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: DECEMBER 11, 2002
(DATE OF EARLIEST EVENT REPORTED: NOVEMBER 27, 2002)

COMMISSION FILE NUMBER 1-11680

EL PASO ENERGY PARTNERS, L.P.
(Exact name of Registrant as Specified in its Charter)

DELAWARE	76-0396023
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
4 GREENWAY PLAZA HOUSTON, TEXAS (Address of Principal Executive Offices)	77046 (Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE:

(832) 676-2600

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On November 27, 2002, we acquired the San Juan assets described below from affiliates of El Paso Corporation, the indirect parent of our general partner, for $782 million, adjusted for capital expenditures and actual working capital acquired resulting in a net reduction to the purchase price of approximately $6 million. The acquired assets include a natural gas gathering system located in the San Juan Basin of New Mexico, including the remaining interest we did not already own in the Chaco cryogenic natural gas processing plant; natural gas liquids (NGL) transportation and fractionation assets located in Texas; and an oil and natural gas gathering system located in the deeper water regions of the Gulf of Mexico, referred to collectively as the San Juan assets. We financed the purchase of these assets with net proceeds from an offering of $200 million of 10 5/8% Senior Subordinated Notes due 2012, borrowings of $237.5 million under our senior secured acquisition term loan, the issuance of $350 million of our newly issued Series C units and currently available funds. Additionally, our general partner contributed $3.5 million to maintain their one percent ownership interest in us.

We intend to continue to use the acquired San Juan assets in the same manner as they were used immediately prior to our acquisition. The Contribution, Purchase and Sale Agreement pursuant to which we acquired these assets is included as Exhibit 2.A to this Current Report on Form 8-K.

In accordance with our procedures for evaluating and valuing material acquisitions with El Paso Corporation, our Special Conflicts Committee engaged independent financial advisors and obtained two separate fairness opinions related to the acquisition of the San Juan assets and the issuance of the Series C units. These opinions stated the transaction and the issuance were both fair to us and our unitholders.

In connection with the acquisition of the San Juan assets and the financing discussed above, we entered into other material agreements, each of which is attached as an exhibit to this Current Report on Form 8-K.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Businesses Acquired.

We filed the required financial statements of the assets acquired in our Current Reports on Forms 8-K dated August 12, 2002, and November 15, 2002.

The audited combined financial statements of El Paso Field Services' San Juan Gathering and Processing Businesses, Typhoon Gas Pipeline, Typhoon Oil Pipeline, and Coastal Liquids Partners' NGL Business for the years ended December 31, 2001, 2000 and 1999 are included in our Current Report on Form 8-K dated August 12, 2002.

The unaudited condensed combined financial statements of El Paso Field Services' San Juan Gathering and Processing Businesses, Typhoon Gas Pipeline, Typhoon Oil Pipeline, and Coastal Liquids Partners' NGL Business at September 30, 2002 and December 31, 2001 and for the nine months ended September 30, 2002 and 2001 are included in our Current Report on Form 8-K dated November 15, 2002.

(b) Pro Forma Financial Information

The required pro forma information will be filed by amendment no later than 60 days after the date that this Form 8-K must be filed.

(c) Exhibits.

Each exhibit identified below is filed as part of this report. Exhibits included in this filing are designated by an asterisk; all exhibits not so designated are incorporated herein by reference to a prior filing as indicated.

EXHIBIT NO.	DESCRIPTION
2.A*	Contribution, Purchase and Sale Agreement by and between El Paso Corporation and El Paso Energy Partners, L.P. dated November 21, 2002.
3.B	Second Amended and Restated Agreement of Limited Partnership effective as of August 31, 2000 (Exhibit 3.B to our Current Report on Form 8-K dated March 6, 2001).
3.B.1*	First Amendment to the Second Amended and Restated Agreement of Limited Partnership dated November 27, 2002.
4.G*	Registration Rights Agreement by and between El Paso Corporation and El Paso Energy Partners, L.P. dated as of November 27, 2002.
4.H*	A/B Exchange Registration Rights Agreement by and among El Paso Energy Partners, L.P., El Paso Energy Partners Finance Corporation, the Subsidiary Guarantors party thereto, J.P. Morgan Securities Inc.,

Goldman, Sachs & Co., UBS Warburg LLC and Wachovia Securities, Inc. dated as of November 27, 2002.

4.I* Indenture dated as of November 27, 2002 by and among El Paso Energy Partners, L.P., El Paso Energy Partners Finance Corporation, the Subsidiary Guarantors named therein and JPMorgan Chase Bank, as Trustee.

10.A* Amended and Restated General and Administrative Services Agreement by and between DeepTech International Inc., El Paso Energy Partners Company and El Paso Field Services, L.P. dated November 27, 2002.

10.R* Purchase Agreement by and among El Paso Energy Partners, L.P., El Paso Energy Partners Finance Corporation, the Subsidiary Guarantors party thereto, J.P. Morgan Securities Inc., Goldman, Sachs & Co., UBS Warburg LLC and Wachovia Securities, Inc. dated November 22, 2002.

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 thereunto duly authorized.

EL PASO ENERGY PARTNERS, L.P.
By: El Paso Energy Partners Company,
its General Partner

Date: December 11, 2002

By: /s/ D. MARK LELAND

D. Mark Leland
Senior Vice President and Controller
(Principal Accounting Officer)

EXHIBIT INDEX

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EXHIBIT 2.A

Execution Version

CONTRIBUTION, PURCHASE AND SALE AGREEMENT

By and Between

EL PASO CORPORATION
(Seller)

and

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

Covering the Acquisition of

THE FOLLOWING EQUITY INTERESTS IN
(Acquired Company Equity Interests)

100% of ANR Central Gulf Gathering Company, L.L.C.,
100% of El Paso San Juan, L.L.C.,
100% of El Paso South Texas, L.P., and
50% of Coyote Gas Treating, LLC
(the Acquired Companies)

and

Certain Residual Interests related to the Chaco Plant, and
The Typhoon Oil Gathering System
(the Acquired Assets)

November 21, 2002

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[We agree to furnish supplementally a copy of any of the above schedules or exhibits to the Commission upon request.]

CONTRIBUTION, PURCHASE AND SALE AGREEMENT

THIS CONTRIBUTION, PURCHASE AND SALE AGREEMENT (this "Agreement") dated as of November 21, 2002 is by and between El Paso Corporation, a Delaware corporation ("Seller"), and El Paso Energy Partners, L.P., a Delaware limited partnership (the "Buyer"). The Seller and the Buyer are sometimes referred to collectively herein as the "Parties" and individually as a "Party."

INTRODUCTION

1. The Seller (through subsidiaries and a joint venture) beneficially owns the indicated interest in the assets/facilities commonly known as:

Assets/Facilities	Beneficial Ownership Historical Record Owner
100% Chaco Liquids Processing Plant (certain residual El Paso interests) 100% San Juan Basin Gathering System, which includes El Paso Field Services, L.P. o San Juan Gathering System o Blanco Compression Plant o Global Compression Plant o Rattlesnake Treating Plant o Florida River Compression Facility o Certain related assets (including wellhead automation telemetry technology) 50% Coyote Gulch Processing Plant	Coyote Gas Treating, LLC
100% South Texas Pipeline Assets	Coastal Liquid Partners, L.P.
o Houston 8" Pipeline o Hidalgo Terminal/Propane Pipeline o Markham Butane Shuttle o Texas City 6" Pipeline/Terminal o Almeda Fractionator and related leased storage facilities 100% Typhoon Gas Gathering System	ANR Central Gulf Gathering Company, L.L.C.
100% Typhoon Oil Gathering System	El Paso Merchant

2. The Seller desires to sell and/or contribute to the Buyer, and the Buyer desires to purchase and/or receive from the Seller, the Seller's beneficial interest in such assets/facilities;

3. To effect such contribution, sale and purchase, the Seller has reorganized the manner in which it holds such beneficial interest to be as follows:

Acquired Beneficial Company/Acquired Assets/Facilities	Current Record Owner of Ownership Asset Owner	Acquired Company
------	100%	Chaco Liquids Processing Plant (certain El Paso New Chaco, n/a residual interests) L.L.C. 100% San Juan Basin Gathering System, which includes El Paso San Juan, L.L.C. El Paso San Juan Holding Company, L.P. o San Juan Gathering System o Blanco Compression Plant o Global Compression Plant o Rattlesnake Treating Plant o Florida River Compression Facility o Certain related assets (including wellhead automation telemetry technology) 50% Coyote Gulch Processing Plant	Coyote Gas Treating, LLC El Paso San Juan, L.L.C. 100% South Texas Pipeline Assets El Paso South Texas, El Paso Merchant L.P. Energy-Petroleum Company and ANR o Houston 8" Pipeline Production Company o Hidalgo Terminal/Propane Pipeline o Markham Butane Shuttle o Texas City 6" Pipeline/Terminal o Almeda Fractionator and related leased storage facilities 100% Typhoon Gas Gathering System	ANR Central Gulf

El Paso Typhoon, Inc. Gathering Company, L.L.C.	100%	Typhoon Oil Gathering System
El Paso Merchant Energy-Petroleum Company	n/a	

4. Subject to the terms and conditions set forth in this agreement, the Seller will sell and/or contribute to the Buyer, and the Buyer will purchase and acquire from the Seller, the Seller's beneficial interest in such assets/facilities in a transaction pursuant to which:

- the Seller would cause the record owners (as of the closing time) of the indicated equity interests in the above referenced acquired entities to transfer record and beneficial ownership of such equity interests to the Buyer (or its designee);

- the Seller would cause El Paso Merchant Energy-Petroleum Company to transfer 100% of the record and beneficial ownership interest in the Typhoon Oil Gathering System to the Buyer (or its designee);

- the Seller would cause El Paso New Chaco, L.L.C. to transfer 100% of the record and beneficial interest in the Chaco Plant residual interests as further described below; and

- the Buyer would pay and issue to the Seller the consideration described in this Agreement.

5. Subsidiaries of the Seller are party to a tolling agreement and lease arrangements with subsidiaries of the Buyer covering the Chaco Liquids Processing Plant, pursuant to which such subsidiaries have (a) the right to purchase the Chaco plant and certain related rights for approximately $77 million and (b) if such right is not exercised, the obligation (among other things) to make a substantial forfeiture payment to the Buyer.

6. The Seller desires to avoid being required to incur the forfeiture payment and the other related obligations; accordingly, the Seller (through its applicable subsidiary) desires to exercise its right to acquire the Chaco plant and such related rights.

7. The Buyer desires (i) to preserve its rights, and realize the relative economics provided, under the lease and tolling arrangements, regardless of whether or not the transactions contemplated by this Agreement are consummated, and (ii) ultimately to acquire and own the Chaco plant and the other rights and interests related thereto as contemplated by this Agreement, which would require (a) the exercise by the applicable subsidiary of the Seller of its option to purchase the plant under the applicable lease arrangements, (b) the conveyance of title to the plant from the applicable subsidiary of the Buyer to such Seller subsidiary, (c) the repurchase of the plant from such Seller subsidiary and (d) the reconveyance of title to the plant from such Seller subsidiary to a subsidiary of the Buyer, subject to the obligations set forth in the tolling agreement (as amended at closing) and the Repurchase Agreement (defined below).

8. Upon consummation of the transactions contemplated by this Agreement, the Buyer and the Seller desire to cause the transactions described in (a) - (d) in Recital 7 above to have substantively occurred (or to be deemed to have substantively occurred) without the need to make the various technical assignments back and forth between the applicable entities.

In consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows:

AGREEMENT

1. Definitions.

"Acquired Assets Contracts" has the meaning set forth in Section 4(g).

"Acquired Assets Assignment" means the assignment and assumption agreement in the form of Exhibit D-2.

"Acquired Assets" means all rights, title and interest in (i) the rights and assets comprising the Typhoon Oil Pipeline and the related facilities, rights of way and other assets existing on Typhoon Oil Pipeline and all rights and assets related to or devised from such assets that are acquired or accrue between the date hereof and the Closing Date, and (ii) the rights and assets owned by New Chaco, substantially all of which ((i) and (ii)) are more particularly described on Exhibit B.

"Acquired Companies" means ANR Central Gulf, San Juan Co., South Texas Co. and Coyote Gas.

"Acquired Company Assets" means, excluding the Retained Assets, the San Juan Assets, the South Texas Assets, the Typhoon Gas Pipeline and the Coyote Gas Assets, substantially all of which are more particularly described on Exhibit A.

"Acquired Company Contracts" has the meaning set forth in Section 4(g).

"Acquired Company Equity Interests" means the ANR Central Gulf Interest, the San Juan Interest, the South Texas Interest and the Coyote Gas Interest, all of which are being acquired by the Buyer pursuant to this Agreement through the Acquired Company Equity Interests Assignment.

"Acquired Company Equity Interests Assignment" means the assignment of equity interests in the form of Exhibit D-1.

"Adverse Consequences" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, Taxes, liens, losses, expenses, and fees, including court costs and attorneys' fees and expenses, but excluding punitive (except as provided in Section 8), exemplary, special or consequential damages.

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act; provided, however, that (i) with respect to the Buyer, the term "Affiliate" shall exclude each member of the El Paso Group, (ii) with respect to the Seller, the term "Affiliate" shall exclude each member of the Buyer Group and (iii) the Acquired Companies shall be deemed to be Affiliates (x) prior to the Closing, of the Seller and (y) on and after the Closing, of the Buyer.

"Agreement" has the meaning set forth in the preface.

"ANR Central Gulf" means ANR Central Gulf Gathering Company, L.L.C., a Delaware limited liability company.

"ANR Central Gulf Interest" means a 100% membership interest in ANR Central Gulf.

"ANR Company" means ANR Pipeline Company, a Delaware corporation.

"ANR Production" means ANR Production Company, a Delaware corporation.

"Assumed Obligations" has the meaning set forth in Section 2(f).

"Basis" means any past or current fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction about which the relevant Person has Knowledge that forms or could form the basis for any specified consequence.

"Best Efforts" means the efforts, time, and costs that a prudent Person desirous of achieving a result would use, expend, or incur in similar circumstances to ensure that such result is achieved as expeditiously as possible; provided, however, that no such use, expenditure, or incurrence shall be required if it could reasonably be expected to have an adverse effect on such Person and would require an expense of such Person in excess of $1,000,000.

"Buyer" has the meaning set forth in the preface.

"Buyer Group" means (i) the General Partner, (ii) the Buyer, (iii) each Affiliate of the Buyer in which the Buyer owns (directly or indirectly) an Equity Interest and (iv) each natural person that is an Affiliate of any Person described in (i) - (iii) above solely because of such natural person's position as an officer (or natural person performing similar functions), director (or natural person performing similar functions) or other representative of any Person described in (i) - (iii) above, but only to the extent that such natural person is acting in such capacity.

"Buyer Indemnitees" means, collectively, the Buyer and its Affiliates and each of their respective officers (or natural persons performing similar functions), directors (or natural persons performing similar functions), employees, agents and representatives to the extent acting in such capacity.

"Buyer Party" means each of (i) the Buyer, (ii) each Affiliate of the Buyer (other than, prior to Closing, the Acquired Companies) in which the Buyer owns (directly or indirectly) an Equity Interest and which is a party to any Transaction Agreement and (iii) immediately after the Closing, each of the Acquired Companies.

"Cash Purchase Price" means the Purchase Price minus the Series C Unit Amount.

"CERCLA" has the meaning set forth in Section 4(i).

"Closing" has the meaning set forth in Section 2(c).

"Closing Date" has the meaning set forth in Section 2(c).

"Closing Statement" has the meaning set forth in Section 2(e)(i).

"Coastal Partners" means Coastal Liquids Partners, L.P., a Delaware limited partnership.

"Coastal Shared Rights of Way" means the rights-of-way, easements, surface leases, fee properties, permits, licenses, franchises or other rights of ingress, egress and use of land used in connection therewith set forth on Schedule 2(d)(iii)(G), which constitute rights-of-way, easements, surface leases, fee properties, permits, licenses, franchises or other rights of ingress, egress and use of land used in connection therewith associated with, arising out of, or related to the ownership or operation of the South Texas Assets and in which South Texas Co., Coastal Partners or a third party may be granted rights.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor Law.

"Commitment" means (a) options, warrants, convertible securities, exchangeable securities, subscription rights, conversion rights, exchange rights or other contracts that could require a Person to issue any of its Equity Interests or to sell any Equity Interest it owns in another Person; (b) any other securities convertible into, exchangeable or exercisable for, or representing the right to subscribe for any Equity Interest of a Person or owned by a Person; (c) statutory pre-emptive rights or pre-emptive rights granted under a Person's Organizational Documents; and (d) stock appreciation rights, phantom stock, profit participation, or other similar rights with respect to a Person.

"Confidentiality Agreement" means the Confidentiality Agreement, dated June 28, 2002, by and between El Paso Field Services, L.P. and the Buyer.

"Construction Costs" means, without duplication, the out-of-pocket construction costs that are capitalized by an Acquired Company (after reimbursement to a member of the Seller Group, if applicable) in accordance with GAAP which are paid or payable by any member of the Seller Group (excluding any Acquired Company) to an un-Affiliated Person to the extent such costs are described on Exhibit E and South Texas Co. receives the benefit related to such costs.

"Coyote Gas" means Coyote Gas Treating, LLC, a Colorado limited liability company.

"Coyote Gas Assets" means all of the assets of Coyote Gas.

"Coyote Gas Interest" means a 50% membership interest in Coyote Gas.

"Coyote Gas Note" means the Promissory Note made by Coyote Gas dated June 28, 2002 in favor of Field Services in the principal amount of $17.5 million.

"Coyote Gas Note Assignment" means the assignment of promissory note in the form of Exhibit D-3.

"Coyote Gas Treating Agreement" means the Gas Compression and Treating Agreement, dated March 30, 1996, between Red Cedar Gathering Company, a Colorado joint venture and Coyote Gas.

"Delaware LLC Act" means the Delaware Limited Liability Company Act as in effect on the date of this Agreement and as amended, restated or replaced from time to time thereafter.

"Delaware LP Act" means the Delaware Revised Uniform Limited Partnership Act as in effect on the date of this Agreement and as amended, restated or replaced from time to time thereafter.

"Delos" means Delos Offshore Company, L.L.C., a Delaware limited liability company.

"Effective Time" means the point in time immediately following the last day of the calendar month immediately preceding the calendar month in which the Closing occurs.

"El Paso CGP" means El Paso CGP Company, a Delaware corporation.

"El Paso Group" means, other than members of the Buyer Group, (i) each Affiliate of the Seller in which the Seller owns (directly or indirectly) an Equity Interest and (ii) each natural person that is an Affiliate of any Person described in (i) above solely because of such natural person's position as an officer (or natural person performing similar functions), director (or natural person performing similar functions) or other representative of any Person described in (i) above, but only to the extent that such natural person is acting in such capacity.

"El Paso Natural Gas" means El Paso Natural Gas Company, a Delaware corporation.

"El Paso Shared Rights of Way" means the rights-of-way, easements, surface leases, fee properties, permits, licenses, franchises or other rights of ingress, egress and use of land used in connection therewith set forth on Schedule 2(d)(iii)(F), which constitute rights-of-way, easements, surface leases, fee properties, permits, licenses, franchises or other rights of ingress, egress and use of land used in connection therewith associated with, arising out of, or related to the ownership or operation of the San Juan Assets and in which San Juan Co., El Paso Natural Gas or a third party may be granted rights.

"El Paso Typhoon" means El Paso Typhoon, Inc., a Delaware corporation.

"Encumbrance" means any mortgage, pledge, lien, encumbrance, charge, security interest, purchase or preferential right, right of first refusal, option or other defect in title.

"Environmental Law" and "Environmental Laws" have the meanings set forth in Section 4(i).

"EP" has the meaning set forth in the preface.

"Equity Interest" means (a) with respect to a corporation, any and all shares of capital stock and any Commitments with respect thereto, (b) with respect to a partnership, limited liability company, trust or similar Person, any and all units, interests or other partnership, limited liability company, trust or similar interests, and any Commitments with respect thereto, and (c) any other direct equity ownership or participation in a Person.

"Exchange Agreement" has the meaning set forth in Section 9(p).

"Field Services" means El Paso Field Services, L.P., a Delaware limited partnership.

"Financial Statements" has the meaning set forth in Section 4(k).

"FTC" has the meaning set forth in Section 3(a)(ii).

"GAAP" means accounting principles generally accepted in the United States consistently applied.

"General Partner" means El Paso Energy Partners Company, a Delaware corporation and the general partner of the Buyer.

"Governmental Authority" means the United States or any agency thereof and any state, county, city or other political subdivision, agency, court or instrumentality.

"Hazardous Substances" means all materials, substances, chemicals, gas and wastes that are designated or defined (either by inclusion in a list of materials or by reference to exhibited characteristics) as hazardous, toxic or dangerous, or as a pollutant or contaminant under any Environmental Law, or which may form the basis for liability under any Environmental Law.

"Holding" means El Paso Field Services Holding Company, a Delaware corporation.

"Indebtedness" means, with respect to any Person, to the extent not classified as a current liability, on a consolidated basis, all Obligations of the Person to other Persons for (a) borrowed money, (b) any capital lease Obligation, (c) any Obligation (whether fixed or contingent) to reimburse any bank or other Person in respect of amounts paid or payable under a standby letter of credit, (d) any guarantee with respect to indebtedness (of the kind otherwise described in this definition) of any Person and (e) any liability, indebtedness or other Obligation of the Person.

"Indemnified Party" has the meaning set forth in Section 8(d).

"Indemnifying Party" has the meaning set forth in Section 8(d).

"Joint Use Agreement" means one or more agreements reasonably acceptable to both Parties setting forth the Parties rights and obligations with respect to the Shared Rights of Way.

"Knowledge" means as follows: an individual shall be deemed to have "Knowledge" of a particular fact or other matter if such individual is consciously aware of such fact or other matter at the time of determination after due inquiry. A Person other than a natural person shall be deemed to have "Knowledge" of a particular fact or other matter if (i) any natural person who is serving as a director, executive officer, partner, member, executor, or trustee of such Person (or in any similar capacity) or (ii) any employee (or any natural person serving in a similar capacity) who is charged with the ultimate responsibility for a particular area of such Person's operations (e.g., the manager of the environmental section with respect to Knowledge of environmental matters), at the time of determination and after due inquiry had Knowledge of such fact or other matter; provided, however, that the Seller shall also be deemed to have Knowledge of any facts or other matters of which a Seller Party, any Acquired Company, ANR Company, El Paso CGP, El Paso Typhoon, Field Services, or Merchant-Energy has Knowledge (as defined above) prior to the Closing Date.

"Law" or "Laws" means any statute, code, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any applicable Governmental Authority.

"Legal Right" means the legal authority and right (without risk of liability, criminal, civil or otherwise), such that the contemplated conduct would not, to the extent arising from, related to or in any way connected with Coyote Gas or the Coyote Gas Assets (including under any Organizational Documents thereof or any contract, agreement or arrangement related thereto) constitute a violation, termination or breach of, or require any payment under, or cause or permit any termination under, any contract or agreement; arrangement; applicable Law; fiduciary,

quasi-fiduciary or similar duty; or any other obligation of or by Coyote Gas or with respect to the Coyote Gas Assets.

"Maintenance Capital" means the direct, out-of-pocket costs that are capitalized by an Acquired Company in accordance with GAAP that are reasonably incurred by the Buyer or any of its Affiliates directly related to the maintenance or overhaul of the Relevant Assets.

"Management" means El Paso Field Services Management, Inc., a Delaware corporation.

"Material Adverse Effect" means, without duplication, any change or effect relating to the Acquired Company Equity Interests, the Relevant Assets or the businesses, operations (financial or otherwise) and properties of the Acquired Companies or relating to the Relevant Assets, taken as a whole, that, individually or in the aggregate with other changes or effects, materially and adversely affects the value of the Acquired Company Equity Interests or the Relevant Assets, taken as a whole, provided that in determining whether a Material Adverse Effect has occurred, changes or effects relating to (i) the natural gas pipeline, treating and processing industry generally (including the price of natural gas and the costs associated with the drilling and/or production of natural gas), (ii) United States or global economic conditions or financial markets in general, or (iii) the transactions contemplated by this Agreement, shall not be considered.

