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

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report : May 16, 2003
(Date of earliest event reported): May 16, 2003

GulfTerra Energy Partners, L.P.
(Exact Name of Registrant as Specified in Charter)

Delaware	1-11680	76-0396023
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4 Greenway Plaza
Houston, Texas 77046
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (832) 676-6152

ITEM 5. OTHER EVENTS AND REQUIRED FD DISCLOSURE.

On May 16, 2003, we issued 1,118,881 common units and 80 Series F convertible units in a registered offering to a large institutional investor for $40 million in cash. Our Series F convertible units, which are not listed on any securities exchange or market, are convertible into common units at a price per common unit that floats based, among other things, on changes in the market price of our common units. Our Series F convertible units are comprised of two classes, the Series F1 convertible units and the Series F2 convertible units. Initially, our Series F1 convertible units will be convertible any time after August 12, 2003 and until March 29, 2004. If, prior to March 29, 2004, holders of our Series F1 convertible units convert into at least $40 million of our Series F1 convertible units, our Series F2 convertible units will be convertible upon such time until March 30, 2005. The Series F1 convertible units and the Series F2 convertible units are convertible into up to 8,329,679 common units, in the aggregate. If specified conditions occur, the right to convert Series F convertible units into common units will be extended past March 29, 2004 with respect to the Series F1 convertible units and March 30, 2005 with respect to the Series F2 convertible units. Our common units, which are listed on The New York Stock Exchange under the symbol "GTM" closed at $35.75 per unit on May 15, 2003. This Current Report on Form 8-K is being filed for the purpose of filing exhibits to the Registration Statement of the Registrant on Form S-3 (Reg. No. 333-81772).

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits.

Each exhibit identified below is filed as part of this report. Exhibits included in this filing are designated by an asterisk.

Exhibit No.	Description
1.B*	Placement Agency Agreement dated May 16, 2003 by and between GulfTerra Energy Partners, L.P. and Raymond James & Associates, Inc., as Placement Agent

3.B.3*	Third Amendment to the Second Amended and Restated Agreement of Limited Partnership, dated May 16, 2003.
4.L*	Unitholder Agreement, dated May 16, 2003, by and between GulfTerra Energy Partners, L.P. and Fletcher International, Inc.
5.A*	Opinion of Akin, Gump, Strauss, Hauer & Feld, L.L.P. as to the legality of the securities being offered.
23.A*	Consent of PricewaterhouseCoopers LLP
23.B*	Consent of Netherland, Sewell & Associates, Inc.
99.A*	Press Release dated May 16, 2003

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EL PASO ENERGY PARTNERS, L.P.,
(Registrant)

Date: May 16, 2003

By: /s/ Keith Forman

Keith Forman
Vice President and Chief
Financial Officer

EXHIBIT INDEX

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EXHIBIT 1.B

GULFTERRA ENERGY PARTNERS, L.P.

1,118,881 Common Units

80 Series F Convertible Units

PLACEMENT AGENCY AGREEMENT

May 16, 2003

Raymond James & Associates, Inc.
as Placement Agent
880 Carillon Parkway
St. Petersburg, Florida 33716

Dear Sir or Madam:

GulfTerra Energy Partners, L.P. (formerly El Paso Energy Partners, L.P.), a Delaware limited partnership (the "Partnership"), of which GulfTerra Energy Company, L.L.C., a Delaware limited liability Company (the "General Partner"), is the general partner, proposes to issue and sell common units representing limited partner interests in the Partnership (the "Common Units") in the aggregate amount of 1,118,881 common units ("Purchased Common Units") and an aggregate of 80 Series F Convertible Units, each comprised of two separate, detachable units - a Series F1 Convertible Unit and a Series F2 Convertible Unit - representing limited partner interests in the Partnership ("Series F Units" and, together with the Purchased Common Units, the "Units").

The Partnership desires to engage you as its placement agent (the "Placement Agent") in connection with such offer and sale. The Units are more fully described in the Registration Statement (as hereinafter defined).

The Partnership and the Placement Agent hereby agree as follows:

1. Agreement to Act as Placement Agent. On the basis of the representations, warranties and agreements of the Partnership herein contained and subject to all the terms and conditions of this agreement (the "Agreement"), the Placement Agent agrees to act as the exclusive placement agent in connection with the issuance and sale, on a best efforts basis, by the Partnership of the Units to the Investor. The Partnership shall pay to the Placement Agent 3.00% of the gross proceeds received from the sale of the Units, as set forth on the cover page of the Prospectus, at the Closing, and 3.00% of the gross consideration (in the form of cash, indebtedness of the Partnership valued at the aggregate principal amount then outstanding plus accrued but unpaid interest to the date of tender or some combination of the two) received by the Partnership upon each conversion of Series F Units, as soon as practical following such conversion.

2. Delivery and Payment. On the date hereof (the "Closing Date"), the Partnership issued to an investor (the "Investor") the Units at an aggregate purchase price of $40,000,000.00.

3. Representations and Warranties. The Partnership represents and warrants to the Placement Agent as of the date hereof that:

(a) The Partnership has prepared and filed with the Securities and Exchange Commission (the "Commission") a registration statement (file number 333-81772) on Form S-3, including a related base prospectus, for registration under the Securities Act of 1933, as amended (the "Act"), of the offering and sale of the Units, and Amendment No. 1 thereto on Form S-3 (the "Initial Registration Statement"). At the time of the filing of Amendment No. 1 and on the effective date of the Initial Registration Statement, the Partnership met the requirements for use of Form S-3 under the Act. The Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, have been declared effective by the Commission in such form. Other than (i) a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Act, which shall become effective upon filing, (ii) documents incorporated by reference in the base prospectus contained in the Initial Registration Statement, (iii) any amendment or supplement filed thereto and any documents incorporated by reference to such amendment or supplement, no other document with respect to the Initial Registration Statement has heretofore been filed with the Commission. No stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by the Commission. The various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including (x) the information contained in the form of a final prospectus supplement relating to this offering to the base prospectus included in the Initial Registration Statement, which will be filed with the Commission on or before the date hereof pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement and (y) the documents incorporated by reference in such final prospectus supplement are hereinafter collectively called the "Registration Statement." Such final prospectus supplement, in the form first filed pursuant to Rule 424(b) under the Act, together with the base prospectus included in the Initial Registration Statement along with any subsequently filed amendments, supplements or other documents incorporated therein, is hereinafter called the "Prospectus." Any reference herein to the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the date of such Prospectus, as the case may be. Any reference to any amendment or supplement to the Prospectus shall be deemed to refer to and include any documents filed after the date of such Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference in such Prospectus, as the case may be. Any reference to any amendment or supplement to the Registration Statement or Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the date of the Prospectus, as the case may be, deemed to be incorporated by reference in the Registration Statement or the Prospectus, as the case may be, as well as the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act.

(b) The documents incorporated by reference in the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act, and the rules and regulations of the Commission thereunder, and none of such

documents contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto, when such documents are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the foregoing representations and warranties in this Section 3(b) shall not apply to any statements or omissions made in reliance upon and in conformity with information concerning the Agent furnished in writing to the Partnership by the Placement Agent expressly for use therein.

(c) No order preventing or suspending the use of any Prospectus has been issued by the Commission. The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not: (i) with respect to the Registration Statement, as of the applicable effective date as to the Registration Statement and any amendment thereto contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (ii) with respect to the Prospectus, as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the foregoing representations and warranties in this Section 3(c) shall not apply to any statements or omissions made in reliance upon and in conformity with information concerning the Agent furnished in writing to the Partnership by the Placement Agent expressly for use therein.

(d) The Partnership has been duly formed and is validly existing as a limited partnership under the Delaware Revised Uniform Limited Partnership Act (the "Delaware Act"), with full partnership power and authority to own or lease, as the case may be, and to operate its properties and conduct its business as described in the Registration Statement and as described in the Prospectus, and has been qualified or registered to do business as a foreign limited partnership and is in good standing under the laws of each jurisdiction that requires such qualification, other than any jurisdiction where the failure to be so qualified would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business. "Subsidiary" of any person or entity means any corporation, limited liability company, partnership (general or limited), joint venture or other legal entity of which such person or entity (either alone or through or together with any other Subsidiary), owns more than 50% of the stock or other equity interests the holder of which is generally entitled to vote for the election of the board of directors or other governing body of such corporation, limited liability company, partnership, joint venture or other legal entity.

(e) The Partnership and its Subsidiaries have good and marketable title to all property (real and personal) described the Registration Statement and in the Prospectus as currently being owned by each of them, free and clear of all liens, claims, security interests or other encumbrances, except (1) such as are described or referred to in the Registration Statement and the Prospectus, (2) such as do not materially interfere with the ownership or benefits of ownership of such property, and (3) for Permitted Encumbrances. All the property described in the Registration Statement and the Prospectus as currently being held under lease by the Partnership or a Subsidiary is held thereby under valid, subsisting and enforceable leases, subject to (i) applicable bankruptcy, insolvency, fraudulent transfer and conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, (ii) general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity) and (iii) securities laws and public policy underlying such laws with respect to rights to indemnification and contribution (such exceptions described in clauses (i), (ii) and (iii) referred to as "Enforceability Exceptions").

(f) The General Partner has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, with full limited liability company power and authority to own or lease, as the case may be, and to operate its properties, to conduct its business and to act as general partner of the Partnership, as described in the Registration Statement and as described in the Prospectus, and has been qualified or registered to do business as a foreign entity and is in good standing under the laws of each jurisdiction which requires such qualification, other than any jurisdiction where the failure to be so qualified would not, individually or in the aggregate: (i) have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, or (ii) subject the limited partners of the Partnership to any material liability or disability.

(g) The General Partner is the sole general partner of the Partnership with a 1.0% general partner interest in the Partnership. Such general partner interest is duly authorized and validly issued to the General Partner in accordance with the Second Amended and Restated Agreement of Limited Partnership of the Partnership (as amended, the "Partnership Agreement"), which Partnership Agreement, has been duly authorized, executed and delivered by the General Partner and is a valid and legally binding agreement of the General Partner, enforceable against the General Partner in accordance with its terms, subject to the Enforceability Exceptions. The General Partner owns such general partner interest free and clear of any lien, adverse claim, security interest or other encumbrance, other than any lien, adverse claim, security interest or other encumbrance created by or arising under (i) the Delaware Act; (ii) the Sixth Amended and Restated Credit Agreement among the Partnership, El Paso Energy Partners Finance Corporation, the several lenders from time to time parties thereto, and JPMorgan Chase Bank, as Administrative Agent, dated as of March 23, 1995, as amended and restated through November 21, 2002, and the collateral documents related thereto (the "Credit Agreement"); (iii) the Amended and Restated Credit Agreement among EPN Holding Company, L.P., the lenders party thereto, Banc One Capital Markets, Inc. and Wachovia Bank, National Association, as Co-Syndication Agents, Fleet National Bank and Fortis Capital Corp., as Co-Documentation Agents, and JPMorgan Chase Bank, as Administrative Agent, dated

April 8, 2002, as amended and restated through November 21, 2002, the indenture into which the Partnership entered on November 27, 2002, and the related collateral documents ("EPN Holdings Term Loan"); (iv) the credit agreement to which Poseidon Oil Pipeline Company, L.L.C., a Delaware limited liability company in which a Subsidiary of the Partnership owns a 36% membership interest, is party, and the collateral documents related thereto; (v) the financial arrangements to which Sabine River Investors I, L.L.C. ("Sabine I"), Sabine River Investors II, L.L.C. ("Sabine II"), DeepTech International Inc. ("DeepTech"), El Paso EPN Investments, L.L.C. ("EPN Investments"), El Paso Corporation, a Delaware corporation ("El Paso Corporation") or GulfTerra GP Holding Company, a Delaware corporation ("GulfTerra Holding") are parties; (vi) the indenture into which the Partnership entered on May 27, 1999, as amended and supplemented; (vii) the indenture into which the Partnership entered on May 17, 2001, as amended and supplemented, (viii) the indenture into which the Partnership entered on March 24, 2003; and (ix) the credit agreement to which Deepwater Gateway, L.L.C., a Delaware limited liability company in which a Subsidiary of the Partnership owns a 50% membership interest ((i)-(ix) the "Permitted Encumbrances") all as disclosed in the Registration Statement and the Prospectus.

(h) Sabine I and Sabine II own 11,674,245 Common Units, DeepTech owns (prior to the General Partner making the contribution required in connection with the issuance of the Units to maintain its 1% capital account balance) 124,584 Series B preference units representing limited partner interests in the Partnership ("Series B Preference Units"), and EPN Investments owns 10,937,500 Series C units representing limited partner interests in the Partnership ("Series C Units") all as disclosed in the Prospectus. All of such Common Units, Series B Preference Units and Series C Units and the limited partner interests represented thereby have been duly authorized and validly issued and are fully paid and nonassessable (except as such nonassessability may be affected by the Delaware Act); and Sabine I, Sabine II, DeepTech and EPN Investments own such limited partner interests free and clear of any lien, adverse claim, security interest or other encumbrance, other than Permitted Encumbrances.

(i) The Partnership's authorized and outstanding partnership interests are as set forth in the Prospectus. The partnership interests of the Partnership and the Partnership Agreement conform in all material respects to the descriptions thereof contained in the Registration Statement and the Prospectus. All of the outstanding Common Units and the limited partner interests represented thereby have been duly and validly authorized and issued, are fully paid and nonassessable (except as such nonassessability may be affected by the Delaware Act) and are free of any preemptive or similar rights, except as set forth in the Partnership Agreement. The Units and the limited partner interests represented thereby have been duly and validly authorized and, when issued, delivered and paid for by the Investor pursuant to this Agreement, are fully paid and nonassessable (except as such nonassessability may be affected by the Delaware Act) and free of any preemptive rights or similar rights, except as set forth in the Partnership Agreement, and the Investor has acquired the Units free and clear of any lien, adverse claim, security interest, equity or other encumbrance. No options, warrants or other rights to purchase, agreements or other obligations to issue, or rights to convert any obligations into or exchange any securities for, partnership interests or ownership interests in the Partnership are outstanding, other than: (i) as set forth in the Partnership Agreement and (ii) those granted pursuant to compensation or option plans disclosed in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2002 (the "Existing Commitments"). The

Common Units that may be issued upon conversion of the Series F Units have been duly authorized and, when issued, delivered and paid for in accordance with the Statement of Series F Convertible Unit of the Partnership, will be duly and validly authorized issued, fully paid and nonassessable (except as such nonassessability may be affected by the Delaware Act) and free of any preemptive or similar rights, except as set forth in the Partnership Agreement.

(j) All of the issued and outstanding membership interests of the General Partner have been duly and validly issued, are fully paid and nonassessable, and are owned by GulfTerra Holding, free and clear of any lien, adverse claim, security interest, equity or other encumbrance, except for Permitted Encumbrances. GulfTerra Holding is an indirect, wholly-owned Subsidiary of El Paso Corporation.

(k) The entities listed on Schedule A are the only Subsidiaries of the Partnership. All of the outstanding shares of capital stock, limited partner interests, general partner interests or limited liability company interests of each of the Partnership's Subsidiaries (other than the Chaco Liquids Plant Trust) have been duly and validly authorized and issued and are fully paid and (except (i) as required to the contrary by the Delaware Limited Liability Company Act and the Delaware Act and (ii) with respect to any general partner interests) nonassessable, and, except as otherwise set forth in Schedule A are owned by the Partnership, directly or indirectly through one or more wholly-owned Subsidiaries, free and clear of any lien, adverse claim, security interest or other encumbrance, other than Permitted Encumbrances.

(l) Chaco Liquids Plant Trust has been properly constituted under the laws of the State of Massachusetts. The Partnership is the sole beneficiary of the Chaco Liquids Plant Trust, free and clear of any lien, adverse claim, security interest or other encumbrance, other than Permitted Encumbrances.

(m) Each of the Partnership's Subsidiaries has been duly formed or incorporated and is validly existing as a corporation, limited partnership, general partnership or limited liability company in good standing (except in the case of good standing with respect to general partnerships) under the laws of the jurisdiction in which it is chartered or organized, with full entity power and authority to own or lease, as the case may be, and to operate its properties and conduct its business as set forth in the Registration Statement and as described in the Prospectus, and is duly qualified to do business as a corporation, limited partnership, general partnership or limited liability company and is in good standing (except in the case of good standing with respect to general partnerships) under the laws of each jurisdiction listed on Schedule B, which are the only jurisdictions that require such qualification, other than any jurisdiction where the failure to be so qualified would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business.

(n) There is no material franchise, contract or other document of a character required to be described in the Registration Statement and the Prospectus, or to be filed as an exhibit thereto, which is not described or filed as required. The statements in the Registration Statement and the Prospectus under the headings "Description of Limited Partner Interests," "Certain Other Partnership Agreement Provisions," "Income Tax Considerations,"

"Investments By Employee Benefits Plans" and "Recent tax developments" insofar as such statements summarize legal matters, agreements, documents or proceedings discussed therein, are accurate and fair summaries of such legal matters, agreements, documents or proceedings.

(o) This Agreement has been duly authorized, executed and delivered by the Partnership and constitutes a valid and binding obligation of the Partnership enforceable against the Partnership in accordance with its terms, subject to Enforceability Exceptions.

(p) Each of the Partnership and the General Partner is not and, after giving effect to the offering and sale of the Units and the application of the proceeds thereof as described in the Prospectus, will not be (i) an "investment company" as defined in the Investment Company Act of 1940, as amended or (ii) a "holding company" within the meaning of, or subject to regulation under, the Public Utility Holding Company Act of 1935, as amended, and the rules and regulations promulgated by the Commission thereunder.

(q) No consent, approval, authorization, filing with or order of any court or governmental agency or body is required in connection with the transactions contemplated herein, except such as have been obtained under the Act (except for the filing of the Prospectus pursuant to Rule 424(b) promulgated under the Act) and such as may be required by the New York Stock Exchange for listing the Common Units or under the blue sky laws of any jurisdiction in connection with the purchase of the Units by the Investor in the manner contemplated herein and in the Prospectus.

(r) Neither the issue and sale of the Units nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof will conflict with, or result in a breach or violation or imposition of any lien, charge or encumbrance upon any property or assets of the Partnership or any of its Subsidiaries or the General Partner pursuant to, (i) the partnership agreement, limited liability company agreement, charter, by-laws or similar organizational document of the Partnership or any of its Subsidiaries or the General Partner, as applicable, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which the Partnership or any of its Subsidiaries or the General Partner is a party or bound or to which its or their property is subject, or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to the Partnership or any of its Subsidiaries or the General Partner of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Partnership or any of its Subsidiaries or the General Partner or any of its or their properties, except, in the case of (ii) and (iii), where such conflict, breach, violation or imposition would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business.

(s) No holders of securities of the Partnership have rights to the registration of such securities under the Registration Statement, except for such rights (i) of the General Partner and its affiliates in Section 6.14 of the Partnership Agreement; (ii) of Sabine II pursuant to the Registration Rights Agreement executed in connection with the acquisition by the Partnership of an additional interest in Viosca Knoll Gathering Company; (iii) of DeepTech

pursuant to the Registration Rights Agreement executed in connection with the acquisition by the Partnership of the Crystal storage facilities; and (iv) of El Paso Corporation pursuant to the Registration Rights Agreement between El Paso Corporation and the Partnership dated as of November 27, 2002, which relates to the Series C Units.

(t) The consolidated historical financial statements and schedules of the Partnership and its consolidated subsidiaries included in the Registration Statement and the Prospectus present fairly in all material respects the financial condition, results of operations, cash flows and changes in financial position of the Partnership and its consolidated subsidiaries as of the dates and for the periods indicated, comply as to form with the applicable accounting requirements of the Act and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as otherwise noted therein).

(u) No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Partnership or any of its Subsidiaries or the General Partner or its or their respective assets or properties is pending or, to the knowledge of the Partnership or the General Partner, threatened that (i) would reasonably be expected to have a material adverse effect on the performance of this Agreement or the consummation of any of the transactions contemplated hereby or (ii) would reasonably be expected to have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in the Registration Statement or the Prospectus.

