determining whether or not the Stockholder will be deemed to be a "public utility holding company" of KNE under the Public Utility Holding Company Act of 1935, then the Stockholder may contract to sell, sell or otherwise transfer or dispose of any of the Subject Shares at any time after the 60th day preceding such scheduled hearing.

2.02 COMBINED FINANCIALS. KNE agrees to publish the Combined Financials without undue delay and thereupon to notify the Stockholder of the occurrence of the Expiration Date.

2.03 LEGENDS ON CERTIFICATES. Except with respect to the Subject Shares included in the "shelf" registration statement described in Article III hereof, KNE may give stop transfer instructions to its transfer agent with respect to the KNE Shares and place on each certificate representing any KNE Shares (and any substitution therefor) a legend stating in substance:

"The securities represented by this certificate were issued in a transaction to which Rule 145 promulgated under the Securities Act of 1933 (the "Act") applies and may be sold, transferred or otherwise disposed of only in compliance with the limitations of such Rule 145, upon receipt by K N Energy, Inc. of an opinion of counsel acceptable to it that some other exemption from registration under the Act is available, or pursuant to a registration statement under the Act. Such securities may also be subject to restrictions on transfer pursuant to Section 2.01 of a Share Transfer and Registration Rights Agreement between KNE and the holder hereof."

The legend set forth above shall be removed by delivery of substitute certificates without such legend, and the related stop transfer instructions shall be lifted forthwith, provided that the KNE Shares have been registered under the Act for sale, transfer, or other disposition by the Stockholder or on the Stockholder's behalf, whether pursuant to Article III hereof or otherwise, or the Stockholder has delivered to KNE an opinion of counsel reasonably acceptable to KNE, to the effect that an exemption from registration under the Act is available with respect thereto.

ARTICLE III
Shelf Registration

3.01 PARTICIPATION IN SHELF REGISTRATION. (a) Pursuant to Section 5.16 of the Merger Agreement, KNE shall prepare and file with the SEC a continuous or "shelf" registration statement (as the same may be amended, the "Registration Statement") pursuant to Rule 415 under the Act, respecting the sale from time to time of up to the number of Subject Shares issued to each AOG affiliate in the Merger, who will beneficially own more than one percent (1%) of the issued and outstanding shares of Common Stock of KNE immediately after consummation of the Merger, in one or more transactions (which may involve block transactions) on the New York Stock Exchange, in special offerings, exchange distributions and/or secondary distributions pursuant to and in accordance with the rules of the New York Stock Exchange, in the over-the-counter market, other brokerage transactions, negotiated transactions, underwritten firm commitment or best efforts offerings, or a combination of such methods of sale, at market prices prevailing at the time of sale, at prices related to such market prices or at negotiated prices. Except for the Subject Shares, KNE shall have no obligation to register under the Act any of the KNE Shares for sale, transfer or other disposition by the Stockholder, except pursuant to that certain affiliate Registration Rights Agreement of even date herewith between the parties hereto.

(b) KNE shall use its best efforts to cause the Registration Statement to (i) become effective on or before the Closing Date (as defined in the Merger Agreement) and (ii) remain effective continuously until Stockholder does not own KNE Shares aggregating ten percent (10%) of the then outstanding KNE Shares as shown by the most recent report or statement published by KNE.

3.02 REGISTRATION PROCEDURES. KNE shall, as expeditiously as possible:

(a) prepare and file with the SEC such amendments and supplements to the Registration Statement and each prospectus used in connection therewith as may be necessary to keep the Registration Statement effective for the period specified in Section 3.01(b) and as may be necessary to comply with the provisions of the Act with respect to the disposition of the Subject Shares covered by the Registration Statement in accordance with the intended method of disposition set forth in the Registration Statement;

(b) furnish to the Stockholder and to each broker or dealer acting on behalf of the Stockholder such number of copies of the Registration Statement as originally filed and each amendment or supplement thereto and each prospectus included therein (including any preliminary prospectus and each document incorporated by reference therein to the extent then required by the rules and regulations of the SEC) as such persons may reasonably request in order to facilitate the public sale or other disposition of the Subject Shares covered by the Registration Statement, and, upon the Stockholder's request, furnish each such prospectus to the New York Stock Exchange at such times and in such quantities as may be necessary to comply with Rule 153 under the Act;