"Maximum Annual Maintenance Reimbursement" means the following amounts: (i) for the calendar year ending December 31, 2003, $8,112,000; (ii) for the calendar year ending December 31, 2004, $7,634,000; and (ii) for the calendar year ending December 31, 2005, $7,833,000.

"Merchant-Energy" means El Paso Merchant-Energy Petroleum Company, a Delaware corporation.

"Minimum Annual Maintenance Capital Amount" means the Maintenance Capital for the following years in the following amounts: (i) for the calendar year ending December 31, 2003, $14,371,000; (ii) for the calendar year ending December 31, 2004, $11,549,000; and (ii) for the calendar year ending December 31, 2005, $10,492,000.

"New Chaco" means El Paso New Chaco, L.L.C. a Delaware limited liability company.

"New Chaco Assets" means all of the assets of New Chaco.

"New Chaco Holding" means El Paso New Chaco Holding Company, L.P., a Delaware limited partnership.

"Obligations" means duties, liabilities and obligations, whether vested, absolute or contingent, known or unknown, asserted or unasserted, accrued or unaccrued, liquidated or unliquidated, due or to become due, and whether contractual, statutory or otherwise.

"Ordinary Course of Business" means the ordinary course of business consistent with the applicable Person's past custom and practice (including with respect to quantity and frequency).

"Organizational Documents" means the articles of incorporation, certificate of incorporation, charter, bylaws, articles or certificate of formation, regulations, operating agreement, certificate of limited partnership, partnership agreement, and all other similar documents, instruments or certificates executed, adopted, or filed in connection with the creation, formation, or organization of a Person, including any amendments thereto.

"Party" and "Parties" have the meanings set forth in the preface.

"Permitted Encumbrances" means any of the following: (i) any liens for Taxes and assessments not yet delinquent or, if delinquent, that are being contested in good faith in the Ordinary Course of Business, provided that adequate reserve accounts have been established in accordance with GAAP; (ii) inchoate, mechanic's, materialmen's, and similar liens; (iii) any inchoate liens or other Encumbrances created pursuant to (1) any operating, farmout, construction, operation and maintenance, co-owners, cotenancy, lease or similar agreements listed on Schedule 1(b) for which amounts are not due or (2) the Organizational Documents of any of the Acquired Companies for which amounts are not due; and (iv) easements, rights-of-way, restrictions and other similar Encumbrances incurred in the Ordinary Course of Business which, in the aggregate, are not substantial in amount and which do not in any case materially detract from the value of the property subject thereto as it is currently being used or materially interfere with the ordinary conduct of the business.

"Person" means an individual or entity, including any partnership, corporation, association, joint stock company, trust, joint venture, limited liability company, unincorporated organization, or Governmental Authority (or any department, agency or political subdivision thereof).

"Post-Closing Tax Period" means any Tax period beginning after the Closing Date.

"Post-Closing Tax Return" means any Tax Return that is required to be filed for any of the Acquired Companies, the Seller or any of its Affiliates with respect to a Post-Closing Tax Period.

"Pre-Closing Obligations" means (other than Obligations for which the Buyer Indemnitees are entitled to indemnify under Sections 8(b)(iii) - (ix)) all Obligations associated with, arising out of, or related to the ownership or operation of the Relevant Assets and attributable to the period ending immediately prior to the Closing.

"Pre-Closing Tax Period" means any Tax periods or portions thereof ending on or before the Closing Date.

"Pre-Closing Tax Return" means any Tax Return that is required to be filed for any Acquired Company, the Seller or any of its Affiliates with respect to a Pre-Closing Tax Period.

"Preferential Rights" has the meaning set forth in Section 4(j).

"Prime Rate" means the prime rate reported in the Wall Street Journal at the time such rate must be determined under the terms of this Agreement.

"Proposed Closing Statement" has the meaning set forth in Section 2(e)(i).

"Purchase Price" means $782 million plus (i) the amount, if any, by which the total of the Purchase Price Increases exceeds the total of the Purchase Price Decreases, or minus (ii) the amount, if any, by which the total of the Purchase Price Decreases exceeds the total of the Purchase Price Increases.

"Purchase Price Decreases" means, without duplication, the following: (i) 100% of the amount, if any, of negative Working Capital of the Acquired Companies other than Coyote Gas, or constituting part of the Acquired Assets, in each case as of the Effective Time, as determined and calculated in accordance with GAAP, (ii) 100% of the amount, if any, of all of the consolidated Indebtedness (other than Indebtedness otherwise included in Working Capital) of the Acquired Companies other than Coyote Gas, or constituting part of the Acquired Assets, in each case as of the Effective Time, (iii) 50% of the amount, if any, of negative Working Capital of Coyote Gas as of the Effective Time, as determined and calculated in accordance with GAAP, (iv) 50% of the amount, if any, of all of the consolidated Indebtedness (other than Indebtedness otherwise included in Working Capital) of Coyote Gas as of the Effective Time, (v) 100% of all distributions made by the Acquired Companies other than Coyote Gas after the Effective Time and (vi) 50% of all distributions made by Coyote Gas after the Effective Time.

"Purchase Price Increases" means, without duplication, (i) 100% of the amount, if any, of positive Working Capital of the Acquired Companies other than Coyote Gas, or constituting part of the Acquired Assets, in each case as of the Effective Time, as determined and calculated in accordance with GAAP, (ii) 50% of the amount, if any, of positive Working Capital of Coyote Gas as of the Effective Time, as determined and calculated in accordance with GAAP, (iii) 100% of the Construction Costs, if any, incurred from and including June 1, 2002 to, but excluding, the Effective Time, provided, however, that the Purchase Price shall not be increased by more than $49 million pursuant to this sub-section (iii), regardless of the amount of actual Construction Costs incurred, (iv) 100% of the Construction Costs, if any, incurred from and including the Effective Time to, but excluding, the Closing Date to the extent not reducing the Working Capital of an Acquired Company from and including the Effective Time to, but excluding, the Closing Date and (v) the interest on the Purchase Price from and including the Effective Time to, but excluding, the Closing Date at a rate per annum equal to the Prime Rate plus two percent, calculated on the basis of a year of 365 days.

"Records" has the meaning set forth in Section 6(d).

"Registration Rights Agreement" means an agreement substantially in the form of Exhibit I.

"Relevant Assets" means the Acquired Company Assets and the Acquired Assets, including any assets covered by Section 6(g) .

"Reorganization Transactions" has the meaning set forth in Section 4(q).

"Repurchase Agreement" means an agreement substantially in the form of Exhibit K.

"Retained Assets" means, other than the Relevant Assets, each and every right, title, interest or other asset owned by, or that in any way accrued to the benefit of, any Acquired Company or Seller Party (including their respective successors) prior to the Closing Date, including the rights, title, interests and assets described on Exhibit C.

"Retained Obligations" means all Obligations, regardless of when such Obligations actually arise or arose, (i) associated with, arising out of, or related to the ownership or operation of the Retained Assets and (ii) other than the Assumed Obligations and any Obligations explicitly set forth on the face of the balance sheet constituting part of the Financial Statements described in Section 4(k)(i)(B), existing on the Closing Date and not associated with the Relevant Assets.

"Rights of Way" means any and all rights-of-way, easements, surface leases, fee properties, permits, licenses, franchises or other rights of ingress, egress and use of land associated with, arising out of, or related to the ownership or operation of the Relevant Assets.

"San Juan Assets" means all the assets of San Juan Co.

"San Juan Co." means El Paso San Juan, L.L.C., a Delaware limited liability company.

"San Juan Holding" means El Paso San Juan Holding Company, L.P., a Delaware limited partnership.

"San Juan Interest" means a 100% membership interest in San Juan Co.

"SEC" has the meaning set forth in Section 3(b)(vii).

"SEC Documents" has the meaning set forth in Section 3(b)(vii).

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Seller" has the meaning set forth in the preface.

"Seller's Disclosure Schedules" is defined in Section 5(g).

"Seller Indemnitees" means, collectively, the Seller and its Affiliates and each of their respective officers (or Persons performing similar functions), directors (or Persons performing similar functions), employees, agents, and representatives.

"Seller Party" means each of (i) the Seller, (ii) each Affiliate of the Seller (other than, after the Closing, the Acquired Companies) in which the Seller owns (directly or indirectly) an Equity Interest and which is a party to any Transaction Agreement and (iii) up to and through the Closing, each of the Acquired Companies.

"Series C Unit Amount" means $350 million.

"Series C Units" means Series C Units representing limited partner interests in the Buyer, which have the terms set forth in Exhibit H.

"Shared Rights of Way" means all of the Coastal Shared Rights of Way and the El Paso Shared Rights of Way.

"South Texas 2% LP Interest" means a 2.194% limited partner interest in South Texas Co.

"South Texas 97% LP Interest" means a 97.002% limited partner interest in South Texas Co.

"South Texas Assets" means all of the assets of South Texas Co.

"South Texas Co." means El Paso South Texas, L.P. a Delaware limited partnership.

"South Texas GP Interest" means a .804% general partner interest in South Texas Co.

"South Texas Interest" means the South Texas 2% LP Interest, the South Texas 97% LP Interest and the South Texas GP Interest.

"Spin Down Agreement" means the Agreement to Transfer, dated October 4, 1996 but made effective on January 1, 1996, between El Paso Field Services Company and El Paso Natural Gas, providing for the transfer of field systems and other field assets.

"Straddle Period" means a Tax period or year commencing before and ending after the Closing Date.

"Straddle Return" means a Tax Return for a Straddle Period.

"Subject Contracts" has the meaning set forth in Section 4(g).

"Subject Insurance Policies" means those material policies of insurance, the current policies of which are listed on Schedule 1(a), which the Seller or any of its Affiliates maintain covering any Acquired Company or any Relevant Assets with respect to its assets and operations.

"Tax" or "Taxes" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), custom duties, capital stock, franchise, profits, withholding, social security (or similar excises), unemployment, disability, ad valorem, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

"Tax Records" means all Tax Returns and Tax-related work papers relating to any Relevant Asset.

"Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Third Party Claim" has the meaning set forth in Section 8(d).

"Tolling Agreement Amendment" means an agreement substantially in the form of Exhibit J.

"Transaction Agreements" means this Agreement, the Acquired Assets Assignment, the Acquired Company Equity Interests Assignments, the Joint Use Agreement, the Coyote Note Assignment, the Exchange Agreement (if applicable), the Repurchase Agreement, the Tolling Agreement Amendment and all other agreements, documents, certificates or instruments executed and delivered in connection with the transactions contemplated herein.

"Typhoon Gas Pipeline" means the 35-mile, 20-inch natural gas pipeline located in the Green Canyon area of the Gulf of Mexico and originating on the Chevron/BHP "Typhoon" platform in Green Canyon Block 237.

"Typhoon Oil Pipeline" means the 16-mile, 12-inch oil pipeline located in the Green Canyon area of the Gulf of Mexico and originating on the Chevron/BHP "Typhoon" platform in Green Canyon Block 237.

"Working Capital" means current assets less current liabilities.

2. The Transactions.

(a) Sale and Contribution of Acquired Company Equity Interests and Acquired Assets. Subject to the terms and conditions of this Agreement, the Seller agrees to sell and/or contribute (and, as applicable, agree to cause to be sold and/or contributed to) the Buyer (or its designee(s)) the Acquired Company Equity Interests and all of the rights, title and interest in and to the Acquired Assets, in each case as further set forth in Section 2(b) and free and clear of any Encumbrances other than Permitted Encumbrances, and the Buyer agrees (or agrees to cause its designee(s)) to purchase and accept contribution of the Acquired Company Equity Interests and all of the rights, title and interest in the Acquired Assets, in each case as further set forth in Section 2(b).

(b) Consideration. In consideration for the contribution and assignment of the Acquired Company Equity Interests and the Acquired Assets, the Buyer agrees to pay the Seller the cash consideration amounts set forth below, in cash by wire transfer of immediately available federal funds, and to issue 10,937,500 Series C Units to the Seller or its designee(s), in each case as further set forth in this Section 2(b). All cash payments will be made to the Seller, and the Seller will be responsible for allocating and distributing such consideration among any applicable Seller Parties. The Seller will cause the Acquired Company Equity Interests and the Acquired Assets to be contributed and assigned as follows, and the Buyer will pay and issue the Purchase Price as follows:

(i) the ANR Central Gulf Interest will be assigned to the Buyer for $52 million of cash; and

(ii) the remaining Acquired Company Equity Interests, and the Acquired Assets, will be contributed to the Buyer for (A) an amount of cash equal to (x) the Cash Purchase Price minus (y) $52 million and (B) 10,937,500 Series C Units, representing $350 million of the Purchase Price consideration.

Any adjustment in the Purchase Price associated with Purchase Price Increases or Purchase Price Decreases shall be made in cash and shall not adjust the number of Series C Units issued hereunder.

(c) The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of the Seller, commencing at 10:00 a.m., local time, on the third business day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby has occurred (other than conditions with respect to actions each Party shall take at the Closing itself) or such other date as the Parties may mutually determine (the "Closing Date").

(d) Deliveries at the Closing. At the Closing,

(i) the Seller shall deliver to the Buyer the various certificates, instruments, and documents referred to in Sections 7(a) and 9(o);

(ii) the Buyer shall deliver to the Seller the various certificates, instruments, and documents referred to in Section 7(b);

(iii) the Seller shall cause

(A) San Juan Holding to execute and deliver an Acquired Company Equity Interests Assignment with respect to the San Juan Interest,

(B) Merchant-Energy and ANR Production to execute and deliver an Acquired Company Equity Interests Assignment with respect to the South Texas Interest,

(C) El Paso Typhoon to execute and deliver the Acquired Company Equity Interests Assignment with respect to the ANR Central Gulf Interest,

(D) Each of Merchant-Energy and New Chaco to execute and deliver an Acquired Assets Assignment with respect to the Acquired Assets,

(E) Field Services to execute and deliver the Coyote Gas Note Assignment,

(F) El Paso Natural Gas to execute and deliver one or more Joint Use Agreements with respect to the El Paso Shared Rights of Way, and

(G) Coastal Partners to execute and deliver one or more Joint Use Agreements with respect to the Coastal Shared Rights of Way;

(iv) the Buyer and the Seller shall execute and deliver the Registration Rights Agreement and the Repurchase Agreement;

(v) the Buyer shall cause Delos, and the Seller shall cause New Chaco Holding, to execute and deliver the Tolling Agreement Amendment;

(vi) the Buyer shall deliver to the Seller the estimated Purchase Price (consisting of the Cash Purchase Price and 10,937,500 Series C Units) as set forth on the Proposed Closing Statement; and

(vii) the Parties shall execute and/or deliver, or cause to be executed and/or delivered, to each other the other Transaction Agreements (including the Exchange Agreement, if applicable).

(e) Proposed Closing Statement and Post-Closing Adjustment.

(i) On or prior to the Closing Date, the Seller shall cause to be prepared and delivered to the Buyer a statement (the "Proposed Closing Statement"), as prepared and determined in accordance with GAAP to the extent applicable, setting forth the Seller's good faith estimate, including reasonable detail, of the Purchase Price. As soon as practicable, but in any event no later than 60 days following the Closing Date, the Seller shall cause to be prepared and delivered to the Buyer a statement, including reasonable detail, of the actual Purchase Price (such statement, as it may be adjusted pursuant to Section 2(e)(ii), the "Closing Statement").

(ii) Upon receipt of the Closing Statement, the Buyer and the Buyer's independent accountants shall be permitted during the succeeding 30-day period to examine the work papers used or generated in connection with the preparation of the Closing Statement and such other documents as the Buyer may reasonably request in connection with its review of the Closing Statement. Within 30 days of receipt of the Closing Statement, the Buyer shall deliver to the Seller a written statement describing in reasonable detail its objections (if any) to any amounts or items set forth on the Closing Statement. If the Buyer does not raise objections within such period, then, the Closing Statement shall become final and binding upon all Parties at the end of such period. If the Buyer raises objections, the Parties shall negotiate in good faith to resolve any such objections. If the Parties are unable to resolve any disputed item within 60 days after the Buyer's receipt of the Closing Statement, any such disputed item shall be submitted to a nationally recognized independent accounting firm mutually agreeable to the Parties who shall be instructed to resolve such disputed item within 30 days. The resolution of

disputes by the accounting firm so selected shall be set forth in writing and shall be conclusive, binding and non-appealable upon the Parties and the Closing Statement shall become final and binding upon the date of such resolution. The fees and expenses of such accounting firm shall be paid one-half by the Buyer and one-half by the Seller.

(iii) If the Purchase Price as set forth on the Closing Statement exceeds the estimated Purchase Price as set forth on the Proposed Closing Statement, the Buyer shall pay the Seller in cash the amount of such excess. If the estimated Purchase Price as set forth on the Proposed Closing Statement exceeds the Purchase Price as set forth on the Closing Statement, the Seller shall pay to the Buyer (or its designee) in cash the amount of such excess. After giving effect to the foregoing adjustments, any amount to be paid by the Buyer to the Seller, or to be paid by the Seller to the Buyer, as the case may be, shall be paid in the manner and with interest as provided in Section 2(e)(iv) at a mutually convenient time and place within five business days after the later of acceptance of the Closing Statement or the resolution of the Buyer's objections thereto pursuant to Section 2(e)(ii)).

(iv) Any payments pursuant to this Section 2(e) shall be made by causing such payments to be credited in immediately available funds to such account or accounts of the Buyer or the Seller, as the case may be, as may be designated by the Buyer or the Seller, as the case may be. If payment is being made after the fifth business day referred to in Section 2(e)(iii), the amount of the payment to be made pursuant to this Section 2(e) shall bear interest from and including such fifth business day to, but excluding, the date of payment at a rate per annum equal to the Prime Rate plus two percent. Such interest shall be payable at the same time as the payment to which it relates and shall be calculated on the basis of a year of 365 days and the actual number of days for which due.

(v) The Buyer shall cooperate in the preparation of the Closing Statement, including providing customary certifications to the Seller, and, if requested, to the Seller's independent accountants or the accounting firm selected by mutual agreement of the Parties pursuant to Section 2(e)(ii).

(vi) Except as set forth in Section 2(e)(ii), each Party shall bear its own expenses incurred in connection with the preparation and review of the Closing Statement.

(f) Assumed Obligations. On the Closing Date, subject to the other terms and conditions of this Agreement (including the Seller's indemnification obligations in Section 8(b)), the Buyer will assume and will be obligated to fully and timely pay, perform, and discharge in accordance with their terms, the Obligations (the "Assumed Obligations") relating to:

(i) any and all Obligations of the Seller Parties under the Acquired Asset Contracts, to the extent existing, arising, accruing or otherwise related to the period on, including and after the Effective Time;

(ii) any and all Obligations in any way relating to the abandoning, decommissioning, or removing of any pipelines or facilities constituting any portion of the Acquired Assets or restoring or reconditioning the lands affected thereby; and

(iii) any and all Obligations in any way relating to the ownership or operation of the Acquired Assets arising during, related to or otherwise attributable to acts or omissions of the Buyer that occur or are attributable to the period commencing with the Effective Time, including any Obligations covered by Section 6(g).

3. Representations and Warranties Concerning the Transaction.

(a) Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Buyer as follows:

(i) Organization and Good Standing. Seller is an entity duly organized, validly existing, and in good standing under the Laws of the state of Delaware. Seller is in good standing under the Laws of the state of Texas and each other jurisdiction which requires such qualification, except where the lack of such qualification would not have a Material Adverse Effect.

(ii) Authorization of Transaction. Each Seller Party has full power and authority (including full entity power and authority) to execute and deliver each Transaction Agreement to which such Seller Party is a party and to perform its obligations thereunder. Each Transaction Agreement to which any Seller Party is a party constitutes the valid and legally binding obligation of such Seller Party, enforceable against such Seller Party in accordance with its terms and conditions, subject, however, to the effects of bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Except as set forth on Schedule 3(a)(ii), no Seller Party need give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority or any other Person in order to consummate the transactions contemplated by this Agreement or any other Transaction Agreement to which such Seller Party is a party, except for the prior approval of the Federal Trade Commission ("FTC"), if applicable.

(iii) Noncontravention. Except for prior approval of the FTC (if applicable) and filings specified in Schedule 3(a)(ii) or as set forth in Schedule 3(a)(iii) neither the execution and delivery of any Transaction Agreement to which Seller is a party, nor the consummation of any of the transactions contemplated thereby, shall (A) violate any Law to which any Seller Party is subject or any provision of its Organizational Documents or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or

other arrangement to which any Seller Party is a party or by which it is bound or to which any of its assets or any of the Relevant Assets are subject, except for such violations, defaults, breaches, or other occurrences that do not, individually or in the aggregate, have a material adverse effect on the ability of the Seller or any other Seller Party to consummate the transactions contemplated by such Transaction Agreement.

(iv) Brokers' Fees. No Seller Party has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Buyer could become liable or obligated.

(v) Taxes. To the Knowledge of each Seller Party, the Seller has (i) duly filed all material Tax Returns required to be filed by or with respect to the Seller or its assets or operations with the Internal Revenue Service or other applicable taxing authority, (ii) paid, or adequately reserved against, all Taxes due or claimed due by a taxing authority from or with respect to the Buyer or its assets or operations and (iii) made all material deposits required with respect to Taxes. To the Knowledge of each Seller Party, there has been no material issue raised or material adjustment proposed (and none is pending) by the Internal Revenue Service or any other taxing authority in connection with any Tax Returns relating to the Acquired Assets or operations of the Seller, and no waiver or extension of any statute of limitations as to any federal, state, local or foreign tax matter relating to the Acquired Assets or operations of the Seller has been given by or requested from Seller with respect to any Tax year.

(vi) Investment. The Seller is not acquiring the Series C Units with a view to or for sale in connection with any distribution thereof or any other security related thereto within the meaning of the Securities Act. The Seller is familiar with investments of the nature of the Series C Units, understands that this investment involves substantial risks, has adequately investigated the Buyer and the Series C Units, and has substantial knowledge and experience in financial and business matters such that it is capable of evaluating, and has evaluated, the merits and risks inherent in purchasing the Series C Units, and is able to bear the economic risks of such investment. The Seller has had the opportunity to visit with the Buyer and meet with its officers and other representatives to discuss the business, assets, liabilities, financial condition, and operations of the Buyer, has received all materials, documents and other information that the Seller deems necessary or advisable to evaluate the Buyer and the Series C Units, and has made its own independent examination, investigation, analysis and evaluation of the Buyer and the Series C Units, including its own estimate of the value of the Series C Units. The Seller has undertaken such due diligence (including a review of the properties, liabilities, books, records and contracts of the Buyer) as the Seller deems adequate.

(b) Representations and Warranties of the Buyer. The Buyer hereby represents and warrants to the Seller as follows:

(i) Organization of the Buyer. Each Buyer Party is a limited liability company, limited partnership or corporation duly organized, validly existing, and in good standing under the Laws of the state of Delaware. Each Buyer Party is in good standing under the Laws of the state of Texas and each other jurisdiction which requires such qualification, except where the lack of such qualification would not have a Material Adverse Effect.

(ii) Authorization of Transaction. Each Buyer Party has full power and authority (including full entity power and authority) to execute and deliver each Transaction Agreement to which it is a party and to perform its obligations thereunder. Each Transaction Agreement to which such Buyer Party is a party constitutes the valid and legally binding obligation of such Buyer Party, enforceable against such Buyer Party in accordance with its terms and conditions, subject, however, to the effects of bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Except as set forth on Schedule 3(b)(ii), no Buyer Party needs to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority or any other Person in order to consummate the transactions contemplated by this Agreement or any other Transaction Agreement, except for the prior approval of the FTC, if applicable.