(v) Each of the Partnership, its Subsidiaries and the General Partner owns or leases all such properties as are necessary to the conduct of its operations as presently conducted, except where the lack of such ownership or leasing would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business.

(w) Each of the Partnership and its Subsidiaries own, or have obtained valid and enforceable licenses for, or other rights to use, the inventions, patents, trademarks, tradenames, copyrights, trade secrets and other proprietary information (collectively, "Intellectual Property") described in the Registration Statement and the Prospectus as being owned or licensed by them or which are necessary for the conduct of their respective businesses, except where the failure to own, license or have such rights would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business. Neither the Partnership nor any of its Subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of any of the Partnership or its Subsidiaries, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, could reasonably be expected to result in a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole.

(x) None of the Partnership, any of its Subsidiaries or the General Partner is in violation or default of (i) any provision of its partnership agreement, limited liability company agreement, charter, by-laws or similar organizational document, as applicable, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or, to the knowledge of the General Partner and the Partnership, any other agreement, obligation, condition, covenant or instrument to which it is a party or bound or to which its property is subject, or (iii) to the knowledge of the General Partner and the Partnership, any statute, law, rule, regulation, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Partnership or such Subsidiary or the General Partner or any of their respective properties, except, in the case of (ii) and (iii), where such violation or default would not individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business.

(y) PricewaterhouseCoopers, LLP, who have certified certain financial statements of each of the Partnership and its consolidated subsidiaries, Poseidon Oil Pipeline Company, L.L.C., the General Partner and its consolidated subsidiaries, GulfTerra Energy Finance Corporation, GulfTerra Texas Pipeline, L.P., El Paso Gas Storage Company, El Paso Hub Services L.L.C., the assets and businesses referred to as the "El Paso Field Services Gathering and Processing Businesses," the "El Paso Field Services San Juan Gathering and Processing Businesses," the "Typhoon Gas Pipeline," the "Typhoon Oil Pipeline" and the "Coastal Liquids Partners NGL Business" in the applicable financial statements, and delivered their report with respect to the audited financial statements and schedules for such entities, assets and businesses included in or incorporated by reference into the Prospectus, are independent public accountants as required by the Act and the applicable published rules and regulations thereunder. Arthur Andersen, LLP, who have previously certified certain financial statements of Poseidon Oil Pipeline Company, L.L.C. and previously delivered their report with respect to the audited financial statements and schedules included in or incorporated by reference into the Prospectus, are independent public accountants with respect to Poseidon Oil Pipeline Company, L.L.C. as required by the Act and the applicable rules and regulations thereunder.

(z) The Partnership and each of its Subsidiaries maintains insurance covering its properties, operations, personnel and businesses as the Partnership deems adequate and as previously disclosed to the Placement Agent; such insurance insures against such losses and risks to an extent which is consistent with insurance coverage maintained by similar companies and businesses; all such insurance is fully in force on the date hereof and will be fully in force at the time of purchase and any additional time of purchase.

(aa) There are no transfer taxes or other similar fees or charges under Federal law or the laws of any state, or any political subdivision thereof, required to be paid in connection with the execution and delivery of this Agreement or the issuance or sale of the Units or the conversion of any Series F Unit.

(bb) Each of the Partnership, its Subsidiaries and the General Partner has filed all foreign, federal, state and local tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business), except as set forth in the Prospectus and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in the Registration Statement and the Prospectus.

(cc) No labor problem or dispute with the employees of the Partnership or any of its Subsidiaries or the General Partner exists or is threatened or, to the Partnership's Knowledge or the General Partner's Knowledge, imminent, and neither the Partnership nor the General Partner is aware of any existing or imminent labor disturbance by the employees of any of its or its Subsidiaries' principal suppliers, contractors or customers, that would, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in the Registration Statement and the Prospectus.

(dd) Except as contemplated in the documents under which Permitted Encumbrances arise, no Subsidiary of the Partnership is currently prohibited, directly or indirectly, from paying any dividends to the Partnership, from making any other distribution on such Subsidiary's capital stock, limited liability company interests or other equity interests, from repaying to the Partnership any loans or advances to such Subsidiary from the Partnership or from transferring any of such Subsidiary's property or assets to the Partnership or any other Subsidiary of the Partnership, except as described in the Registration Statement and the Prospectus.

(ee) Each of the Partnership, its Subsidiaries and the General Partner (i) possesses all licenses, certificates, permits and other authorizations issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, and (ii) has not received any notice of proceedings relating to the revocation or modification of any such license, certificate, authorization or permit which, in the case of (i) and (ii) singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, or otherwise, would have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in the Registration Statement and the Prospectus.

(ff) Except as otherwise set forth in the Registration Statement and the Prospectus, such as are not material to the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, or as do not materially

interfere with ownership or benefits of ownership of such properties, taken as a whole, and except for Permitted Encumbrances, the Partnership and its Subsidiaries have good and defensible title to their interests in their oil and gas properties.

(gg) The information that was supplied by the Partnership to Netherland, Sewell & Associates, Inc. ("Netherland & Sewell"), independent petroleum engineers, for purposes of evaluating the oil and gas reserves of the Partnership and its subsidiaries as of December 31, 2002, including, without limitation, production, costs of operation and development, current prices for production, agreements relating to current and future operations and sales of production, was, to the knowledge of the Partnership, true and correct in all material respects on the dates such estimates were made and such information was supplied and was prepared in accordance with customary industry practices, as indicated in the letter of Netherland & Sewell dated May 9, 2003 (the "Netherland & Sewell Letter"); to the Partnership's knowledge, Netherland & Sewell was, as of the date of the Netherland & Sewell Letter, and is, as of the date hereof, independent with respect to the Partnership and its Subsidiaries; other than normal production of the reserves and intervening spot market product price fluctuations, the Partnership is not aware of any facts or circumstances that would result in a materially adverse change in the reserves, or the present value of future net cash flows therefrom, as described in the Registration Statement and the Prospectus and as reflected in the Netherland & Sewell Letter and the reserve report referenced therein; estimates of such reserves and present values as described in the Registration Statement and the Prospectus and reflected in the Netherland & Sewell Letter and the reserve report referenced therein comply in all material respects to the applicable requirements of Regulation S-X and Industry Guide 2 under the Act.

(hh) Any statistical and market-related data included in the Registration Statement and the Prospectus are based on or derived from sources that the Partnership believes to be reliable and accurate, and the Partnership has obtained the written consent to the use of such data from such sources to the extent required.

(ii) Each of the Partnership and its Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(jj) None of the Partnership, the General Partner or their respective affiliates has taken, directly or indirectly, any action designed to or which has constituted or which would reasonably be expected to cause or result, under the Exchange Act or otherwise, in stabilization or manipulation of the price of any security of the Partnership to facilitate the sale or resale of the Units.

(kk) The Partnership, its Subsidiaries and the General Partner are (i) in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic

substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) have not received notice of any actual or potential liability for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, except where such non- compliance with Environmental Laws, failure to receive required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in the Prospectus. Except as set forth in the Registration Statement and the Prospectus, to the knowledge of the Partnership, none of the Partnership, any of its Subsidiaries or the General Partner have been named as a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act of 1989, as amended.

(ll) In the ordinary course of its business, the Partnership periodically reviews the effect of Environmental Laws on the business, operations and properties of the Partnership and its Subsidiaries, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws, or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review, the Partnership has reasonably concluded that such associated costs and liabilities would not, singly or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in the Registration Statement and the Prospectus.

(mm) Each of the Partnership, its Subsidiaries and the General Partner has fulfilled its obligations, if any, under the minimum funding standards of Section 302 of the United States Employee Retirement Income Security Act of 1974 ("ERISA") and the regulations and published interpretations thereunder with respect to each "plan" (as defined in Section 3(3) of ERISA and such regulations and published interpretations) in which employees of the Partnership, its Subsidiaries and the General Partner are eligible to participate and each such plan is in compliance in all material respects with the presently applicable provisions of ERISA and such regulations and published interpretations. The Partnership and its Subsidiaries and the General Partner have not incurred any unpaid liability to the Pension Benefit Guaranty Corporation (other than for the payment of premiums in the ordinary course) or to any such plan under Title IV of ERISA.

(nn) Each of the Partnership, its Subsidiaries and the General Partner has such consents, easements, rights-of-way or licenses from any person ("rights-of-way") as are necessary to conduct its business in the manner as described in the Prospectus, subject to such qualifications as set forth in the Prospectus, except for such rights-of-way which, if not obtained, would, singly or in the aggregate, be expected not to have a have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business. Each of the Partnership, its Subsidiaries and the General Partner has fulfilled and

performed all its material obligations with respect to such rights-of-way and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or would result in any impairment of the rights of the holder of any such rights-of-way, except for such revocations, terminations and impairments that would not have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business, subject in each case to such qualifications as may be set forth in the Prospectus; and except as set forth in the Prospectus, none of such rights-of-way contains any restriction that is materially burdensome to the Partnership and its Subsidiaries, taken as a whole.

(oo) The Partnership has not sent or received any communication regarding termination of, or intent not to renew, any of the contracts or agreements referred to or described in, or filed as an exhibit to, the Registration Statement, and no such termination or non-renewal has been threatened by the Partnership or, to the Partnership's knowledge, any other party to any such contract or agreement, except where such termination or non-renewal would not, singly or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Partnership and its Subsidiaries, taken as a whole.

(pp) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been (i) any material adverse change, or any development involving a prospective material adverse change, in the condition (financial or otherwise), earnings, business properties or results of operations of the Partnership and the Subsidiaries taken as a whole, (ii) any transaction which is material to the Partnership and the Subsidiaries taken as a whole, (iii) any obligation, direct or contingent (including any off-balance sheet obligations), incurred by the Partnership or the Subsidiaries, which is material to the Partnership and the Subsidiaries taken as a whole, or (iv) any change in the capital stock or outstanding indebtedness of the Partnership or the Subsidiaries.

(qq) The Partnership has provided you true, correct, and complete copies of all documentation pertaining to any outstanding extension of credit in the form of a personal loan made, directly or indirectly, by the Partnership to any executive officer of the Partnership or director of the General Partner, or to any family member or affiliate of any executive officer of the Partnership or director of the General Partner. Since July 30, 2002, the Partnership has not, directly or indirectly, including through any subsidiary: (i) extended credit, arranged to extend credit, or renewed any extension of credit, in the form of a personal loan, to or for any executive officer of the Partnership or director of the General Partner, or to or for any family member or affiliate of any executive officer of the Partnership or director of the General Partner; or (ii) made any material modification, including any renewal thereof, to any term of any personal loan to any executive officer of the Partnership or director of the General Partner, or any family member or affiliate of any executive officer of the Partnership or director of the General Partner, which loan was outstanding on July 30, 2002.

(rr) Neither the Partnership nor any of its Subsidiaries nor, to the Partnership's knowledge, any employee or agent of the Partnership or its Subsidiaries has made any payment of funds of the Partnership or its Subsidiaries or received or retained any funds in

violation of any law, rule or regulation, which payment, receipt or retention of funds is of a character required to be disclosed in the Registration Statement or the Prospectus.

4. Agreements of the Partnership. The Partnership hereby agrees with the Placement Agent as follows:

(a) to qualify, as necessary, the Units for offer and sale to the Investor under the securities or blue sky laws of Texas, California, New York and Delaware; provided that the Partnership shall not be required to qualify as a foreign corporation or to consent to the service of process under the laws of any such state (except service of process with respect to the offering and sale of the Units); and to promptly advise you of the receipt by the Partnership of any notification with respect to such qualifications, or the initiation or threatening of any proceeding with respect to such qualifications;

(b) if not filed substantially contemporaneously with the execution and delivery of this Agreement, to file the Prospectus in a form approved by you pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement;

(c) (i) to advise you promptly upon receipt of notice from the Commission or any state securities regulator of any action, request, order or proceeding that is being or will be taken or given by it with respect to the offering of the Units, or the Prospectus and Registration Statement in connection with the offering of the Units, or the happening of any event that would require the making of any change in the Prospectus in connection with the offering of the Units so that the Prospectus would not include an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under and the date on which they are made, not misleading, (ii) to furnish you with drafts of any proposed amendments or supplements to the Prospectus or Registration Statement that may be necessary as a result of any such action, request, order or proceeding or the happening of any such event in advance of such filing and (iii) to file no such amendment or supplement which shall be disapproved by you promptly after reasonable notice thereof; provided that you will not unreasonably disapprove any such amendment or supplement;

(d) to make generally available to its unitholders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) of the Act), an earnings statement of the Partnership complying with Section 11(a) of the Act;

(e) to apply the net proceeds from the sale of the Units in the manner set forth under the caption "Use of Proceeds" in the Prospectus;

(f) to use its best efforts to cause the Common Units to be listed on the New York Stock Exchange;

(g) to maintain a transfer agent and, if necessary under the jurisdiction of formation of the Partnership, a registrar for the Units;

(h) the Placement Agent may not, without the Placement Agent's prior consent (which will not be unreasonably withheld), be quoted or referred to in any document, release or communication prepared, issued or transmitted by the Partnership or the General Partner, including any entity controlled by the Partnership or the General Partner, and any director, officer, employee or agent thereof, except for (i) disclosures required by legal process, (ii) disclosures required by law, (iii) disclosures required by the New York Stock Exchange, and (iv) the filing of the Prospectus and this Agreement with the Commission and the New York Stock Exchange; and

(i) that, following the Closing, the Placement Agent shall have the right to place usual and customary advertisements in financial and other newspapers and journals, at its own expense, describing its services to the Partnership, but any disclosures of information concerning the Investor (including its identity) must be approved by the Investor.

5. Expenses. Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Partnership shall pay all costs and expenses incident to the performance of the obligations of the Partnership under this Agreement (other than any fees, disbursements and other charges of counsel for the Placement Agent except as set forth in (5) and (6) below and in the last sentence of this Section), including but not limited to costs and expenses of or relating to (1) the preparation, printing and filing of the Registration Statement (including each pre- and post-effective amendment thereto) and exhibits thereto, the Prospectus and any amendment or supplement to the Prospectus, including all fees, disbursements and other charges of counsel to the Partnership, (2) the preparation and delivery of certificates representing the Units, (3) the listing of the Common Units on the New York Stock Exchange, (4) any filings required to be made by the Placement Agent with the National Association of Securities Dealers, Inc. and the fees, disbursements and other charges of counsel for the Placement Agent in connection therewith, (5) the registration or qualification of the Units for offer and sale under the securities or blue sky laws of such jurisdictions designated pursuant to Section 4(a), and (6) fees, disbursements and other charges of counsel to the Partnership; provided, however, that the Placement Agent shall reimburse the Partnership for the fees and expenses paid by the Partnership to an independent financial advisor that values the Series F Units (not to exceed $100,000). The Partnership shall promptly reimburse the Placement Agent, without duplication, on a fully accountable basis, for all travel, legal and other out-of-pocket expenses incurred in connection with the engagement hereunder, except as provided above, not to exceed $15,000 in the aggregate.

6. Indemnification.

(a) The Partnership agrees to indemnify and hold harmless the Placement Agent, together with their respective officers, directors, shareholders, employees and agents, and each person, if any, who controls the Placement Agent and any of its affiliates within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (all of the foregoing are referred to collectively as "Indemnified Parties" and individually as an "Indemnified Party"), from and against any and all losses, suits, actions, judgments, penalties, fines, costs, expenses, damages, liabilities or claims of any kind or nature, whether joint or several, (including, without limitation, any investigative, legal or any other expenses as they are reasonably incurred by an Indemnified Party in connection with, and any amount paid in settlement of, the preparation for

or defense of any action, claim or proceeding asserted, whether or not resulting in any liability) (all of the foregoing being collectively defined as "Claims") to which such Indemnified Party may become subject or liable or which may be incurred by or assessed against any Indemnified Party under any statute, common law, contract or otherwise, to the extent relating to or arising out of any of ("Indemnified Claims"): (i) any untrue statement or alleged untrue statement made by the Partnership in Section 3 of this Agreement, (ii) any untrue statement or alleged untrue statement of any material fact contained in (A) the Registration Statement or the Prospectus or any amendment or supplement to the Registration Statement or the Prospectus arising out of or relating to this offering or the subject matter of this Agreement and (B) any application or other document, or any amendment or supplement thereto, executed by the Partnership based upon written information furnished by or on behalf of the Partnership filed in any jurisdiction in order to qualify the Units under the securities or Blue Sky laws thereof or filed with the Commission or any securities association or securities exchange (each, an "Application") or (iii) the omission or alleged omission to state in the Registration Statement or the Prospectus or any supplement to the Registration Statement or the Prospectus or any Application a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; provided, however, that neither the Partnership nor the General Partner will be liable to the extent that such Claim arises from the sale of the Units in the public offering to any person and is based solely on an untrue statement or omission or alleged untrue statement or omission made in reliance on and in conformity with information relating to the Placement Agent furnished in writing to the Partnership by the Placement Agent expressly for inclusion in the Registration Statement or the Prospectus; provided, further, that the Partnership shall not be liable to an Indemnified Party in any such case solely to the extent that any Claim is found, in a final, unappealable judgment by a court of competent jurisdiction, to have resulted solely and exclusively and as a direct and proximate cause from any Indemnified Party's willful misconduct or gross negligence in the performance of their duties. This indemnity agreement will be in addition to any liability which the Partnership may otherwise have. The Partnership will not, without the prior written consent of the Placement Agent (which will not be unreasonably withheld), settle or compromise or consent to the entry of any judgment in any pending or threatened Claim in respect of which indemnification may be sought hereunder (whether or not such Placement Agent or any person who controls such Placement Agent within the meaning of Section 15 of the Act or Section 20 of the Exchange Act is a party to each Claim), unless such settlement, compromise or consent includes an unconditional release of the Placement Agent and each such controlling person from all liability arising out of such Claim.

(b) If for any reason (other than as specifically provided herein) the indemnity for an Indemnified Claim as provided by Section 6(a) of this Agreement is unavailable to an Indemnified Party or insufficient to fully hold any Indemnified Party harmless, then the Partnership shall contribute to the amount paid or payable by such Indemnified Party as a result of such Indemnified Claim in such proportion as is appropriate to reflect the relative benefits received by and fault of the Partnership on the one hand, and the relative benefits received by and fault of the Indemnified Party on the other hand, as well as any relevant equitable considerations. Notwithstanding any provisions herein to the contrary, the aggregate contribution of all of the Indemnified Parties for all Indemnified Claims shall not exceed the amount of fees actually received by the Placement Agent pursuant to the Agreement. It is hereby further agreed that the relative fault of the Partnership on the one hand and an Indemnified Party on the other hand with respect to the transactions shall be determined by reference to, among

other things, whether any untrue or alleged untrue statement of a material fact or incorrect opinion or conclusion or the omission or alleged omission to state a material fact related to information supplied by the Partnership on the one hand or by the Indemnified Party on the other hand, as well as the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, opinion, conclusion or omission. No Indemnified Party shall have any liability to the Partnership or any other person in connection with the services rendered pursuant to this Agreement except for any liability for Claims finally judicially determined to have resulted solely and exclusively from actions taken or omitted to be taken as a direct result of any Indemnified Party's gross negligence or willful misconduct. The indemnity, contribution and expense reimbursement agreements and obligations set forth herein shall be in addition to any other rights, remedies or indemnification which any Indemnified Party may have or be entitled to at common law or otherwise, and shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Indemnified Party. The Partnership further agree that the indemnity, contribution and expense reimbursement agreements and obligations set forth herein shall apply whether or not the Placement Agent or any other Indemnified Party is a formal party in any such Indemnified Claim. The Partnership will not be permitted to settle any Indemnified Claim without the prior consent of the Placement Agent or any Indemnified Party involved therein if any admission of wrong doing, negligence or improper activity of any kind of the Placement Agent or such Indemnified Party is a part of such settlement. The Partnership shall not, without the prior written consent of an Indemnified Party, effect any settlement of any pending or threatened action, suit or proceeding in respect of which an Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on matters that are the subject matter of such Claim.