(c) use its best efforts to register or qualify the Subject Shares covered by the Registration Statement under the securities or blue sky laws of such jurisdictions within the United States as the Stockholder shall reasonably request and to take all necessary action to keep such registration or qualification effective for the period specified in Section 3.01(b); provided, however, that KNE shall not be required to qualify to transact business as a foreign corporation in any jurisdiction in which it would not otherwise be required to be so qualified or to take any action which would subject it to general service of process in any such jurisdictions which it is not then so subject; and

(d) immediately notify the Stockholder, at any time when a prospectus relating thereto is required to be delivered under the Act, of the happening of any event as a result of which the prospectus contained in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing (in which case, KNE shall as soon as practicable in view of the circumstances giving rise to such misstatement or omission provide the Stockholder with revised or supplemental prospectuses and if so requested by KNE, the Stockholder shall promptly take action to cease making any offers of Subject Shares until receipt and distribution of such revised or supplemental prospectuses).

In connection with the registration of any Subject Shares hereunder, the Stockholder will furnish promptly to KNE in writing such information (together with such supplements as may be necessary from time to time) with respect to himself or itself and the proposed distribution by him or it as shall be reasonably necessary in order to ensure compliance with federal and applicable state securities laws.

3.03 EXPENSES. KNE will pay all expenses incurred by it in complying with its registration obligations pursuant to Section 3.01 hereof, including, without limitation, all registration and filing fees, blue sky fees and expenses, printing expenses, fees and disbursements of counsel and independent public accountants for KNE, and fees of transfer agents and registrars, but excluding any selling commissions or discounts allocable to the sale of the Subject Shares, fees and disbursements of counsel and other representatives for the Stockholder and any stock transfer taxes payable by reason of the Stockholder's sale of the Subject Shares, all of which shall be for the Stockholder's account.

3.04 INDEMNIFICATION.

(a) KNE shall indemnify and hold harmless the Stockholder, each of its officers and directors, each statutory underwriter of Subject Shares thereunder and each person who controls the Stockholder or such underwriter within the meaning of the Act, against any losses, claims, damages or liabilities (including reasonable attorneys' fees), joint or several, to which the Stockholder, its directors or officers, or such underwriter or controlling person may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and KNE shall reimburse the Stockholder, its officers and directors, each such underwriter and each such controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that KNE shall not be liable hereunder in any such case if and to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by the Stockholder, such underwriter or such controlling person in writing specifically for use in the Registration Statement or such prospectus.

(b) The Stockholder will indemnify and hold harmless KNE, each person who controls KNE within the meaning of the Act, each officer of KNE who signs the Registration Statement, and each director of KNE, against any losses, claims, damages or liabilities (including reasonable attorneys' fees), joint or several, to which KNE or such officer, director or controlling person may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Stockholder shall reimburse KNE and each such officer, director and controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or

defending any such loss, claim, damage, liability or action; provided, however, that the Stockholder shall be liable hereunder in any such case if and only to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission relating to the Stockholder made in reliance upon and in conformity with information pertaining to the Stockholder, as such, furnished in writing to KNE by the Stockholder specifically for use in the Registration Statement or such prospectus ("Stockholder Information"); and provided, further, that the liability of the Stockholder hereunder shall not exceed the amount of the proceeds received by the Stockholder from the sale of the Subject Shares covered by the Registration Statement.

(c) Promptly after receipt by an indemnified party hereunder of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party hereunder, notify the indemnifying party in writing thereof, but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party other than under this Section 3.04. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume and undertake the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 3.04 for any legal expenses subsequently incurred by such indemnified party in connection with the defense thereof; provided, however, that if the indemnifying party has failed to assume the defense and employ counsel or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, then the indemnified party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such action, with the expenses and fees of such separate counsel and other expenses related to such participation to be reimbursed by the indemnifying party as incurred.

(d) If the indemnification provided for in this Section 3.04 is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities or actions in respect thereof, then the indemnifying party shall in lieu of indemnifying such indemnified party contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or actions in such proportion as is appropriate to reflect the relative fault of KNE, on the one hand, and the Stockholder, on the other, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or actions as well as any other relevant equitable considerations, including the failure to give any required notice. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by KNE, on the one hand, or the Stockholder, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. KNE and the Stockholder agree that it would not be just and equitable if contribution pursuant to this subparagraph (d) were

determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subparagraph (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or actions in respect thereof referred to above in this subparagraph (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subparagraph (d), the amount that the Stockholder shall be required to contribute shall not exceed the amount of the proceeds received by the Stockholder from the sale of the Subject Shares covered by the Registration Statement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

ARTICLE IV
Miscellaneous Provisions

4.01 BINDING EFFECT. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the parties hereto without the prior written consent of the other party, except that if the Subject Shares are transferred to any affiliate of Stockholder, this Agreement and the rights and obligations hereunder shall be assignable to such affiliate with notice to KNE, provided that Stockholder shall remain liable for all obligations of Stockholder hereunder. Nothing in this Agreement, express or implied, is intended to confer upon any person other than the parties hereto and their respective successors and permitted assigns, any right, benefit or obligation hereunder.