(iii) Noncontravention. Except for the prior approval of the FTC (if applicable) and filings specified in Schedule 3(b)(ii) or as set forth in Schedule 3(b)(iii), neither the execution and delivery of any Transaction Agreement to which any Buyer Party is a party, nor the consummation of any of the transactions contemplated thereby, shall (A) violate any Law to which such Buyer Party is subject or any provision of its Organizational Documents or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, or cancel, or require any notice, approval or consent under any agreement, contract, lease, license, instrument, or other arrangement to which any Buyer Party is a party or by which it is bound or to which any of its assets is subject, except for such violations, defaults, breaches, or other occurrences that do not, individually or in the aggregate, have a material adverse effect on the ability of any Buyer Party to consummate the transactions contemplated by such Transaction Agreement.

(iv) Brokers' Fees. No Buyer Party has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Seller could become liable or obligated.

(v) Investment. The Buyer is not acquiring the Acquired Company Equity Interests or the Relevant Assets with a view to or for sale in connection with any distribution thereof or any other security related thereto within the

meaning of the Securities Act. The Buyer is familiar with investments of the nature of the Acquired Company Equity Interests and the Relevant Assets, understands that this investment involves substantial risks, has adequately investigated the Acquired Company Equity Interests and the Relevant Assets, and has substantial Knowledge and experience in financial and business matters such that it is capable of evaluating, and has evaluated, the merits and risks inherent in purchasing the Acquired Company Equity Interests and the Relevant Assets, and is able to bear the economic risks of such investment. The Buyer has had the opportunity to visit with the Seller and their applicable Affiliates and meet with their representative officers and other representatives to discuss the business, assets, liabilities, financial condition, and operations of the Acquired Companies and the Relevant Assets, has received all materials, documents and other information that the Buyer deems necessary or advisable to evaluate the Acquired Companies and the Relevant Assets, and has made its own independent examination, investigation, analysis and evaluation of the Acquired Companies and the Relevant Assets, including its own estimate of the value of the Acquired Companies and the Relevant Assets. The Buyer has undertaken such due diligence (including a review of the Acquired Assets, properties, liabilities, books, records and contracts of the Acquired Companies and the Relevant Assets) as the Buyer deems adequate.

(vi) Series C Units. The issuance of the Series C Units by the Buyer has been duly authorized and approved by all requisite partnership actions, and such Series C Units shall, when issued in consideration for the contribution by the Seller of the Acquired Company Equity Interests (other than the ANR Central Gulf Interest) pursuant to Section 2(b)(ii), be validly issued, fully paid and (except as set forth in Sections 17-303(a) and 17-607 of the Delaware LP Act) non-assessable, and (except as described in the Buyer's limited partnership agreement) will not be subject to any preemptive rights created by statute, the Buyer's organizational documents or any other agreement to which the Buyer is a party or by which the Buyer is bound.

(vii) SEC Documents - The Buyer has made available to the Seller a true and complete copy of the Buyer's Form 10-K for 2001, all Form 10-Qs filed by the Buyer during 2002 and all Form 8-Ks filed by the Buyer through the date hereof (the "SEC Documents"). As of their respective dates, (a) the SEC Documents complied in all material respects with the requirements of the Securities Act or the Securities Exchange Act, as the case may be, and the rules and regulations of the Securities and Exchange Commission (the "SEC") thereunder applicable to the Buyer, and (b) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a 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. Each of the consolidated financial statements (including, in each case, any related notes thereto) contained in the SEC Documents (i) were prepared in accordance with, and complied as to form with, the published rules and regulations of the SEC and GAAP applied on a consistent basis throughout the periods involved (except as otherwise noted therein) and (ii) fairly present, in all material respects, the

consolidated financial position of the Buyer and its subsidiaries as of the respective dates thereof and the consolidated results of their operations and their cash flows for the periods indicated, except that any unaudited interim financial statements were or will be subject to normal and recurring year-end adjustments, which individually and in the aggregate, will not materially affect the total net worth shown on, or the results indicated by, such interim financial statements. Except as and to the extent disclosed in the SEC Documents filed prior to the date of this Agreement, there has not been since September 30, 2002, (i) a material adverse change in the business, operations or financial condition of the Buyer or (ii) any significant change by the Buyer or its subsidiaries in their accounting methods, principles or practices.

4. Representations and Warranties Concerning the Acquired Company Equity Interests, Acquired Companies and Relevant Assets. The Seller hereby represents and warrants to the Buyer as follows (provided, however, that any representation or warranty given in Sections 4(c)-4(g), and 4(i) with respect to the Coyote Gas Assets and the operations of Coyote Gas shall be deemed to be made to the Seller's Knowledge):

(a) Organization, Qualification, and Company Power. Each of the Acquired Companies and the Seller Parties (x) is a limited liability company, partnership (limited or general), joint venture or corporation duly organized, validly existing, and in good standing under the Laws of the state of Delaware, except where the lack of such organization, existence or good standing would not have a Material Adverse Effect; (y) is in good standing under the Laws of the state of Texas and each other jurisdiction which requires qualification, except where the lack of such qualification would not have a Material Adverse Effect; and (z) has full power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it, except where the lack of such power and authority would not have a Material Adverse Effect.

(b) Noncontravention. Except for the need to obtain prior approval of the FTC or as set forth in Schedule 4(b), neither the execution and delivery of any Transaction Agreement to which any Seller Party is a party, nor the consummation of any of the transactions contemplated thereby, shall (i) violate any Law to which any Acquired Company, any of the Acquired Company Equity Interests or any of the Relevant Assets is subject or any provision of the Organizational Documents of any Seller Party or any Acquired Company or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, require any notice or trigger any rights to payment or other compensation, or result in the imposition of any Encumbrance on any Acquired Company, any of the Acquired Company Equity Interests or any of the Relevant Assets under, any agreement, contract, lease, license, instrument, or other arrangement to which any Acquired Company, any of the Acquired Company Equity Interests or any of the Relevant Assets is subject, except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation, failure to give notice, right to payment or other compensation, or Encumbrance would not have a Material Adverse Effect, or would not materially adversely affect the ability of any Seller Party to consummate the transactions contemplated by such Transaction Agreement.

(c) Title to and Condition of Assets.

(i) Except to the extent constituting assets or interests ultimately transferred to the Buyer (or its designee) pursuant to Section 6(h) or pursuant to a Joint Use Agreement executed and delivered at Closing, each of Merchant-Energy, New Chaco and the Acquired Companies, respectively, have good, marketable and indefeasible title to all of the Acquired Assets and the Acquired Company Assets, respectively, in each case free and clear of all Encumbrances, except for (a) Permitted Encumbrances and (b) on the date of this Agreement, Encumbrances disclosed in Schedule 4(c)(i). The principal assets constituting the Acquired Company Assets are described on Exhibit A. The principal assets constituting the Acquired Assets are described on Exhibit B. The operations of the Relevant Assets are the only operations reflected in the Financial Statements. When such assets and interests are contributed, sold and transferred, the applicable Acquired Companies (or another designee of the Buyer) will have good, marketable and indefeasible title to all of the assets or interests ultimately transferred pursuant to Section 6(h) or pursuant to a Joint Use Agreement executed and delivered at Closing

(ii) To the Seller's Knowledge, except as disclosed in Schedule 4(c)(ii), the Relevant Assets are in good operating condition and repair (normal wear and tear excepted), are free from defects (patent and latent), are suitable for the purposes for which they are currently used and are not in need of maintenance or repairs except for ordinary routine maintenance and repairs and the additional Maintenance Capital intended to be incurred pursuant to Section 6(f).

(iii) Capitalization of the Acquired Companies.

(A) The capitalization of the Acquired Companies is as follows:

(1) The San Juan Interest constitutes all of the Equity Interests of San Juan Co. San Juan Holding owns (beneficially and of record) 100% of the San Juan Interest.

(2) The ANR Central Gulf Interest constitutes all of the Equity Interests of ANR Central Gulf. El Paso Typhoon owns (beneficially and of record) 100% of the ANR Central Gulf Interest.

(3) The South Texas Interest constitutes all of the Equity Interests of South Texas Co. Merchant-Energy owns (beneficially and of record) 100% of the South Texas 97% LP Interest and 100% of the South Texas GP Interest. ANR Production owns (beneficially and of record) 100% of the South Texas 2% LP Interest.

(4) Notwithstanding anything in the Organizational Documents of Coyote Gas or any other understandings or agreements, written or oral, to which an Acquired Company or Field Services is a party, the Coyote Gas Interest constitutes 50% of all (i) Equity Interests, (ii) voting rights and (iii) economic rights in Coyote Gas. San Juan Co. owns (beneficially and of record) 100% of the Coyote Gas Interest.

(B) The Seller beneficially owns directly or indirectly 100% of the Seller Parties. The Seller beneficially owns directly or indirectly 100% of the Acquired Company Equity Interests, which includes 100% of the Equity Interests in the Acquired Companies other than Coyote Gas. All of the Acquired Company Equity Interests are uncertificated. The Acquired Company Equity Interests constitute 100% of the issued and outstanding Equity Interests of the Acquired Companies other than Coyote Gas, and have been duly authorized, and are validly issued and fully paid and (except (i) with respect to general partnership and joint venture interests and (ii) as set forth in Sections 17-303(a) and 17-607 of the Delaware LP Act with respect to limited partnership interests) non-assessable. Except to the extent created under the Securities Act, state securities Laws, limited liability company Laws, limited partnership Laws, partnership and joint venture Laws and general corporation Laws of the Acquired Companies' jurisdiction of formation, and as created by the Acquired Companies' Organizational Documents, (x) the Acquired Company Equity Interests are held as set forth above, free and clear of any Encumbrances and (y) there are no Commitments with respect to any Equity Interest of any Acquired Company. No Seller Party is party to any voting trusts, proxies, or other agreements or understandings with respect to voting any Equity Interest of any Acquired Company. Other than as disclosed in Schedule 4(c)(i), neither the Organizational Documents of Coyote Gas nor any other understandings or agreements, written or oral, to which an Acquired Company or Field Services is a party contain any Encumbrances on or Commitments with respect to the Coyote Gas Interest.

(C) After the consummation of the transactions contemplated in this Agreement, the Buyer shall own, directly or indirectly, 100% of the Acquired Company Equity Interests, which includes 100% of the Equity Interests in the Acquired Companies other than Coyote Gas, and 100% of the Acquired Company Assets other than the Coyote Gas Assets, in which the Buyer will acquire beneficial ownership of 50%.

(iv) Acquired Company Asset Ownership. Other than the Coyote Gas Interest, no Acquired Company owns (and the Acquired Assets do not include) an Equity Interest in any Person. There are no Commitments with respect to an Equity Interest in any Acquired Company. The Acquired Companies own no other assets other than the Acquired Company Assets, and have no operations or

Obligations other than those directly related to the Acquired Company Assets or explicitly set forth on Schedule 4(k)(ii).

(v) Encumbrances for Borrowed Money. Except as set forth on Schedule 4(c)(v), there are no borrowings, loan agreements, promissory notes, pledges, mortgages, guaranties, liens and similar liabilities (direct and indirect), or Encumbrances which are secured by or constitute an Encumbrance on the Relevant Assets.

(d) Material Change. Except for the Reorganization Transactions and as set forth in Schedule 4(d), since December 31, 2001 (and except as expressly set forth in the Financial Statements):

(i) there has not been any Material Adverse Effect;

(ii) the Relevant Assets have been operated and maintained in the Ordinary Course of Business;

(iii) there has not been any damage, destruction or loss to any portion of the Relevant Assets, whether or not covered by insurance, that would have a Material Adverse Effect;

(iv) there has been no purchase, sale or lease of any material asset included in the Relevant Assets;

(v) there has been no actual, pending, or, to the Seller's Knowledge, threatened change affecting any of the Relevant Assets with any customers, licensors, suppliers, distributors or sales representatives of any Seller Party, except for changes that do not have a Material Adverse Effect;

(vi) there has been no (x) amendment or modification in any material respect to any Subject Contract or any other contract or agreement material to the Relevant Assets, or (y) termination of any Subject Contract or any other contract or agreement material to the Relevant Assets before the expiration of the term thereof other than to the extent any such material contract or agreement terminated pursuant to its terms in the Ordinary Course of Business; and

(vii) there is no contract, commitment or agreement to do any of the foregoing, except as expressly permitted hereby.

(e) Legal Compliance. Each Seller Party, with respect to the Relevant Assets, and each Acquired Company, has complied with all applicable Laws of all Governmental Authorities, except where the failure to comply would not have a Material Adverse Effect. The Seller makes no representations or warranties in this Section 4(e) with respect to Taxes or Environmental Laws, for which the sole representations and warranties of the Seller are set forth in Sections 4(f) and 4(i), respectively.

(f) Tax Matters. Except as set forth in Schedule 4(f) or as would not have a

Material Adverse Effect, the Seller, its Affiliates and the Acquired Companies have filed all Tax Returns with respect to the Relevant Assets that they were required to file and such Tax Returns are accurate in all material respects. All Taxes shown as due by any Acquired Company or with respect to the Relevant Assets on any such Tax Returns have been paid. Additionally, there is no dispute or claim concerning any Tax liability of the Seller, its Affiliates or the Acquired Companies related to the Relevant Assets claimed or raised in writing by any Governmental Authority.

(g) Contracts and Commitments. Except for contracts entered into after the date hereof as permitted pursuant to Section 5(c)(v), Schedule 4(g)(i) contains a list of the contracts, agreements, licenses, permits and other documents and instruments to which any Acquired Company is a party or otherwise constituting part of the Acquired Company Assets (the "Acquired Company Contracts") or constituting any portion of the Acquired Assets (the "Acquired Asset Contracts," and, together with the Acquired Company Contracts, the "Subject Contracts"), and each such Subject Contract is in full force and effect, except where the failure to be in full force and effect would not have a Material Adverse Effect. Schedule 4(g)(ii) contains a list of the Rights of Way. The Subject Contracts, together with the Rights of Way, the Joint Use Agreements executed and delivered at Closing and the agreements transferring rights and interests to the Buyer pursuant to Section 6(h), constitute all of the material contracts, agreements, rights of way, licenses, permits, and other documents and instruments necessary for the operation and business of the Acquired Companies and the Relevant Assets, as applicable, in order to generate the financial results set forth in the Financial Statements. The Seller Parties have performed all material obligations required to be performed by them to date under the Subject Contracts and the Rights of Way, and are not in default under any obligation of any such contract or right-of-way, except when such default would not have a Material Adverse Effect. To the Seller's Knowledge, no other party to any Subject Contract is in default thereunder. No Acquired Company, Seller Party or Affiliate of any Seller Party has made any promise (whether in any Organizational Documents or otherwise, and whether written or oral) to contribute cash or property to or to perform services for Coyote Gas.

(h) Litigation.

(i) Schedule 4(h) sets forth each instance in which any Acquired Company or any of the Relevant Assets (A) is subject to any outstanding injunction, judgment, order, decree, ruling, or charge or (B) is the subject of any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction, or is the subject of any pending or, to the Seller's Knowledge, threatened claim, demand, or notice of violation or liability from any Person, except where any of the foregoing would not have a Material Adverse Effect.

(ii) No Seller Party has Knowledge of any Basis for any present or future injunction, judgment, order, decree, ruling, or charge or action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction, against any of them giving rise to any Obligation to which any Acquired Company or any of the Relevant Assets would be subject.

(i) Environmental Matters. Except as set forth in Schedule 4(i):

(i) The Seller, with respect to the Relevant Assets, has been in compliance with all applicable local, state, and federal laws, rules, regulations, and orders regulating or otherwise pertaining to (a) the use, generation, migration, storage, removal, treatment, remedy, discharge, release, transportation, disposal, or cleanup of pollutants, contamination, hazardous wastes, hazardous substances, hazardous materials, toxic substances or toxic pollutants, (b) surface waters, ground waters, ambient air and any other environmental medium on or off any Lease or (c) the environment or health and safety-related matters; including the following as from time to time amended and all others whether similar or dissimilar: the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("CERCLA"), the Resource Conservation and Recovery Act of 1976, as amended by the Used Oil Recycling Act of 1980, the Solid Waste Disposal Act Amendments of 1980, and the Hazardous and Solid Waste Amendments of 1984, the Hazardous Materials Transportation Act, as amended, the Toxic Substance Control Act, as amended, the Clean Air Act, as amended, the Clean Water Act, as amended, and all regulations promulgated pursuant thereto (collectively, the "Environmental Laws" and individually an "Environmental Law"), except, in the case of each of (a), (b) and (c), for such instances of noncompliance that individually or in the aggregate do not have a Material Adverse Effect.

(ii) The Seller has obtained all permits, licenses, franchises, authorities, consents, registrations, orders, certificates, waivers, exceptions, variances and approvals, and have made all filings, paid all fees, and maintained all material information, documentation, and records, as necessary under applicable Environmental Laws for operating the Relevant Assets as they are presently operated, and all such permits, licenses, franchises, authorities, consents, approvals, and filings remain in full force and effect, except for such matters that individually or in the aggregate do not have a Material Adverse Effect. Schedule 4(i)(ii) sets forth a complete list of all permits, licenses, franchises, authorities, consents, and approvals, as necessary under applicable Environmental Laws for operating the Relevant Assets and the Acquired Companies' businesses as they are presently operated (except with respect to the Retained Assets), each of which is held in the name of the appropriate Seller Party as indicated on such schedule.

(iii) Except as would not have a Material Adverse Effect, (x) there are no pending or threatened claims, demands, actions, administrative proceedings or lawsuits against any Seller with respect to the Relevant Assets and the Seller has not received notice of any of the foregoing and (y) no Acquired Company, and none of the Relevant Assets, is subject to any outstanding injunction, judgment, order, decree or ruling under any Environmental Laws.

(iv) The Seller has not received any written notice that it, with respect to the Relevant Assets, is or may be a potentially responsible party under CERCLA or any analogous state law in connection with any site actually or allegedly containing or used for the treatment, storage or disposal of Hazardous Substances.

(v) All Hazardous Substances or solid wastes generated, transported, handled, stored, treated or disposed by, in connection with or as a result of the operation or possession of the Seller or the conduct of the Seller, have been transported only by carriers maintaining valid authorizations under applicable Environmental Laws and treated, stored, disposed of or otherwise handled only at facilities maintaining valid authorizations under applicable Environmental Laws and such carriers and facilities have been and are operating in compliance with such authorizations and are not the subject of any existing, pending or threatened action, investigation or inquiry by any Governmental Authority or other Person in connection with any of the Environmental Laws.

The Seller makes no representation or warranty regarding any compliance or failure to comply with, or any actual or contingent liability under, any Environmental Law, except as expressly set forth in this Section 4(i). For purposes of this Section 4(i), each reference to the Seller or the Seller Parties shall be deemed to include the Seller Parties and their Affiliates.

(j) Preferential Purchase Rights; Transferability of Coyote Gas Interest. Except as set forth on Schedule 4(j), there are no preferential purchase rights, options or other rights held by any Person not a party to this Agreement to purchase or acquire any or all of the Equity Interest in any Acquired Company, or any of the Relevant Assets, in whole or in part, that would be triggered or otherwise affected as a result of the transactions contemplated by this Agreement ("Preferential Rights"). Except as set forth on Schedule 4(j), there are no restrictions on the transfer of the Coyote Gas Interest to a third party and no Acquired Company, Seller Party or Affiliate of any Seller Party has agreed (whether in any Organizational Documents or otherwise, and whether written or oral) to any such restrictions on transfer of the Coyote Gas Interest.

(k) Financial Statements.

(i) Buyer's Current Reports on Form 8-K filed with the Securities and Exchange Commission (A) on August 12, 2002 set forth audited combined and consolidated financial statements covering the ownership and operation of the Acquired Companies and the ownership and operation of the Relevant Assets as of, and for the twelve month periods ended, December 31, 2001, December 31, 2000 and December 31, 1999 and (B) on October 10, 2002 set forth unaudited combined and consolidated financial statements covering the ownership and operation of the Acquired Companies and the ownership and operation of the Relevant Assets as of, and for the six month periods ended, June 30, 2002 and June 30, 2001 (the financial statements described in (A) and (B) collectively, the "Financial Statements").

(ii) (A) The Financial Statements were prepared in accordance with GAAP (except as expressly set forth therein and, with respect to the Financial Statements described in Section 4(k)(i)(B), for the absence of footnotes) and fairly present, in all material respects, the financial position and income associated with the ownership and operation of the Acquired Companies and Relevant Assets as of the dates and for the periods indicated; (B) the Financial Statements do not omit to state any liability required to be stated therein in accordance with GAAP (except as expressly set forth therein and, with respect to the Financial Statements described in Section 4(k)(i)(B), for the absence of footnotes, and normal year-end adjustments); (C) none of the Acquired Companies has, and none of the Relevant Assets are subject to, any Obligations other than those reflected in the Financial Statements; and (D) all Assumed Obligations are reflected in the Financial Statements.

(l) Employee Matters. No Acquired Company has any employees.

(m) Prohibited Events. Except for the Reorganization Transactions, none of the matters described in Section 5(c) have occurred since December 31, 2001.

(n) Regulatory Matters. No Seller Party or Acquired Company is (i) a "holding company," a "subsidiary company" of a "holding company," an "affiliate" of a "holding company," or a "public utility," as each such term is defined in the Public Utility Holding Company Act of 1935, as amended, or (ii) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder. Except as set forth on Schedule 4(n), none of the Relevant Assets are subject to regulation by the Federal Energy Regulatory Commission or rate regulation or comprehensive nondiscriminatory access regulation under any federal laws or the laws of any state or other local jurisdiction.

(o) Intercompany Transactions. Each outstanding receivable, payable and other intercompany transaction and arrangement between the Seller or any of its Affiliates, on the one hand, and any Acquired Company, on the other hand, (including hydrocarbon imbalances existing on the date of this Agreement) existing on the Closing Date is listed on Schedule 4(o).

(p) Disclaimer of Representations and Warranties Concerning Personal Property, Equipment, and Fixtures. The Buyer acknowledges that (i) it has had and pursuant to this Agreement shall have before Closing access to the Acquired Companies and the Relevant Assets and the officers and employees of the Seller and (ii) in making the decision to enter into this Agreement and consummate the transactions contemplated hereby, the Buyer has relied solely on the basis of its own independent investigation and upon the express representations, warranties, covenants, and agreements set forth in this Agreement and the other Transaction Agreements. Accordingly, the Buyer acknowledges that, except as expressly set forth in this Agreement, the Seller has not made, and THE SELLER MAKES NO AND DISCLAIM ANY, REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS OR IMPLIED, AND WHETHER BY COMMON LAW, STATUTE, OR OTHERWISE, REGARDING (i) THE QUALITY, CONDITION, OR OPERABILITY OF ANY PERSONAL PROPERTY, EQUIPMENT, OR FIXTURES, (ii) THEIR MERCHANTABILITY, (iii) THEIR FITNESS

FOR ANY PARTICULAR PURPOSE, (iv) THEIR CONFORMITY TO MODELS, SAMPLES OF MATERIALS OR MANUFACTURER DESIGN, OR (v) AS TO WHETHER ANY RELEVANT ASSETS (OTHER THAN RETAINED ASSETS) ARE YEAR 2000 COMPLIANT, AND ALL PERSONAL PROPERTY AND EQUIPMENT IS DELIVERED "AS IS, WHERE IS" IN THE CONDITION IN WHICH THE SAME EXISTS.

(q) Reorganization Transactions. The transactions described on Exhibit F (the "Reorganization Transactions") occurred as and when described on such Exhibit.

5. Pre-Closing Covenants. The Parties agree as follows with respect to the period between the date of this Agreement and the Closing:

(a) General. The Buyer shall use its Best Efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement, including the Seller's conditions to closing in Section 7(b). The Seller shall use its Best Efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement, including the Buyer's conditions to closing in Section 7(a).