(c) The Placement Agent agrees to indemnify and hold harmless each of the Partnership and the General Partner, together with their respective officers, directors, shareholders, employees and agents, and each person, if any, who controls the Partnership or the General Partner and any of their respective affiliates within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (all of the foregoing are referred to collectively as "Selling Indemnified Parties" and individually as an "Selling Indemnified Party"), from and against any and all Claims of any kind or nature, whether joint or several, (including, without limitation, any investigative, legal or any other expenses as they are reasonably incurred by a Selling Indemnified Party in connection with, and any amount paid in settlement of, the preparation for or defense of any Claim asserted, whether or not resulting in any liability) (all of the foregoing being collectively defined as the "Selling Indemnified Claims") to which any Selling Indemnified Party may become subject or liable or which may be incurred by or assessed against any Selling Indemnified Party under any statute, common law, contract or otherwise, to the extent relating to or arising out of any of an untrue statement or omission or alleged untrue statement or omission made in reliance on and in conformity with information relating to the Placement Agent furnished in writing to the Partnership by the Placement Agent expressly for inclusion in the Registration Statement or the Prospectus; provided, however, that the Placement Agent shall not be liable to a Selling Indemnified Party in any such case solely to the extent that any Selling Indemnified Claim is found, in a final, unappealable judgment by a court of competent jurisdiction, to have resulted solely and exclusively and as a direct and proximate cause from any Selling Indemnified Party's willful misconduct or gross negligence in the performance of their duties. This indemnity agreement will be in addition to any liability which

the Placement Agent may otherwise have. The Placement Agent will not, without the prior written consent of the Selling Indemnified Party (which will not be unreasonably withheld), settle or compromise or consent to the entry of any judgment in any pending or threatened Claim in respect of which indemnification may be sought hereunder (whether or not such Selling Indemnified Party or any person who controls such Selling Indemnified Party within the meaning of Section 15 of the Act or Section 20 of the Exchange Act is a party to each Claim), unless such settlement, compromise or consent includes an unconditional release of the Selling Indemnified Party and each such controlling person from all liability arising out of such Claim. As of the date hereof, no information relating to the Placement Agent has been furnished in writing to the Partnership by the Placement Agent expressly for inclusion in the Registration Statement or the Prospectus.

(d) If for any reason (other than as specifically provided herein) the foregoing indemnity for a Selling Indemnified Claim as provided by Section 6(c) of this Agreement is unavailable to a Selling Indemnified Party or insufficient to fully hold any Selling Indemnified Party harmless, then the Placement Agent shall contribute to the amount paid or payable by such Selling Indemnified Party as a result of such Selling Indemnified Claim in such proportion as is appropriate to reflect the relative benefits received by and fault of the Placement Agent on the one hand, and the relative benefits received by and fault of the Selling Indemnified Party on the other hand, as well as any relevant equitable considerations. Notwithstanding any provisions herein to the contrary, the aggregate contribution of all of the Selling Indemnified Parties for all Selling Indemnified Claims shall not exceed the amount of funds actually received by the Partnership pursuant to the Agreement. It is hereby further agreed that the relative fault of the Placement Agent on the one hand and a Selling Indemnified Party on the other hand with respect to the transactions shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or incorrect opinion or conclusion or the omission or alleged omission to state a material fact concerning the Placement Agent related to information supplied by the Placement Agent on the one hand or by the Selling Indemnified Party on the other hand, as well as the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, opinion, conclusion or omission. No Selling Indemnified Party shall have any liability to the Placement Agent or any other person in connection with the services rendered pursuant to this Agreement except for any liability for losses, claims, damages or liabilities finally judicially determined to have resulted solely and exclusively from actions taken or omitted to be taken as a direct result of such Selling Indemnified Party's gross negligence or willful misconduct. The indemnity, contribution and expense reimbursement agreements and obligations set forth herein shall be in addition to any other rights, remedies or indemnification which any Selling Indemnified Party may have or be entitled to at common law or otherwise, and shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Selling Indemnified Party. The Placement Agent further agrees that the indemnity, contribution and expense reimbursement agreements and obligations set forth herein, shall apply whether or not the Placement Agent or any other Selling Indemnified Party is a formal party in any such Selling Indemnified Claim. The Placement Agent will not be permitted to settle any Selling Indemnified Claim without the prior consent of the Partnership and any Selling Indemnified Party involved therein if any admission of wrong doing, negligence or improper activity of any kind of the Partnership or such Selling Indemnified Party is a part of such settlement. The Placement Agent shall not, without the prior written consent of a Selling Indemnified Party, effect any settlement of any pending or

threatened action, suit or proceeding in respect of which a Selling Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Selling Indemnified Party, unless such settlement includes an unconditional release of such Selling Indemnified Party from all liability on claims that are the subject matter of such action, suit or proceeding.

(e) Any party that proposes to assert the right to be indemnified under this Section 6 will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim is to be made against an indemnifying party or parties under this Section 6, notify each such indemnifying party of the commencement of such action, enclosing a copy of all papers served, but the omission so to notify such indemnifying party will not relieve it from any liability that it may have to any indemnified party under the foregoing provisions of this Section 6 unless, and only to the extent that, such omission results in the forfeiture of substantive rights or defenses by the indemnifying party. If any such action is brought against any indemnified party and it notifies the indemnifying party of its commencement, the indemnifying party will be entitled to participate in and, to the extent that it elects by delivering written notice to the indemnified party promptly after receiving notice of the commencement of the action from the indemnified party, jointly with any other indemnifying party similarly notified, to assume the defense of the action, with counsel reasonably satisfactory to the indemnified party, and after notice from the indemnifying party to the indemnified party of its election to assume the defense, the indemnifying party will not be liable to the indemnified party for any legal or other expenses except as provided below and except for the reasonable costs of investigation subsequently incurred by the indemnified party in connection with the defense. The indemnified party will have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based on advice of counsel) that a conflict exists (based on advice of counsel to the indemnified party) between the indemnified party and the indemnifying party that would prevent the counsel selected by the indemnifying party from representing the indemnified party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (3) the indemnifying party has not in fact employed counsel to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm admitted to practice in such jurisdiction at any one time for all such indemnified party or parties. All such fees, disbursements and other charges will be reimbursed by the indemnifying party promptly as they are incurred. The Partnership will not, without the prior written consent of the Placement Agent (which consent will not be unreasonably withheld), settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification has been sought hereunder (whether or not the Placement Agent or any person who controls the Placement Agent within the meaning of Section 15 of the Act or Section 20 of the Exchange Act is a party to such claim, action, suit or proceeding), unless such settlement, compromise or consent includes an unconditional release of the Placement Agent and each such controlling person from all liability arising out of such claim, action, suit or proceeding. An indemnifying party will not be liable for any settlement of any action or claim effected without its written consent (which consent will not be unreasonably withheld).

7. Submission to Jurisdiction. Except as set forth below, no Claim may be commenced, prosecuted or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts shall have jurisdiction over the adjudication of such matters, and the Partnership consents to the jurisdiction of such courts and personal service with respect thereto. The Partnership hereby consents to personal jurisdiction, service and venue in any court in which any Claim arising out of or in any way relating to this Agreement is brought by any third party against the Placement Agent or any Indemnified Party. The Placement Agent and the Partnership (on its behalf and, to the extent permitted by applicable law, on behalf of its unitholders and affiliates) waives all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) in any way arising out of or relating to this Agreement. The Partnership agrees that a final judgment in any Claim brought in any such court shall be conclusive and binding upon the Partnership and may be enforced in any other courts to the jurisdiction of which the Partnership is or may be subject, by suit upon such judgment.

8. Notices. Notice given pursuant to any of the provisions of this Agreement shall be in writing and, unless otherwise specified, shall be mailed or delivered (a) if to the Partnership, at the offices of the Partnership at 4 Greenway Plaza, Attention: Chief Financial Officer, with a copy (which shall not constitute notice) to J. Vincent Kendrick, Akin Gump Strauss Hauer & Feld, L.L.P., 1900 Pennzoil Place, South Tower, 711 Louisiana Street, Houston, Texas 77002 or (b) if to the Placement Agent, at the office of the Placement Agent at 880 Carillon Parkway, St. Petersburg, Florida, 33716, Attention: Scott Cook, with a copy (which shall not constitute notice) to Anna T. Pinedo, Morrison & Foerster LLP, 1290 Avenue of the Americas, New York, New York 10104-0050. Any such notice shall be effective only upon receipt.

9. Survival. The respective representations, warranties, agreements, covenants, indemnities and other statements of the Partnership and the Placement Agent set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement shall remain in full force and effect, regardless of (i) any investigation made by or on behalf of the Partnership, the General Partner, any of their respective officers or directors, the Placement Agent or any controlling person referred to in Section 6 hereof and (ii) delivery of and payment for the Units.

10. Successors. This Agreement shall inure to the benefit of and shall be binding upon the Placement Agent, the Partnership and each of their respective successors and assigns, and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person except that (i) the indemnification and contribution contained in Section 6 of this Agreement shall also be for the benefit of the Indemnified Parties, (ii) the indemnification and contribution contained in Section 6 of this Agreement shall also be for the benefit of the Selling

Indemnified Parties, and (iii) the General Partner is entitled to rely on the agreement of the Placement Agent set forth in Section 14 of this Agreement. The Placement Agent may not, directly or indirectly, assign, transfer or otherwise alienate any of its rights or benefits under this Agreement to any individual or entity without obtaining the Partnership's prior written consent, which consent may be granted or withheld in the Partnership's sole discretion.

11. Applicable Law. The validity and interpretations of this Agreement, and the terms and conditions set forth herein, shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any provisions relating to conflicts of laws.

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

13. Entire Agreement. This Agreement, constitutes the entire understanding between the parties hereto as to the matters covered hereby and supersedes all prior understandings, written or oral, relating to such subject matter.

14. Agreement Non-Recourse to General Partner. The Placement Agent agrees that all of the obligations of the Partnership are non-recourse with respect to the General Partner, and the Placement Agent agrees that it will not seek to enforce against or recover damages from the General Partner in connection with the existence of this Agreement, the offering of the Units, or the Partnership's performance or failure to perform under this Agreement.

If the foregoing correctly sets forth the understanding among the Partnership and the Placement Agent, please so indicate in the space provided below for the purpose, whereupon this agreement and your acceptance shall constitute a binding agreement among the Partnership and the Placement Agent.

Very truly yours,

GulfTerra Energy Partners, L.P.

By: GulfTerra Energy Company, L.L.C.
its General Partner

By: /s/ KEITH FORMAN

Name: Keith Forman
Title: Vice President and Chief Financial Officer

Accepted and agreed to as of the
date first above written

RAYMOND JAMES & ASSOCIATES, INC.

By: /s/ ALLEN LASSITER

Title: Managing Director

SCHEDULE A

NAME OF ENTITY	JURISDICTION OF FORMATION	OWNERSHIP
Arizona Gas Storage, L.L.C.	Delaware	60%
Chaco Liquids Plant Trust	Massachusetts	100%
Crystal Holding, L.L.C.	Delaware	100%
El Paso Energy Warwink I Company, L.P.	Delaware	100%
El Paso Energy Warwink II Company, L.P.	Delaware	100%
El Paso Offshore Gathering and Transmission, L.P.	Delaware	100%
EPN Gathering and Treating Company, L.P.	Delaware	100%
EPN Gathering and Treating GP Holding, L.L.C.	Delaware	100%
First Reserve Gas, L.L.C.	Delaware	100%
Flextrend Development Company, L.L.C.	Delaware	100%
GulfTerra Alabama Intrastate, L.L.C.	Delaware	100%
GulfTerra Arizona Gas, L.L.C.	Delaware	100%
GulfTerra Energy Finance Corporation	Delaware	100%
GulfTerra Field Services, L.L.C.	Delaware	100%
GulfTerra GC, L.P.	Delaware	100%
GulfTerra		

Holding I, L.L.C. Delaware 100% GulfTerra Holding II, L.L.C. Delaware 100% GulfTerra Holding III, L.L.C. Delaware 100% GulfTerra Holding IV, L.P. Delaware 100% GulfTerra Holding V, L.P. Delaware 100% GulfTerra Intrastate, L.P. Delaware 100% GulfTerra NGL Storage, L.L.C. Delaware 100% GulfTerra Oil Transport, L.L.C. Delaware 100% GulfTerra Operating Company, L.L.C. Delaware 100% GulfTerra South Texas, L.P. Delaware 100% GulfTerra Texas Pipeline, L.P. Delaware 100% Hattiesburg Gas Storage Company Delaware 100% Hattiesburg Industrial Gas Sales, L.L.C. Delaware 100% High Island Offshore System, L.L.C. Delaware 100% Manta Ray Gathering Company, L.L.C. Delaware 100% Petal Gas Storage, L.L.C. Delaware 100% Poseidon Pipeline Company, L.L.C. Delaware 100% Warwink Gathering and Treating Company Delaware 100%

SCHEDULE B

ENTITY NAME	JURISDICTION OF FORMATION	JURISDICTIONS OF FOREIGN QUALIFICATION
Arizona Gas Storage, L.L.C.	Delaware	Arizona, Louisiana
Chaco Liquids Plant Trust	Massachusetts	
-- Crystal Holding, L.L.C.	Delaware	
-- El Paso Energy Warwink I Company, L.P.	Delaware	Texas
El Paso Energy Warwink II Company, L.P.	Delaware	Texas
El Paso Offshore Gathering and Transmission, L.P.	Delaware	Texas
EPN Gathering and Treating Company, L.P.	Delaware	Texas, New Mexico
EPN Gathering and Treating GP Holding, L.L.C.	Delaware	Texas
First Reserve Gas, L.L.C.	Delaware	Mississippi
Flextrend Development Company, L.L.C.	Delaware	Texas, Louisiana, Alabama
GulfTerra Alabama Intrastate, L.L.C.	Delaware	
-- GulfTerra Arizona Gas, L.L.C.	Delaware	
-- GulfTerra Energy Finance Corporation	Delaware	Texas
GulfTerra GC, L.P.	Delaware	Texas, Louisiana, Alabama, New Mexico
GulfTerra Holding I, L.L.C.	Delaware	Texas
GulfTerra Holding II, L.L.C.		

	Delaware Texas	
GulfTerra Holding III, L.L.C.	Delaware Texas	
GulfTerra Holding IV, L.P.	Delaware Texas	
GulfTerra Holding V, L.P.	Delaware Texas	
GulfTerra Intrastate, L.P.	Delaware Texas, Louisiana	
GulfTerra NGL Storage, L.L.C.	Delaware Mississippi, Nevada	
GulfTerra Oil Transport, L.L.C.	Delaware Texas, Louisiana, Alabama	
GulfTerra Operating Company, L.L.C.	Delaware Texas, Louisiana, Massachusetts, New Mexico	
GulfTerra South Texas, L.P.	Delaware Texas	
GulfTerra Texas Pipeline, L.P.	Delaware Texas	
Hattiesburg Gas Storage Company	Delaware -- Hattiesburg Industrial	
Gas Sales, L.L.C.	Delaware Mississippi	
High Island Offshore System, L.L.C.	Delaware Texas, Louisiana	

ENTITY NAME	JURISDICTION OF FORMATION	JURISDICTION OF FOREIGN QUALIFICATION
- Manta Ray Gathering Company, L.L.C.	Delaware	Texas, Louisiana
Petal Gas Storage, L.L.C.	Delaware	Mississippi
Poseidon Pipeline Company, L.L.C.	Delaware	Texas
Warwink Gathering and Treating Company	Delaware	--

EXHIBIT 3.B.3

THIRD AMENDMENT
TO THE
SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
GULFTERRA ENERGY PARTNERS, L.P.

This Third Amendment (this "AMENDMENT") dated May 16, 2003 (the "AMENDMENT DATE"), to the Second Amended and Restated Agreement of Limited Partnership of GulfTerra Energy Partners, L.P. (the "PARTNERSHIP"), amended and restated effective as of May 5, 2003, is entered into by and among GulfTerra Energy Company, L.L.C., a Delaware limited liability company, as the General Partner (the "GENERAL PARTNER"), and the Limited Partners.

INTRODUCTION

A. The Partnership desires to issue the Series F Convertible Units (as defined in this Amendment) with the rights, preferences, obligations and attributes set forth herein; and

B. In connection with such issuance, it is necessary and appropriate to amend the Partnership Agreement.

AGREEMENT

In consideration of the covenants, conditions and agreements contained herein, pursuant to Section 15.1 of the Partnership Agreement, the Partnership Agreement is hereby amended as set forth herein.

1. UNDEFINED TERMS. Undefined terms used herein are defined in the Partnership Agreement.

2. AMENDMENTS.

A. The Partnership Agreement is hereby amended by the inclusion in its entirety of the Statement of Rights, Privileges and Limitations of Series F Convertible Units of GulfTerra Energy Partners, L.P. (the "STATEMENT"), which is attached to this Amendment as Annex A. The Statement provides for the creation of a new series of units, the Series F Convertible Units (the "SERIES F CONVERTIBLE UNITS") which shall be convertible into Series A Common Units from time to time in accordance with, and upon payment of the consideration specified in, the Statement.

B. To the extent the Statement and the Partnership Agreement, as amended, are inconsistent or conflict with respect to any provision, the Statement shall control as it relates to the rights, preferences, obligations and attributes of the Series F Convertible Units.

3. MISCELLANEOUS.

A. PRONOUNS AND PLURALS. Whenever the context may require, any pronoun used in this Amendment shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice-versa.

B. FURTHER ACTION. The parties hereto shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Amendment.

C. BINDING EFFECT. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

D. INTEGRATION. This Amendment constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

E. CREDITORS. None of the provisions of this Amendment shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

F. WAIVER. No failure by any party to insist upon the strict performance of any covenant duty, agreement or condition of this Amendment or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant duty, agreement or condition.

G. COUNTERPARTS. This Amendment may be executed in counterparts, all of which together shall constitute an agreement binding on all of the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Amendment immediately upon affixing its signature hereto, or, in the case of a Person acquiring a Unit, upon executing and delivering a Transfer Application as described in the Partnership Agreement, independently of the signature of any other party.

H. APPLICABLE LAW. This Amendment shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

I. INVALIDITY OF PROVISIONS. If any provision of this Amendment is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Amendment Date.

GENERAL PARTNER

GulfTerra Energy Company, L.L.C.

By: /s/ KEITH FORMAN

Name: Keith Forman
Title: Vice President and Chief Financial Officer

LIMITED PARTNERS

All Limited Partners now and hereafter admitted as limited partners of the Partnership, pursuant to Powers of Attorney now and hereafter executed in favor of, and granted and delivered to, the General Partner.

By: GulfTerra Energy Company, L.L.C., General Partner, as attorney-in-fact for all Limited Partners pursuant to Powers of Attorney granted pursuant to Section 1.4.

By: /s/ KEITH FORMAN

Name: Keith Forman
Title: Vice President and Chief Financial Officer

ANNEX A

STATEMENT OF RIGHTS, PRIVILEGES AND LIMITATIONS OF SERIES F CONVERTIBLE UNITS

[SEE ATTACHED]

ANNEX A TO THE THIRD AMENDMENT

TO THE SECOND AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF GULFTERRA ENERGY PARTNERS, L.P.

STATEMENT OF RIGHTS, PRIVILEGES AND LIMITATIONS

OF SERIES F CONVERTIBLE UNITS

OF

GULFTERRA ENERGY PARTNERS, L.P.

DATED MAY 16, 2003

TABLE OF CONTENTS

STATEMENT OF RIGHTS, PRIVILEGES AND LIMITATIONS

OF SERIES F CONVERTIBLE UNITS

OF

GULFTERRA ENERGY PARTNERS, L.P.

The following is a Statement of Rights, Privileges and Limitations of Series F Convertible Units (this "STATEMENT") of GulfTerra Energy Partners, L.P., a Delaware limited partnership (the "PARTNERSHIP"). The Partnership has authorized and established a new series of unit that shall be designated as the "Series F Convertible Units" (the "SERIES F CONVERTIBLE UNITS"), which series shall consist of two classes, the Series F1 Convertible Units (the "SERIES F1 CONVERTIBLE UNITS") and the Series F2 Convertible Units (the "SERIES F2 CONVERTIBLE UNITS"), which will each be comprised of eighty (80) units. Each Series F Convertible Unit shall be represented by a certificate in the form of Exhibit A to this Statement. The rights, privileges and limitations of the Series F Convertible Units, including the convertibility into Series A Common Units, are set forth in this Statement. References throughout this Statement to the Series F Convertible Units mean the Series F1 Convertible Units and the Series F2 Convertible Units.