4.02 AMENDMENTS. This Agreement may not be modified, amended, altered or supplemented except by way of a written agreement executed by each of the parties hereto. However, either party may waive any condition to the obligations of the other party hereunder.

4.03 NOTICES. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or facsimile transmission:

(a) If to KNE, to:

K N Energy, Inc.
370 Van Gordon Street
Lakewood, Colorado 80228
Attention: President

(b) If to the Stockholder, to the address specified on the signature page hereof;

or to such other address as either party may have furnished to the other in writing in accordance herewith.

4.04 APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to or application of any conflicts of law principles.

4.05 COUNTERPARTS. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and made and entered into as of the date first set forth above.

K N ENERGY, INC.

By: /s/ LARRY D. HALL

Larry D. Hall
President

CABOT CORPORATION

By: /s/ SAMUEL W. BODMAN

Name: Samuel W. Bodman

Title: Chairman of the Board and President

Stockholder's Address:

75 State Street
Boston, MA 02109-1806

Attention: General Counsel

July 13, 1994

Cabot Corporation
75 State Street
Boston, MA 02109

Attention: Mr. Robert Rothberg

Ladies and Gentlemen:

Reference is made to the Agreement of Merger dated as of March 24, 1994 (the "Merger Agreement"), among K N Energy, Inc. ("K N"), KNE Acquisition Corporation and American Oil and Gas Corporation ("AOG"), providing for the merger (the "Merger") of KNE Acquisition Corporation with and into AOG and the conversion on the effective date thereof of each outstanding share of AOG Common Stock into 0.47 of one share of K N Common Stock. Capitalized terms not defined herein have the meanings attributed thereto in the Merger Agreement.

Under the Warrant Agreement dated as of November 13, 1989, among AOG, Cabot Corporation ("Cabot") and Cabot Transmission Corporation ("CTC"), warrants to purchase shares of Common Stock of AOG (the "warrants") are outstanding in your favor as set forth below:

Number of Shares of AOG Common Stock -----	Exercise Price Per Share of AOG Common Stock -----
1,000,000	\$8.25

The AOG Common Stock underlying the Warrants is also the subject of the Warrant Shares Registration Rights Agreement dated as of November 13, 1989 (the "Rights Agreement") among AOG, Cabot and CTC.

Section 9 of your Warrant Agreement requires adjustment to the number and kind of shares covered by your Warrants and the exercise price thereof to reflect the number of shares of K N Common Stock that you would have received upon consummation of the Merger had your Warrants been exercised immediately prior to the Merger. As a result, K N hereby agrees that, from and after the Effective Time, your Warrants shall be exercisable for the purchase of K N Common Stock in the number of shares and at the exercise price set forth below:

Number of Shares of K N Common Stock -----	Exercise Price Per Share of K N Common Stock -----
470,000	\$17.55

In order to assume (i) your Warrants, and (ii) AOG's obligations under the Rights Agreement, more effectively and for other good and valuable consideration, the receipt of which is hereby acknowledged, K N hereby agrees with you that, from and after the Effective Time, K N shall be deemed to be the successor in interest to AOG under your Warrant Agreement and the Rights Agreement, the terms and provisions of your Warrant Agreement and Rights Agreement shall be binding on K N and for all purposes under the Warrant Agreement and the Rights Agreement:

- (i) K N shall be deemed to be the Company;
- (ii) Common Stock or Registrable Common Stock (as that term is defined in the Rights Agreement) shall be deemed to be K N Common Stock, \$5.00 par value; and
- (iii) Houston, Texas and Houston time shall be deemed to be Lakewood, Colorado and Colorado time;

provided, however, the reference to AOG's Stock Incentive Plan in clause (ii) of section 9(i) of your Warrant Agreement shall be deemed to include also K N's stock option plans for its employees or directors. You may exercise your rights under your Warrant Agreement and/or the Rights Agreement in the same manner and shall have the same rights under it as you had with AOG, except as otherwise provided in this letter. Upon your request, K N will issue you a new Warrant Certificate in your name reflecting the provisions of this letter.

Except as set forth above, the terms and provisions of your Warrant Agreement and the Rights Agreement shall remain as they were prior to the Effective Time.