(b) Notices and Consents. Each of the Parties shall give any notices to, make any filings with, and use its Best Efforts to obtain any authorizations, consents, and approvals of Governmental Authorities and third parties it is required to obtain in connection with the matters referred to in Sections 3(a)(ii), 3(a)(iii), 3(b)(ii), and 3(b)(iii) including the corresponding Schedules, so as to permit the Closing to occur not later than 10:00 a.m. (Houston time) on November 29, 2002. Without limiting the generality of the foregoing, the Parties agree to work in good faith with the FTC in order to consummate the transactions contemplated hereby as soon as reasonably practicable, but in no event later than 10:00 a.m. (Houston time) on November 29, 2002; provided, that, notwithstanding anything to the contrary contained herein, this sentence shall not obligate the Buyer to divest or hold separate any assets or enter into any agreement not contemplated by this Agreement or modify this Agreement.

(c) Operation of Business. The Seller shall not, without the consent of the Buyer (which consent shall not be unreasonably withheld or delayed), except as expressly contemplated by this Agreement or as contemplated by Schedule 5(c), cause or (to the extent any Seller Party or its Affiliate has the Legal Right) permit any Acquired Company to engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business or, with respect to the Relevant Assets, engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business. Without limiting the generality of the foregoing, without the consent of the Buyer (which consent shall not be unreasonably withheld or delayed), except as expressly contemplated by this Agreement or Schedule 5(c), the Seller shall not, and shall not cause or (to the extent any Seller Party has the Legal Right) permit any Acquired Company to, do any of the following:

(i) issue, sell, pledge, dispose of, grant, encumber, or authorize the issuance, sale, pledge, disposition, or grant of any Equity Interest of any Acquired Company or any Commitments with respect to any Equity Interest of any Acquired Company;

(ii) cause or allow any part of the Acquired Company Equity Interests or the Relevant Assets to become subject to an Encumbrance, except for Permitted Encumbrances and other Encumbrances identified in Section 4(c);

(iii) amend in any material respect any Subject Contract material to the Relevant Assets or any Acquired Company (including any Acquired Company's Organizational Documents) or terminate any such material contract or agreement before the expiration of the term thereof other than to the extent any such material contract or agreement expires in accordance with its terms in the Ordinary Course of Business;

(iv) except as required by Law, make, change or revoke any Tax election relevant to any Acquired Company or Relevant Asset;

(v) (A) acquire (including by merger, consolidation or acquisition of Equity Interest or assets) any corporation, partnership, limited liability company or other business organization or any division thereof or any material amount of assets; (B) incur any Indebtedness for borrowed money or issue any debt securities or assume, guarantee, endorse, or otherwise as an accommodation become responsible for, the obligations of any Person, or make any loans or advances except for intercompany borrowing among the Acquired Companies in the Ordinary Course of Business; (C) except for the Retained Assets, sell, lease or otherwise dispose of any property or assets, other than sales of goods or services in the Ordinary Course of Business; or (D) enter into or amend a contract, agreement, commitment, or arrangement with respect to any matter set forth in this Section 5(c)(v) or (except for contracts with aggregate Obligations of the applicable Acquired Company not in excess of $10,000) otherwise not in the Ordinary Course of Business; provided that notwithstanding any provision of this Agreement, if the Buyer expressly consents in writing (x) each Acquired Company shall be entitled to dividend and/or distribute to its Equity Interest holders, at any time, and from time to time, such cash generated by such company's business to which such Equity Interest holder would otherwise be entitled (other than cash arising from borrowings by such company or sales of assets by such company outside of the Ordinary Course of Business) so long as such dividends and/or distributions are reflected as a Purchase Price Decrease, where appropriate, and (y) each Acquired Company may make or incur capital expenditures in accordance with the terms of its Organizational Documents and the capital expenditures budget set forth on Schedule 5(c)(v);

(vi) change any Acquired Company's accounting practices in any material respect with the exception of any changes in accounting methodologies that have already been agreed upon by its Equity Interest holders, consistent with its Organizational Documents; or

(vii) initiate or settle any litigation, complaint, rate filing or administrative proceeding.

(d) Intercompany Transactions. All outstanding receivables, payables and other intercompany transactions and arrangements between the Seller or any of its Affiliates, on the one hand, and any Acquired Company, on the other hand, shall remain in full force and effect through and after the Closing.

(e) Full Access. To the extent they have the Legal Right, the Seller shall permit, and shall cause their Affiliates to permit, representatives of the Buyer to have full access at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Seller and its Affiliates, to all premises, properties, personnel, books, records (including Tax records), contracts, and documents of or pertaining to any Acquired Company or any of the Relevant Assets.

(f) Liens and Encumbrances. Prior to the Closing, the Seller shall obtain releases of all liens and other Encumbrances disclosed in Schedule 4(c)(i), without any post-Closing liability or expense to any Acquired Company, Acquired Company Asset, Acquired Asset or any Buyer Party, and shall provide proof of such releases to the Buyer at the Closing.

(g) Notice of Developments. The Seller will give prompt written notice to the Buyer and supplement or amend Seller's disclosure schedules attached hereto ("Seller's Disclosure Schedules") with respect to any applicable development occurring after the date of this Agreement, or any applicable item about which the Seller did not have Knowledge on the date of this Agreement. The Seller will also promptly supplement Schedule 4(g)(i) with respect to any contract entered into after the date hereof pursuant to Section 5(c)(v). The Buyer will give prompt written notice to the Seller of any applicable development (including any actual or anticipated breach or violation of any representation, warranty or covenant herein) occurring after the date of this Agreement, or any applicable item about which the Buyer did not have Knowledge on the date of this Agreement.

6. Post-Closing Covenants. The Parties agree as follows:

(a) General. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the Parties shall take such further action (including the execution and delivery of such further instruments and documents) as the other Party reasonably may request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under Section 8). As an example, the Buyer will (at the Seller's cost and expense) reasonably cooperate with the Seller to utilize any powers of eminent domain, condemnation or other authority that the Buyer or any of its subsidiaries have to obtain or maintain any Rights of Way or other rights described in Section 8(b)(viii). The Seller shall obtain (at their expense) all governmental consents necessary in connection with the transfer of title to the Rights of Way associated with the San Juan Assets from EPNG ultimately to San Juan Co. (as successor in interest to Field Services).

(b) Litigation Support. In the event and for so long as any Party actively is contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or before the Closing Date

involving any Acquired Company or the Relevant Assets, the other Party shall cooperate with the contesting or defending Party and its counsel in the defense or contest, make available its personnel, and provide such testimony and access to its books and records (other than books and records which are subject to privilege or to confidentiality restrictions) as shall be necessary in connection with the defense or contest, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under Section 8).

(c) Surety Bonds; Guarantees. The Buyer agrees to be substituted as the surety or guarantor of any surety bonds or guarantees issued by the Seller or any of its Affiliates in connection with the Acquired Companies or the Relevant Assets, including the surety bonds and guarantees listed on Schedule 6(c). The Buyer and the Seller shall cooperate to effect all such substitutions and the Buyer shall indemnify and hold the Seller harmless from and against any Adverse Consequences (including the costs to the Seller of maintaining such surety bonds and guarantees) arising from the failure of the Buyer to be so substituted. The Buyer shall use commercially reasonable efforts to obtain a release of the Seller from any surety or guaranty obligations with respect to the Acquired Companies or the Relevant Assets.

(d) Delivery and Retention of Records. On or promptly after the Closing Date, the Seller shall deliver or cause to be delivered to the Buyer, copies of Tax Records which are relevant to Post-Closing Tax Periods and all other files, books, records, information and data relating to the Acquired Companies or the Relevant Assets that are in the possession or control of the Seller (the "Records"). The Buyer agrees to (i) hold the Records and not to destroy or dispose of any thereof for a period of ten years from the Closing Date or such longer time as may be required by Law, provided that, if it desires to destroy or dispose of such Records during such period, it shall first offer in writing at least 60 days before such destruction or disposition to surrender them to the Seller and if the Seller does not accept such offer within 20 days after receipt of such offer, the Buyer may take such action and (ii) following the Closing Date to afford the Seller, its accountants, and counsel, during normal business hours, upon reasonable request, at any time, full access to the Records and to the Buyer's employees to the extent that such access may be requested for any legitimate purpose at no cost to the Seller (other than for reasonable out-of-pocket expenses); provided that such access shall not be construed to require the disclosure of Records that would cause the waiver of any attorney-client, work product, or like privilege; provided, further that in the event of any litigation nothing herein shall limit any Party's rights of discovery under applicable Law.

(e) Assignment of Rights. The Seller will assign and will cause its Affiliates to assign, upon the Buyer's request, any and all rights (including claims) of the Seller or its Affiliates relating to any of the Relevant Assets under any agreement (including the Spin Down Agreement and all indemnification rights to the benefit of the Seller or its Affiliates arising therefrom) pursuant to which the Seller or any of its Affiliates purchased or otherwise acquired any of the Relevant Assets, all of which agreements are listed on Schedule 6(e).

(f) Maintenance Capital.

(i) With respect to the calendar years 2003, 2004 and 2005, within 15 days following the end of each calendar month, the Buyer shall cause to be

prepared and delivered to the Seller a statement, including reasonable detail, of the Maintenance Capital incurred (paid or payable) by the Buyer or any of its Affiliates for the immediately preceding month (such statement, as it may be adjusted pursuant to Section 6(f)(ii) (the "Maintenance Capital Statement").

(ii) Within 10 days of receipt of the Maintenance Capital Statement, the Seller shall deliver to the Buyer a written statement describing in reasonable detail its objections (if any) to any amounts or items set forth on the Maintenance Capital Statement. If the Seller does not raise objections within such period, then, the Maintenance Capital Statement shall become final and binding upon all Parties at the end of such 10 day period. If the Seller raises objections, the Parties shall negotiate in good faith to resolve any such objections. If the Parties are unable to resolve any disputed item within 10 days after the Buyer's receipt of the Seller's objection to the Maintenance Capital Statement, any such disputed item shall be submitted to a nationally recognized independent accounting firm mutually agreeable to the Parties who shall be instructed to resolve such disputed item within 30 days. The resolution of disputes by the accounting firm so selected shall be set forth in writing and shall be conclusive, binding and non-appealable upon the Parties and the Closing Statement shall become final and binding upon the date of such resolution. The fees and expenses of such accounting firm shall be paid one-half by the Buyer and one-half by the Seller.

(iii) If the aggregate Maintenance Capital incurred (paid or payable) by the Buyer or any of its Affiliates for a calendar year exceeds the Minimum Annual Capital Maintenance Amount for such year, the Seller shall pay to the Buyer (or its designee) the amount of such excess; provided that Seller's payment obligations with respect to Maintenance Capital incurred (paid or payable) by the Buyer or any of its Affiliates shall not exceed the Maximum Annual Maintenance Reimbursement for the relevant year. Any amount to be paid by the Seller to the Buyer shall be paid in the manner and with interest as provided in Section 6(f)(iv) at a mutually convenient time and place within five business days after the later of acceptance of the Maintenance Capital Statement or the resolution of the Buyer's objections thereto pursuant to Section 2.

(iv) Any payments pursuant to this Section 6(f) shall be made by causing such payments to be credited in immediately available funds to such account or accounts of the Buyer as may be designated by the Buyer. If payment is being made after the fifth business day referred to in Section 6(f)(iii), the amount of the payment to be made pursuant to this Section 6(f) shall bear interest from and including such fifth business day to, but excluding, the date of payment at a rate per annum equal to the Prime Rate plus two percent. Such interest shall be payable at the same time as the payment to which it relates and shall be calculated on the basis of a year of 365 days and the actual number of days for which due.

(v) Except as set forth in Section 6(f)(ii), each Party shall bear its own expenses incurred in connection with the preparation and review of the Maintenance Capital Statement.

(vi) To the extent that in any year the Seller pays to the Buyer (or to its designee) any amount under Section 6(f)(iii) with respect to amounts payable by the Buyer or any of its Affiliates, and neither the Buyer nor any of its Affiliates actually pays such amount within the succeeding calendar year, the Buyer will promptly reimburse the Seller such amount.

(g) Inadvertent Exclusions. With respect to any assets which were intended by both Parties to be Relevant Assets (and which have been used and operated by the Buyer or its Affiliates, or finally determined by Governmental Authority to have been used and operated by the Buyer or the Affiliates, as though they were owned by the Buyer or its Affiliates after Closing) but were unintentionally excluded from Exhibit A or Exhibit B, the Parties hereby agree to do all things necessary and appropriate to effect the sale and conveyance of such asset to Buyer (or its designees) as promptly as possible after Closing. In such event, this Agreement shall be read and interpreted as if such omitted asset was included in the definition of Relevant Asset from the date hereof, including application of Article 8 with respect to the Seller's indemnification obligations (and limitations thereon), with respect thereto.

(h) Post-Closing Right-of-Way Matters. To the extent that the Seller or any of its Affiliates owns any right-of-way, easement, surface lease, fee property, permit, license, franchise or other right of ingress, egress and use of land used in connection therewith necessary or appropriate for the ownership and/or operation of any Relevant Asset, the Seller shall, or shall cause such Affiliate to, within 60 days after Closing, provide to the Buyer or its designee (whether through execution and delivery of a Joint Use Agreement or another document reasonably acceptable to both Parties) all rights owned by the Seller or any of its Affiliates necessary for the Buyer and its Affiliates to continue the ownership and operation of the Relevant Assets without violating any Law or violating the rights of (or giving rise to any termination right or other Obligation in favor of) any landowner or other Person.

7. Conditions to Obligation to Close.

(a) Conditions to Obligation of the Buyer. The obligation of the Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties of the Seller contained in Sections 3(a) and 4 must be true and correct in all respects (without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value as of the date of this Agreement and at Closing (except for those which refer to a specific date, which must be true and correct as of such date), except where all breaches of such representations and warranties

would (or reasonably could be expected to) result in Adverse Consequences of less than $5 million in the aggregate;

(ii) the Seller must have performed and complied in all respects with its covenants hereunder through the Closing (without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value), except where all breaches of such covenants would (or reasonably could be expected to) result in Adverse Consequences of less than $5 million in the aggregate;

(iii) there must not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement or any suit or action pending by a Governmental Authority to enjoin the consummation of any of the transactions, contemplated by this Agreement;

(iv) the Seller must have obtained all material Governmental Authority and third party consents, including any material consents specified in Sections 3(a)(ii), 3(a)(iii), and 4(b) and including the corresponding Schedules;

(v) the FTC must have approved the transactions contemplated hereunder;

(vi) the Buyer shall have received net proceeds in an amount at least equal to the Cash Purchase Price plus all costs and expenses incurred by Buyer and its Affiliates or otherwise relating to the acquisition and financing contemplated by this Agreement from any source of financing (other than the Series C Units) acceptable to the Buyer in its sole discretion, at a price and on other terms satisfactory to the Buyer;

(vii) the Board of Directors of the General Partner shall have received a fairness opinion acceptable to such Board (in its sole discretion) from UBS Warburg LLC or any other financial advisor acceptable to such Board (in its sole discretion) (A) with respect to the transactions contemplated herein and (B) with respect to the issuance and valuation of the Series C Units;

(viii) the transactions contemplated herein (including the issuance of the Series C Units) shall have been approved by at least a majority of the members of each of (1) of the Board of Directors of the General Partner, (2) the independent members of the Board of Directors of the General Partner and (3) the Special Committee of the Board of Directors of the General Partner responsible for reviewing such transactions;

(ix) the applicable subsidiary of the Seller shall have assigned to the Buyer all of its right, title and interest in and to the Coyote Gas Note;

(x) the Seller must have delivered to the Buyer certified copies of the Organizational Documents of each of the Acquired Companies; and

(xi) the Seller must have delivered to the Buyer a certificate to the effect that each of the conditions specified in Sections 7(a)(i)-(x) is satisfied in all respects.

The Buyer may waive any condition specified in this Section 7(a) if it executes a writing so stating at or before the Closing.

(b) Conditions to Obligation of the Seller. The obligation of the Seller to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions:

(i) the representations and warranties of the Buyer contained in Section 3(b) must be true and correct in all respects (without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value) as of the date of this Agreement and at Closing (except for those which refer to a specific date, which must be true and correct as of such date), except where all breaches of such representations and warranties would (or reasonably could be expected to) result in Adverse Consequences of less than $5 million in the aggregate;

(ii) the Buyer must have performed and complied in all respects with each of its covenants hereunder through the Closing (without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value), except where all breaches of such covenants would (or reasonably could be expected to) result in Adverse Consequences of less than $5 million in the aggregate;

(iii) there must not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement or any suit or action pending by a Governmental Authority to enjoin the consummation of any of the transactions, contemplated by this Agreement;

(iv) the Seller must have obtained all material Governmental Authority and third party consents, including material consents specified in Sections 3(a)(ii), 3(a)(iii), and 4(b) and including the corresponding Schedules;

(v) the Board of Directors of the Seller shall have received a fairness opinion acceptable to such Board (in its sole discretion) from Deutsche Bank or any other financial advisor acceptable to such Board (in its sole discretion) with respect to the transactions contemplated herein;

(vi) the transactions contemplated herein shall have been approved by at least a majority of the members of the Board of Directors of EP;

(vii) the FTC must have approved the transactions contemplated hereunder;

(viii) the Buyer must have delivered to the Seller a certificate to the effect that each of the conditions specified in Section 7(b)(i)-(vii) is satisfied in all respects; and

(ix) all matters arising after the date hereof that are disclosed pursuant to supplements or amendments to Seller's Disclosure Schedules (other than supplements disclosing contracts permitted under Section 5(c)(v)) must not cause (or reasonably be expected to cause) Buyer and its Affiliates to suffer Adverse Consequences of more than $10 million if Closing were to occur.

The Seller may waive any condition specified in this Section 7(b) if they execute a writing so stating at or before the Closing.

(c) Effect of Supplements to Schedules. For the purpose of determining whether the conditions set forth in this Section 7 have been fulfilled, the Seller's Disclosure Schedules shall be deemed to include all information contained therein on the date of this Agreement and shall be deemed to exclude all information contained in any supplement or amendment thereto; provided, however, that if all matters arising after the date hereof that are disclosed pursuant to such supplements or amendments would cause (or reasonably could be expected to cause) Buyer to suffer Adverse Consequences of less than $1 million, the existence of such matters, by themselves, shall not constitute a breach of Section 7(a)(i).

8. Remedies for Breaches of this Agreement.

(a) Survival of Representations and Warranties. (i) All of the representations and warranties of the Seller contained in Sections 3 and 4 (other than Sections 4(c)(i) (Title to Assets), 4(c)(ii) (Condition of Assets), 4(c)(iii) (Capitalization), 4(f) (Tax Matters) and 4(h)(ii) (Unasserted Claims) shall survive the Closing hereunder for a period of two years after the Closing Date; (ii) the representations and warranties of the Seller contained in Sections 4(c)(i) (Title to Assets) and 4(c)(ii) (Condition of Assets) shall survive the Closing for a period of three years after the Closing Date; (iii) the representations and warranties of the Seller contained in Section 4(c)(iii) (Capitalization) shall survive the Closing forever; (iv) the representations and warranties of the Seller contained in Section 4(f) (Tax Matters) shall survive the Closing with respect to any given claim that would constitute a breach of such representation or warranty until 90 days after the expiration of the statute of limitations applicable to the underlying Tax matter giving rise to that claim, and (v) the representations and warranties of the Seller contained in Section 4(h)(ii) (Unasserted Claims) shall survive the Closing for a period of one year after the Closing Date. The representations and warranties of the Buyer contained in Section 3(b) shall survive the Closing for a period of two years after the Closing Date. The covenants and obligations contained in Sections 2 and 6 and all other covenants and obligations contained in this Agreement (other than Sections 8(b)(iv) (Undisclosed Environmental Liabilities) and

8(b)(vi) (Litigation)) shall survive the Closing forever. The covenants and obligations contained in Section 8(b)(iv) (Undisclosed Environmental Liabilities) shall survive the Closing for a period of three years after the Closing Date. The covenants and obligations contained in Section 8(b)(vi) (Litigation) shall survive the Closing until 90 days after the expiration of the statute of limitations applicable to the applicable claim.

(b) Indemnification Provisions for Benefit of the Buyer.

(i) General Representations and Warranties. In the event: (x) any of the representations or warranties of the Seller is breached (without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value contained herein (other than a representation or warranty contained in Section 4(c)(iii) (Capitalization) or 4(f) (Tax Matters), which are covered by Section 8(b)(ii), for which an aggregate deductible or aggregate ceiling set forth in this subsection will not apply); (y) there is an applicable survival period pursuant to Section 8(a); and (z) the Buyer makes a written claim for indemnification against the Seller pursuant to Section 11(g) within such survival period, then the Seller agrees to release, indemnify and hold harmless the Buyer Indemnitees from and against any Adverse Consequences suffered by the Buyer Indemnitees by reason of all such breaches; provided, that the Seller shall not have any obligation to indemnify the Buyer Indemnitees from and against any such Adverse Consequences by reason of all such breaches (A) until the Buyer Indemnitees, in the aggregate, have suffered Adverse Consequences by reason of all such breaches in excess of an aggregate deductible amount equal to 1% of the Purchase Price, except with respect to breaches of Section 4(c)(i) (Title to Assets), in which case the deductible amount shall be 0.1% of the Purchase Price, (after which point the Seller shall be obligated only to indemnify the Buyer Indemnitees from and against further such Adverse Consequences) or thereafter (B) to the extent the Adverse Consequences the Buyer Indemnitees, in the aggregate, have suffered by reason of all such breaches exceeds an aggregate ceiling amount equal to 50% of the Purchase Price (after which point the Seller shall have no obligation to indemnify the Buyer Indemnitees from and against further such Adverse Consequences).

(ii) Covenants and Obligations and Other Representations and Warranties. In the event: (x) any of the covenants or obligations of the Seller in Sections 2 or 6 or any other covenants or obligations of the Seller in this Agreement or any representation or warranty of the Seller contained in Sections 4(c)(iii) (Capitalization) or 4(f) (Tax Matters) are breached (in each case above without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value); (y) there is an applicable survival period pursuant to Section 8(a); and (z) the Buyer makes a written claim for indemnification against the Seller pursuant to Section 11(g) within such survival period, then (subject to the limitations in Section 8(b)(xi) with respect to Sections 4(c)(iii) (Capitalization) and 4(f) (Tax Matters)) the

Seller agrees to release, indemnify and hold harmless the Buyer Indemnitees from and against the entirety of any Adverse Consequences suffered by the Buyer Indemnitees.

(iii) ERISA. Subject to the limitations in Section 8(b)(xi), the Seller shall release, indemnify and hold harmless the Buyer Indemnitees against any and all Adverse Consequences resulting by reason of (a) joint and several liability with the Seller arising by reason of having been required to be aggregated with the Seller under Section 414(o) of the Code, or having been under "common control" with the Seller, within the meaning of Section 4001(a)(14) of ERISA.

(iv) Undisclosed Environmental Liabilities. Notwithstanding anything in this Agreement to the contrary and subject to the limitations in Section 8(b)(xi), in the event: (x) there is an applicable survival period pursuant to Section 8(a) and (y) the Buyer makes a written claim for indemnification against the Seller pursuant to Section 11(g) within such survival period, then the Seller agrees to release, indemnify and hold harmless the Buyer Indemnitees from and against the entirety of any Adverse Consequences suffered by the Buyer Indemnitees with respect to, any environmental condition, claim or loss with respect to any Acquired Company or any of the Relevant Assets arising as a result of events occurring on or prior to the Effective Time, other than the matters covered by Section 8(b)(v) (Specified Environmental Liabilities).

(v) Specified Environmental Liabilities. Notwithstanding anything in this Agreement to the contrary and subject to the limitations in Section 8(b)(xi) (and in addition to Section 8(b)(iv) (Undisclosed Environmental Liabilities)), in the event the Buyer makes a written claim for indemnification against the Seller pursuant to Section 11(g), then the Seller agrees to release, indemnify and hold harmless the Buyer Indemnitees, from and against the entirety of any Adverse Consequences suffered by the Buyer Indemnitees with respect to, any environmental condition, claim or loss with respect to any Acquired Company or any of the Relevant Assets arising as a result of events occurring on or prior to the Effective Time and disclosed on Schedule 4(i).