1. DEFINITIONS. As used in this Statement, unless the context otherwise requires, the following terms have the following respective meanings:

1.1 13D GROUP means the syndicate or group contemplated in Section 13(d)(3) of the Exchange Act.

1.2 ACQUIRING PERSON means (i) in connection with any Business Combination in which the Acquisition Consideration is payable in stock or other equity securities, the Person issuing the Acquisition Consideration, and (ii) in connection with any Business Combination in which the Acquisition Consideration is payable in cash, (a) the Person acquiring the Partnership by means of merger, consolidation, share exchange, or other statutory acquisition in which ninety percent (90%) or more of the outstanding Series A Common Units are exchanged for cash, securities or other assets, (b) the Person or 13D Group becoming the beneficial owner of over fifty percent (50%) of the outstanding Series A Common Units, (c) the transferee of all or substantially all of the assets of the Partnership (on a consolidated basis), or (d) at Holder's election, any Person that (i) controls the Acquiring Person directly or indirectly through one or more intermediaries, (ii) is required to include the Acquiring Person in the consolidated financial statements contained in such Parent's Annual Report on Form 10-K (if such Person is required to file such a report) or would be required to so include the Acquiring Person in such Person's consolidated financial statements if they were prepared in accordance with U.S. GAAP and (iii) is not itself included in the consolidated financial statements of any other Person (other than its consolidated subsidiaries).

1.3 ACQUISITION CONSIDERATION is defined in Section 3.3.

1.4 BLACKOUT PERIOD is defined in Section 5.2.

1.5 BLACKOUT VIOLATION is defined in Section 5.5.

1.6 BUSINESS COMBINATION is defined in Section 3.3.

1.7 BUSINESS COMBINATION CASH CONSIDERATION means the value of the cash consideration that a holder of a Series A Common Unit is entitled to receive pursuant to a Business Combination.

1.8 BUSINESS COMBINATION CASH PAYMENT is defined in Section 3.3(c).

1.9 BUSINESS COMBINATION STOCK CONSIDERATION means the value of the Acquiring Person's stock or other non-cash assets that a holder of a Series A Common Units is entitled to receive pursuant to a Business Combination as measured, with respect to the Acquiring Person's stock, using the Daily Market Unit Price of the Acquiring Person's stock on the Business Day immediately preceding the consummation of the Business Combination and, with respect to other non-cash assets, by an independent appraisal firm of established national reputation selected by the Board of Directors of the General Partner (the expenses of which firm shall be paid by the Partnership).

1.10 BUSINESS DAY means any day on which the Series A Common Units may be traded on the Principal Securities Exchange, or if not admitted for trading on any Principal Securities Exchange, on any day other than a Saturday, Sunday or holiday on which banks in New York City are required or permitted to be closed.

1.11 CASH PORTION means the value of (x) the Business Combination Cash Consideration divided by the value of (y) the sum of (A) the Business Combination Cash Consideration and (B) the Business Combination Stock Consideration.

1.12 CASH SETTLEMENT AMOUNT is defined in Section 2.2.

1.13 CHARTER DOCUMENTS mean the Certificate of Limited Partnership and the Partnership Agreement of the Partnership, as each may be amended from time to time.

1.13 CONTINGENT CONVERSION NOTICE is defined in Section 3.3(b).

1.14 CONVERSION CLOSING DATE is defined in Section 2.4.

1.15 CONVERSION CONSIDERATION means, with respect to each Conversion Notice, the dollar amount that a Holder has a right to designate and has so designated in such Conversion Notice.

1.16 CONVERSION NOTICE is defined in Section 2.4.

1.17 CONVERSION NOTICE DATE means the Business Day on which the Partnership receives a Conversion Notice from a Holder.

1.18 CONVERSION UNIT PRICE means, with respect to each Conversion Notice, either (i) if the Prevailing Unit Price is equal to or greater than the Measuring Date Unit Price, then

the Conversion Unit Price shall be equal to the Prevailing Unit Price; or (ii) if the Prevailing Unit Price is less than the Measuring Date Unit Price, then the Conversion Unit Price shall be equal to the Prevailing Unit Price minus the product of fifty percent (50%) of the positive difference, if any, of the Measuring Date Unit Price less the Prevailing Price; provided that the Conversion Unit Price shall be subject to adjustment or reduction as set forth in Sections 3 and 5.

1.20 DAILY MARKET UNIT PRICE means for any Business Day, the last sale price on such day, regular way, or in case no such sale takes place on such day, the average of the closing bid and asked prices on such Business Day, regular way, in each case as reported by Bloomberg, L.P., if the Series A Common Units are not listed or admitted to trading on the Principal Securities Exchange as reported by Bloomberg, L.P. on the principal National Securities Exchange on which the Series A Common Units are listed or admitted to trading or, if the Series A Common Units are not listed or admitted to trading on any National Securities Exchange, the last quoted price on such Business Day or, if not so quoted the average of the high bid and low asked prices on such Business Day in the over-the-counter market, as reported by the Nasdaq National Market or such other system then in use, or if on any such day the Series A Common Units are not quoted by any such organization, the average of the closing bid and asked price on such Business Day as furnished by a professional market maker making a market in the Series A Common Units selected by the Board of Directors of the General Partner, or if on any such day no market maker is making a market in the Series A Common Units, the fair value of a Series A Common Unit on such Business Day as determined reasonably and in good faith by the Board of Directors of the General Partner.

1.21 DELAWARE ACT means the Delaware Revised Uniform Limited Partnership Act, as amended or replaced.

1.22 DELAYED CLOSING CONVERSION NOTICE is defined in Section 5.4(a).

1.23 EXCHANGE ACT means the Securities Exchange Act of 1934, as amended or replaced.

1.24 GENERAL PARTNER means the General Partner of the Partnership, as such term is defined in the Charter Documents.

1.25 HOLDER means any Person who is listed as a Holder of the Series F Convertible Units in the Unit Register as of any relevant date of determination.

1.26 MAXIMUM NUMBER means 8,329,679, subject to adjustment pursuant to Section 3.

1.27 MEASURING DATE UNIT PRICE means $35.75, subject to adjustment pursuant to Section 3.

1.28 MINIMUM CONVERSION PRICE means the Conversion Unit Price below which the Partnership shall settle a Conversion Notice with the Cash Settlement Amount in lieu of Series A Common Units on the relevant Conversion Closing Date, such amount as

specified by the Partnership with twenty (20) Business Days prior written notice to the Holder and as amended by the Partnership at any time and from time to time with twenty (20) Business Days prior written notice to the Holder pursuant to Section 2.2.

1.29 NATIONAL SECURITIES EXCHANGE shall have the meaning set forth in the Exchange Act.

1.30 PARTIAL STOCK ADJUSTMENT MEASURING PRICE means the Measuring Date Unit Price multiplied by the ratio of the Daily Market Unit Price of the Acquiring Person on the Business Day immediately preceding the consummation of the Business Combination to the Daily Market Unit Price of the Partnership on the Business Day immediately preceding the consummation of the Business Combination.

1.31 PARTIAL STOCK ASSUMPTION AGREEMENT is defined in Section 3.3(d).

1.32 PARTNERSHIP is defined in the introduction.

1.33 PARTNERSHIP AGREEMENT means the Second Amended and Restated Agreement of Limited Partnership effective as of the date hereof of the Partnership, including all exhibits, schedules, annexes and attachments thereto, as amended, supplemented or otherwise modified from time to time, including the amendment creating the Series F Convertible Unit.

1.34 PARTNERSHIP BOND means any of (a) the Partnership's 10 3/8% Senior Subordinated Notes due 2009, 8 1/2% Senior Subordinated Notes due 2010, 8 1/2% Senior Subordinated Notes due 2011, 8 1/2% Senior Subordinated Notes due 2011 and 10 5/8% Senior Subordinated Notes due 2012 and (b) any other note, bond, debenture or similar instrument issued by the Partnership pursuant to an indenture, so long as the exchange of such securities as contemplated by this Statement would be permitted under such indentures, notes and related documents and the Partnership's other credit arrangements (whether existing or modified or entered into in the future), including the Partnership's Sixth Amended and Restated Credit Agreement, as each may be amended from time to time.

1.35 PARTNERSHIP INTEREST ADJUSTMENT EVENT means any subdivision or combination of the issued Series A Common Units, whether by reason of any dividend or distribution of units, split, recapitalization, reorganization, spinoff, combination or other similar change.

1.36 PERSON means a corporation, an association, a partnership, an organization, a business, an individual, a government or political subdivision thereof or a governmental agency.

1.37 PREVAILING UNIT PRICE means, with respect to any Conversion Notice Date, the lesser of the average Daily Market Unit Price during (a) the sixty (60) consecutive Business Day period ending on and including the fourth Business Day immediately preceding the Conversion Notice Date, (b) the first seven (7) consecutive Business Days

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of such sixty (60)-Business Day period or (c) the last seven (7) consecutive Business Days of such sixty (60)-Business Day period.

1.38 PRINCIPAL SECURITIES EXCHANGE means the New York Stock Exchange, but if the New York Stock Exchange is not the principal U.S. trading market for the Series A Common Units, the "Principal Securities Exchange" shall be deemed to mean the principal U.S. National Securities Exchange on which the Series A Common Units are traded, or if the Series A Common Units are not then listed or admitted to trading on any National Securities Exchange but are designated as a national market system security or a Nasdaq SmallCap Market Security by the NASD, or any successor thereto, then such market system, or if the Series A Common Units are not listed or quoted on any of the foregoing, then the OTC Bulletin Board.

1.39 PROSPECTUS means the prospectus supplement dated the date hereof, as such may be amended and supplemented from time to time, to the Registration Statement, or any successor or replacement prospectus, or as the Partnership may tender to a Holder in connection with any Conversion Closing Date.

1.40 QIB means qualified institutional buyer as such term is defined in Rule 144A of the Securities Act.

1.41 REGISTRATION STATEMENT means the Partnership's Registration Statement on Form S-3 (Registration No. 333-81772) or any successor or replacement registration statement.

1.42 RESTATEMENT means, with respect to the Partnership's quarterly or annual actual (not pro forma) historical financial statements that have been (i) filed with the SEC, (ii) included in a press release or (iii) made public by any other method, any restatement that materially affects the Partnership's consolidated statement of income or consolidated statement of cash flows; provided, however, that the term Restatement shall not include any restatement (i) required as a result of a change occurring after the closing date in (x) applicable law or (y) generally accepted accounting principles promulgated by the Financial Accounting Standards Board or the SEC, which change is implemented by the Partnership in the manner and at the time prescribed by such law or promulgation, or (ii) resulting in a change from one generally accepted accounting principle to another; provided, that the Audit Committee of the Board of Directors of the General Partner has made the determination to change to another principle after discussions with the Partnership's external auditors.

1.43 RESTATEMENT FILING DATE means the date on which the Partnership files quarterly or annual actual (not pro forma) historical financial statements that constitute a Restatement on a Form 10-K, Form 10-Q, Form 8-K or any other filing with the SEC (and if the Partnership makes multiple filings of a Restatement with the SEC, the last of such dates).

1.44 SEC means the United States Securities and Exchange Commission.

1.45 SECURITIES ACT means the Securities Act of 1933, as amended.

1.46 SERIES A COMMON UNITS mean the partnership interests of a limited partner in the Partnership representing a fractional part of the partnership interests of all limited partners having the rights and obligations specified with respect to a Series A Common Unit, such term to include any units into which all outstanding Series A Common Units shall have been changed or any units resulting from any Partnership Interest Adjustment Event.

1.47 SERIES F CONVERTIBLE UNITS mean the partnership interests of a limited partner in the Partnership representing a fractional part of the partnership interests of all limited partners having the rights and obligations specified with respect to a Series F Convertible Unit, such term to include any units into which all outstanding Series F Convertible Units shall have been changed (excluding Series A Common Units issued upon conversion of the Series F Convertible Units) or any units resulting from any Partnership Interest Adjustment Event, which term shall refer to the Series F1 Convertible Units and the Series F2 Convertible Units.

1.48 SERIES F1 CONVERSION CONSIDERATION is defined in Section 2.1(a).

1.49 SERIES F1 CONVERTIBLE UNITS mean the partnership interests of a limited partner in the Partnership representing a fractional part of the partnership interests of all limited partners having the rights and obligations specified with respect to a Series F1 Convertible Unit, such term to include any units into which all outstanding Series F1 Convertible Units shall have been changed (excluding Series A Common Units issued upon conversion of the Series F1 Convertible Units) or any units resulting from any Partnership Interest Adjustment Event.

1.50 SERIES F1 EXPIRATION TIME means 4:00 p.m., New York City time, on March 29, 2004, subject to adjustment pursuant to Section 2.3.

1.51 SERIES F2 CONVERSION CONSIDERATION is defined in Section 2.1(b).

1.52 SERIES F2 CONVERTIBLE UNITS mean the partnership interests of a limited partner in the Partnership representing a fractional part of the partnership interests of all limited partners having the rights and obligations specified with respect to a Series F2 Convertible Unit, such term to include any units into which all outstanding Series F2 Convertible Units shall have been changed (excluding Series A Common Units issued upon conversion of the Series F2 Convertible Units) or any units resulting from any Partnership Interest Adjustment Event.

1.53 SERIES F2 EXPIRATION TIME means 4:00 p.m., New York City time, on March 30, 2005, subject to adjustment pursuant to Section 2.3.

1.54 SERIES F2 VESTING AMOUNT means $40,000,000 or more of aggregate Series F1 Conversion Consideration (i) received by the Partnership upon conversion of Series F1 Convertible Units, (ii) designated in any Conversion Notice for which the Holder receives a Cash Settlement Amount, (iii) designated in any Conversion Notice for which the Holder receives an amount of cash pursuant to Section 2.5(d)(ii), and (iv) designated in any Conversion Notice or Contingent Conversion Notice pursuant to which the Holder

receives Acquisition Consideration in the form of cash net of the relevant Conversion Consideration so long as the conversion contemplated by such Conversion Notice or Contingent Conversion Notice is consummated, but specifically excluding any amounts deemed converted pursuant to Sections 3.3(d) and 3.3(f).

1.55 STATEMENT is defined in the introduction, and includes all exhibits, schedules, annexes, or other attachments, as amended, supplemented or otherwise modified from time to time.

1.56 STOCK ADJUSTMENT MEASURING PRICE means the Measuring Date Unit Price divided by the conversion ratio for each Series A Common Unit as provided by the terms of the Business Combination, where conversion ratio means the number of shares or units of securities of the Acquiring Person issued for each Series A Common Unit pursuant to the Business Combination.

1.57 STOCK ASSUMPTION AGREEMENT is defined in Section 3.3(e).

1.58 STOCK PORTION means the value of (x) the Business Combination Stock Consideration divided by (y) the sum of (A) the Business Combination Cash Consideration and (B) the Business Combination Stock Consideration.

1.59 TERMINATION TIME means the time at which the right of a Holder to convert the Series F Convertible Units terminates being either (i) if the Series F2 Convertible Units do not vest as provided in Section 2.1(b), the Series F1 Expiration Time, or (ii) if the Series F2 Convertible Units do vest as provided in Section 2.1(b), the Series F2 Expiration Time with respect to the Series F2 Convertible Units and the Series F1 Expiration Time with respect to the Series F1 Convertible Units; in each case, subject to extension as set forth in Section 2.2.

1.60 TRANSFER AGENT is defined in Section 8.

1.61 UNIT REGISTER is defined in Section 8.

2. CONVERSION OF SERIES F CONVERTIBLE UNITS. The convertibility of the Series F Convertible Units, in whole or in part, is subject to the terms and conditions contained in this Statement. The Series F Convertible Units shall expire worthless, and a Holder of such Series F Convertible Units shall have no rights to convert the Series F Convertible Units, and the Partnership shall have no obligations with respect to such rights, on the Termination Time.

2.1 NUMBER OF SERIES A COMMON UNITS; TERM. Subject to the terms, conditions and adjustments set forth in this Statement, each Series F1 Convertible Unit and Series F2 Convertible Unit shall be convertible as provided in this Section 2.1.

(a) SERIES F1 CONVERTIBLE UNITS. On any Business Day after August 12, 2003 (subject to Section 3.3(a)) and from time to time thereafter on or prior to the Series F1 Expiration Time, each Series F1 Convertible Unit shall be convertible into the number of Series A Common Units determined pursuant to Section 3.1; provided that the aggregate Conversion Consideration that the Partnership

receives pursuant to conversions of any Series F1 Convertible Unit (the "SERIES F1 CONVERSION CONSIDERATION") shall not exceed $1,000,000.

(b) SERIES F2 CONVERTIBLE UNITS. If the Partnership receives Conversion Notices with respect to the Series F1 Convertible Units in the aggregate equal to or greater than the Series F2 Vesting Amount on or prior to the Series F1 Expiration Time, then upon the Partnership's receipt of the Series F2 Vesting Amount (subject to Section 3.3(a)) on any Business Day and at any time and from time to time on or prior to the Series F2 Expiration Time, each Series F2 Convertible Unit shall be convertible into the number of Series A Common Units determined pursuant to Section 3.1; provided that the Conversion Consideration that the Partnership receives pursuant to conversions of any Series F2 Convertible Unit (the "SERIES F2 CONVERSION CONSIDERATION") shall not exceed $500,000.

Notwithstanding anything to the contrary in this Statement, the Partnership shall not be obligated to issue, and the Holder(s) shall not have a right to acquire upon conversion of the Series F Convertible Units, more than the Maximum Number of Series A Common Units.

2.2 MINIMUM CONVERSION UNIT PRICE.

(a) If the Conversion Unit Price with respect to any Conversion Notice is below the Minimum Conversion Price, then the Partnership shall, in lieu of issuing Series A Common Units upon conversion of Series F Convertible Units covered by such Conversion Notice, pay an amount in cash to such Holder equal to the difference of (x) the product of (A) the number of Series A Common Units issuable on the relevant Conversion Closing Date and (B) the Daily Market Unit Price as of the Business Day immediately preceding the Conversion Notice Date and (y) the Conversion Consideration designated in the relevant Conversion Notice (the "CASH SETTLEMENT AMOUNT"). The Partnership shall tender the Cash Settlement Amount in immediately available funds by 5:00 p.m., New York City time, on the relevant Conversion Closing Date, to the account specified in the Holder's Conversion Notice. Upon receipt of the Cash Settlement Amount, that number of Series F Convertible Units with aggregate Series F1 Conversion Consideration and Series F2 Conversion Consideration equal to the Conversion Consideration designated in the Conversion Notice shall be deemed converted, but the Holder shall not be required to tender the Conversion Consideration designated in the relevant Conversion Notice. If the Conversion Consideration deemed to have been tendered pursuant to this Section 2.2 is less than the remaining, unconverted portion of Series F Convertible Units represented by the certificate(s) tendered to the Partnership on the Conversion Closing Date, the Partnership shall issue a replacement certificate(s) as provided in Section 2.8(b). At any time and from time to time with twenty (20) Business Days notice to the Holder, the Partnership shall be entitled to establish a new Minimum Conversion Price.

(b) The Partnership shall, within two (2) Business Days of a Conversion Closing Date pursuant to this Section 2.2, give the Holder written notice if the Partnership is unable to tender the Cash Settlement Amount on such Conversion Closing Date. Within one (1) Business Day after receipt of such notice, Holder shall give the Partnership written notice, at its sole election, of it's election to (x) withdraw the Conversion Notice or (y) receive Series A Common Units as determined pursuant to Section 3.1 in lieu of the Cash Settlement Amount, which Conversion Closing Date shall occur within three (3) Business Days of the Partnership's receipt of such Holder's election pursuant to this Section 2.2(b).