The effectiveness of this agreement is conditioned upon the consummation of the Merger in accordance with the terms of the Merger Agreement, failing which this agreement shall be null and void.

Please acknowledge your receipt of and agreement with this letter by signing and returning the enclosed copy.

Very truly yours,

K N ENERGY, INC.

By: /s/ LARRY D. HALL

Larry D. Hall
President

AGREED TO:
CABOT CORPORATION

By: /s/ SAMUEL W. BODMAN

Samuel W. Bodman, Chairman
and Chief Executive Officer

July 13, 1994

Cabot Corporation
75 State Street
Boston, MA 02109

Attention: Mr. Robert Rothberg

Ladies and Gentlemen:

Reference is made to the Agreement of Merger dated as of March 24, 1994 (the "Merger Agreement"), among K N Energy, Inc. ("K N"), KNE Acquisition Corporation and American Oil and Gas Corporation ("AOG"), providing for the merger (the "Merger") of KNE Acquisition Corporation with and into AOG and the conversion on the effective date thereof of each outstanding share of AOG Common Stock into 0.47 of one share of K N Common Stock. Capitalized terms not defined herein have the meanings attributed thereto in the Merger Agreement.

Under the Warrant Agreement dated January 30, 1990, among AOG and you, warrants to purchase shares of Common Stock of AOG (the "warrants") are outstanding in your favor as set forth below:

Number of Shares of AOG Common Stock -----	Exercise Price Per Share of AOG Common Stock -----
366,452	\$8.25

The Warrants are also subject to the terms and conditions of the Standstill and Registration Rights Agreement dated as of November 13, 1989 (the "Standstill Agreement") between you and AOG and, accordingly, provides you with certain registration rights with respect to the AOG Common Stock underlying the Warrants.

Section 9 of your Warrant Agreement requires adjustment to the number and kind of shares covered by your warrants and the exercise price thereof to reflect the number of shares of K N Common Stock that you would have received upon consummation of the Merger had your Warrants been exercised immediately prior to the Merger. As a result, K N hereby agrees that, from and after the Effective Time, your Warrants shall be exercisable for the purchase of K N Common Stock in the number of shares and at the exercise price set forth below:

Number of Shares of K N Common Stock -----	Exercise Price Per Share of K N Common Stock -----
172,232	\$17.55

In order to assume (i) your Warrants, and (ii) AOG's obligations to register AOG Common Stock issued upon exercise of the Warrants, more effectively and for other good and valuable consideration, the receipt of which is hereby acknowledged, K N hereby agrees with you that, from and after the Effective Time, K N shall be deemed to be the successor in

interest to AOG under your Warrant Agreement and under the registration obligations of the Standstill Agreement, the terms and provisions of your Warrant Agreement and the registration obligations of the Standstill Agreement shall be binding on K N and for all purposes under the Warrant Agreement and under the Standstill Agreement with respect to the number of shares of K N Common Stock shown above:

- (i) K N shall be deemed to be the Company;
- (ii) Common Stock and Restricted Stock (as that term is used in the Standstill Agreement) shall be deemed to be K N Common Stock, \$5.00 par value; and
- (iii) Houston, Texas and Houston time shall be deemed to be Lakewood, Colorado and Colorado time;

provided, however, the reference to AOG's Stock Incentive Plan in clause (ii) of section 9(i) of your Warrant Agreement shall be deemed to include also K N's stock option plans for its employees or directors. You may exercise your rights under your Warrant Agreement and under Sections 7 and/or 9(a), and subject to Section 8, of the Standstill Agreement, and shall have the registration rights under the Standstill Agreement with respect to the K N Common Stock underlying the Warrants regardless of the termination of the Standstill Agreement between AOG and you, except as otherwise provided in this letter. Upon your request, K N will issue you a new Warrant Certificate in your name reflecting the provisions of this letter.

Except as set forth above, the terms and provisions of your Warrant Agreement and the provisions of the Standstill Agreement relating to registration rights thereunder shall remain as they were prior to the Effective Time.

The effectiveness of this agreement is conditioned upon the consummation of the Merger in accordance with the terms of the Merger Agreement, failing which this agreement shall be null and void.

Please acknowledge your receipt of and agreement with this letter by signing and returning the enclosed copy.

Very truly yours,

K N ENERGY, INC.

By: /s/ Larry D. Hall

Larry D. Hall, President

AGREED TO:
CABOT CORPORATION

By: /s/ Samuel W. Bodman

Samuel W. Bodman, Chairman
and Chief Executive Officer