(vi) Litigation. Subject to the limitations in Section 8(b)(xi), in the event: (x) there is an applicable survival period pursuant to Section 8(a) and (y) the Buyer makes a written claim for indemnification against the Seller within such survival period, then the Seller shall release, indemnify and hold harmless the Buyer Indemnitees against any and all Adverse Consequences suffered by the Buyer Indemnitees with respect to, any outstanding injunction, judgment, order, decree, ruling, or charge, or any pending or threatened action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction, relating to any Acquired Company or any of the Relevant Assets on the Closing Date, including the matters listed on Schedule 4(h).

(vii) Reorganization Transactions. The Seller shall release, indemnify and hold harmless the Buyer Indemnitees against any and all Adverse Consequences arising as a result of any of the Reorganization Transactions, including any Adverse Consequences incurred by South Texas Co. and San Juan Co. under their respective agreements and plans of merger entered into in the Reorganization Transactions.

(viii) South Texas Rights of Way. Subject to the limitations in Section 8(b)(xi), to the extent that the Relevant Assets and the Joint Use Agreements executed at Closing do not include all Rights of Way and other rights necessary for the Buyer and its subsidiaries to operate the assets of South Texas Co. without violating any Law or violating the rights of (or giving rise to any termination right or other Obligation in favor of) any landowner or other Person, the Seller shall release, indemnify and hold harmless the Buyer Indemnitees against any and all Adverse Consequences arising as a result thereof.

(ix) Coyote Gas Matters. Subject to the limitations in Section 8(b)(xi), to the extent that (A) the Coyote Gas Interest does not constitute 50% of all Equity Interests, voting rights and economic rights in Coyote Gas, (B) any Encumbrances, other than Permitted Encumbrances, exist with respect to the Coyote Gas Interest or (C) any Acquired Company, Seller Party or Affiliate thereof has made any promise (whether in any Organizational Documents or otherwise, and whether written or oral) to contribute cash or property to or to perform services for Coyote Gas, the Seller shall release, indemnify and hold harmless the Buyer Indemnitees against any and all Adverse Consequences arising as a result thereof.

(x) Retained and Pre-Closing Obligations. (A) The Seller shall release, indemnify and hold harmless the Buyer Indemnitees against any and all Adverse Consequences with respect to the Retained Obligations, including any Tax attributable thereto. (B) The Seller shall release, indemnify and hold harmless the Buyer Indemnitees against any and all Adverse Consequences with respect to the Pre-Closing Obligations; provided, however, that the Seller shall not have any obligation to indemnify any Buyer Indemnified Party against any and all Adverse Consequences with respect to the Pre-Closing Obligations to the extent that the Seller's aggregate payments with respect to such Pre-Closing Obligations would exceed the fair market value (at the time such indemnity is due) of the relevant Acquired Company or Acquired Asset acquirer, or its successor, subject to such claim.

(xi) Notwithstanding anything to the contrary contained in Sections 8(b)(i)-(ix), and except with respect to the Seller's indemnity obligations under Section 8(b)(ii) (other than with respect to Sections 4(c)(iii) (Capitalization) or 4(f) (Tax Matters)), Section 8(b)(x) (Retained and Pre-Closing Obligations) and Section 8(b)(vii) (Reorganization Transactions), the Seller shall not have any obligation to indemnify any Buyer Indemnified Party under this Agreement to the extent that the payment thereof would cause the Seller's aggregate indemnity

payments under this Agreement to exceed 100% of the Purchase Price. The Seller's indemnity obligations under Section 8(b)(ii) (other than with respect to Sections 4(c)(iii) (Capitalization) or 4(f) (Tax Matters)), Section 8(b)(x) (Retained and Pre-Closing Obligations) and Section 8(b)(vii) (Reorganization Transactions) are only subject to the limitations (if any) set forth in their respective subsections.

(xii) To the extent any Buyer Indemnitee becomes liable to, and is ordered to and does pay to any third party, punitive, exemplary, special or consequential damages caused by a breach by the Seller of any representation, warranty or covenant contained in this Agreement, then such punitive, exemplary, special or consequential damages shall be deemed actual damages to such Buyer Indemnitee and included within the definition of Adverse Consequences for purposes of this Section 8.

(xiii) Except for the rights of indemnification provided in this Section 8, the Buyer hereby waives any claim or cause of action pursuant to common or statutory law or otherwise against the Seller arising from any breach by the Seller of any of its representations, warranties or covenants under this Agreement or the transactions contemplated hereby.

(c) Indemnification Provisions for Benefit of the Seller.

(i) In the event: (x) the Buyer breaches any of its representations, warranties or covenants contained herein (without giving effect to any supplement to the Schedules, any qualification as to materiality, Material Adverse Effect or concepts of similar import, or any qualification or limitation as to monetary amount or value); (y) there is an applicable survival period pursuant to Section 8(a); and (z) the Seller makes a written claim for indemnification against the Buyer pursuant to Section 11(g) within such survival period, then the Buyer agrees to release, indemnify and hold harmless the Seller Indemnitees from and against the entirety of any Adverse Consequences suffered by such Seller Indemnitees by reason of all such breaches.

(ii) Except to the extent the Seller is obligated to indemnify Buyer pursuant to Section 8(b), the Buyer agrees to release, indemnify and hold harmless the Seller Indemnitees from and against the entirety of any Adverse Consequences relating to (A) the Assumed Obligations and (b) the ownership and operation of each Acquired Company and each Relevant Asset (including those arising during, related to or otherwise attributable to the period commencing with the Effective Time).

(iii) To the extent any Seller Indemnitee becomes liable to, and is ordered to and does pay to any third party, punitive, exemplary, special or consequential damages caused by a breach by the Buyer of any representation, warranty or covenant contained in this Agreement, then such punitive, exemplary, special or consequential damages shall be deemed actual damages to such Seller

Indemnitee and included within the definition of Adverse Consequences for purposes of this Section 8.

(iv) Except for the rights of indemnification provided in this Section 8, the Seller hereby waives any claim or cause of action pursuant to common or statutory law or otherwise against the Buyer arising from any breach by the Buyer of any of its representations, warranties or covenants under this Agreement or the transactions contemplated hereby.

(d) Matters Involving Third Parties.

(i) If any third party shall notify any Party (the "Indemnified Party") with respect to any matter (a "Third Party Claim") that may give rise to a claim for indemnification against any other Party (the "Indemnifying Party") under this Section 8, then the Indemnified Party shall promptly (and in any event within five business days after receiving notice of the Third Party Claim) notify the Indemnifying Party thereof in writing.

(ii) The Indemnifying Party shall have the right to assume and thereafter conduct the defense of the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party and the Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof; provided, however, that the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim which provides for or results in any payment by or Obligation of the Indemnified Party of or for any damages or other amount, any Encumbrance on any property of the Indemnified Party, any finding of responsibility or liability on the part of the Indemnified Party or any sanction or injunction of, restriction upon the conduct of any business by, or other equitable relief upon the Indemnified Party without the prior written consent of the Indemnified Party (not to be withheld unreasonably).

(iii) Unless and until the Indemnifying Party assumes the defense of the Third Party Claim as provided in Section 8(d)(ii), the Indemnified Party may defend against the Third Party Claim in any manner it reasonably may deem appropriate.

(iv) In no event shall the Indemnified Party consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party which consent shall not be withheld unreasonably.

(e) Determination of Amount of Adverse Consequences. The Adverse Consequences giving rise to any indemnification obligation hereunder shall be limited to the actual loss suffered by the Indemnified Party (i.e. reduced by any insurance proceeds or other payment or recoupment received, realized or retained by the Indemnified Party as a result of the events giving rise to the claim for indemnification net of any expenses related to the receipt of

such proceeds, payment or recoupment, including retrospective premium adjustments, if any), but not any reduction in Taxes of the Indemnified Party (or the affiliated group of which it is a member) occasioned by such loss or damage. The amount of the actual loss and the amount of the indemnity payment shall be computed by taking into account the timing of the loss or payment, as applicable, using a Prime Rate plus 2% interest or discount rate, as appropriate. Upon the request of the Indemnifying Party, the Indemnified Party shall provide the Indemnifying Party with information sufficient to allow the Indemnifying Party to calculate the amount of the indemnity payment in accordance with this Section 8(e). An Indemnified Party shall take all reasonable steps to mitigate damages in respect of any claim for which it is seeking indemnification and shall use reasonable efforts to avoid any costs or expenses associated with such claim and, if such costs and expenses cannot be avoided, to minimize the amount thereof.

(f) Tax Treatment of Indemnity Payments. All indemnification payments made under this Agreement, including any payment made under Section 9, shall be made in cash and treated as purchase price adjustments for Tax purposes.

9. Tax Matters.

(a) Post-Closing Tax Returns. The Buyer shall prepare or cause to be prepared and file or cause to be filed any Post-Closing Tax Returns with respect to the Relevant Assets or the Acquired Companies. The Buyer shall pay (or cause to be paid) any Taxes due with respect to such Tax Returns.

(b) Pre-Closing Tax Returns. The Seller shall prepare or cause to be prepared and file or cause to be filed all Pre-Closing Tax Returns with respect to the Relevant Assets or Acquired Companies. The Seller shall pay or cause to be paid any Taxes due with respect to such Tax Returns.

(c) Straddle Periods. The Buyer shall be responsible for Taxes of the Relevant Assets and the Acquired Companies related to the portion of any Straddle Period occurring after the Closing Date. The Seller shall be responsible for Taxes of the Relevant Assets and the Acquired Companies relating to the portion of any Straddle Period occurring before and on the Closing Date. With respect to any Straddle Period, to the extent permitted by applicable Law, the Seller or the Buyer shall elect to treat the Closing Date as the last day of the Tax period. If applicable Law shall not permit the Closing Date to be the last day of a period, then (i) real or personal property Taxes with respect to the Relevant Assets and the Acquired Companies shall be allocated based on the number of days in the partial period before and after the Closing Date, (ii) in the case of all other Taxes based on or in respect of income, the Tax computed on the basis of the taxable income or loss attributable to the Relevant Assets and the Acquired Companies for each partial period as determined from their books and records, and (iii) in the case of all other Taxes, on the basis of the actual activities or attributes of the Relevant Assets and the Acquired Companies for each partial period as determined from their books and records.

(d) Straddle Returns. The Buyer shall prepare any Straddle Returns. The Buyer shall deliver, at least 45 days prior to the due date for filing such Straddle Return (including any extension) to the Seller a statement setting forth the amount of Tax that the Seller

owes, including the allocation of taxable income and Taxes under Section 9(c), and copies of such Straddle Return. The Seller shall have the right to review such Straddle Returns and the allocation of taxable income and liability for Taxes and to suggest to the Buyer any reasonable changes to such Straddle Returns no later than 15 days prior to the date for the filing of such Straddle Returns. The Seller and the Buyer agree to consult and to attempt to resolve in good faith any issue arising as a result of the review of such Straddle Returns and allocation of taxable income and liability for Taxes and mutually to consent to the filing as promptly as possible of such Straddle Returns. Not later than 5 days before the due date for the payment of Taxes with respect to such Straddle Returns, the Seller shall pay or cause to be paid to the Buyer an amount equal to the Taxes as agreed to by the Buyer and the Seller as being owed by the Seller. If the Buyer and the Seller cannot agree on the amount of Taxes owed by the Seller with respect to a Straddle Return, the Seller shall pay or cause to be paid to the Buyer the amount of Taxes reasonably determined by the Seller to be owed by the Seller. Within 10 days after such payment, the Seller and the Buyer shall refer the matter to an independent "Big-Five" accounting firm agreed to by the Buyer and the Seller to arbitrate the dispute. The Seller and the Buyer shall equally share the fees and expenses of such accounting firm and its determination as to the amount owing by the Seller with respect to a Straddle Return shall be binding on the Seller and the Buyer. Within five days after the determination by such accounting firm, if necessary, the appropriate Party shall pay the other Party any amount which is determined by such accounting firm to be owed. The Seller shall be entitled to reduce its obligation to pay Taxes with respect to a Straddle Return by the amount of any estimated Taxes paid with respect to such Taxes on or before the Closing Date.

(e) Claims for Refund. The Buyer shall not, and shall cause the Acquired Companies and any of their Affiliates not to, file any claim for refund of Taxes with respect to the Relevant Assets and the Acquired Companies for whole or partial taxable periods on or before the Closing Date.

(f) Indemnification. The Buyer agrees to indemnify the Seller against all Taxes of or with respect to the Relevant Assets and the Acquired Companies for any Post-Closing Tax Period and the portion of any Straddle Period occurring after the Closing Date. The Seller agrees to indemnify the Buyer against all Taxes of or with respect to the Relevant Assets and the Acquired Companies for any Pre-Closing Tax Period and the portion of any Straddle Period occurring on or before the Closing Date, and the Buyer Parties against all Taxes of or with respect to the Retained Assets, and all Taxes arising directly as a result of the Reorganization Transactions.

(g) Cooperation on Tax Matters.

(i) The Buyer and the Seller shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns pursuant to this Section 9(g) and any audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(ii) The Buyer and the Seller further agree, upon request, to use their Best Efforts to obtain any certificate or other document from any Governmental

Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including with respect to the transactions contemplated hereby).

(iii) The Buyer and the Seller agree, upon request, to provide the other Parties with all information that such other Parties may be required to report pursuant to Section 6043 of the Code and all Treasury Department Regulations promulgated thereunder.

(h) Certain Taxes. The Seller shall file all necessary Tax Returns and other documentation with respect to all transfer, documentary, sales, use, stamp, registration and other similar Taxes and fees, pay the related Tax, and, if required by applicable Law, the Buyer shall, and shall cause its Affiliates to, join in the execution of any such Tax Returns and other documentation. Notwithstanding anything set forth in this Agreement to the contrary, the Buyer shall pay to the Seller, on or before the date such payments are due from the Seller, any transfer, documentary, sales, use, stamp, registration and other Taxes and fees incurred in connection with this Agreement and the transactions contemplated hereby (but not with respect to the Reorganization Transactions).

(i) Confidentiality. Any information shared in connection with Taxes shall be kept confidential, except as may otherwise be necessary in connection with the filing of Tax Returns or reports, refund claims, tax audits, tax claims and tax litigation, or as required by Law.

(j) Audits. The Seller or the Buyer, as applicable, shall provide prompt written notice to the other Parties of any pending or threatened tax audit, assessment or proceeding that it becomes aware of related to the Relevant Assets or the Acquired Companies for whole or partial periods for which it is indemnified by any other Party hereunder. Such notice shall contain factual information (to the extent known) describing the asserted tax liability in reasonable detail and shall be accompanied by copies of any notice or other document received from or with any tax authority in respect of any such matters. If an indemnified party has Knowledge of an asserted tax liability with respect to a matter for which it is to be indemnified hereunder and such party fails to give the indemnifying party prompt notice of such asserted tax liability, then (I) if the indemnifying party is precluded by the failure to give prompt notice from contesting the asserted tax liability in any forum, the indemnifying party shall have no obligation to indemnify the indemnified party for any Taxes arising out of such asserted tax liability, and (II) if the indemnifying party is not so precluded from contesting, but such failure to give prompt notice results in a detriment to the indemnifying party, then any amount which the indemnifying party is otherwise required to pay the indemnified party pursuant to this Section 9(j) shall be reduced by the amount of such detriment, provided, the indemnified party shall nevertheless be entitled to full indemnification hereunder to the extent, and only to the extent, that such party can establish that the indemnifying party was not prejudiced by such failure. This Section 9(j) shall control the procedure for Tax indemnification matters to the extent it is inconsistent with any other provision of this Agreement.

(k) Control of Proceedings. The party responsible for the Tax under this Agreement shall control audits and disputes related to such Taxes (including action taken to pay, compromise or settle such Taxes). The Seller and the Buyer shall jointly control, in good faith

with each other, audits and disputes relating to Straddle Periods. Reasonable out-of-pocket expenses with respect to such contests shall be borne by the Seller and the Buyer in proportion to their responsibility for such Taxes as set forth in this Agreement. Except as otherwise provided by this Agreement, the noncontrolling party shall be afforded a reasonable opportunity to participate in such proceedings at its own expense.

(l) Powers of Attorney. The Buyer, the Acquired Companies and their respective Affiliates shall provide the Seller and its Affiliates with such powers of attorney or other authorizing documentation as are reasonably necessary to empower them to execute and file returns they are responsible for hereunder, file refund and equivalent claims for Taxes they are responsible for, and contest, settle, and resolve any audits and disputes that they have control over under Section 9(k) (including any refund claims which turn into audits or disputes).

(m) Remittance of Refunds. If the Buyer or any Affiliate of the Buyer receives a refund of any Taxes that the Seller is responsible for hereunder, or if the Seller or any Affiliate of the Seller receives a refund of any Taxes that the Buyer is responsible for hereunder, the party receiving such refund shall, within 30 days after receipt of such refund, remit it to the party who has responsibility for such Taxes hereunder. For the purpose of this Section 9(m), the term "refund" shall include a reduction in Tax and the use of an overpayment as a credit or other Tax offset, and receipt of a refund shall occur upon the filing of a Tax Return or an adjustment thereto using such reduction, overpayment or offset or upon the receipt of cash.

(n) Purchase Price Allocation. The Seller and the Buyer agree that the actual Purchase Price allocable to the Relevant Assets shall be allocated to the Relevant Assets for all purposes (including Tax and financial accounting purposes) as jointly agreed between the Buyer and the Seller within ninety (90) days after the Closing Date, agree to allocate the Purchase Price (as adjusted pursuant to this Agreement) and any Assumed Obligations among the Relevant Assets. The Seller and the Buyer agree (i) to report the federal, state and local income and other Tax consequences of the transactions contemplated herein, and in particular to report the information required by Section 1060(b) of the Code, and to jointly prepare Form 8594 (Asset Acquisition Statement under Section 1060) in a manner consistent with such allocation and (ii) without the consent of the other Party, not to take any position inconsistent therewith upon examination of any Tax return, in any refund claim, in any litigation, investigation or otherwise. The Seller and the Buyer agree that each will furnish the other a copy of Form 8594 (Asset Acquisition Statement under Section 1060) proposed to be filed with the Internal Revenue Service by such Party or any Affiliate thereof within 10 days prior to the filing of such form with the Internal Revenue Service.

(o) Closing Tax Certificate. At the Closing, the Seller shall deliver to the Buyer a certificate, in the form of Exhibit G, signed under penalties of perjury (i) stating it is not a foreign corporation, foreign partnership, foreign trust or foreign estate, (ii) providing its U.S. Employer Identification Number, and (iii) providing its address, all pursuant to Section 1445 of the Code.

(p) Like Kind Exchanges. Each of the Buyer and the Seller shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with enabling the transactions contemplated herein to qualify in whole or in part as a "like-kind exchange"

pursuant to Section 1031 of the Code. Each of the Buyer and the Seller agree to indemnify the other Party against any and all costs and expenses incurred with respect to furnishing such cooperation. Each Party may assign all or a portion of its rights under this Agreement to a "qualified intermediary" to facilitate a like-kind exchange. The agreement between the applicable Party and the qualified intermediary ("Exchange Agreement") shall be reasonably acceptable to both Parties.

10. Termination.

(a) Termination of Agreement. The Parties may terminate this Agreement, as provided below:

(i) the Buyer and the Seller may terminate this Agreement by mutual written consent at any time before the Closing;

(ii) the Buyer may terminate this Agreement by giving written notice to the Seller at any time before Closing (A) in the event the Seller has breached any representation, warranty or covenant contained in this Agreement, the Buyer has notified the Seller of the breach, the breach has continued without cure for a period of 10 days after the notice of breach and such breach would result in a failure to satisfy a condition to the Buyer's obligation to consummate the transactions contemplated hereby; (B) if the Closing shall not have occurred on or before 10:00 a.m. (Houston time) on November 29, 2002 (unless the failure results primarily from the Buyer itself breaching any representation, warranty or covenant contained in this Agreement); or (C) if the transactions contemplated hereby do not receive all required approvals of the FTC;

(iii) the Seller may terminate this Agreement by giving written notice to the Buyer at any time before the Closing (A) in the event the Buyer has breached any representation, warranty or covenant contained in this Agreement, the Seller has notified the Buyer of the breach, the breach has continued without cure for a period of 10 days after the notice of breach and such breach would result in a failure to satisfy a condition to the Seller's obligation to consummate the transactions contemplated hereby; (B) if the Closing shall not have occurred on or before 10:00 a.m. (Houston time) on November 29, 2002 (unless the failure results primarily from the Seller breaching any representation, warranty or covenant contained in this Agreement); or (C) if the transactions contemplated hereby do not receive all required approvals of the FTC; and

(iv) the Buyer or the Seller may terminate this Agreement if any court of competent jurisdiction or any governmental, administrative or regulatory authority, agency or body shall have issued an order, decree or ruling or shall have taken any other action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated hereby and such order, decree, ruling or other action shall have become final and nonappealable.

(b) Effect of Termination. Except for the obligations under Sections 8, 10 and

11, if any Party terminates this Agreement pursuant to Section 10(a), all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party (except for any liability of any Party then in breach).

11. Miscellaneous.

(a) Public Announcements. Any Party is permitted to issue a press release or make a public announcement concerning this Agreement without the other Parties' consents, in which case the disclosing Party shall provide an advance copy of the proposed public disclosure to the non-disclosing Parties and permit the non-disclosing Parties the opportunity to reasonably comment on such proposed disclosure. The Parties agree to cooperate in good faith to issue separate and simultaneous press releases within 24 hours following the execution of this Agreement by all Parties.

(b) Insurance. The Buyer acknowledges and agrees that, following the Closing, any Subject Insurance Policies shall be terminated or modified to exclude coverage of all or any portion of the Relevant Assets or Acquired Companies by the Seller or any of its Affiliates, and, as a result, the Buyer shall be obligated at or before Closing to obtain at its sole cost and expense replacement insurance, including insurance required by any third party to be maintained for or by the Relevant Assets or the Acquired Companies. The Buyer further acknowledges and agrees that the Buyer may need to provide to certain Governmental Authorities and third parties evidence of such replacement or substitute insurance coverage for the continued operations or businesses of the Relevant Assets or the Acquired Companies. If any claims are made or losses occur prior to the Closing Date that relate solely to the Relevant Assets or the business activities of the Acquired Companies and such claims, or the claims associated with such losses, properly may be made against the policies retained by the Seller or their Affiliates after the Closing, then the Seller shall use its Best Efforts so that the Buyer can file notice, and otherwise continue to pursue these claims pursuant to the terms of such policies; provided, however, nothing in this Agreement shall require the Seller to maintain or to refrain from asserting claims against or exhausting any retained policies.

(c) No Third Party Beneficiaries. Except for the indemnification provisions, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(d) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Prior to the Closing, the Buyer may not assign this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the Seller; provided, however, without the prior written approval of the Seller, the Buyer and its permitted successors and assigns may assign any or all of its rights, interests or obligations under this Agreement (i) to an Affiliate of the Buyer, including designating one or more Affiliates of the Buyer to be the assignee of some or any portion of the Acquired Company Equity Interests or the Acquired Assets, (ii) in connection with granting a lien, pledge, mortgage or other security interest pursuant to a bona fide lending transaction, or (iii) pursuant to the foreclosure or settlement of any assignment made pursuant to (ii) above; provided the Buyer is not released from any of its obligations or liabilities hereunder. Each Party may assign either this Agreement or any of its

rights, interests or obligations hereunder, without the prior written approval of the other Party, to a qualified intermediary in connection with any transaction described in Section 9(p); provided, however, that no such assignment shall relieve any Party from any of its obligations or liabilities under this Agreement.

(e) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument.