2.3 EXTENSION OF TERM. The Series F1 Expiration Time and the Series F2 Expiration Time, as applicable, shall be extended:

(a) by one Business Day for each Business Day:

(i) that a Blackout Period or a Blackout Violation exists; and

(ii) during the period commencing on the earlier of the day on which the Partnership (x) announces a Restatement and (y) announces its intention to make a Restatement and ending on the Restatement Filing Date; and

(b) to the extent that the Partnership (x) announces a Restatement or (y) announces its intention to make a Restatement, in either case, within 65 Business Days of the Series F1 Expiration Time or Series F2 Expiration Time, as applicable, to a date that is 65 Business Days after the Restatement Filing Date.

Provided, that, if the conditions described in clauses (i) and (ii) of paragraph (a) above both exist on the same Business Day, then the Series F1 Expiration Time or the Series F2 Expiration Time, as applicable, shall be extended by only one Business Day for each Business Day on which these conditions both exist.

2.4 MANNER OF CONVERSION. Subject to and upon compliance with the terms and conditions set forth in this Statement, each Holder shall be entitled to convert each Series F Convertible Unit that such Holder holds, in whole or in part, from time to time, on any Business Day, by receipt by the Partnership of a notice made pursuant to Section 9 in substantially the form of Exhibit B attached to this Statement (or a reasonable facsimile thereof) duly executed by such Holder (a "CONVERSION NOTICE"). The closing of each conversion shall take place at or before 2:00 p.m. New York City time (i) on the third Business Day following and excluding the date the Conversion Notice is received or (ii) on any other date upon which such Holder and the Partnership mutually agree (each, a "CONVERSION CLOSING DATE").

2.5 CONDITIONS TO CLOSING.

(a) HOLDER'S CONDITIONS TO CLOSING. It shall be a condition to each Holder's obligation to close on each Conversion Closing Date that each of the following is satisfied, unless waived by such Holder:

(i) the Registration Statement is effective and no stop order has been issued; and

(ii) all Series A Common Units to be issued upon such Conversion Closing Date shall be duly listed and admitted to trading on the Principal Securities Exchange upon issuance.

(b) THE PARTNERSHIP'S CONDITIONS TO CLOSING. It shall be a condition to the Partnership's obligation to close that each of the following is satisfied, unless waived by the Partnership:

(i) each Holder shall represent and warrant that each of the following is true and correct as of the Conversion Closing Date:

(1) the Holder is a QIB, a large institutional accredited investor, or an insurance company or similar institutional investor whose business is to invest funds entrusted to Holder;

(2) the Holder is acquiring the Series A Common Units issuable upon conversion of the Series F Convertible Units for its own account and in the ordinary course of its business and is not participating in a distribution, and has no arrangement or understanding with any Person to participate in the distribution of the Series A Common Units; and

(3) the Holder is not a registered "broker" or "dealer" as such terms are defined in Section 3 of the Exchange Act;

(ii) there is no Blackout Period in effect; provided that the Partnership has given notice of the commencement of a Blackout Period to each Holder pursuant to Section 9;

(iii) the Partnership shall have received from such Holder a completed Citizenship Certification stating the requirements of the Partnership Agreement; and

(iv) the issuance of the Series A Common Units shall not cause the Partnership to exceed the Maximum Number.

(c) AGREEMENT TO CAUSE CONDITIONS TO BE SATISFIED. The Partnership with respect to Section 2.5(a) and each Holder with respect to Sections 2.5(b)(i) and (iii) shall

each use commercially reasonable efforts to cause each of the foregoing conditions to be satisfied at the earliest possible date.

(d) REMEDY OF HOLDER. If the conditions set forth in Section 2.5(a) are not satisfied or waived prior to the third Business Day following the date the Conversion Notice is received and no Blackout Period is in effect, then such Holder's exclusive remedies will be those remedies provided in this Section 2.5(d). Upon satisfaction of the condition set forth in the Section 2.5(a), the Partnership shall deliver written notice to such Holder of such satisfaction. If such condition is not satisfied or waived prior to the second Business Day following, and excluding, the Conversion Notice Date, then such Holder may, at its sole option, and at any time:

(i) withdraw the Conversion Notice by written notice to the Partnership regardless of whether such condition has been satisfied or waived as of the withdrawal date and, after such withdrawal, shall have no further obligations with respect to such Conversion Notice and may submit a Conversion Notice on any future date with respect to any remaining Series A Common Units underlying any such Series F Convertible Units, including those referenced in the original Conversion Notice, or

(ii) elect not to withdraw its Conversion Notice, in which case, if no Blackout Period is in effect, the Partnership shall pay such Holder, in immediately available federal funds by 5:00 p.m., New York City time, on the third Business Day following such Holder's delivery to the Partnership of evidence of Holder's payment of the amount described in clause (x) below and certificate(s) representing Series F Convertible Units (including Holder's account information to which such payment should be sent) an amount in cash equal to the lesser of (x) the actual cost that such Holder paid to satisfy its obligations to tender Series A Common Units pursuant to an underlying sales contract for Series A Common Units less the Conversion Consideration such Holder would have tendered on such Conversion Closing Date (or, if the Holder discharged its obligations under such underlying sales contract by making a cash payment, the amount of such cash payment), and (y) the number of Series A Common Units that such Holder would receive on such Conversion Closing Date multiplied by the positive difference, if any, between the Daily Market Unit Price on the relevant Conversion Closing Date and the Conversion Unit Price in effect on the Conversion Notice Date. If the Conversion Consideration deemed to have been tendered pursuant to this Section 2.5(d) is less than the remaining, unconverted portion of Series F Convertible Units represented by the certificate(s) tendered to the Partnership, the Partnership shall issue a replacement certificate(s) as provided in Section 2.8(b).

In the case of clause (ii) above, such Holder shall be deemed to have converted a number of Series F Convertible Units with respect to the Conversion

Consideration designated in the relevant Conversion Notice, but shall not be required to tender such Conversion Consideration, and the Partnership shall be deemed to have satisfied its obligations with respect to such Conversion Notice.

(e) EFFECT OF CLOSING. If any of the conditions contained in this Section 2.5 are not satisfied prior to the Conversion Closing Date, but any Holder and the Partnership consummate the transaction contemplated by the Conversion Notice, then all unsatisfied conditions shall be deemed to have been waived by the relevant party, and neither any Holder nor the Partnership shall have any further rights or remedies with respect to such unsatisfied condition, except any rights and remedies provided under the Securities Act. Notwithstanding the foregoing, Section 2.5(a)(ii) shall not be deemed to have been waived by the Holder unless the Partnership shall have delivered written notice pursuant to Section 9 of the failure to satisfy the condition described in Section 2.5(a)(ii) at least one (1) Business Day before the Conversion Closing Date.

2.6 WHEN CONVERSION EFFECTIVE. Each conversion under any Series F Convertible Unit shall be deemed to have been effected on the Conversion Closing Date upon receipt of the relevant Conversion Consideration and surrender of the certificate(s) representing the Series F Convertible Unit(s) (or upon notation on the Transfer Agent's registry if the Series F Convertible Units are in book-entry form), and the Person or Persons in whose name or names any certificate or certificates representing the Series A Common Units shall be issuable upon such conversion as provided in Section 2.7 shall be deemed to have become the holder(s) of record thereof.

2.7 DELIVERY OF SERIES F CONVERTIBLE UNIT AND PAYMENT. On the Conversion Closing Date, a converting Holder shall surrender the certificate(s) representing the Series F Convertible Unit(s) to the Partnership at the address set forth for notices to the Partnership in Section 9 and shall deliver payment:

(a) by wire transfer to an account designated by the Partnership on Schedule A of immediately available federal funds in the dollar amount of the Conversion Consideration,

(b) by tender of Partnership Bonds with an aggregate principal amount plus accrued interest equal to the dollar amount of the Conversion Consideration (with such documentation and certificates as reasonably requested by the Partnership), or

(c) any combination of cash and Partnership Bonds in the dollar amount of the Conversion Consideration.

Upon the Partnership's receipt of the Conversion Consideration, subject to the Maximum Number, a converting Holder shall be entitled to receive that number of duly authorized, validly issued, fully paid and non-assessable Series A Common Units upon conversion of a Series F Convertible Unit (except as such non-assessability may be affected by the Delaware Act) as determined pursuant to Section 3.1.

2.8 DELIVERY OF UNIT CERTIFICATES, ETC. On the Conversion Closing Date, the Partnership at its expense (including payment by it of any applicable issue taxes) shall cause to be issued in the name of and delivered to a converting Holder or as such Holder may direct,

(a) at the election of such Holder, (1) at such address specified by such Holder via reputable overnight courier, one or more certificates for, or (2) via the Depository Trust Company's Deposit and Withdrawal at Custodian (or DWAC) system the number of duly authorized, validly issued, fully paid and non-assessable (except as such non-assessability may be affected by the Delaware Act) Series A Common Units to which such Holder shall be entitled upon such conversion plus, in lieu of any fractional unit to which such Holder would otherwise be entitled, cash in an amount equal to the same fraction of the relevant Conversion Unit Price for such relevant Conversion Closing Date, and

(b) if the Series F Convertible Units are certificated, in case such conversion is in part only, at such address specified by such Holder via reputable overnight courier, a certificate representing the remaining, unconverted portion of the Series F Convertible Unit, setting forth the remainder of Series F1 Conversion Consideration or Series F2 Conversion Consideration, as applicable, for which such Series F Convertible Unit shall be convertible (without giving effect to any adjustment thereof) after giving effect to the Conversion Consideration received by the Partnership, or deemed to have been received in connection with Sections 2.2, 2.5(d) 3.3(d) and 3.3(f), or if the Series F Convertible Units are in book-entry form, with adjustment to the Transfer Agent's register to reflect the amount of Conversion Consideration received by the Partnership, or deemed to have been received in connection with Sections 2.2, 2.5(d) 3.3(d) and 3.3(f).

3. ADJUSTMENT OF UNIT PRICES AND SERIES A COMMON UNITS ISSUABLE UPON CONVERSION.

3.1 GENERAL; CONVERSION UNIT PRICE. The number of Series A Common Units which a Holder shall be entitled to receive upon conversion of Series F Convertible Units shall be determined by dividing the Conversion Consideration for such conversion by the Conversion Unit Price in effect for such conversion, all subject to the adjustments, terms and conditions in this Statement.

3.2 TREATMENT OF PARTNERSHIP INTEREST ADJUSTING EVENTS. In case the Partnership may effect a Partnership Interest Adjusting Event, including a pro rata distribution of Series A Common Units to all holders of Series A Common Units, or a subdivision or combination of the outstanding Series A Common Units, then (a) in the case of any such distribution, immediately after the close of business on the record date for the determination of holders of any class of securities entitled to receive such distribution, or (b) in the case of any such subdivision or combination, at the close of business on the day immediately prior to the day upon which such partnership action becomes effective, the Maximum Number, the Measuring Date Unit Price, and the Conversion Unit Price, the Prevailing Unit Price and, to the extent applicable, the Daily Market Unit Price and other price or quantity (but excluding the Series F1 Conversion Consideration and the

Series F2 Conversion Consideration) in effect immediately prior to such Partnership Interest Adjusting Event shall be proportionately changed.

3.3 ADJUSTMENTS FOR MERGER, CONSOLIDATION, SALE OF ASSETS.

(a) If after the date of this Statement, (i) the Partnership is acquired by means of merger, consolidation, share exchange, or other statutory acquisition in which ninety percent (90%) or more of the outstanding Series A Common Units are exchanged for cash, securities or other assets, or (ii) pursuant to a tender offer in which over fifty percent (50%) of the outstanding Series A Common Units become beneficially owned by any Person or 13D Group, or (iii) the Partnership sells all or substantially all of the assets of the Partnership (on a consolidated basis) (the transactions listed in (i), (ii) and (iii) above are referred to individually as a "BUSINESS COMBINATION") as part of such Business Combination, (x) (1) each Series F Convertible Unit shall immediately upon announcement by the Partnership that it has entered into definitive agreements relating to a Business Combination described in (i) or (iii) above or entered into a definitive agreement to participate in or to endorse a Business Combination described in (ii) above become convertible (pursuant to Sections 2.1(a) and 2.1(b) regardless of whether the announcement date is on or before August 12, 2003 and regardless of whether the Series F2 Vesting Amount has been received by the Partnership); provided that upon the earlier of the consummation or termination of such Business Combination (if not consummated), all Series F Convertible Units that were not otherwise convertible pursuant to Sections 2.1(a) and 2.1(b) prior to acceleration of the vesting requirements pursuant to this Section 3.3(a) and would not otherwise be convertible pursuant to Sections 2.1(a) and 2.1(b) shall no longer be convertible until the satisfaction of the conditions set forth in Sections 2.1(a) and 2.1(b) as appropriate, or (2) each Series F1 Convertible Unit shall immediately upon announcement by a Person of its intent to effect a Business Combination described in clause (ii) without the participation in or the endorsement of the Partnership become convertible (pursuant to Section 2.1(a) regardless of whether the announcement date is on or before August 12, 2003); provided that upon the earlier of the consummation or termination of such Business Combination (if not consummated), all Series F1 Convertible Units that were not otherwise convertible pursuant to Section 2.1(a) or pursuant to this Section 3.3(a) in connection with a different Business Combination prior to acceleration of the vesting requirements pursuant to this Section 3.3(a) and would not otherwise be convertible pursuant to Section 2.1(a) or pursuant to this Section 3.3(a) in connection with a different Business Combination shall no longer be convertible until the satisfaction of the condition set forth in Section 2.1(a); and (y) proper provision shall be made as follows:

(b) Between the date a Business Combination is announced and the effective date of the Business Combination, each Holder at its sole option shall continue to have the right to submit to the Partnership a Conversion Notice in accordance with the terms and conditions of this Statement. In addition, each Holder at its sole option may elect to submit to the Partnership a special notice (a "CONTINGENT

CONVERSION NOTICE") to convert all or part of its unconverted Series F Convertible Units in connection with such Business Combination; in which case, notwithstanding the provisions of Section 2.6,:

(i) the effectiveness of such contingent conversion shall be conditional upon the effectiveness of the Business Combination;

(ii) such Holder shall have the right to deliver a notice to withdraw such Contingent Conversion Notice until the earlier of (x) the expiration of any election period (if any) pursuant to the Business Combination and (y) the effective date of such Business Combination; provided that if such Business Combination is not consummated within five (5) Business Days of the expiration of such election period, as such may be extended, Holder shall be entitled to withdraw its Contingent Conversion Notice up to the effective date of such Business Combination; and

(iii) if such Contingent Conversion Notice shall not have been withdrawn, then on the effective date of such Business Combination, the Holder of such Series F Convertible Units shall receive, upon payment of the Conversion Consideration designated in the Conversion Notice or Delayed Conversion Notice, as the case may be, the same consideration, in the form of cash, securities or other assets (the "ACQUISITION CONSIDERATION") per Series A Common Unit issuable to any other holder of Series A Common Units in connection with such Business Combination based upon the number of Series A Common Units into which such Holder's Series F Convertible Units would be convertible if such Holder had converted each Series F Convertible Unit on the Business Day immediately preceding the date on which such Business Combination occurs. Upon receipt of the Conversion Consideration, such Holder's Series F Convertible Units tendered for conversion pursuant to a Conversion Notice or Contingent Conversion Notice shall be fully converted and shall no longer permit such Holder to convert such Series F Convertible Units into Series A Common Units; provided, that if the Acquisition Consideration is in the form of cash, the Holder shall not be required to tender the relevant Conversion Consideration to convert its Series F Convertible Units, but shall receive an amount in connection with such Business Combination equal to the Acquisition Consideration applicable to such Holder based on the number of Series A Common Units into which such Holder's Series F Convertible Units would be convertible if such Holder had converted each Series F Convertible Unit that it owns on the Business Day immediately preceding the date on which such Business Combination occurs, less such Conversion Consideration.

(c) In the case of a Business Combination under clause (i) or (iii) of paragraph (a) above, if the Acquisition Consideration consists solely of cash, (A) the Partnership shall not enter into an agreement with the Acquiring Person resulting in a Business Combination unless such agreement expressly obligates

the Acquiring Person to assume the Partnership's obligations under this Section 3.3.(c) and (B) to the extent that any Series F Convertible Unit remains unconverted upon consummation of the Business Combination, the Holder thereof shall receive from the Partnership or the Acquiring Person an amount in cash equal to ten percent (10%) multiplied by the Acquisition Consideration resulting from such Business Combination to which such Holder would have been entitled in such Business Combination if such Holder had converted each Series F Convertible Unit held immediately before such Business Combination (the "BUSINESS COMBINATION CASH PAYMENT"); provided, that the Holder shall not under any circumstances be obligated to pay any consideration to convert such Series F Convertible Units in order to receive the cash payment specified in this Section 3.3(c); and, provided, further, that all Business Combination Cash Payments shall be wire transferred to such Holder, in accordance with instructions provided, at the earliest time that consideration is transferred to any other holder of Series A Common Units and, at which time, such Series F Convertible Units shall deemed to be fully converted and, accordingly, the Holder thereof shall have no further conversion rights with respect thereto; or

(d) In the case of a Business Combination under clause (i) or (iii) of paragraph (a) above, if the Acquisition Consideration for the Series A Common Units is partially stock or other securities or other non-cash assets and partially cash, then the Partnership shall not enter into an agreement with the Acquiring Person resulting in a Business Combination unless such agreement expressly obligates the Acquiring Person to assume all of the Partnership's obligations under this Section 3.3(d). (x) With respect to the Stock Portion of each unconverted Series F Convertible Unit that would be convertible into Acquisition Consideration in the form of stock or other non-cash assets (the "PARTIAL STOCK ASSUMPTION AGREEMENT") the Holder thereof shall thereafter automatically have equivalent rights with respect to the Acquiring Person and from and after the effective date of the Business Combination and under such Partial Stock Assumption Agreement (A) all references to the Partnership in this Statement shall be references to the Acquiring Person, (B) all references to Series A Common Units in this Statement shall be references to the type of securities for which the Series A Common Units are exchanged in the Business Combination, (C) all references to the Measuring Date Unit Price in this Statement shall be references to the Partial Stock Adjustment Measuring Price, and (D) all references to the Prevailing Unit Price, Daily Market Price and Conversion Unit Price shall be references to such prices with respect to the Acquiring Person and (y) with respect to the Cash Portion of each unconverted Series F Convertible Unit that would have been converted into Acquisition Consideration in the form of cash, the Holder thereof shall be entitled to receive from the Partnership or the Acquiring Person an amount in cash equal to the Business Combination Cash Payment multiplied by the Cash Portion; provided, that the Holder shall not under any circumstances be obligated to pay any consideration to convert any Series F Convertible Unit in order to receive the cash payment specified in this Section 3.3(d); and, provided, further, that all Business Combination Cash Payments shall be wire transferred to such Holder, in accordance with instructions provided, at

the earliest time that consideration is transferred to any other holder of Series A Common Units and, at which time, the Cash Portion of each such Series F Convertible Unit shall deemed to be fully converted and, accordingly, the Holder thereof shall have no further conversion rights with respect thereto; or

(e) In the case of a Business Combination under clause (i) or (iii) of paragraph (a) above, if the Acquisition Consideration for the Series A Common Units consists solely of stock or other non-cash assets of the Acquiring Person, then the Partnership shall not enter into an agreement with the Acquiring Person resulting in a Business Combination unless such agreement expressly obligates the Acquiring Person to assume all of the Partnership's obligations under any unconverted Series F Convertible Units (the "STOCK ASSUMPTION AGREEMENT"). In the event that any Series F Convertible Unit remains unconverted upon consummation of the Business Combination, the Holder thereof shall thereafter automatically have equivalent rights with respect to the Acquiring Person and from and after the effective date of the Business Combination and under such Stock Assumption Agreement (A) all references to the Partnership in this Statement shall be references to the Acquiring Person, (B) all references to Series A Common Units in this Statement shall be references to the securities for which the Series A Common Units are exchanged, (C) all references to the Measuring Date Unit Price in this Statement shall be references to the Stock Adjustment Measuring Price, and (D) all references to the Prevailing Unit Price, Daily Market Price and Conversion Unit Price shall be references to such prices with respect to the Acquiring Person.