(f) Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given two business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to the Seller: El Paso Corporation
Attn: President
El Paso Building
1001 Louisiana
Houston, Texas 77002

If to the Buyer: El Paso Energy Partners, L.P.
Attn: President
4 Greenway Plaza
Houston, Texas 77046
(713) 420-2131

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the addresses set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

(h) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF TEXAS WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS. VENUE FOR ANY ACTION ARISING UNDER THIS AGREEMENT SHALL LIE EXCLUSIVELY IN ANY STATE OR FEDERAL COURT IN HARRIS COUNTY, TEXAS.

(i) Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Buyer and the Seller. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(j) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(k) Transaction Expenses. Each of the Buyer and the Seller shall bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby, provided that Buyer shall bear all reasonable costs and expenses incurred by the Seller in connection with (i) the assignment of any contracts, permits, leases and rights-of-way and (ii) obtaining any required consents or approvals, to the extent arising out of the transactions contemplated hereby.

(l) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. All references herein to Exhibits, Schedules, Articles, Sections or subdivisions thereof shall refer to the corresponding Exhibits, Schedules, Article, Section or subdivision thereof of this Agreement unless specific reference is made to such exhibits, articles, sections or subdivisions of another document or instrument. The terms "herein," "hereby," "hereunder," "hereof," "hereinafter," and other equivalent words refer to this Agreement in its entirety and not solely to the particular portion of the Agreement in which such word is used. Each certificate delivered pursuant to this Agreement shall be deemed a part hereof, and any representation, warranty or covenant herein referenced or affirmed in such certificate shall be treated as a representation, warranty or covenant given in the correlated Section hereof on the date of such certificate. Additionally, any representation, warranty or covenant made in any such certificate shall be deemed to be made herein.

(m) Matters Related to New Chaco. The Parties acknowledge and agree that the transfer of the assets of New Chaco at Closing is intended to cause Buyer or its subsidiaries to acquire and own the Chaco cryogenic gas extraction plant and the related rights and assets, and that, notwithstanding the form of the transfer caused pursuant hereto, the substance of such transaction includes (i) the exercise by New Chaco of its option to purchase the relevant assets under the applicable lease arrangements, (ii) the conveyance of title to such assets from the applicable subsidiary of the Buyer to New Chaco, (iii) the repurchase of such assets by the

applicable subsidiary of the Buyer from New Chaco and (iv) the reconveyance of title to such assets from New Chaco to the applicable subsidiary of the Buyer. The Parties acknowledge and agree that the transactions described in (i) - (iv) above substantively occurred (or shall be deemed to have occurred), notwithstanding the fact that the Parties did not convey title to the applicable assets back and forth between themselves or their Affiliates. To the extent that the Buyer's (including its subsidiaries) rights hereunder are not the same as they would have been had the documentation at Closing reflected each step described in (i) - (iv) above, the Parties will take appropriate actions, and will execute and deliver any appropriate additional documentation, to cause the Buyer's rights to be as if each such step had been taken.

(n) Incorporation of Exhibits and Schedules. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

(o) Entire Agreement. THIS AGREEMENT (INCLUDING THE DOCUMENTS REFERRED TO HEREIN) CONSTITUTES THE ENTIRE AGREEMENT AMONG THE PARTIES AND SUPERSEDES ANY PRIOR UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS BY OR AMONG THE PARTIES, WRITTEN OR ORAL, TO THE EXTENT THEY HAVE RELATED IN ANY WAY TO THE SUBJECT MATTER HEREOF, INCLUDING THE CONFIDENTIALITY AGREEMENT.

*****

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth in the preamble.

EL PASO CORPORATION

By: /s/ D. Dwight Scott

Name: D. Dwight Scott

Title: Chief Financial Officer

EL PASO ENERGY PARTNERS, L.P.

By: /s/ D. Mark Leland

Name: D. Mark Leland

Title: Senior Vice President

[CONTRIBUTION, PURCHASE AND SALE AGREEMENT SIGNATURE PAGE]

EXHIBIT 3.B.1

FIRST AMENDMENT
TO THE
SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
EL PASO ENERGY PARTNERS, L.P.

This First Amendment (this "AMENDMENT") dated November 27, 2002 (the "AMENDMENT DATE"), to the Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P. dated August 31, 2000 (the "PARTNERSHIP AGREEMENT"), is entered into by and among El Paso Energy Partners Company, a Delaware corporation, as the General Partner, and the Limited Partners.

INTRODUCTION

A. The Partnership desires to issue the Series C 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. Section 1.7 is hereby deleted in its entirety and replaced with the following:

> "Series A Common Unit Terminology. For the avoidance of confusion, the Units referred to herein as "Series A Common Units" are the Units referred to in the February 1993 Partnership Agreement as "Common Units." The Units referred to herein as "Series A Common Units" shall be referred to publicly, and shall be reflected on the relevant Unit certificate, as "Common Units" until such time (which time may or may not occur) as the Partnership authorizes and issues a second class or series of Common Units. As used herein, except where the context would otherwise require (including where the rights and preferences of the holders of Series C Units are different, as described in Section 4.4(g)), references to "Series A Common Units" shall be deemed to include the Series C Units as defined in Section 4.4(g)."

B. The following provisions are hereby added to the Partnership Agreement as Section 4.4(g) thereof:

"(g) Series C Units. A new series of Units, designated "Series C Units," has been established by the Partnership with the following characteristics:

(i) Voting. Except to the extent expressly provided in this Agreement (including Section 15.3(c)) or as expressly required by the Delaware Act, Limited Partners holding Series C Units do not have the right to vote in respect of such Units, either with other holders of Units or as a class or series, with respect to any matter.

(ii) Allocations and Distributions. The Series C Units will receive allocations of income, gains, losses and deductions, and distributions of cash (including liquidating distributions), pari passu with the Series A Common Units (except for and after giving effect to the special allocations set forth in Sections 5.1(d) and 5.1(e)), except as follows:

(A) After April 30, 2003, holder(s) of a majority of the then-Outstanding Series C Units will have the right to demand (a "Conversion Demand") that the General Partner submit to a vote of the holders of Outstanding Series A Common Units the conversion (the "Conversion") of each Series C Unit into one Series A Common Unit, which must be approved by the minimum number of Series A Common Units as is required by the New York Stock Exchange at the time of the vote ("Conversion Approval"). If Conversion Approval has occurred, the General Partner shall effect the Conversion as promptly as practicable thereafter.

(B) If the Conversion Approval has not occurred within 120 days after the Conversion Demand is delivered to the General Partner (for any reason, including failure to schedule or conduct the vote of the holders of Series A Common Units, failure to obtain the requisite Conversion Approval from the holders of Series A Common Units or otherwise), then, for each subsequent distribution of Available Cash to the Limited Partners holding Series A Common Units and the Limited Partners holding Series C Units, the distributed amount shall be allocated among such Limited Partners as follows:

(1) until and through April 29, 2004, allocated between the Series C Units and Series A Common Units such that the Limited Partners holding Series C Units receive a distribution in respect of each Series C Unit that is 105% of the distribution received by the Limited Partners holding Series A Common Units in respect of each Series A Common Unit;

(2) from April 30, 2004 until and through April 29, 2005, allocated between the Series C Units and Series A Common Units such that the Limited Partners holding Series C Units receive a distribution in respect of each Series C Unit that is 110% of the distribution received by the Limited Partners holding Series A Common Units in respect of each Series A Common Unit; and

(3) from April 30, 2005, allocated between the Series C Units and Series A Common Units such that the Limited Partners holding Series C Units receive a distribution in respect of each Series C Unit that is 115% of the distribution received by the Limited Partners holding Series A Common Units in respect of each Series A Common Unit.

(C) Any adjustment to the allocation of distributed amounts pursuant to Section 4.4(g)(ii)(B) shall be matched by corresponding adjustments to the allocation of income, gains, losses and deductions among the Limited Partners holding Series A Common Units and the Limited Partners holding Series C Units.

(iii) Except to the extent set forth to the contrary in this Section 4.4(g), the holders of the Series C Units shall have the same rights and preferences as the holders of the Series A Common Units."

C. Section 5.1(d)(i)(b) is hereby deleted in its entirety and replaced with the following:

"(B) All or a portion of the remaining items of Partnership gross income or gain for the taxable period if any, shall be allocated 100% to the General Partner (or its assignee) until the aggregate amount of such items allocated to the General Partner (or its assignee) under this paragraph (d)(i)(B) for the current taxable period and all previous taxable periods is equal to the cumulative amount of all Incentive Distributions declared before the end of the current taxable period and made to the General Partner (or its assignee) from the Closing Date to a date 45 days after the end of the current taxable period."

3. MISCELLANEOUS.

A. PRONOUNS AND PLURALS. Whenever the context may required, 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 or, 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.

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

GENERAL PARTNER

EL PASO ENERGY PARTNERS COMPANY

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: El Paso Energy Partners Company, 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

EXHIBIT 4.G

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement dated as of November 27, 2002 (this "AGREEMENT") is by and between El Paso Corporation, a Delaware corporation (the "SELLER"), and El Paso Energy Partners, L.P., a Delaware limited partnership ("BUYER").

WHEREAS, the Seller is acquiring certain Series C Units (the "UNITS") to be issued by Buyer pursuant to that certain Contribution, Purchase and Sale Agreement dated as of November 21, 2002 by and between Buyer and Seller;

WHEREAS, the ability of the Seller to freely trade the Units may be limited by applicable United States federal securities laws; and

WHEREAS, in order to improve the transferability of the Units, Buyer is willing to provide certain registration rights with respect thereto.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby confirmed and acknowledged), the parties hereto stipulate and agree as follows:

1. Securities Subject to this Agreement.

a. "REGISTRABLE SECURITIES" means the Units, as adjusted in the event of unit splits, unit dividends or similar transactions (and shall include any common units of Parent issued in redemption of the Units).

b. "RESTRICTED SECURITIES" means each Registrable Security until (i) a registration statement covering such Registrable Security has been declared effective and it has been disposed of pursuant to such effective registration statement, (ii) it has been distributed pursuant to Rule 144 (or any similar provisions then in force) under the Securities Act of 1933 (as amended from time to time, the "ACT") or (iii) it has been otherwise transferred and Parent has delivered a new certificate or other evidence of ownership for it is not subject to any legal or other restriction on transfer under the Act or under state securities laws and is not bearing the following legend (or one substantially similar thereto):

> The securities represented by this certificate have been acquired for investment and have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state. Without such registration, such securities may not be sold, pledged, hypothecated, or otherwise transferred, except upon delivery to the Company of an opinion of counsel satisfactory to the Company that registration is not required for such transfer or the submission to the Company of such other evidence as may be satisfactory to the Company to the effect that any such transfer shall not be in violation of the Securities Act of 1933, as amended, or applicable state securities laws or any rule or regulation promulgated thereunder.

2. Demand Registration.

a. Request for Registration. Subject to the limitations contained in this Agreement (including, but not limited to, Section 5), at any time on or after the date of issuance of the Registrable Securities, any holder or holders of a majority in aggregate number of Restricted Securities then outstanding may make a written request to Buyer for registration under the Act pursuant to this Section 2 of all or part of its or their Restricted Securities (a "DEMAND REGISTRATION"). Such request will specify the aggregate number of Restricted Securities proposed to be sold and will also specify the intended method of disposition thereof. Within 10 days after receipt of such request, Buyer will give written notice of such registration request to all other holders of the Restricted Securities and include in such registration all Restricted Securities with respect to which Buyer has received written requests for inclusion therein within 10 days after the receipt by the applicable holder of Buyer's notice. Each such request will also specify the aggregate number of Restricted Securities to be registered and the intended method of disposition thereof. No other party, including Buyer (but excluding another holder of a Restricted Security) shall be permitted to offer securities under any such Demand Registration unless (i) holders of a majority of the Restricted Securities requesting to participate in the Demand Registration shall consent in writing or (ii) Buyer has an obligation to include such securities in such registration.

b. Required Registrations. Subject to Section 5, Buyer is obligated to effect only three (3) Demand Registrations pursuant to this Section 2 (in addition to any registration in which holders of Restricted Securities may participate pursuant to the other provisions of this Agreement).

c. Effective Registration and Expenses. A registration will not count as a Demand Registration for the purposes of Section 2(b) until it has become effective. In any registration initiated as a Demand Registration, Buyer will pay all Registration Expenses (as hereinafter defined) in connection therewith, whether or not it becomes effective; provided, however, that if (i) one (1) Demand Registration has previously become effective with respect to any Registrable Securities and (ii) a subsequent registration is initiated as a Demand Registration with respect to any Restricted Securities and such Demand Registration could have become effective but does not solely because of holders withdrawing their Restricted Securities, such withdrawing holders shall pay the Registration Expenses (pro rata on the basis of the Restricted Securities being withdrawn by each). Notwithstanding the first sentence of this Section 2(c), any such noneffective registration shall not constitute a Demand Registration for the purposes of Section 2(b) unless each holder of Restricted Securities then outstanding (whether or not included in such registration) consents to such noneffective registration counting as a Demand Registration, in which case Buyer shall pay the Registration Expenses.

d. Priority on Demand Registrations. If the holders of a majority in aggregate number of Restricted Securities to be registered in a Demand

Registration so elect, the offering of such Restricted Securities pursuant to such Demand Registration shall be in the form of an underwritten offering. In such event, if the managing underwriter or underwriters of such offering advise Buyer and the holders in writing that in their opinion the aggregate number of Restricted Securities requested to be included in such offering is sufficiently large to materially and adversely affect the success or offering price of such offering, Buyer will include in such registration the aggregate number of such Restricted Securities which in the opinion of such managing underwriter or underwriters can be sold without any such material adverse effect, and such securities shall be allocated pro rata among the holders of Restricted Securities on the basis of the number of Restricted Securities requested to be included in such registration by their holders.

e. Selection of Underwriters. If any Demand Registration is in the form of an underwritten offering, the holders of a majority in aggregate number of Restricted Securities to be registered will select and obtain the investment banker or investment bankers and manager or managers that will administer the offering; provided, however, that such investment bankers and managers must be reasonably satisfactory to Buyer.

f. Periods Where no Registration is Required. Notwithstanding anything to the contrary in this Section 2, Buyer will not be required to register any Restricted Securities pursuant to this Section 2: (i) during a reasonable period of time, not to exceed 90 days, following the distribution of other securities pursuant to a registered underwritten public offering if such offering was commenced prior to the time Buyer receives the request contemplated by Section 2(a) or (ii) during a reasonable period of time, not to exceed 60 days, after which the Board of Directors of El Paso Energy Partners Company, a Delaware corporation and the general partner of Buyer (the "GENERAL PARTNER"), acting in its capacity as general partner, has determined that a registration of Restricted Securities pursuant to this Section 2 would adversely affect Buyer because of a material non-public acquisition or other material transaction that is pending at the time Buyer receives the request contemplated by Section 2(a).

3. Piggy-Back Registration. Subject to the limitations contained in this Agreement (including, but not limited to, Section 5), if Buyer proposes to file a registration statement under the Act with respect to an offering by it for its own account of any class of security (other than a registration statement on Form S-4 or S-8 or successor forms thereto or filed in connection with an exchange offer or an offering of securities solely to Buyer's existing unitholders), then Buyer shall in each case give written notice of such proposed filing to the holders of Restricted Securities at least 30 days before the anticipated filing date, and such notice shall offer such holders the opportunity to register such number of Restricted Securities as each such holder may request. Upon the written request of any holder of Restricted Securities made within 20 days of receipt of such notice, Buyer shall use its Best Efforts (as hereinafter defined) to cause the managing underwriter or underwriters of a proposed underwritten offering to permit the holders of Restricted Securities requested to be included in the registration of such offering to include such securities in such offering on the same terms and conditions as any similar securities of

Buyer included therein. Notwithstanding the foregoing, if in the managing underwriter's or underwriters' opinion, the total amount or kind of securities which the holders of Restricted Securities, Buyer and any other persons or entities intend to include in such offering is sufficiently large to materially and adversely affect the success or offering price of such offering, then the amount or kind of securities to be offered for the accounts of holders of Restricted Securities shall be reduced pro rata to the extent necessary to reduce the total amount of securities to be included in such offering to the amount recommended by such managing underwriter; provided, however, that if securities are being offered for the account of other persons or entities as well as Buyer, such reduction shall not represent a greater fraction of the number of securities intended to be offered by holders of Restricted Securities than the fraction of similar reductions imposed on such other persons or entities other than Buyer over the amount of securities they intended to offer. In connection with a piggyback registration pursuant to this Section 3, Buyer will bear all Registration Expenses; provided, however, that Buyer will not have any obligation pursuant to this sentence to persons or entities who do not hold Restricted Securities. "BEST EFFORTS" as used herein means best efforts in accordance with reasonable commercial practice and without the incurrence of unreasonable expense.

4. Holdback Agreement.

a. Restrictions on Sale by Holder of Registrable Securities.

(i) Each holder of Registrable Securities agrees not to sell, transfer or otherwise dispose of any Registrable Securities in violation of the Act, or any other applicable securities law.

(ii) To the extent not inconsistent with applicable law, each holder of Registrable Securities whose securities are included in a registration statement agrees not to effect any sale or distribution of the securities being registered or a similar security of Buyer, or any securities convertible into or exchangeable or exercisable for such securities, including a sale pursuant to Rule 144 under the Act, during the 7 days prior to, and during the 90 day period beginning on, the effective date of such registration statement (except as part of such registration), if and to the extent requested by Buyer in the case of a non-underwritten public offering or if and to the extent requested by the managing underwriter or underwriters in the case of an underwritten public offering.

b. Restrictions on Sale by Buyer and Others. Buyer agrees not to effect any sale or distribution of any securities similar to those being registered, or any securities convertible into or exchangeable or exercisable for such securities (other than any such sale or distribution of such securities in connection with any merger, conversion or consolidation by Buyer or any subsidiary thereof or the acquisition by Buyer or a subsidiary thereof of the capital stock or other equity or all or substantially all of the assets or any other person or entity or in connection with an employee stock option or benefit plan), during the 7 days prior to, and during the 90 day period beginning on, the effective date of any registration statement in

which the holders of Registrable Securities are participating (except as part of such registration), if and to the extent requested by the holders in the case of a non-underwritten public offering or if and to the extent requested by the managing underwriter or underwriters in the case of an underwritten public offering.

5. Registration Procedures. Whenever the holders of Restricted Securities have requested that any Restricted Securities be registered pursuant to Section 2 or Section 3 of this Agreement, Buyer will use its Best Efforts to effect the registration of such Restricted Securities upon the terms and conditions hereof to permit the sale of such Restricted Securities by holders thereof in accordance with the intended method of disposition thereof as quickly as practicable, and in connection with any such request, Buyer will as expeditiously as possible:

a. in connection with a request pursuant to Section 2, prepare and file with the Securities and Exchange Commission (the "COMMISSION"), not later than 45 days after receipt of a request to file a registration statement with respect to such Restricted Securities, a registration statement on any form for which Buyer then qualifies or which counsel for Buyer shall deem appropriate and which form shall be available for the sale of such Restricted Securities in accordance with the intended method of distribution thereof, and use their Best Efforts to cause such registration statement to become effective as promptly as practicable thereafter; provided, however, that if Buyer shall furnish to the holders making such a request a certificate signed by the Chief Executive Officer of Buyer stating that in the good faith judgment of the Board of Directors of the General Partner it would be significantly disadvantageous to Buyer and its unitholders for such a registration statement to be filed on or before the date filing would be required or would become effective, Buyer shall have an additional period of not more than 30 days within which to file (or before which they request the effectiveness of) such registration statement; and, provided further, that not less than 5 days before filing a registration statement or prospectus or any amendments or supplements thereto, Buyer will (i) furnish to one (1) counsel selected by the holders of a majority in aggregate number of the Restricted Securities covered by such registration statement copies of all such documents proposed to be filed which documents will be subject to the review of such counsel, and the Buyer shall not file any such document which such counsel shall have reasonably objected to in writing (if such objection has been delivered prior to the expiration of such five-day review period) on the grounds that such document does not comply (explaining why) in any material respect with the requirements of the Act or the rules and regulations thereunder and (ii) notify each seller of Restricted Securities of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered;

b. in connection with a registration pursuant to Section 2, prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not less than 90 days or such shorter period which will terminate when all Restricted Securities covered by

such registration statement have been sold (but not before the expiration of the 90 day period referred to in Section 4(3) of the Act and Rule 174 thereunder, if applicable), and comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

c. as soon as reasonably possible, furnish to each seller of Restricted Securities to be included in a registration statement, without charge, copies of such registration statement as filed and each amendment and supplement thereto (in each case including all exhibits thereto), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such seller may reasonably request in order to facilitate the disposition of the Restricted Securities owned by such seller in accordance with the intended method or methods of distribution thereof;

d. use its Best Efforts to register or qualify such Restricted Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Restricted Securities owned by such seller in accordance with the intended method or methods of distribution thereof; provided, however, that Buyer will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 5(d), (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction;

e. use its Best Efforts to cause the Restricted Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of Buyer to enable the seller or sellers thereof to consummate the disposition of such Restricted Securities;

f. notify each seller of such Restricted Securities at any time when a prospectus relating thereto is required to be delivered under the Act, of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein in light of the circumstances being made not misleading, and Buyer will prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Restricted Securities, such 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 being made not misleading;

g. enter into customary agreements (including an underwriting agreement in customary form) and take such other actions as are reasonably required in order to

expedite or facilitate the disposition of such Restricted Securities in accordance with the intended method or methods of distribution thereof;

h. use its Best Efforts to make available for inspection by any seller of Restricted Securities, any underwriter participating in any disposition pursuant to such registration statement, and any attorney, accountant or other agent retained by any such seller or underwriter (collectively, the "INSPECTORS"), all financial and other records, pertinent corporate documents and properties of Buyer (collectively, the "RECORDS"), and cause Buyer's officers and employees to supply all information reasonably requested by any such Inspector, as shall be reasonably necessary to enable them to exercise their due diligence responsibility, in connection with such registration statement. Records or other information which Buyer determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records or other information is necessary to avoid or correct a misstatement or omission in the registration statement or (ii) the release of such Records or other information is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. The seller of Restricted Securities agrees that it will, upon learning that disclosure of such Records or other information is sought in a court or competent jurisdiction, give notice to Buyer and allow Buyer, at Buyer's expense, to undertake appropriate action to prevent disclosure of the Records or other information deemed confidential;

i. use its Best Efforts to obtain a comfort letter from Buyer's independent public accountants and an opinion from the Buyer's outside counsel in customary form and covering such matters of the type customarily covered by comfort letters or opinions as the holders of a majority in aggregate number of Restricted Securities being sold reasonably request;

j. otherwise use its Best Efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering a period of 12 months, beginning within 3 months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Act;

k. if underwritten, use its Best Efforts to make appropriate officers of Parent available to the underwriters for meetings with prospective purchasers of the Restricted Securities and prepare and present to potential investors customary "road show" material in a manner consistent with other new issuances of other securities similar to the Restricted Securities; and

l. if so required by applicable listing requirements, cause all such Restricted Securities to be listed on each securities exchange on which similar securities issued by Buyer are then listed, provided that the applicable listing requirements are satisfied.

(i) Buyer may require each seller of Restricted Securities as to which any registration is being effected to furnish to Buyer such information regarding the distribution of such securities as Parent may from time to time reasonably request in writing.

(ii) Each holder of Restricted Securities agrees that, upon receipt of any notice from Buyer of the happening of any event of the kind described in Section 5(f), such holder will forthwith discontinue disposition of such Restricted Securities pursuant to the registration statement covering such Restricted Securities until such holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 5(f), and, if so directed by Buyer, such holder will deliver to Buyer (at Buyer's expense) all copies, other than permanent file copies then in such holder's possession, of the prospectus covering such Restricted Securities current at the time of receipt of such notice. If Buyer shall give any such notice, Buyer shall extend the period during which such registration statement shall be maintained effective pursuant to this Agreement (including the period referred to in Section 5(b)) by the number of days during the period from and including the date of the giving of such notice pursuant to Section 5(f) to and including the date when each seller of Restricted Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 5(f).