(f) In the case of a Business Combination under clause (ii) of paragraph (a) above, if any Series F Convertible Unit remains unconverted upon consummation of the Business Combination, the Holder shall thereafter be entitled, at its election, to receive from the Partnership an amount in cash equal to ten percent (10%) of the product of (x) the number of Series A Common Units into which such Holder's Series F Convertible Units would be convertible if such Holder had converted each Series F Convertible Unit, on the Business Day immediately preceding the date such Business Combination occurs, and (y) the weighted-average price paid per Series A Common Unit (following the announcement of such Business Combination by the Acquiring Person) by the Acquiring Person in connection with such Business Combination; provided that Holder shall be entitled to make such election under this Section 3.3(f) only once and prior to the expiration of the election period applicable to such Business Combination; provided further, that if the election period for such Business Combination is extended or if such Business Combination is not consummated within five (5) Business Days of the expiration of such election period, Holder shall be entitled to withdraw such election up to the effective date of such Business Combination (which shall be deemed to be the date on which the Acquiring Person accepts for purchase fifty percent (50%) or more of the outstanding Series A Common Units). All cash payments under this Section 3.3(f) shall be made by wire transfer of immediately available funds to the relevant Holder, in accordance with instructions provided by such Holder no later than the second (2nd) Business Day

following the consummation of such Business Combination. Upon receipt of such payment, such Holder's Series F Convertible Units shall be deemed to have been fully converted and shall no longer permit such Holder to convert such Series F Convertible Units into Series A Common Units; provided, that unless and until such Holder elects to receive the cash payment set forth in this Section 3.3(f) with respect to each Series F Convertible Unit that such Holder holds, such Series F Convertible Unit shall remain outstanding and may be converted in the manner set forth in Section 2.1.

3.4 NO PROHIBITION FROM ISSUING SERIES A COMMON UNITS. Notwithstanding anything contained in this Statement to the contrary, nothing in this Statement shall prohibit the Partnership from issuing Series A Common Units to any Person, regardless of whether or not such issuance would result in an adjustment under this Section 3.

4. NATURE AND RIGHTS OF SERIES F CONVERTIBLE UNIT.

4.1 NON-VOTING. The Series F Convertible Units shall be non-voting on all matters and no Holder thereof shall be entitled to vote, separately or with all or any series, class or group of Limited Partners, the Series F Convertible Units with respect to any matter (except as set forth in the proviso to this Section 4.1) on which holders of the Series A Common Units are entitled to vote, including, without limitation, mergers, acquisitions, sales of all or substantially all of the Partnership's assets, and similar transactions; provided, that the Partnership shall not, without the affirmative consent of the Holders having a majority-in-interest (based on the unconverted Series F1 Conversion Consideration prior to the vesting of the Series F2 Convertible Units, and on all unconverted Series F Convertible Units after the Series F2 Convertible Units are convertible) as of the date of determination, (i) alter or change the rights, powers or limitations of the Series F Convertible Unit including, without limitation, any changes to the certificate representing the Series F Convertible Unit or the Partnership Agreement that limit any Holder's ability to convert the Series F Convertible Unit under this Statement or affect the enforceability of any Holder's rights under this Statement, (ii) authorize or issue additional Series F Convertible Units or (iii) effect any split or combination of the Series F Convertible Units.

4.2 NO ALLOCATIONS. The Partnership shall not maintain a capital account for any Holder of Series F Convertible Units. Accordingly, the Partnership shall not make any allocations to any Series F Convertible Unit of income, gains, losses or deductions.

4.3 NO DISTRIBUTIONS. The Series F Convertible Units shall not be entitled to receive any distributions, whether regular, special, liquidating or otherwise, of cash, or other assets or securities, but shall be entitled to the adjustments set forth in Section 3.2.

5. REGISTRATION STATEMENT AND BLACKOUT PERIODS.

5.1 The Partnership shall:

(a) subject to the Partnership's ability to amend or supplement the Registration Statement or the Prospectus, use its commercially reasonable efforts to keep the Registration Statement effective until the Termination Time;

(b) prepare and file with the SEC such amendments and supplements to the Registration Statement and the Prospectus as may be necessary to comply with the provisions of the Securities Act with respect to the issuance of Series A Common Units upon conversion of the Series F Convertible Units;

(c) cause all Series A Common Units to be listed on each securities exchange and quoted on each quotation service on which similar securities issued by the Partnership are then listed or quoted;

(d) provide a transfer agent and registrar for all Series A Common Units and a CUSIP number for all Series A Common Units; and

(e) at all times reserve for issuance pursuant to the Registration Statement such number of its Series A Common Units as shall from time to time be sufficient to effect the conversion of all the Series F Convertible Units then outstanding and to satisfy its delivery obligations upon such conversion.

5.2 At any time prior to the Termination Time, the Partnership may, without any liability to the Partnership and upon notice to each Holder pursuant to Section 9, suspend each Holder's rights to convert pursuant to the Registration Statement upon the occurrence of any of the following (each, a "BLACKOUT PERIOD"):

(a) a request by the SEC for amendments or supplements to the Registration Statement or the prospectus included therein for additional information;

(b) the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(c) the filing of any post-effective amendments or supplements to the Registration Statement or the prospectus included therein that the Partnership deems necessary or appropriate to maintain or utilize for any purpose the Registration Statement or the prospectus included therein;

(d) the happening of any event that requires the Partnership to make changes to the Registration Statement or the prospectus included therein in order that the Registration Statement or the prospectus do not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus, in light of the circumstances under which they were made) not misleading; and

(e) the Partnership shall deliver to the Holder a certificate signed by any of its Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Counsel or Vice President that the Board of Directors of the General Partner has made the determination in good faith and using reasonable judgment

that disclosure of information sufficient to ensure that the Registration Statement and related prospectus contain no misstatement or omission would be premature, could be reasonably expected to be significantly and materially disadvantageous to the Partnership's financial condition, or could be reasonably expected to be injurious to the consummation of any material transaction.

If any of the above conditions or events should occur, the Partnership shall immediately give the Holders written notice that a Blackout Period is in effect; provided that the failure of the Partnership to tender notice of the occurrence of any of the above shall not give rise to any liability in excess of an amount described in Section 5.5.

5.3 Upon the commencement a Blackout Period, the Partnership shall:

(a) with respect to any notice pursuant to paragraph (b) of Section 5.2, use commercially reasonable efforts to obtain the withdrawal at the earliest possible time of any order suspending the effectiveness of the Registration Statement;

(b) with respect to any notice pursuant to paragraphs (a) or (c) of Section 5.2, as promptly as practical prepare and file a post-effective amendment to the Registration Statement or an amendment or supplement to the prospectus included therein and any other required document so that, as thereafter delivered to Holder upon conversion of the Series F Convertible Unit, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(c) with respect to any notice pursuant to paragraphs (d) or (e) of Section 5.2, use commercially reasonable efforts to amend such Registration Statement and/or amend or supplement the prospectus included therein if necessary and to take all other actions necessary to allow the issuance of registered Series A Common Units to take place as promptly as possible, subject, however, to the right of the Partnership in its sole discretion to determine whether to delay further conversion of the Series F Convertible Unit pursuant to the Registration Statement until the conditions or circumstances referred to in the notice have ceased to exist or have been disclosed.

5.4 Upon receipt of notice by the Partnership in accordance with Section 5.1 above that a Blackout Period exists, the Series F Convertible Unit shall immediately become unconvertible until each Holder receives notice from the Partnership that the Blackout Period has ended. Notwithstanding the foregoing, at any time during a Blackout Period, each Holder may:

(a) tender a Conversion Notice providing for a Conversion Closing Date delayed to a date that is three Business Days after the termination of the relevant Blackout Period (a "DELAYED CLOSING CONVERSION NOTICE"); each such Delayed Closing Conversion Notice shall have the effect of preserving the Conversion Unit Price, Prevailing Unit Price, and Daily Market Unit Price that was in effect

as of the date of such Delayed Closing Conversion Notice, each subject to adjustment pursuant to Sections 3 and 5.5; provided, that such Holder may withdraw at any time a Delayed Closing Conversion Notice prior to the relevant delayed Conversion Closing Date; or

(b) tender a Conversion Notice requesting the delivery on the Conversion Closing Date of Series A Common Unit that have not been registered pursuant to the Registration Statement, so long as (i) the offer, sale and issuance of the Series A Common Units shall be exempt from the registration requirements of the Securities Act and shall have been registered or qualified (or exempt from registration or qualification) under the registration, permit or qualification requirements of all applicable state securities laws, and (ii) such Holder delivers to the Partnership an opinion from counsel of national repute reasonably satisfactory in the Partnership's sole discretion to such effect. Any certificate(s) representing unregistered Series A Common Units shall be stamped or otherwise imprinted with a legend in the following form (in addition to any legend required under applicable state securities laws):

"THE SERIES A COMMON UNITS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE AND AN OPINION OF COUNSEL, REASONABLY SATISFACTORY TO GULFTERRA ENERGY PARTNERS, L.P., SHALL HAVE BEEN FURNISHED TO GULFTERRA ENERGY PARTNERS, L.P."

The Partnership shall promptly (a) notify each Holder upon the end of a Blackout Period, and (b) deliver copies of amendments or supplements, if any, to the Registration Statement or the Prospectus.

5.5 The Partnership shall be entitled to exercise its rights to suspend conversion of the Series F Convertible Units as provided in this Section 5 (A) twice in any 12 month period, (B) each such period during which conversion may be suspended at any time shall not exceed 30 days, and (C) no Blackout Period may commence less than 30 days after the end of the preceding Blackout Period; provided, that if any Blackout Period exceeds the duration or frequency limits set forth in clauses (A) and (B) above (a "BLACKOUT VIOLATION"), then the Conversion Unit Price for all unconverted Series F Convertible Units shall be permanently reduced by one and one-half percent (1 1/2%) for each month (or portion thereof) that a Blackout Violation exists. Other than the reduction to the

Conversion Unit Price as described in this Section 5.5, the Partnership shall incur no liability to any Holder in connection with any Blackout Period or Blackout Violation; provided that notwithstanding the foregoing, the Partnership agrees that the provisions of this Section 5 shall be specifically enforceable.

5.6 If a Blackout Period exists for at least four (4) months, the Holders having a majority-in-interest (based on the unconverted Series F1 Conversion Consideration prior to the vesting of the Series F2 Convertible Units, and on all unconverted Series F Convertible Units after the Series F2 Convertible Units are convertible) as of the date of determination shall be entitled to demand that, to the extent required by the securities laws to permit the issuance of Series A Common Units pursuant to Section 5.4(b), the Partnership withdraw the Registration Statement for a period necessary to effectuate a private placement of the Series A Common Units issuable upon conversion of all or part of the Series F Convertible Units. If so demanded, the Partnership shall withdraw the Registration Statement within 5 Business Days of its receipt of such written demand. Within 60 days of the Partnership's receipt of the written demand of the Holders having a majority-in-interest (based on the unconverted Series F1 Conversion Consideration prior to the vesting of the Series F2 Convertible Units, and on all unconverted Series F Convertible Units after the Series F2 Convertible Units are convertible) as of the date of determination, the Partnership shall prepare and file a replacement registration statement pursuant to which the Series F Convertible Units can be converted and shall thereafter use its commercially reasonable efforts to cause such registration statement to be declared effective as promptly as practicable. Promptly after the issuance of unregistered Series A Common Units, and at its own expense, the Partnership shall file a registration statement under the Securities Act covering the resale of all of the Series A Common Units issued pursuant to the private placement exemption, and shall use commercially reasonable efforts to cause such registration statement to be declared effective; provided, that nothing in this Section 5.6 shall prevent the Partnership from filing a registration statement prior to be requested to do so by any Holders. Upon the withdrawal of the Registration Statement, the percentage described in Section 5.5 shall be reduced to 1% for each month (or portion thereof without duplication for any portion of a month prior to the withdrawal of the Registration Statement) that a Blackout Violation exists after the date on which the Partnership withdraws the Registration Statement.

6. TRANSFERABILITY.

6.1 TRANSFERS OF SERIES F CONVERTIBLE UNITS. The Series F Convertible Units shall not be sold, transferred or otherwise disposed of without the prior written consent of the Partnership, which consent shall be within the sole discretion of the Partnership. Sales, transfers or other dispositions of Series F Convertible Units shall be in increments of one whole unit, and not fractions thereof. The provisions applicable to the Series F Convertible Units shall bind and inure to the benefit of and be enforceable by the Partnership, the respective successors of the Partnership, and by any Holder of Series F Convertible Units.

6.2 PAYMENT OF TAX UPON ISSUE OF TRANSFER. The Partnership shall pay all documentary stamp taxes (if any) attributable to the issuance of Series A Common Units

upon the conversion of the Series F Convertible Unit; provided, however, that the Partnership shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the registration of any certificates for Series A Common Units in a name other than that of a Holder upon the conversion of Series F Convertible Units, and the Partnership shall not be required to issue or deliver the Series F Convertible Units or certificates for Series A Common Units unless or until the person or persons requesting the issuance thereof shall have paid to the Partnership the amount of such tax or shall have established to the reasonable satisfaction of the Partnership that such tax has been paid.

7. DENIAL OF PREEMPTIVE RIGHTS AND DISSENTERS' RIGHTS. The Series F Convertible Units are not entitled to any preemptive or subscription right in respect of any securities of the Partnership, and do not have dissenters' rights of appraisal.

8. TRANSFER AGENT. Initially, the Partnership (and upon a Business Combination, the Acquiring Person) shall serve as the transfer agent (the "TRANSFER AGENT") for the Series F Convertible Units. The Transfer Agent shall at all times maintain a register (the "UNIT REGISTER") of the Holders of the Series F Convertible Units. The Partnership may deem and treat each Holder of Series F Convertible Units as set forth in the Unit Register as the true and lawful owner thereof for all purposes, and the Partnership shall not be affected by any notice to the contrary.

The Partnership may, at any time and from time to time, appoint another Person to serve as the Transfer Agent, and shall upon acceptance by such Person, give notice to each Holder of the change in Transfer Agent. Such new Transfer Agent shall be a (i) Person doing business and in good standing under the laws of the United States or any state thereof, and having a combined capital and surplus of not less than $50,000,000 or (ii) an affiliate of such a Person. The combined capital and surplus of any such new Transfer Agent shall be deemed to be the combined capital and surplus as set forth in the most recent report of its condition published by such Transfer Agent prior to its appointment; provided that such reports are published at least annually pursuant to law or to the requirements of a federal or state supervising or examining authority. After acceptance in writing of such appointment by the new Transfer Agent, it shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as the Transfer Agent, without any further assurance, conveyance, act or deed; but if for any reason it shall be reasonably necessary or expedient to execute and deliver any further assurance, conveyance, act or deed, the same shall be done at the expense of the Partnership and shall be legally and validly executed and delivered by the Partnership. Any Person into which any new Transfer Agent may be merged or any corporation resulting from any consolidation to which any new Transfer Agent shall be a party or any corporation to which any new Transfer Agent transfers substantially all of its corporate trust or shareholders services business shall be a successor Transfer Agent under this Transfer without any further act; provided that such Person (i) would be eligible for appointment as successor to the Transfer Agent under the provisions of this Section 8 or (ii) is a wholly owned subsidiary of the Transfer Agent. Any such successor Transfer Agent shall promptly cause notice of its succession as Transfer Agent to be delivered via reputable overnight courier to the Holders of the Series F Convertible Units at such Holder's last address as shown on the Unit Register.

9. NOTICES. All notices and other communications under this Statement shall be in writing and shall be delivered by a nationally recognized overnight courier, postage prepaid, addressed as provided below:

(i) If to the Partnership:

GulfTerra Energy Partners, L.P.
4 East Greenway Plaza
Houston, Texas 77046
Attn: Chief Financial Officer
Telephone: (832) 676-5371
Facsimile: (823) 676-1671

with a copy to:

El Paso Corporation
Attn: Alan Bishop
1001 Louisiana Street
Houston, TX 77002
Facsimile: (713) 420-4099

with a copy (which shall not constitute notice) to:

Akin Gump Strauss Hauer & Feld LLP
Attn: J. Vincent Kendrick
1900 Pennzoil Place - Suite 1900
711 Louisiana Street
Houston, Texas 77002
Facsimile: (713) 236-0822

(ii) If to a Holder, at the address of such Holder as listed in the Unit Register, or to such other address as the Holder shall have designated by notice similarly given to the Transfer Agent.

Any such notice or communication shall be deemed received (i) when made, if by hand delivery, and upon confirmation of receipt, if made by facsimile, and in each case if such notice is received on or before 11:59 p.m. New York City time (except with respect to a Conversion Notice, in which case such notice must be received on or before 3:59 p.m. New York City time), otherwise, such notice shall be deemed to be received the following Business Day (ii) one Business Day after being deposited with a next-day courier, return receipt requested, postage prepaid or (iii) three Business Days after being sent certified or registered mail, return receipt requested, postage prepaid, in each case addressed as above (or to such other addresses as the Partnership or each Holder may designate in writing from time to time).

10. CONSTRUCTION. Headings or other titles used in this Statement are for convenience only and neither limit nor amplify the provisions of this Statement, and all references herein to sections or subdivisions thereof will refer to the corresponding section or subdivision thereof of

this Statement unless specific reference is made to such sections or subdivisions of another document or instrument. Unless the context of this Statement clearly requires otherwise, the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation," and the words "hereof," "herein," "hereunder" and similar terms in this Statement will refer to this Statement as a whole and not any particular section or article in which such words appear. Whenever the context may require, any pronoun used in this Statement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice-versa. References in this Statement to any party shall include such party's successor. The word "shall" means will and vice versa.

11. SEVERABILITY OF PROVISIONS. If any right, preference, or limitation of the Series F Convertible Units set forth in this Statement (as such Statement may be amended from time to time) is invalid, unlawful, or incapable of being enforced by reason of any rule of law or public policy, all other rights, preferences, and limitations set forth in this Statement (as so amended) which can be given effect without the invalid, unlawful or unenforceable right, preference, or limitation will, nevertheless, remain in full force and effect, and no right, preference, or limitation set forth in this Statement shall be deemed dependent upon any other such right, preference, or limitation unless so expressed in this Statement.

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EXHIBIT A

CERTIFICATE REPRESENTING SERIES F CONVERTIBLE UNIT

[SEE ATTACHED]

(GULFTERRA ENERGY PARTNERS LOGO)

[__] Series F1 Convertible Units
Entitling the Holder to Purchase
Up To An Aggregate of
$[1],000,000 of
Series A Common Units
prior to the Series F1 Termination Time

CERTIFICATE EVIDENCING SERIES F1 CONVERTIBLE UNITS
REPRESENTING LIMITED PARTNER INTERESTS

GULFTERRA ENERGY PARTNERS, L.P.
(A LIMITED PARTNERSHIP FORMED UNDER THE LAWS OF DELAWARE)

No. [__]

GULFTERRA ENERGY COMPANY, L.L.C., a Delaware limited liability company, as the General Partner of GULFTERRA ENERGY PARTNERS, L.P., a Delaware Limited partnership (the "Partnership"), hereby certifies that [name of holder] (the "Holder") is the registered owner of [__] Series F1 Convertible Units representing limited partner interests in the Partnership (the "Series F1 Convertible Units") transferable on the books of the Partnership, in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed and accompanied by a properly executed application for transfer of the Series F1 Convertible Units represented by this Certificate. The rights, preferences and limitations of the Series F1 Convertible Units are set forth in, and this Certificate and the Series F1 Convertible Units represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Second Amended and Restated Agreement of Limited Partnership of GulfTerra Energy Partners, L.P., as amended, supplemented or restated from time to time (the "Partnership Agreement"). Copies of the Partnership Agreement are on file at, and will be furnished without charge on delivery of written request to the Partnership at the principal office of the Partnership located at 4 East Greenway Plaza, Houston, Texas 77046. Capitalized terms used in this Certificate but not defined shall have the meanings given them in the Partnership Agreement.

The Holder, by accepting this Certificate, is deemed to have (a) requested admission as, and agreed to become, a Limited Partner or a Substituted Limited Partner, as applicable, and to have agreed to comply with and be bound by and to have executed the Partnership Agreement, (b) represented and warranted that the Holder has all right, power and authority and, if an individual, the capacity necessary to enter into the Partnership Agreement, (c) appointed the General Partner and, if a Liquidator shall be appointed, the Liquidator of the Partnership as the Holder's attorney to execute, swear to, acknowledge and file any document, including, without limitation, the Partnership Agreement and any amendment thereto and the Certificate of Limited Partnership of the Partnership and any amendment thereto, necessary or appropriate for the Holder's admission as a Limited Partner or a Substituted Limited Partner, as applicable, in the Partnership and as a party to the Partnership Agreement, (d) given the powers of attorney provided for in the Partnership Agreement, (e) made the waivers and given the consents and approvals contained in the Partnership Agreement and (f) certified to the Partnership that the Holder (including, to the best of the Holder's knowledge, any person for whom the Holder holds the Common Units) is an Eligible Citizen.

GULFTERRA ENERGY COMPANY, L.L.C.
General Partner

DATE: May _____, 2003

James H. Lytal, President

David L. Siddall, Corporate Secretary

THE TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY THE TERMS OF THE STATEMENT OF RIGHTS, PRIVILEGES AND LIMITATIONS OF SERIES F CONVERTIBLE UNITS (THE "STATEMENT"), WHICH IS ATTACHED AS ANNEX A TO THE THIRD AMENDMENT TO THE SECOND AMENDED AND RESTATED PARTNERSHIP AGREEMENT OF GULFTERRA ENERGY PARTNERS, L.P. AND THE UNITHOLDER AGREEMENT, BY AND BETWEEN GULFTERRA ENERGY PARTNERS, L.P. AND FLETCHER INTERNATIONAL, INC. (THE "UNITHOLDER AGREEMENT"). YOU MAY OBTAIN COPIES OF THE STATEMENT AND UNITHOLDER AGREEMENT FROM GULFTERRA ENERGY PARTNERS, L.P.

IMPORTANT NOTICE REGARDING INVESTOR RESPONSIBILITIES
DUE TO TAX SHELTER STATUS OF GULFTERRA ENERGY PARTNERS, LP.

You have acquired an interest in GulfTerra Energy Partners, L.P., 4 East Greenway Plaza, Houston, Texas 77046, whose taxpayer identification number is 76-0396023. The Internal Revenue Service has issued GulfTerra Energy Partners, L.P. the following tax shelter registration number: 93084000079. If there is no number in the blank in the preceding sentence, the number will be furnished to the Holder when it is received.

YOU MUST REPORT THIS REGISTRATION NUMBER TO THE INTERNAL REVENUE SERVICE IF YOU CLAIM ANY DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN GULFTERRA ENERGY PARTNERS, L.P.

You must report the registration number as well as the name and taxpayer identification number of GulfTerra Energy Partners, L.P. on Internal Revenue Code Form 8271. FORM 8271 MUST BE ATTACHED TO THE RETURN ON WHICH YOU CLAIM THE DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN GULFTERRA ENERGY PARTNERS, L.P.

If you transfer your interest in GulfTerra Energy Partners, L.P. to another person, you are required by the Internal Revenue Service to keep a list containing (a) that person's name, address and taxpayer identification number, (b) the date on which you transferred the interest and (c) the name, address and tax shelter registration number of GulfTerra Energy Partners, L.P. If you do not want to keep such a list, you must (1) send the information specified above to the General Partner, who will keep the list for this tax shelter and (2) give a copy of this notice to the person to whom you transfer your interest Your failure to comply with any of the above-described responsibilities could result in the imposition of a penalty under Section 6707(b) or 6708(a) of the Internal Revenue Service Code of 1986, as amended, unless such failure is shown to be due to reasonable cause.

No assignment or transfer of the Series F1 Convertible Units evidenced hereby will be registered on the books of GulfTerra Energy Partners, L.P. unless the Certificate evidencing the Series F1 Convertible Units to be transferred is surrendered for registration or transfer and an Application for Transfer of Series F1 Convertible Units (a "Transfer Application") has been executed by a transferee on a separate application that the Partnership will furnish on request without charge. A transferor of the Series F1 Convertible Units shall have no duty to the transferee with respect to execution of the Transfer Application in order for such transferee to obtain registration of the transfer of the Series F1 Convertible Units.

(GULFTERRA ENERGY PARTNERS LOGO)

[__] Series F2 Convertible Units
Entitling the Holder to Purchase
Up To An Aggregate of
$[1],000,000 of
Series A Common Units
prior to the Series F2 Termination Time

CERTIFICATE EVIDENCING SERIES F2 CONVERTIBLE UNITS
REPRESENTING LIMITED PARTNER INTERESTS

GULFTERRA ENERGY PARTNERS, L.P.
(A LIMITED PARTNERSHIP FORMED UNDER THE LAWS OF DELAWARE)

No. [__]

GULFTERRA ENERGY COMPANY, L.L.C., a Delaware limited liability company, as the General Partner of GULFTERRA ENERGY PARTNERS, L.P., a Delaware Limited partnership (the "Partnership"), hereby certifies that [name of holder] (the "Holder") is the registered owner of [__] Series F2 Convertible Units representing limited partner interests in the Partnership (the "Series F2 Convertible Units") transferable on the books of the Partnership, in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed and accompanied by a properly executed application for transfer of the Series F2 Convertible Units represented by this Certificate. The rights, preferences and limitations of the Series F2 Convertible Units are set forth in, and this Certificate and the Series F2 Convertible Units represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Second Amended and Restated Agreement of Limited Partnership of GulfTerra Energy Partners, L.P., as amended, supplemented or restated from time to time (the "Partnership Agreement"). Copies of the Partnership Agreement are on file at, and will be furnished without charge on delivery of written request to the Partnership at the principal office of the Partnership located at 4 East Greenway Plaza, Houston, Texas 77046. Capitalized terms used in this Certificate but not defined shall have the meanings given them in the Partnership Agreement.

The Holder, by accepting this Certificate, is deemed to have (a) requested admission as, and agreed to become, a Limited Partner or a Substituted Limited Partner, as applicable, and to have agreed to comply with and be bound by and to have executed the Partnership Agreement, (b) represented and warranted that the Holder has all right, power and authority and, if an individual, the capacity necessary to enter into the Partnership Agreement, (c) appointed the General Partner and, if a Liquidator shall be appointed, the Liquidator of the Partnership as the Holder's attorney to execute, swear to, acknowledge and file any document, including, without limitation, the Partnership Agreement and any amendment thereto and the Certificate of Limited Partnership of the Partnership and any amendment thereto, necessary or appropriate for the Holder's admission as a Limited Partner or a Substituted Limited Partner, as applicable, in the Partnership and as a party to the Partnership Agreement, (d) given the powers of attorney provided for in the Partnership Agreement, (e) made the waivers and given the consents and approvals contained in the Partnership Agreement and (f) certified to the Partnership that the Holder (including, to the best of the Holder's knowledge, any person for whom the Holder holds the Common Units) is an Eligible Citizen.

GULFTERRA ENERGY COMPANY, L.L.C.
General Partner

DATE: May _____, 2003

James H. Lytal, President

David L. Siddall, Corporate Secretary

THE TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY THE TERMS OF THE STATEMENT OF RIGHTS, PRIVILEGES AND LIMITATIONS OF SERIES F CONVERTIBLE UNITS (THE "STATEMENT"), WHICH IS ATTACHED AS ANNEX A TO THE THIRD AMENDMENT TO THE SECOND AMENDED AND RESTATED PARTNERSHIP AGREEMENT OF GULFTERRA ENERGY PARTNERS, L.P. AND THE UNITHOLDER AGREEMENT, BY AND BETWEEN GULFTERRA ENERGY PARTNERS, L.P. AND FLETCHER INTERNATIONAL, INC. (THE "UNITHOLDER AGREEMENT"). YOU MAY OBTAIN COPIES OF THE STATEMENT AND UNITHOLDER AGREEMENT FROM GULFTERRA ENERGY PARTNERS, L.P.

IMPORTANT NOTICE REGARDING INVESTOR RESPONSIBILITIES
DUE TO TAX SHELTER STATUS OF GULFTERRA ENERGY PARTNERS, LP.

You have acquired an interest in GulfTerra Energy Partners, L.P., 4 East Greenway Plaza, Houston, Texas 77046, whose taxpayer identification number is 76-0396023. The Internal Revenue Service has issued GulfTerra Energy Partners, L.P. the following tax shelter registration number: 93084000079. If there is no number in the blank in the preceding sentence, the number will be furnished to the Holder when it is received.

YOU MUST REPORT THIS REGISTRATION NUMBER TO THE INTERNAL REVENUE SERVICE IF YOU CLAIM ANY DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN GULFTERRA ENERGY PARTNERS, L.P.

You must report the registration number as well as the name and taxpayer identification number of GulfTerra Energy Partners, L.P. on Internal Revenue Code Form 8271. FORM 8271 MUST BE ATTACHED TO THE RETURN ON WHICH YOU CLAIM THE DEDUCTION, LOSS, CREDIT, OR OTHER TAX BENEFIT OR REPORT ANY INCOME BY REASON OF YOUR INVESTMENT IN GULFTERRA ENERGY PARTNERS, L.P.

If you transfer your interest in GulfTerra Energy Partners, L.P. to another person, you are required by the Internal Revenue Service to keep a list containing (a) that person's name, address and taxpayer identification number, (b) the date on which you transferred the interest and (c) the name, address and tax shelter registration number of GulfTerra Energy Partners, L.P. If you do not want to keep such a list, you must (1) send the information specified above to the General Partner, who will keep the list for this tax shelter and (2) give a copy of this notice to the person to whom you transfer your interest Your failure to comply with any of the above-described responsibilities could result in the imposition of a penalty under Section 6707(b) or 6708(a) of the Internal Revenue Service Code of 1986, as amended, unless such failure is shown to be due to reasonable cause.

No assignment or transfer of the Series F2 Convertible Units evidenced hereby will be registered on the books of GulfTerra Energy Partners, L.P. unless the Certificate evidencing the Series F2 Convertible Units to be transferred is surrendered for registration or transfer and an Application for Transfer of Series F2 Convertible Units (a "Transfer Application") has been executed by a transferee on a separate application that the Partnership will furnish on request without charge. A transferor of the Series F2 Convertible Units shall have no duty to the transferee with respect to execution of the Transfer Application in order for such transferee to obtain registration of the transfer of the Series F2 Convertible Units.

EXHIBIT B

FORM OF CONVERSION NOTICE

(To Be Executed Upon Conversion of the Series F Convertible Unit)

[DATE]

GulfTerra Energy Partners, L.P.
4 East Greenway Plaza
Houston, Texas 77046
Attention: Chief Financial Officer

Re: Statement of Rights, Privileges and Limitations Series F Convertible Unit ("STATEMENT")

Ladies and Gentlemen:

Pursuant to the terms and conditions contained in the Statement, [HOLDER] hereby elects to convert $[_____]1 of Series F2 Convertible Units into [ ] Series A Common Units, which would be purchased at a Conversion Unit Price of $[____], and shall deliver on the Conversion Closing Date [SUCH AMOUNT VIA WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS] [THAT NUMBER OF PARTNERSHIP BONDS WITH AN AGGREGATE PRINCIPAL AMOUNT PLUS ACCRUED INTEREST EQUAL TO SUCH DOLLAR AMOUNT] as payment for such Series A Common Units in accordance with the terms of the Statement. All undefined capitalized terms used in this Conversion Notice shall have the meaning set forth in the Statement.

In accordance with the terms of the Statement, the undersigned requests that certificates for such units be registered in the name of and delivered to the undersigned at the following address:

[TO BE ADDED]

Any cash in lieu of fractional shares should be sent to:

[INSERT ACCOUNT INFORMATION OR ADDRESS INFORMATION]

The undersigned shall deliver the original of the certificate(s) representing the Series F Convertible Units no later than the second Business Day after and excluding the date of this notice as well as each document required to be delivered on the Conversion Closing Date by the Statement.

- ----------

(1) Insert the dollar amount of Series F Convertible Units being converted. In the case of partial conversion, a new certificate representing the Series F Convertible Unit shall be issued and delivered, representing the unconverted portion of the Series F Convertible Unit.

(2) Indicate whether Series F1 or Series F2 is being tendered.

[IF THE EXERCISED AMOUNT IS NOT IN INCREMENTS OF $1,000,000, INSERT THE FOLLOWING: THE UNDERSIGNED REQUESTS THAT A NEW CERTIFICATE SUBSTANTIALLY IDENTICAL TO THE ATTACHED SERIES F CONVERTIBLE UNIT BE ISSUED TO THE UNDERSIGNED EVIDENCING THE RIGHT TO PURCHASE THE DOLLAR AMOUNT OF SERIES A COMMON UNITS EQUAL TO (x) THE SERIES F1/SERIES F2 CONVERSION CONSIDERATION LESS (y) THE TENDERED CONVERSION CONSIDERATION.]

[HOLDER]

By:

Name:
Title:

Agreed to and Acknowledged as of
[INSERT DATE].

GULFTERRA ENERGY PARTNERS, L.P.

By:

Name:
Title:

EXECUTION COPY

EXHIBIT 4.L

UNITHOLDER AGREEMENT

BETWEEN

GULFTERRA ENERGY PARTNERS, L.P.

AND

FLETCHER INTERNATIONAL, INC.

DATED MAY 16, 2003

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UNITHOLDER AGREEMENT

This Unitholder Agreement (this "AGREEMENT"), dated as of May 16, 2003, is by and between GulfTerra Energy Partners, L.P., a Delaware limited partnership (the "PARTNERSHIP"), and Fletcher International, Inc., a Delaware corporation ("FLETCHER").

WHEREAS, Fletcher desires to make an investment in the Partnership of $40,000,000 in exchange for 1,118,881 Series A Common Units, 80 Series F1 Convertible Units and 80 Series F2 Convertible Units, which Series F1 Convertible Units and Series F2 Convertible Units will be convertible into Series A Common Units (the Series A Common Units, the Series F1 Convertible Units, the Series F2 Convertible Units and the underlying Series A Common Units, collectively, the "UNITS") as provided in the Statement of Rights, Privileges and Limitations of Series F Convertible Units (the "STATEMENT"), which is attached as Annex A to, and incorporated in its entirety by, the Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P. effective as of the date hereof, all pursuant to a prospectus supplement dated as of the date hereof; and

WHEREAS, the Partnership and Fletcher have agreed to certain terms and conditions in connection with Fletcher's investment in the Partnership;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the parties hereto agree as follows:

1. DEFINITIONS. All undefined capitalized terms used herein shall have the meaning set forth in the Statement. In addition, as used herein, unless the context otherwise requires, the following terms have the following respective meanings:

1.1 65 DAY NOTICE is defined in Section 4.

1.2 AFFILIATE means with respect to any Person, any other Person that directly or indirectly Controls, is Controlled by or is under common Control with, the Person in question.

1.3 AGREEMENT is defined in the introduction, as amended, supplemented or otherwise modified from time to time.

1.4 CONTROL ("CONTROLS" and "CONTROLLED") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through ownership of voting securities, by contract or otherwise.

1.5 CONVERTIBLE PERIOD means the period commencing on the date hereof and ending on the Termination Time.

1.6 CONVERTIBLE NUMBER is defined in Section 4.

1.7 FLETCHER is defined in the introduction to the Agreement.

1.8 FLETCHER NUMBER means the sum of 4,495,425 and the Convertible Number.

1.9 INITIAL CLOSING means the date on which the closing of the purchase by Fletcher of 1,118,881 Series A Common Units, 80 Series F1 Convertible Units and 80 Series F2 Convertible Units occurs.

1.10 PARTNERSHIP is defined in the introduction to the Agreement.

1.11 PUBLIC OFFERING PERIOD means each period commencing on the day on which Fletcher responds to the Partnership's notice of its intention to effect a public offering and ending on the day on which such public offering closes.

2. OUTSTANDING UNITS. The Partnership hereby represents and warrants that as of the date hereof and prior to the issuance by the Partnership of 1,118,881 Series A Common Units to Fletcher, there are issued and outstanding at least 47,484,314, but no more than 47,584,314, Series A Common Units.

3. REPRESENTATIONS OF FLETCHER. Fletcher hereby represents and warrants that as of the date hereof:

3.1 Fletcher is a large institutional accredited investor;

3.2 Fletcher is acquiring the Series A Common Units and the Series F Convertible Units for its own account and in the ordinary course of its business and is not participating in the distribution, and has no arrangement or understandings with any Person to participate in a distribution of the Series A Common Units or the Series F Convertible Units;

3.3 Fletcher is not a registered "broker" or "dealer" as such terms are defined in Section 3 of the Exchange Act; and

3.4 None of Fletcher or its Affiliates has (i) during the sixty (60) Business Day period ending on the date hereof (a) engaged in any "short sales" (as such term is defined by the Exchange Act Rule 3b-3) of Series A Common Units or (b) purchased, acquired, sold or terminated an interest in any stock index, portfolio or derivative in which the Series A Common Units comprised more than 35% of the value of the total assets (as determined based on Fletcher's reasonable discretion) of such stock index, portfolio or derivative at the time of such purchase or acquisition or at the time of creation, if such stock index, portfolio or derivative was created by Fletcher or any of its Affiliates, or (ii) as of the date hereof, a "short" position with respect to the Series A Common Units.

4. CONVERTIBLE NUMBER. Notwithstanding the provisions of the Section 2.1 of the Statement to the contrary, the aggregate number of Series A Common Units issuable upon conversion of the Series F Convertible Units owned by Fletcher and its Affiliates, when combined with Series A Common Units then beneficially owned (as determined pursuant to Rule 13d-3 of the Exchange Act) by Fletcher, shall not exceed the current Fletcher Number. The

"CONVERTIBLE NUMBER" shall initially be zero (0) and thereafter shall be increased upon expiration of a sixty-five (65) day period after Fletcher delivers a notice (a "65 DAY NOTICE") to the Partnership designating an aggregate number of Series A Common Units in excess of the Fletcher Number which shall become issuable upon conversion of the Series F Convertible Units then owned by Fletcher, such number, however, shall not result in the total number of Series A Common Units issued or issuable upon conversion of all Series F Convertible Units to exceed the Maximum Number. Fletcher shall be entitled to tender a 65 Day Notice at any time. The Partnership shall, within 2 Business Days of receipt of a written request from Fletcher, give Fletcher the number of Series A Common Units outstanding as of the date of such notice. If a Partnership Interest Adjusting Event occurs, the Fletcher Number shall be proportionately adjusted.

5. PROHIBITION ON SHORT SALES. During the Convertible Period, Fletcher shall not, and shall cause its Affiliates not to, engage in "SHORT SALES" (as such term in defined by the Exchange Act Rule 3b-3) of Series A Common Units, it being understood that nothing in this Agreement shall prohibit Fletcher or any of its Affiliates from purchasing, acquiring, selling or terminating an interest in any stock index, portfolio or derivative of which Series A Common Units are a component; provided, that the Series A Common Units shall not comprise more than 35% of the value of the total assets (as determined based on Fletcher's reasonable discretion) of such stock index, portfolio or derivative at the time of (i) the creation of such stock index, portfolio or derivative if created by Fletcher or its Affiliates, or (ii) the purchase or acquisition of an interest in an existing stock index, portfolio or derivative by Fletcher or its Affiliates. The provisions of this Section 5 shall not apply to any Person other than Fletcher and its Affiliates.

6. LIMITED MARKET STAND OFF. During the Convertible Period, within three Business Days of notification by the Partnership of its intention to affect a public offering of its Series A Common Units, Fletcher shall notify the Partnership of the number of Series A Common Units that Fletcher and its Affiliates, in good faith, intend to, and have a reasonable basis to believe that they can, sell or cause to be sold (directly or indirectly) into the market, on one or more exchanges, quotation systems or over-the-counter market transactions, block trades to broker-dealers and ordinary brokerage transactions, but excluding bona-fide pledges, gifts and transfers to partners, members and shareholders during the Public Offering Period; provided, however, that in no event shall any Public Offering Period be greater than fourteen (14) Business Days. During a Public Offering Period, Fletcher and its Affiliates shall not sell or cause to be sold (directly or indirectly) into the market, on one or more exchanges, quotation systems or over-the-counter market transactions, block trades to broker-dealers and ordinary brokerage transactions, but excluding bona-fide pledges, gifts and transfers to partners, members and shareholders more than the number of Series A Common Units disclosed in such notice to the Partnership. After the consummation of the public offering, Fletcher and its Affiliates shall have no restrictions on resale of Series A Common Units that they own, subject to the Partnership's ability to send an unlimited number of such notices in the future and Fletcher's (and its Affiliate's) limitation on resale as designated in its reply notice to the Partnership.