6. Expiration. The obligation of Buyer to register any Restricted Securities pursuant to this Agreement shall expire on December 31, 2012 with respect to Demand Registrations and on December 31, 2012 with respect to piggyback registrations.

7. Registration Expenses. All expenses incident to Buyer's performance of or compliance with this Agreement, including, without limitation, all registration and filing fees, fees and expenses of compliance with securities or blue sky laws (including fees and disbursements of Buyer's counsel in connection with blue sky qualifications of the Restricted Securities), rating agency fees, printing expenses, messenger and delivery expenses, internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the fees and expenses incurred in connection with the listing of the securities to be registered on each securities exchange on which similar securities issued by Buyer are then listed, and fees and disbursements of counsel for Buyer and its independent certified public accountants (including the expenses of any special audit or "comfort" letters required by or incident to such performance), securities acts liability insurance (if Buyer elects to obtain such insurance), the fees and expenses of any special experts retained by Buyer in connection with such registration, fees and expenses of other persons retained by Buyer, reasonable fees and expenses of one (1) counsel (who shall be reasonably acceptable to Buyer) for the holders of Restricted Securities incurred in connection with each registration hereunder (but not including any underwriting discounts or commissions or transfer taxes attributable to the sale of Restricted Securities) and any reasonable out-of-pocket expenses of the holders of Restricted Securities (or the agents who manage their accounts) excluding fees of counsel other than those fees specifically referred to in this

Section 7 and excluding travel expenses (all such expenses being herein called "REGISTRATION EXPENSES"), will be borne by Buyer.

8. Indemnification; Contribution.

a. Indemnification by Buyer. Buyer agrees to RELEASE, DEFEND, INDEMNIFY, PROTECT AND HOLD HARMLESS, to the full extent permitted by law, each holder of Registrable Securities, its officers, directors and agents and each person or entity who controls such holder (within the meaning of the Act) against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in any registration statement (or an amendment thereto), prospectus or preliminary prospectus (or an amendment or supplement thereto) or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in case of a prospectus or preliminary prospectus, in the light of the circumstances under which they were made) not misleading, except insofar as the same are caused by or contained in any information with respect to such holder furnished in writing to Buyer by such holder expressly for use therein or by such holder's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after Buyer's compliance with Section 5(c) hereof. Buyer will also indemnify any underwriters of the Registrable Securities, their officers and directors and each person or entity who controls such underwriters (within the meaning of the Act) to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities.

b. Indemnification by Holder of Restricted Securities. In connection with any registration statement in which a holder of Restricted Securities is participating, each such holder will furnish to Buyer in writing such information with respect to such holder as is required to be included therein for use in connection with any such registration statement or prospectus and agrees to RELEASE, DEFEND, INDEMNIFY, PROTECT AND HOLD HARMLESS, to the extent permitted by law, Buyer, the General Partner, and each of their (as applicable), directors and officers, and affiliates of any of them (within the meaning of the Act) against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of a material fact or any omission or alleged omission of a material fact required to be stated in the registration statement (or an amendment thereto), prospectus or preliminary prospectus (or an amendment or supplement thereto) or any amendment thereof or supplement thereto or necessary to make the statements therein (in the case of a prospectus or preliminary prospectus, in the light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that such untrue statement or omission is contained in any information with respect to such holder so furnished in writing by such holder, provided, however, that the aggregate amount which any such holder shall be required to pay pursuant to this Section 8(b) and Section 8(c) shall in no case be greater than the amount of the net proceeds received by

such person upon the sale of the Restricted Securities pursuant to the registration statement giving rise to such claim.

c. Conduct of Indemnification Proceedings. Any person or entity entitled to indemnification hereunder agrees to give prompt written notice to the indemnifying party after the receipt by such person or entity of any written notice of the commencement of any action, suit, proceeding or investigation or threat thereof made in writing for which such person or entity will claim indemnification or contribution pursuant to this Agreement and, unless in the reasonable judgment of such indemnified party a conflict of interest may exist between such indemnified party and the indemnifying party with respect to such claim, permit the indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to such indemnified party. Whether or not such defense is assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld). No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation. If the indemnifying party is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one (1) counsel with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim, in which event the indemnifying party shall be obligated to pay the fees and expenses of such additional counsel or counsels.

d. Contribution. If for any reason the indemnity provided for in this Section 8 is unavailable to, or is insufficient to hold harmless, an indemnified party, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities or expenses (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, or provides a lesser sum to the indemnified party than the amount hereinafter calculated, in such proportion as is appropriate to reflect not only the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other but also the relative fault of the indemnifying party and the indemnified party as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified parties shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or indemnified parties; and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages, abilities and

expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 8(c), any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in Section 8 was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

If indemnification is available under this Section 8, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Section 8(a) and Section 8(b) without regard to the relative fault of said indemnifying party or indemnified party or any other equitable consideration provided for in this Section 8(d). Notwithstanding anything in this Section 8(d) to the contrary, no indemnifying party (other than the Company) shall be required pursuant to this Section 8(d) to contribute any amount in excess of the net proceeds received by such indemnifying party for the sale of Restricted Securities in the offering to which the losses, claims, damages or liabilities of the indemnified parties relate, less the amount of any indemnification payment made by such indemnifying party pursuant to Sections 8(b) and (c).

9. Participation in Underwritten Registrations. No person or entity may participate in any underwritten registration hereunder unless such person or entity (a) agrees to sell such person's or entity's securities on the basis provided in any underwriting arrangements approved by the persons or entities entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

10. Representations and Warranties. The Seller hereby represents and warrants to Buyer as follows:

a. It is a "sophisticated investor" as such term is contemplated by applicable securities laws (including the related jurisprudence);

b. The Registrable Securities are being acquired solely for its own account for investment and not with a view toward, or for resale in connection with, any "distribution" (as such term is used in the Act and the rules and regulations thereunder) of all or any portion thereof;

c. It understands and agrees that the Registrable Securities may not be sold, pledged, hypothecated or otherwise transferred unless they are registered under the Act and applicable state securities laws or an exemption from such registration is available;

d. It has adequate means of providing for its current needs and possible contingencies, is able to bear the economic risks of this investment and has a sufficient net worth to sustain a loss of its entire investment in Buyer if such loss should occur;

e. It has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in Buyer; and

f. It has made its own inquiry and investigation into and based thereon has formed an independent judgment concerning Parent and the Registrable Securities, and has been furnished with or given adequate access to such information about Buyer and the Registrable Securities as it has requested.

11. Rule 144. If the Units are registered under the Act, from and after such date of registration, Buyer covenants that it will file the reports required to be filed by it under the Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder; and it will take such further action as any holder of Restricted Securities may reasonably request, all to the extent required from time to time to enable such holder to sell Restricted Securities without registration under the Act within the limitation of the exemptions provided by (a) Rule 144 under the Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any holder of Restricted Securities, Buyer will deliver to such holder a written statement as to whether it has complied with such requirements.

12. Assignment of Registration Rights. The rights of the Seller under this Agreement with respect to any Restricted Securities may be assigned to any person or entity who acquires all or a portion of such Restricted Securities. Any assignment of registration rights pursuant to this Section 12 shall be effective upon receipt by Buyer of (i) written notice from the assignor (A) stating the name and address of any assignee, (B) describing the manner in which the assignee acquired the Restricted Securities from the assignor and (C) identifying the Restricted Securities with respect to which the rights under this Agreement are being assigned, (ii) a certificate signed by the assignee assuming all obligations of the assignor under this Agreement and (iii) any other certificate or document that Buyer might reasonably require.

13. Miscellaneous.

a. Entire Agreement. This Agreement and the other agreements executed in connection and contemporaneously herewith constitute the entire agreement and supersede all prior (oral and written) or contemporaneous proposals or agreements, all previous negotiations and all other communications or

understandings between the parties hereto with respect to the subject matter hereof.

b. Parties Bound by Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and, subject to Section 12, their respective successors and assigns.

c. Counterparts. This Agreement may be executed in multiple counterparts, each of which, when executed, shall be deemed an original, and all of which shall constitute but one and the same instrument.

d. Governing Law. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE CONSTRUED, INTERPRETED AND GOVERNED BY AND ACCORDING TO, THE LAWS OF THE STATE OF DELAWARE, EXCLUDING ANY CONFLICT OF LAWS PRINCIPLES WHICH, IF APPLIED, MIGHT PERMIT OR REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

e. No Inconsistent Agreements. Buyer will not hereafter enter into any agreement with respect to its securities which is inconsistent with the rights granted to the holders of Registrable Securities in this Agreement.

f. Remedies. Each holder of Registrable Securities, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. Buyer agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agree to waive (to the extent permitted by law) the defense in any action for specific performance that a remedy of law would be adequate.

g. Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless Parent has obtained the written consent of holders of at least a majority in aggregate number of Restricted Securities then outstanding affected by such amendment, modification, supplement, waiver or departure.

h. Further Assurances. Subject to the terms and conditions set forth in this Agreement, each of the parties hereto agrees to use all reasonable efforts to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. If, at any time after the execution of this Agreement, any further action is necessary or desirable to carry out its purposes, the proper officers or directors of the parties hereto shall take or cause to be taken all such necessary action.

i. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective as to such jurisdiction, to the

extent of such invalidity or unenforceability, without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable. A bankruptcy or similar trustee must accept or, to the extent permitted by law, reject this Agreement in its entirety.

j. Waivers. Neither action taken (including, without limitation, any investigation by or on behalf of either party hereto) nor inaction pursuant to this Agreement, shall be deemed to constitute a waiver of compliance with any representation, warranty, covenant or agreement contained herein by the party not committing such action or inaction. A waiver by either party hereto of a particular right, including, without limitation, breach of any provision of this Agreement, shall not operate or be construed as a subsequent waiver of that same right or a waiver of any other right.

k. No Third Party Beneficiaries. Except to the extent a third party is expressly given rights herein, any agreement herein contained, expressed or implied, shall be only for the benefit of the parties hereto and their respective legal representatives and permitted successors and assigns, and such agreements shall not inure to the benefit of any other person whomsoever, it being the intention of the parties hereto that no person shall be deemed a third party beneficiary of this Agreement except to the extent a third party is expressly given rights herein.

l. Termination. This Agreement shall terminate on December 31, 2012.

m. Notices. All notices and other communications provided or permitted hereunder shall be made by hand-delivery or registered first-class mail:

(i) if to the Seller:

El Paso Corporation
Attn: President
El Paso Building
1001 Louisiana
Houston, Texas 77002

(ii) if to a permitted successor holder of Restricted Securities at the most current address, and with a copy to be sent to each additional address, given by such holder to Buyer, in writing; and

(ii) if to Buyer:

El Paso Energy Partners, L.P.
Attn: President
4 Greenway Plaza
Houston, Texas 77046

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth in the preamble of this Agreement.

EL PASO CORPORATION

By: /s/ John Hopper
Name: John Hopper
Title: Vice President and Treasurer

EL PASO ENERGY PARTNERS, L.P.

By: /s/ Keith Forman
Name: Keith Forman
Title: Vice President and Chief Financial Officer

EXHIBIT 4.H

A/B EXCHANGE
REGISTRATION RIGHTS AGREEMENT

Dated as of November 27, 2002

by and among

El Paso Energy Partners, L.P.

El Paso Energy Partners Finance Corporation

The Subsidiary Guarantors listed on Schedule A

and

J.P. Morgan Securities Inc.

Goldman, Sachs & Co.

UBS Warburg LLC

Wachovia Securities, Inc.

This Registration Rights Agreement (this "Agreement") is made and entered into as of November 27, 2002 by and among El Paso Energy Partners, L.P., a Delaware limited partnership (the "Partnership"), El Paso Energy Partners Finance Corporation, a Delaware corporation ("El Paso Finance" and, together with the Partnership, the "Issuers"), each of the entities listed on Schedule A attached hereto (each, a "Subsidiary Guarantor" and collectively, the "Subsidiary Guarantors"), J.P. Morgan Securities Inc., Goldman, Sachs & Co., UBS Warburg LLC and Wachovia Securities, Inc. (each an "Initial Purchaser" and, collectively, the "Initial Purchasers"), each of whom has agreed to purchase the Issuers' 10.625% Series A Senior Subordinated Notes due 2012 (such notes being purchased on the date hereof being referred to as the "Series A Notes") pursuant to the Purchase Agreement (as defined below).

This Agreement is made pursuant to the Purchase Agreement, dated November 22, 2002 (the "Purchase Agreement"), by and among the Issuers, the Subsidiary Guarantors and the Initial Purchasers. In order to induce the Initial Purchasers to purchase the Series A Notes, the Issuers have agreed to provide the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the obligations of the Initial Purchasers set forth in Section 2 of the Purchase Agreement. Capitalized terms used herein and not otherwise defined shall have the meaning assigned to them in the Indenture, dated November 27, 2002, (the "Indenture"), among the Issuers, the Subsidiary Guarantors and JPMorgan Chase Bank, as trustee (the "Trustee"), relating to the Series A Notes and the Series B Notes.

The parties hereby agree as follows:

Section 1. Definitions. As used in this Agreement, the following capitalized terms shall have the following meanings:

Act: The Securities Act of 1933, as amended.

Affiliate: As defined in Rule 144 of the Act.

Broker-Dealer: Any broker or dealer registered under the Exchange Act.

Certificated Securities: Definitive Notes, as defined in the Indenture.

Closing Date: The date hereof.

Commission: The Securities and Exchange Commission.

Consummate: An Exchange Offer shall be deemed "Consummated" for purposes of this Agreement upon the occurrence of (a) the filing and effectiveness under the Act of the Exchange Offer Registration Statement relating to the Series B Notes to be issued in the Exchange Offer, (b) the maintenance of such Exchange Offer Registration Statement continuously effective and the keeping of the Exchange Offer open for a period not less than the period required pursuant to Section 3(b) hereof and (c) the delivery by the Issuers to the Registrar under the Indenture of Series B Notes in the same aggregate principal amount as the aggregate principal amount of Series A Notes tendered by Holders thereof pursuant to the Exchange Offer.

Consummation Deadline: As defined in Section 3(b) hereof.

Effectiveness Deadline: As defined in Sections 3(a) and 4(a) hereof.

Exchange Act: The Securities Exchange Act of 1934, as amended.

Exchange Offer: The exchange and issuance by the Issuers of a principal amount of Series B Notes (which shall be registered pursuant to the Exchange Offer Registration Statement) equal to the outstanding principal amount of Series A Notes that are tendered by such Holders in connection with such exchange and issuance.

Exchange Offer Registration Statement: The Registration Statement relating to the Exchange Offer, including the related Prospectus.

Exempt Resales: The transactions in which the Initial Purchasers propose to sell the Series A Notes to certain "qualified institutional buyers," as such term is defined in Rule 144A under the Act and pursuant to Regulation S under the Act.

Filing Deadline: As defined in Sections 3(a) and 4(a) hereof.

Holders: As defined in Section 2 hereof.

Partnership Agreement: The Second Amended and Restated Agreement of Limited Partnership of El Paso Energy Partners, L.P., dated as of February 13, 1993, amended and restated effective as of August 31, 2000, as such may be amended, modified or supplemented from time to time.

Prospectus: The prospectus included in a Registration Statement at the time such Registration Statement is declared effective, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into such Prospectus.

Recommencement Date: As defined in Section 6(d) hereof.

Registration Default: As defined in Section 5 hereof.

Registration Statement: Any registration statement of the Issuers and the Subsidiary Guarantors relating to (a) an offering of Series B Notes pursuant to an Exchange Offer or (b) the registration for resale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, in each case, (i) that is filed pursuant to the provisions of this Agreement and (ii) including the Prospectus included therein, all amendments and supplements thereto (including post-effective amendments) and all exhibits and material incorporated by reference therein.

Regulation S: Regulation S promulgated under the Act.

Rule 144: Rule 144 promulgated under the Act.

Series B Notes: The Issuers' 10.625% Series B Senior Subordinated Notes due 2012 to be issued pursuant to the Indenture: (i) in the Exchange Offer or (ii) as contemplated by Section 4 hereof.

Shelf Registration Statement: As defined in Section 4 hereof.

Suspension Notice: As defined in Section 6(d) hereof.

TIA: The Trust Indenture Act of 1939 (15 U.S.C. Section 77aaa-77bbbb) as in effect on the date of the Indenture.

Transfer Restricted Securities: Each Series A Note, until the earliest to occur of (a) the date on which such Series A Note is exchanged in the Exchange Offer for a Series B Note which is entitled to be resold to the public by the Holder thereof without complying with the prospectus delivery requirements of the Act, (b) the date on which such Series A Note has been disposed of in accordance with a Shelf Registration Statement (and the purchasers thereof have been issued Series B Notes), or (c) the date on which such Series A Note is distributed to the public pursuant to Rule 144 under the Act (and purchasers thereof have been issued Series B Notes) and each Series B Note until the date on which such Series B Note is disposed of by a Broker-Dealer pursuant to the "Plan of Distribution" contemplated by the Exchange Offer Registration Statement (including the delivery of the Prospectus contained therein).

Section 2. Holders. A Person is deemed to be a holder of Transfer Restricted Securities (each, a "Holder") whenever such Person owns Transfer Restricted Securities.

Section 3. Registered Exchange Offer.

(a) Unless the Exchange Offer shall not be permitted by applicable federal law (after the procedures set forth in Section 6(a)(i) below have been complied with), the Issuers and the Subsidiary Guarantors shall (i) cause the Exchange Offer Registration Statement to be filed with the Commission as soon as practicable after the Closing Date, but in no event later than 95 days after the Closing Date (such 95th day being the "Filing Deadline"), (ii) use its best efforts to cause such Exchange Offer Registration Statement to become effective at the earliest possible time, but in no event later than 150 days after the Closing Date (such 150th day being the "Effectiveness Deadline"), (iii) in connection with the foregoing, (A) file all pre-effective amendments to such Exchange Offer Registration Statement as may be necessary in order to cause it to become effective, (B) file, if applicable, a post-effective amendment to such Exchange Offer Registration Statement pursuant to Rule 430A under the Act and (C) cause all necessary filings, if any, in connection with the registration and qualification of the Series B Notes to be made under the Blue Sky laws of such jurisdictions as are necessary to permit Consummation of the Exchange Offer, and (iv) upon the effectiveness of such Exchange Offer Registration Statement, commence and Consummate the Exchange Offer. The Exchange Offer shall be on the appropriate form permitting (i) registration of the Series B Notes to be offered in exchange for the Series A Notes that are Transfer Restricted Securities and (ii) resales of Series B Notes by Broker-Dealers that tendered into the Exchange Offer Series A Notes that such Broker-Dealer acquired for its own account as a result of market making activities or other trading activities (other than Series A Notes acquired directly from the Issuers or any of their Affiliates) as contemplated by Section 3(c) below.

(b) The Issuers and the Subsidiary Guarantors shall use their respective best efforts to cause the Exchange Offer Registration Statement to be effective continuously, and shall keep the Exchange Offer open for a period of not less than the minimum period required under applicable federal and state securities laws to Consummate the Exchange Offer; provided, however, that in no event shall such period be less than 20 Business Days. The Issuers and the Subsidiary Guarantors shall cause the Exchange Offer to comply with all applicable federal and state securities laws. No securities other than the Series B Notes shall be included in the Exchange Offer Registration Statement. The Issuers and the Subsidiary Guarantors shall use their respective best efforts to cause the Exchange Offer to be Consummated on the earliest practicable date after the Exchange Offer Registration Statement has become effective, but in no event later than 180 days after the Closing Date (such 180th day being the "Consummation Deadline").

(c) The Issuers shall include a "Plan of Distribution" section in the Prospectus contained in the Exchange Offer Registration Statement and indicate therein that any Broker-Dealer who holds Transfer Restricted Securities that were acquired for the account of such Broker-Dealer as a result of market-making activities or other trading activities (other than Series A Notes acquired directly from the Issuers or any Affiliate of the Issuers) may exchange such Transfer Restricted Securities pursuant to the Exchange Offer. Such "Plan of Distribution" section shall also contain all other information with respect to such sales by such Broker-Dealers that the Commission may require in order to permit such sales pursuant thereto, but such "Plan of Distribution" shall not name any such Broker-Dealer or disclose the amount of Transfer Restricted Securities held by any such Broker-Dealer, except to the extent required by the Commission as a result of a change in policy, rules or regulations after the date of this Agreement.

Because such Broker-Dealer may be deemed to be an "underwriter" within the meaning of the Act and must, therefore, deliver a prospectus meeting the requirements of the Act in connection with its initial sale of any Series B Notes received by such Broker-Dealer in the Exchange Offer, the Issuers and Subsidiary Guarantors shall permit the use of the Prospectus contained in the Exchange Offer Registration Statement by such Broker-Dealer to satisfy such prospectus delivery requirement. To the extent necessary to ensure that the prospectus contained in the Exchange Offer Registration Statement is available for sales of Series B Notes by Broker-Dealers, the Issuers and the Subsidiary Guarantors agree to use their respective best efforts to keep the Exchange Offer Registration Statement continuously effective, supplemented, amended and current as required by and subject to the provisions of Sections 6(a) and (c) hereof and in conformity with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time, for a period of one year from the Consummation Deadline or such shorter period as will terminate when all Transfer Restricted Securities covered by such Registration Statement have been sold pursuant thereto. The Issuers and the Subsidiary Guarantors shall provide sufficient copies of the latest version of such Prospectus to such Broker-Dealers, promptly upon request, and in no event later than one day after such request, at any time during such period.

Section 4. Shelf Registration.

(a) Shelf Registration. If (i) the Exchange Offer is not permitted by applicable law (after the Issuers and the Subsidiary Guarantors have complied with the procedures set forth in Section 6(a)(i) below) or (ii) if any Holder of Transfer Restricted Securities shall notify the Issuers within 20 Business Days following the Consummation Deadline that (A) such Holder was prohibited by law or Commission policy from participating in the Exchange Offer or (B) such Holder may not resell the Series B Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and the Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder or (C) such Holder is a Broker-Dealer and holds Series A Notes acquired directly from the Issuers or any of their Affiliates, then the Issuers and the Subsidiary Guarantors shall:

(x) cause to be filed, on or prior to 30 days after the earlier of (i) the date on which the Issuers determine that the Exchange Offer Registration Statement cannot be filed as a result of clause (a)(i) above and (ii) the date on which the Issuers receive the notice specified in clause (a)(ii) above, (such earlier date, the "Filing Deadline"), a shelf registration statement pursuant to Rule 415 under the Act (which may be an amendment to the Exchange Offer Registration Statement (the "Shelf Registration Statement")), relating to all Transfer Restricted Securities, and

(y) shall use their respective best efforts to cause such Shelf Registration Statement to become effective on or prior to 60 days after the Filing Deadline for the Shelf Registration Statement (such 60th day the "Effectiveness Deadline").

If, after the Issuers and the Subsidiary Guarantors have filed an Exchange Offer Registration Statement that satisfies the requirements of Section 3(a) above, the Issuers are required to file and make effective a Shelf Registration Statement solely because the Exchange Offer is not permitted under applicable federal law (i.e., clause (a)(i) above), then the filing of the Exchange Offer Registration Statement shall be deemed to satisfy the requirements of clause (x) above; provided that, in such event, the Issuers and the Subsidiary Guarantors shall remain obligated to meet the Effectiveness Deadline set forth in clause (y).

To the extent necessary to ensure that the Shelf Registration Statement is available for sales of Transfer Restricted Securities by the Holders thereof entitled to the benefit of this Section 4(a) and the other securities required to be registered therein pursuant to Section 6(b)(ii) hereof, the Issuers and the Subsidiary Guarantors shall use their respective best efforts to keep any Shelf Registration Statement required by this Section 4(a) continuously effective, supplemented, amended and current as required by and subject to the provisions of Sections 6(b) and (c) hereof and in conformity with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time, for a period of at least two years (as extended pursuant to Section 6(d))

following the Closing Date, or such shorter period as will terminate when all Transfer Restricted Securities covered by such Shelf Registration Statement have been sold pursuant thereto.