7. LIMITS ON TRANSFERABILITY. Fletcher shall not sell, transfer or otherwise dispose of the Series F Convertible Units without the prior written consent of the Partnership, which consent shall be within the sole discretion of the Partnership; provided, that notwithstanding the provisions of Section 6 of the Statement, Fletcher shall also be entitled to sell, transfer or

otherwise dispose of the Series F Convertible Units (i) to any Affiliate that remains an Affiliate of Fletcher while it holds unconverted Series F Convertible Units so long as each Affiliate assumes the obligations of Fletcher under this Agreement (provided, that such assumption shall not operate to release Fletcher from its obligations under this Agreement unless the Partnership consents to such release in writing, which consent shall be given or withheld in the Partnership's sole discretion); (ii) in connection with distributions by Fletcher or its Affiliates to their respective partners, members or shareholders in accordance with the respective governing documents of Fletcher or its Affiliates; (iii) pursuant to pledges (including any sale, transfer or other disposition that occurs upon a default under such pledge) in connection with bona-fide financing transactions, (iv) to a QIB, (v) to large institutional accredited investors and (vi) to insurance companies and similar institutional investors whose business is to invest funds entrusted to such entity provided that the Series F Convertible Units are acquired by such entity in the ordinary course of their business from Fletcher and such transferee has no arrangement or understanding with any person to participate in the distribution of such securities; except Fletcher cannot effect a sale, transfer or other disposition of Series F Convertible Units pursuant to clauses (i), (ii) and (iii) above unless such sale, transfer or other disposition would be permissible under securities laws and except that Fletcher cannot effect a sale, transfer or other disposition of Series F Convertible Units to more than one (1) Person, which Person must satisfy one of the requirements of clauses (i) through (vi) above, subject to Section 6 above and this Section 7. Further, Fletcher shall not knowingly sell, transfer or otherwise dispose of any Series F Convertible Units to any Person who has acquired the Series F Convertible Units with the purpose, or with the effect of, changing or influencing the control of the Partnership, or in connection with or as a participant in any transaction having that purpose or effect, including any transaction subject to Rule 13d-3(b) of the Exchange Act, except if the Partnership gives its prior written approval to such transfer, which approval may be withheld or granted in its sole discretion; provided, however, that no such written approval shall be necessary and the Series F Convertible Units shall be freely transferable (x) if the Board of Directors of the General Partner has recommended approval of such transaction and has not withdrawn its recommendation or (y) to the Acquiring Person in connection with a Business Combination where the Board of Directors of the General Partner has recommended approval of such Business Combination and has not withdrawn its recommendation.

8. COVENANT REGARDING PARTNERSHIP BONDS. The Partnership hereby agrees that it shall use commercially reasonable efforts to obtain permission for the Partnership to effect a redemption, purchase, retirement or other acquisition of Partnership Bonds in connection with the tender of such Partnership Bonds as payment of the Conversion Consideration, as contemplated by the Statement under its Sixth Amended and Restated Credit Agreement, or any replacement or future credit agreement, or any other agreement imposing restrictions on the Partnership's ability to accept Partnership Bonds as payment of the Conversion Consideration as contemplated by the Statement. The Partnership shall provide Fletcher with written notice as promptly as possibly but no later than within (a) seven (7) Business Days of receipt of such permission or the cessation of any circumstance that otherwise prohibits the tender of Partnership Bonds as payment of the Conversion Consideration, and (b) five (5) Business Days of the existence of any circumstance that would prevent a Holder from tendering Partnership Bonds as payment of the Conversion Consideration, as contemplated by the Statement. In addition, within one (1) Business Day of its receipt of a written request from Fletcher, the Partnership shall confirm the status to Fletcher of the occurrence of clause (a) above or the existence of any

circumstance set forth in clause (b) above. Notwithstanding the foregoing, nothing in this Section 8 shall be construed as prohibiting the Partnership from entering into an amendment to, or a replacement of, its existing credit agreements or into any future credit agreements that do not permit the redemption of Partnership Bonds as contemplated by the Statement.

9. PUBLIC DISCLOSURE. The Partnership shall:

9.1 within one (1) Business Day after and excluding the date of the Initial Closing, publicly distribute a press release disclosing the material terms of the transaction occurring on the Initial Closing; and

9.2 within three (3) Business Days after and excluding each of (x) the Initial Closing Date and (y) each Conversion Closing Date on which the Conversion Consideration tendered on such Conversion Closing Date exceeds 2.5% of the product of (1) the closing price of Series A Common Units on the Business Day immediately preceding such Conversion Closing Date and (2) the number of Series A Common Units outstanding immediately before such Conversion Closing Date, file with the SEC a Current Report on Form 8-K with respect to the same.

In each case, if the Partnership specifically identifies Fletcher by its name in any release or Current Report on Form 8-K, the Partnership will provide Fletcher will a reasonable opportunity, which shall not be less than two (2) Business Days, to review and comment on such public disclosure by the Partnership; provided that the Partnership shall be entitled to accept or reject Fletcher's comments in its sole discretion. No such review and comment opportunity shall be required if the public disclosure does not use Fletcher's name.

10. NOTICES. All notices and other communications under this Agreement shall be in writing and shall be delivered by a nationally recognized overnight courier, return receipt requested, postage prepaid, addressed as provided below:

(i) If to the Partnership:

GulfTerra Energy Partners, L.P.
4 East Greenway Plaza
Houston, Texas 77046
Attn: Chief Financial Officer
Telephone: (832) 676-5371
Facsimile: (823) 676-1671

with a copy (which shall not constitute notice) to:

Akin Gump Strauss Hauer & Feld LLP
Attn: J. Vincent Kendrick
1900 Pennzoil Place - Suite 1900
711 Louisiana Street
Houston, Texas 77002
Facsimile: (713) 236-0822

(ii) If to Fletcher:

Fletcher International, Inc.
c/o Fletcher Asset Management, Inc.
22 East 67th Street
New York, NY 10021
Attention: Peter Zayfert
Telephone: (212) 284-4800
Facsimile: (212) 284-4801

with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
Attention: Stephen W. Hamilton, Esq.
Telephone: (202) 371-7010
Facsimile: (202) 393-5760

Any such notice or communication shall be deemed received (i) when made, if by hand delivery, and upon confirmation of receipt, if made by facsimile, and in each case if such notice is received on or before 11:59 p.m. New York City time, otherwise, such notice shall be deemed to be received the following Business Day (ii) one Business Day after being deposited with a next-day courier, return receipt requested, postage prepaid or (iii) three Business Days after being sent certified or registered mail, return receipt requested, postage prepaid, in each case addressed as above (or to such other addresses as the Partnership or Fletcher may designate in writing from time to time).

11. MISCELLANEOUS.

11.1 CONSTRUCTION. Headings or other titles used in this Agreement are for convenience only and neither limit nor amplify the provisions of this Agreement, and all references herein to sections or subdivisions thereof will refer to the corresponding section or subdivision thereof of this Agreement unless specific reference is made to such sections or subdivisions of another document or instrument. Unless the context of this Agreement clearly requires otherwise, the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation," and the words "hereof," "herein," "hereunder" and similar terms in this Agreement will refer to this Agreement as a whole and not any particular section or article in which such words appear. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice-versa. References in this Agreement to any party shall include such party's successor. The word "shall" means will and vice versa.

11.2 GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF DELAWARE, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

11.3 REMEDIES. Except as expressly provided in this Agreement, the rights, obligations and remedies created by this Agreement are cumulative and in addition to any other rights, obligations or remedies otherwise available at law or in equity. Nothing herein shall be considered an election of remedies.

11.4 ENTIRE AGREEMENT. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous arrangements or undertakings with respect thereto.

11.5 COUNTERPARTS. This Agreement may be executed in counterparts, all of which together shall constitute an agreement binding on all of the parties to this Agreement, notwithstanding that all such parties are not signatories to the original or the same counterpart.

11.6 INVALIDITY OF PROVISIONS. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

11.7 AMENDMENT; WAIVER. This Agreement shall not be modified, amended, supplements, canceled, or discharged, except by written instrument executed by the Partnership and Fletcher. No failure to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude the exercise of any other right, power or privilege. No waiver of any breach of any provisions of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provisions, nor shall any waiver be implied from any course of dealing between the parties. No extension of time for performance of any obligations or other acts under this Agreement shall be deemed to be an extension of the time for performance of any other obligations of any other acts.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

The parties hereto have caused this Agreement to be duly executed and delivered as of the date first written above.

GULFTERRA ENERGY PARTNERS, L.P.

By: /s/ Keith B. Forman

Name: Keith B. Forman
Title: Vice President and Chief Financial Officer

FLETCHER INTERNATIONAL, INC.
by its duly authorized investment advisor,
Fletcher Asset Management, Inc.

By: /s/ Peter Zayfert

Name: Peter Zayfert
Title: Authorized Signatory

By: /s/ Angela K. Dorn

Name: Angela K. Dorn
Title: Authorized Signatory

EXHIBIT 5A

May 16, 2003

GulfTerra Energy Partners, L.P.
4 East Greenway Plaza
Houston, Texas 77046

Re: GulfTerra Energy Partners, L.P.

Ladies and Gentlemen:

We have acted as counsel to GulfTerra Energy Partners, L.P., a Delaware limited partnership (the "PARTNERSHIP"), and GulfTerra Energy Company, L.L.C., a Delaware limited liability company (the "GENERAL PARTNER" and, together with the Partnership, the "COMPANIES"), in connection with the proposed offering and sale by the Partnership of a combined unit consisting of 1,118,881 common units (the "COMMON UNITS") and 80 Series F1 convertible units, which consist of 80 Series F1 convertible units and 80 Series F2 convertible units in the aggregate and which are convertible into up to 8,329,679 Common Units (the "CONVERTIBLE UNITS"), each of the Common Units and Convertible Units representing limited partner interests of the Partnership. We refer to the registration statement on Form S-3 (Registration No. 333-81772) filed on January 30, 2002 by the Partnership with the Securities and Exchange Commission (the "COMMISSION") under the Securities Act of 1933, as amended (the "Act"), and Amendment No. 1 thereto filed with the Commission on February 7, 2002 (the "REGISTRATION STATEMENT"). A prospectus supplement dated May 16, 2003 (the "PROSPECTUS"), which together with the prospectus filed with the Registration Statement shall constitute part of the Prospectus, has been filed pursuant to Rule 424(b) promulgated under the Act. Any capitalized term used, but not defined, herein shall have the meaning given to such term in the Placement Agency Agreement dated May 16, 2003 (the "PLACEMENT AGENCY AGREEMENT") relating to the offer and sale of the Common Units, the Convertible Units and Common Units issuable upon conversion of the Convertible Units. We have also assumed the legal capacity of natural persons, the corporate or other power of all persons signing on behalf of the parties thereto other than the Companies and the due authorization, execution and delivery of all documents by the parties thereto other than the Companies.

We have examined originals or certified copies of such partnership records of the Partnership and such corporate records of the General Partner and other certificates and documents of officials of the Companies, public officials and others as we have deemed appropriate for purposes of this letter. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to authentic

original documents of all copies submitted to us as conformed and certified or reproduced copies.

Based upon the foregoing and subject to the assumptions, exceptions, qualifications and limitations set forth hereinafter, we are of the opinion that:

1. When the Common Units and Convertible Units have been issued and delivered in accordance with the terms of the Placement Agency Agreement and upon payment of the consideration therefor provided for therein, (a) such Common Units and Convertible Units will be duly authorized and validly issued and (b) on the assumption that the holder of such Common Units and Convertible Units is not also a general partner of the Partnership and does not participate in the control of the Partnership's business, the Common Units and Convertible Units will be fully paid and non-assessable; and

2. When the Common Units issuable upon conversion of the Convertible Units have been issued and delivered in accordance with the terms of the Statement of Rights, Privileges and Limitations of Series F Convertible Units which is attached as Annex A to the Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of the Partnership (the "STATEMENT") and upon payment of the consideration therefor provided for therein, (a) such Common Units will be duly authorized and validly issued and (b) on the assumption that the purchaser of such Common Units issued upon conversion of the Convertible Units is not also a general partner of the Partnership and does not participate in the control of the Partnership's business, the Common Units issued upon conversion of the Convertible Units will be fully paid and non-assessable.

The opinions and other matters in this letter are qualified in their entirety and subject to the following:

A. We have assumed that the Common Units and Convertible Units will be issued and sold in the manner stated in the Registration Statement and the applicable Prospectus Supplement and in accordance with the terms of the Placement Agency Agreement and the Statement.

B. The opinions set forth in paragraph 1(b) and 2(b) are subject to the qualification that (i) under Section 17-303(a) of the Delaware Revised Uniform Limited Partnership Act (the "DELAWARE ACT"), a limited partner who participates in the "control," within the meaning of the Delaware Act, of the business of a partnership or takes action which constitutes "control" may be held personally liable for such partnership's obligations under the Delaware Act to the same extent as a general partner and (ii) under Section 17-607 of the Delaware Act, a limited partner who (x) receives a distribution that, at the time of distribution and after giving effect to the distribution, causes all liabilities of the Partnership, other than liabilities to partners on account of their partnership interests and non-recourse liabilities, to exceed the fair value of the assets of the limited partnership (except the fair value of property subject to a liability for which the recourse of

creditors is limited, which property shall be included in the assets of the limited partnership only to the extent that the fair value of such property exceeds such liability) and (y) knew at the time of such distribution that the distribution was in violation of the Delaware Act shall be liable to the limited partnership for the amount of the distribution for three years from the date of the distribution.

C. We express no opinion as to the laws of any jurisdiction other than any published constitutions, treaties, laws, rules or regulations or judicial or administrative decisions ("LAWS") of (i) the federal Laws of the United States and (ii) the General Corporation Law, Revised Uniform Partnership Act, Revised Uniform Limited Partnership Act and Limited Liability Company Act of the State of Delaware.

D. The matters expressed in this letter are subject to and qualified and limited by (i) applicable bankruptcy, insolvency, fraudulent transfer and conveyance, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally, (ii) general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity), (iii) commercial reasonableness and unconscionability and an implied covenant of good faith and fair dealing, (iv) the power of the courts to award damages in lieu of equitable remedies, (v) securities Laws and public policy underlying such Laws with respect to rights to indemnification and contribution and (vi) limitations on the waiver of rights under usury law.

D. This law firm is a registered limited liability partnership organized under the laws of the state of Texas.

[The remainder of this page is intentionally left blank.]

We hereby consent to the filing of copies of this opinion as an exhibit to the Registration Statement and to the use of our name in the Prospectus under the caption "Legal Matters." In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act and the rules and regulations thereunder. This opinion speaks as of its date, and we undertake no (and hereby disclaim any) obligation to update this opinion.

Very truly yours,

/s/ Akin, Gump, Strauss, Hauer & Feld, L.L.P.
AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.

EXHIBIT 23.A

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 (No. 333-81772) of GulfTerra Energy Partners, L.P. (formerly known as El Paso Energy Partners, L.P.)(the "Partnership"), of (A)(i) our report dated March 24, 2003 relating to the consolidated financial statements and financial statement schedule of the Partnership and subsidiaries, and (ii) our report dated March 24, 2003 relating to the financial statements of Poseidon Oil Pipeline Company, L.L.C., each of which appears in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2002; and (B)(i) our report dated April 4, 2003 relating to the consolidated balance sheet of GulfTerra Energy Company, L.L.C. (formerly known as El Paso Energy Partners Company), and (ii) our report dated April 4, 2003 relating to the balance sheets of GulfTerra Energy Finance Corporation (formerly known as El Paso Energy Partners Finance Corporation), each of which appears in the Partnership's Current Report on Form 8-K dated April 8, 2003. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Houston, Texas
May 14, 2003

EXHIBIT 23.B

(NETHERLAND, SEWELL
& ASSOCIATES, INC. LOGO)

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS AND GEOLOGISTS

We hereby consent to the incorporation by reference into this Prospectus Supplement to the Prospectus dated February 7, 2002 of GulfTerra Energy Partners, L.P. and the Subsidiary Guarantors listed therein of our reserve reports dated as of December 31, 2000, 2001, and 2002 each of which is included in the Annual Report on Form 10-K of GulfTerra Energy Partners, L.P. for the year ended December 31, 2002. We also consent to the reference to us under the heading of "experts" in such Prospectus Supplement.

NETHERLAND, SEWELL & ASSOCIATES, INC.

By: /s/ Frederic D. Sewell

Frederic D. Sewell
Chairman and Chief Executive Officer

Dallas, Texas
May 15, 2003

[GULFTERRA LOGO]

NEWS
For Immediate Release

DRAFT

GULFTERRA ENERGY PARTNERS COMPLETES PLACEMENT OF COMMON UNITS

HOUSTON, TEXAS, May 16, 2003-- GulfTerra Energy Partners, L.P. (NYSE:GTM), formerly known as El Paso Energy Partners, L.P. (NYSE:EPN), announced today that it has sold 1.1 million common units and Series F convertible units in a registered offering to an institutional investor. GulfTerra will receive net proceeds of approximately $38 million. Commencing August 12, 2003, the holder of the Series F units may purchase up to an additional $120 million of our common units. This conversion feature will expire March 29, 2005. The price paid per common unit upon conversion will be based on the average market price of our common units calculated for certain periods preceding the conversion election. If less than $40 million of the Series F units are tendered for conversion by March 29, 2004 then all of the remaining untendered Series F units will expire on that date.

"We are pleased to have completed another successful issuance of equity in the form of limited partnership common units at a value that reflects the current performance and future prospects of the Partnership," said Robert G. Phillips, Chief Executive Officer of GulfTerra Energy Partners. "Given our expansion plans in the Deepwater Trend of the Gulf of Mexico and across the broad scope of our midstream businesses, this new equity capital will fund a portion of our 2003 capitalization requirements, improves our liquidity and positions us to achieve our announced credit objectives for the year. This new equity security also provides GTM with a vehicle to tap the institutional investor market on a selective basis and adds to the flexibility of our capital plans in the future."

GulfTerra Energy Partners, L.P. is one of the largest publicly traded master limited partnerships with interests in a diversified set of midstream assets located both offshore and onshore. Offshore, the company operates natural gas and oil pipelines and platforms and is an industry leader in the development of midstream infrastructure in the Deepwater Trend of the Gulf of Mexico. Onshore, GulfTerra is leading operator of intrastate natural gas pipelines, gas gathering and processing facilities, natural gas liquids transportation and fractionation assets and salt dome natural gas and natural gas liquids storage facilities. Visit GulfTerra Energy Partners on the Web at www.gulfterra.com.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements and projections, made in reliance on the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Partnership has made every reasonable effort to ensure that the information and assumptions on which these statements and projections are based are current, reasonable, and complete. However, a variety of factors, including the integration of businesses acquired in 2002 and generation of expected revenues from the Partnership's greenfield projects, status of Deepwater Trend Projects in the Gulf of Mexico, and general economic and weather conditions in geographic regions or markets served by GulfTerra Energy Partners and its affiliates, or where operations of the Partnership are located, could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release. While the Partnership makes these statements and projections in good faith, neither the Partnership nor its management can guarantee that the anticipated future results will be achieved. Reference should be made to the Partnership's (and its affiliates') Securities and Exchange Commission filings for additional important factors that may affect actual results.

CONTACTS

Communications and Government Affairs
Norma F. Dunn, Senior Vice President
Office: (713) 420-3750
Fax: (713) 420-3632

Investor Relations
Sandra M. Ryan, Director
Office: (832) 676-5371
Fax: (832) 676-1195