(b) Provision by Holders of Certain Information in Connection with the Shelf Registration Statement. No Holder of Transfer Restricted Securities may include any of its Transfer Restricted Securities in any Shelf Registration Statement pursuant to this Agreement unless and until such Holder furnishes to the Issuers in writing, within 20 days after receipt of a request therefor, the information specified in Item 507 or 508 of Regulation S-K, as applicable, of the Act for use in connection with any Shelf Registration Statement or Prospectus or preliminary Prospectus included therein. No Holder of Transfer Restricted Securities shall be entitled to liquidated damages pursuant to Section 5 hereof unless and until such Holder shall have provided all such information. Each selling Holder agrees to promptly furnish additional information required to be disclosed in order to make the information previously furnished to the Issuers by such Holder not materially misleading.

Section 5. Liquidated Damages. If (i) any Registration Statement required by this Agreement is not filed with the Commission on or prior to the applicable Filing Deadline, (ii) any such Registration Statement has not been declared effective by the Commission on or prior to the applicable Effectiveness Deadline, (iii) the Exchange Offer has not been Consummated on or prior to the Consummation Deadline or (iv) any Registration Statement required by this Agreement is filed and declared effective but shall thereafter cease to be effective or fail to be usable for its intended purpose without being succeeded within 2 days by a post-effective amendment to such Registration Statement that cures such failure and that is itself declared effective within 2 days of filing such post-effective amendment to such Registration Statement (each such event referred to in clauses (i) through (iv), a "Registration Default"), then the Issuers and the Subsidiary Guarantors hereby jointly and severally agree to pay to each Holder of Transfer Restricted Securities affected thereby liquidated damages in an amount equal to $.05 per week per $1,000 in principal amount of Transfer Restricted Securities held by such Holder for each week or portion thereof that the Registration Default continues for the first 90-day period immediately following the occurrence of such Registration Default. The amount of the liquidated damages shall increase by an additional $.05 per week per $1,000 in principal amount of Transfer Restricted Securities with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of liquidated damages of $.50 per week per $1,000 in principal amount of Transfer Restricted Securities; provided that the Issuers and the Subsidiary Guarantors shall in no event be required to pay liquidated damages for more than one Registration Default at any given time. Notwithstanding anything to the contrary set forth herein, (1) upon filing of the Exchange Offer Registration Statement (and/or, if applicable, the Shelf Registration Statement), in the case of (i) above, (2) upon the effectiveness of the Exchange Offer Registration Statement (and/or, if applicable, the Shelf Registration Statement), in the case of (ii) above, (3) upon Consummation of the Exchange Offer, in the case of (iii) above, or (4) upon the filing of a post-effective amendment to the Registration Statement or an additional Registration Statement that causes the Exchange Offer Registration Statement (and/or, if applicable, the Shelf Registration Statement) to again be declared effective or made usable in the case of (iv) above, the accrual of liquidated damages payable with respect to the

Transfer Restricted Securities as a result of such clause (i), (ii), (iii) or (iv), as applicable, shall cease.

All accrued liquidated damages shall be paid to the Holders entitled thereto, in the manner providing for the payment of interest in the Indenture, on each Interest Payment Date, as more fully set forth in the Indenture and the Notes. Notwithstanding the fact that any securities for which liquidated damages are due cease to be Transfer Restricted Securities, all obligations of the Issuers and the Subsidiary Guarantors to pay liquidated damages with respect to securities shall survive until such time as such obligations with respect to such securities shall have been satisfied in full.

Section 6. Registration Procedures.

(a) Exchange Offer Registration Statement. In connection with the Exchange Offer, the Issuers and the Subsidiary Guarantors shall (x) comply with all applicable provisions of Section 6(c) below, (y) use their respective best efforts to effect such exchange and to permit the resale of Series B Notes by Broker-Dealers that tendered in the Exchange Offer Series A Notes that such Broker-Dealer acquired for its own account as a result of its market making activities or other trading activities (other than Series A Notes acquired directly from the Issuers or any of their Affiliates) being sold in accordance with the intended method or methods of distribution thereof, and (z) comply with all of the following provisions:

(i) If, following the date hereof there has been announced a change in Commission policy with respect to exchange offers such as the Exchange Offer, that in the reasonable opinion of counsel to the Issuers raises a substantial question as to whether the Exchange Offer is permitted by applicable federal law, the Issuers and the Subsidiary Guarantors hereby agree to seek a no-action letter or other favorable decision from the Commission allowing the Issuers and the Subsidiary Guarantors to Consummate an Exchange Offer for such Transfer Restricted Securities. The Issuers and the Subsidiary Guarantors hereby agree to pursue the issuance of such a decision to the Commission staff level. In connection with the foregoing, the Issuers and the Subsidiary Guarantors hereby agree to take all such other actions as may be requested by the Commission or otherwise required in connection with the issuance of such decision, including without limitation (A) participating in telephonic conferences with the Commission, (B) delivering to the Commission staff an analysis prepared by counsel to the Issuers setting forth the legal bases, if any, upon which such counsel has concluded that such an Exchange Offer should be permitted and (C) diligently pursuing a resolution (which need not be favorable) by the Commission staff.

(ii) As a condition to its participation in the Exchange Offer, each Holder of Transfer Restricted Securities (including, without limitation, any Holder who is a Broker Dealer) shall furnish, upon the request of the Issuers, prior to the Consummation of the Exchange Offer, a written representation to the Issuers and the Subsidiary Guarantors (which may be contained in the letter of

transmittal contemplated by the Exchange Offer Registration Statement) to the effect that (A) it is not an Affiliate of the Issuers, (B) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any Person to participate in, a distribution of the Series B Notes to be issued in the Exchange Offer and (C) it is acquiring the Series B Notes in its ordinary course of business. As a condition to its participation in the Exchange Offer, each Holder using the Exchange Offer to participate in a distribution of the Series B Notes shall acknowledge and agree that, if the resales are of Series B Notes obtained by such Holder in exchange for Series A Notes acquired directly from the Issuers or an Affiliate thereof, it (1) could not, under Commission policy as in effect on the date of this Agreement, rely on the position of the Commission enunciated in Morgan Stanley and Co., Inc. (available June 5, 1991) and Exxon Capital Holdings Corporation (available May 13, 1988), as interpreted in the Commission's letter to Shearman & Sterling dated July 2, 1993, and similar no-action letters (including, if applicable, any no-action letter obtained pursuant to clause (i) above), and (2) must comply with the registration and prospectus delivery requirements of the Act in connection with a secondary resale transaction and that such a secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K.

(iii) Prior to effectiveness of the Exchange Offer Registration Statement, the Issuers and the Subsidiary Guarantors shall provide a supplemental letter to the Commission (A) stating that the Issuers and the Subsidiary Guarantors are registering the Exchange Offer in reliance on the position of the Commission enunciated in Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley and Co., Inc. (available June 5, 1991) as interpreted in the Commission's letter to Shearman & Sterling dated July 2, 1993, and, if applicable, any no-action letter obtained pursuant to clause (i) above, (B) including a representation that neither the Issuers nor any Subsidiary Guarantor has entered into any arrangement or understanding with any Person to distribute the Series B Notes to be received in the Exchange Offer and that, to the best of the Issuers' and each Subsidiary Guarantor's information and belief, each Holder participating in the Exchange Offer is acquiring the Series B Notes in its ordinary course of business and has no arrangement or understanding with any Person to participate in the distribution of the Series B Notes received in the Exchange Offer and (C) any other undertaking or representation required by the Commission as set forth in any no-action letter obtained pursuant to clause (i) above, if applicable.

(b) Shelf Registration Statement. In connection with the Shelf Registration Statement, the Issuers and the Subsidiary Guarantors shall:

(i) comply with all the provisions of Section 6(c) below and use their respective best efforts to effect such registration to permit the sale of the Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof (as indicated in the information furnished to the

Issuers pursuant to Section 4(b) hereof), and pursuant thereto the Issuers and the Subsidiary Guarantors will prepare and file with the Commission a Registration Statement relating to the registration on any appropriate form under the Act, which form shall be available for the sale of the Transfer Restricted Securities in accordance with the intended method or methods of distribution thereof within the time periods and otherwise in accordance with the provisions hereof.

(ii) issue, upon the request of any Holder or purchaser of Series A Notes covered by any Shelf Registration Statement contemplated by this Agreement, Series B Notes having an aggregate principal amount equal to the aggregate principal amount of Series A Notes sold pursuant to the Shelf Registration Statement and surrendered to the Issuers for cancellation; the Issuers shall register Series B Notes on the Shelf Registration Statement for this purpose and issue the Series B Notes to the purchaser(s) of securities subject to the Shelf Registration Statement in the names as such purchaser(s) shall designate.

(c) General Provisions. In connection with any Registration Statement and any related Prospectus required by this Agreement, the Issuers and the Subsidiary Guarantors shall:

(i) use their respective best efforts to keep such Registration Statement continuously effective and provide all requisite financial statements for the period specified in Section 3 or 4 of this Agreement, as applicable. Upon the occurrence of any event that would cause any such Registration Statement or the Prospectus contained therein (A) to contain an untrue statement of material fact or omit to state any material fact necessary to make the statements therein not misleading or (B) not to be effective and usable for resale of Transfer Restricted Securities during the period required by this Agreement, the Issuers and the Subsidiary Guarantors shall file promptly an appropriate amendment to such Registration Statement curing such defect, and, if Commission review is required, use their respective best efforts to cause such amendment to be declared effective as soon as practicable;

(ii) prepare and file with the Commission such amendments and post-effective amendments to the applicable Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period set forth in Section 3 or 4 hereof, as the case may be; cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Act, and to comply fully with Rules 424, 430A and 462, as applicable, under the Act in a timely manner; and comply with the provisions of the Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(iii) advise each Holder promptly and, if requested by such Holder, confirm such advice in writing, (A) when the Prospectus or any Prospectus

supplement or post-effective amendment has been filed, and, with respect to any applicable Registration Statement or any post-effective amendment thereto, when the same has become effective, (B) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto, (C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the Act or of the suspension by any state securities commission of the qualification of the Transfer Restricted Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes, and (D) of the existence of any fact or the happening of any event that makes any statement of a material fact made in the Registration Statement, the Prospectus, any amendment or supplement thereto or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Registration Statement in order to make the statements therein not misleading, or that requires the making of any additions to or changes in the Prospectus in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Transfer Restricted Securities under state securities or Blue Sky laws, the Issuers and the Subsidiary Guarantors shall use their respective best efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(iv) subject to Section 6(c)(i), if any fact or event contemplated by Section 6(c)(iii)(D) above shall exist or have occurred, prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of Transfer Restricted Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(v) furnish to each Holder in connection with such exchange or sale, if any, before filing with the Commission, copies of any Registration Statement or any Prospectus included therein or any amendments or supplements to any such Registration Statement or Prospectus (including all documents incorporated by reference after the initial filing of such Registration Statement), which documents will be subject to the review and comment of such Holders in connection with such sale, if any, for a period of at least five Business Days, and the Issuers will not file any such Registration Statement or Prospectus or any amendment or supplement to any such Registration Statement or Prospectus (including all such documents incorporated by reference) to which such Holders shall reasonably object within five Business Days after the receipt thereof. A Holder shall be deemed to have reasonably objected to such filing if such Registration Statement, amendment, Prospectus or supplement, as applicable, as proposed to be filed, contains an untrue statement of a material fact or omits to state any material fact

necessary to make the statements therein not misleading or fails to comply with the applicable requirements of the Act;

(vi) promptly provide, prior to the filing of any document that is to be incorporated by reference into a Registration Statement or Prospectus, copies of such document to each Holder in connection with such exchange or sale, if any, make the Issuers' and the Subsidiary Guarantors' representatives available for discussion of such document and other customary due diligence matters, and include such information in such document prior to the filing thereof as such Holders may reasonably request;

(vii) make available, at reasonable times, for inspection by each Holder and any attorney or accountant retained by such Holders, all financial and other records, and pertinent corporate documents of the Issuers and the Subsidiary Guarantors and cause the Issuers' and the Subsidiary Guarantors' officers, directors and employees to supply all information reasonably requested by any such Holder, attorney or accountant in connection with such Registration Statement or any post-effective amendment thereto subsequent to the filing thereof and prior to its effectiveness;

(viii) if requested by any Holders in connection with such exchange or sale, promptly include in any Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as such Holders may reasonably request to have included therein, including, without limitation, information relating to the "Plan of Distribution" of the Transfer Restricted Securities; and make all required filings of such Prospectus supplement or post-effective amendment as soon as practicable after the Issuers are notified of the matters to be included in such Prospectus supplement or post-effective amendment;

(ix) furnish to each Holder in connection with such exchange or sale, without charge, at least one copy of the Registration Statement, as first filed with the Commission, and of each amendment thereto, including all documents incorporated by reference therein and all exhibits (including exhibits incorporated therein by reference);

(x) deliver to each Holder without charge, as many copies of the Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Persons reasonably may request; the Issuers and the Subsidiary Guarantors hereby consent to the use (in accordance with law) of the Prospectus and any amendment or supplement thereto by each selling Holder in connection with the offering and the sale of the Transfer Restricted Securities covered by the Prospectus or any amendment or supplement thereto;

(xi) upon the request of any Holder, enter into such agreements (including underwriting agreements) and make such representations and warranties and take all such other actions in connection therewith in order to

expedite or facilitate the disposition of the Transfer Restricted Securities pursuant to any applicable Registration Statement contemplated by this Agreement as may be reasonably requested by any Holder in connection with any sale or resale pursuant to any applicable Registration Statement. In such connection, the Issuers and the Subsidiary Guarantors shall:

(A) upon request of any Holder, furnish (or in the case of paragraphs (2) and (3), use their best efforts to cause to be furnished) to each Holder, upon Consummation of the Exchange Offer or upon the effectiveness of the Shelf Registration Statement, as the case may be:

(1) a certificate, dated such date, signed on behalf of the Issuers and each Subsidiary Guarantor by (x) the President or any Vice President and (y) a principal financial or accounting officer of each of the Issuers and each Subsidiary Guarantor, confirming, as of the date thereof, the matters set forth in Sections 6(cc), 9(a) and 9(b) of the Purchase Agreement and such other similar matters as such Holders may reasonably request;

(2) an opinion, dated the date of Consummation of the Exchange Offer or the date of effectiveness of the Shelf Registration Statement, as the case may be, of counsel for the Issuers and the Subsidiary Guarantors covering matters similar to those set forth in paragraph (e) of Section 9 of the Purchase Agreement and such other matters as such Holder may reasonably request, and in any event including a statement to the effect that such counsel has participated in conferences with officers and other representatives of the Issuers and the Subsidiary Guarantors, and representatives of the independent public accountants for the Issuers and the Subsidiary Guarantors and have considered the matters required to be stated therein and the statements contained therein, although such counsel has not independently verified the accuracy, completeness or fairness of such statements; and that such counsel advises that, on the basis of the foregoing, no facts came to such counsel's attention that caused such counsel to believe that the applicable Registration Statement, at the time such Registration Statement or any post-effective amendment thereto became effective and, in the case of the Exchange Offer Registration Statement, as of the date of Consummation of the Exchange Offer, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus contained in such Registration Statement as of its date and, in the case of the opinion dated the date of Consummation of the Exchange Offer, as of the date of Consummation, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or

necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Without limiting the foregoing, such counsel may state further that such counsel assumes no responsibility for, and has not independently verified, the accuracy, completeness or fairness of the financial statements, notes and schedules and other financial data included in any Registration Statement contemplated by this Agreement or the related Prospectus; and

(3) a customary comfort letter, dated the date of Consummation of the Exchange Offer, or as of the date of effectiveness of the Shelf Registration Statement, as the case may be, from the Issuers' independent accountants, in the customary form and covering matters of the type customarily covered in comfort letters to underwriters in connection with underwritten offerings, and affirming the matters set forth in the comfort letters delivered pursuant to Section 9(g) of the Purchase Agreement; and

(B) deliver such other documents and certificates as may be reasonably requested by the selling Holders to evidence compliance with the matters covered in clause (A) above and with any customary conditions contained in any agreement entered into by the Issuers and the Subsidiary Guarantors pursuant to this clause (xi);

(xii) prior to any public offering of Transfer Restricted Securities, cooperate with the selling Holders and their counsel in connection with the registration and qualification of the Transfer Restricted Securities under the securities or Blue Sky laws of such jurisdictions as the selling Holders may request and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Transfer Restricted Securities covered by the applicable Registration Statement; provided, however, that neither the Issuers nor any Subsidiary Guarantor shall be required to register or qualify as a foreign corporation where it is not now so qualified or to take any action that would subject it to the service of process in suits or to taxation, other than as to matters and transactions relating to the Registration Statement, in any jurisdiction where it is not now so subject;

(xiii) in connection with any sale of Transfer Restricted Securities that will result in such securities no longer being Transfer Restricted Securities, cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold and not bearing any restrictive legends; and to register such Transfer Restricted Securities in such denominations and such names as the selling Holders may request at least two Business Days prior to such sale of Transfer Restricted Securities;

(xiv) use their respective best efforts to cause the disposition of the Transfer Restricted Securities covered by the Registration Statement to be

registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Transfer Restricted Securities, subject to the proviso contained in clause (xii) above;

(xv) provide a CUSIP number for all Transfer Restricted Securities not later than the effective date of a Registration Statement covering such Transfer Restricted Securities and provide the Trustee under the Indenture with printed certificates for the Transfer Restricted Securities which are in a form eligible for deposit with The Depository Trust Company;

(xvi) otherwise use their respective best efforts to comply with all applicable rules and regulations of the Commission, and make generally available to their security holders with regard to any applicable Registration Statement, as soon as practicable, a consolidated earnings statement meeting the requirements of Rule 158 (which need not be audited) covering a twelve-month period beginning after the effective date of the Registration Statement (as such term is defined in paragraph (c) of Rule 158 under the Act);

(xvii) cause the Indenture to be qualified under the TIA not later than the effective date of the first Registration Statement required by this Agreement and, in connection therewith, cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for such Indenture to be so qualified in accordance with the terms of the TIA; and execute and use its best efforts to cause the Trustee to execute, all documents that may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified in a timely manner; and

(xviii) provide promptly to each Holder, upon request, each document filed with the Commission pursuant to the requirements of Section 13 or Section 15(d) of the Exchange Act.

(d) Restrictions on Holders. Each Holder agrees by acquisition of a Transfer Restricted Security that, upon receipt of the notice referred to in Section 6(c)(iii)(C) or any notice from the Issuers of the existence of any fact of the kind described in Section 6(c)(iii)(D) hereof (in each case, a "Suspension Notice"), such Holder will forthwith discontinue disposition of Transfer Restricted Securities pursuant to the applicable Registration Statement until (i) such Holder has received copies of the supplemented or amended Prospectus contemplated by Section 6(c)(iv) hereof, or (ii) such Holder is advised in writing by the Issuers that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus (in each case, the "Recommencement Date"). Each Holder receiving a Suspension Notice hereby agrees that it will either (i) destroy any Prospectuses, other than permanent file copies, then in such Holder's possession which have been replaced by the Issuers with more recently dated Prospectuses or (ii) deliver to the Issuers (at the Issuers' expense) all copies, other than permanent file copies, then in such Holder's possession of the Prospectus covering such Transfer Restricted Securities

that was current at the time of receipt of the Suspension Notice. The time period regarding the effectiveness of such Registration Statement set forth in Section 3 or 4 hereof, as applicable, shall be extended by a number of days equal to the number of days in the period from and including the date of delivery of the Suspension Notice to the date of delivery of the Recommencement Date.

(e) Effectiveness of Registration Statement. Notwithstanding anything to the contrary contained in this Agreement, the obligation of the Issuers and the Subsidiary Guarantors hereunder to maintain the effectiveness of any Registration Statement and any related Prospectus may be suspended, without default or penalty to the Issuers or the Subsidiary Guarantors, for one or more periods of time as may be required with respect to such Registration Statement if (A) the Board of Directors of the General Partner shall have determined that the offering and sales under the Registration Statement, the filing of such Registration Statement or the maintenance of its effectiveness would require disclosure of or would interfere in any material respect with any material financing, acquisition, merger, offering or other transaction involving the Issuers or the Subsidiary Guarantors or would otherwise require disclosure of nonpublic information that could materially and adversely affect the Issuers or the Subsidiary Guarantors or (B) the Issuers are required by any state or federal securities laws to file an amendment or supplement to such Registration Statement for the purpose of incorporating quarterly or annual information, which is not automatically effective. Further, the Issuers and the Subsidiary Guarantors shall be deemed to have used their respective best efforts to keep any Registration Statement continuously effective if either (A) or (B) above has occurred.

Section 7. Registration Expenses.

(a) All expenses incident to the Issuers' and the Subsidiary Guarantors' performance of or compliance with this Agreement will be borne by the Issuers, regardless of whether a Registration Statement becomes effective, including without limitation: (i) all registration and filing fees and expenses; (ii) all fees and expenses of compliance with federal securities and state Blue Sky or securities laws; (iii) all expenses of printing (including printing certificates for the Series B Notes to be issued in the Exchange Offer and printing of Prospectuses), messenger and delivery services and telephone; (iv) all fees and disbursements of counsel for the Issuers, the Subsidiary Guarantors and the Holders of Transfer Restricted Securities; (v) all application and filing fees in connection with listing the Series B Notes on a national securities exchange or automated quotation system pursuant to the requirements hereof; and (vi) all fees and disbursements of independent certified public accountants of the Issuers and the Subsidiary Guarantors (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Issuers will, in any event, bear their and the Subsidiary Guarantors' internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any Person, including special experts, retained by the Issuers or the Subsidiary Guarantors.

(b) In connection with any Registration Statement required by this Agreement (including, without limitation, the Exchange Offer Registration Statement and the Shelf Registration Statement), the Issuers and the Subsidiary Guarantors will reimburse the Initial Purchasers and the Holders of Transfer Restricted Securities who are tendering Series A Notes in the Exchange Offer and/or selling or reselling Series A Notes or Series B Notes pursuant to the "Plan of Distribution" contained in the Exchange Offer Registration Statement or the Shelf Registration Statement, as applicable, for the reasonable fees and disbursements of not more than one counsel, who shall be Simpson Thacher & Bartlett, unless another firm shall be chosen by the Holders of a majority in principal amount of the Transfer Restricted Securities for whose benefit such Registration Statement is being prepared.

Section 8. Indemnification.

(a) The Issuers and the Subsidiary Guarantors agree, jointly and severally, to indemnify and hold harmless each Holder, its directors, officers and each Person, if any, who controls such Holder (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act), from and against any and all losses, claims, damages, liabilities or judgments (including without limitation, any legal or other expenses incurred in connection with investigating or defending any matter, including any action that could give rise to any such losses, claims, damages, liabilities or judgments) caused by any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement, preliminary prospectus or Prospectus (or any amendment or supplement thereto) provided by the Issuers to any Holder or any prospective purchaser of Series B Notes or registered Series A Notes, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or judgments are caused by an untrue statement or omission or alleged untrue statement or omission that is based upon information relating to any of the Holders furnished in writing to the Issuers by any of the Holders.

(b) Each Holder of Transfer Restricted Securities agrees, severally and not jointly, to indemnify and hold harmless the Issuers and the Subsidiary Guarantors, and their respective directors and officers, and each Person, if any, who controls (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) the Issuers or the Subsidiary Guarantors, to the same extent as the foregoing indemnity from the Issuers and the Subsidiary Guarantors set forth in Section 8(a) above, but only with reference to information relating to such Holder furnished in writing to the Issuers by such Holder expressly for use in any Registration Statement. In no event shall any Holder, its directors, officers or any Person who controls such Holder be liable or responsible for any amount in excess of the amount by which the total amount received by such Holder with respect to its sale of Transfer Restricted Securities pursuant to a Registration Statement exceeds (i) the amount paid by such Holder for such Transfer Restricted Securities and (ii) the amount of any damages that such Holder, its directors, officers or any Person who controls such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

(c) In case any action shall be commenced involving any Person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b) (the "indemnified party"), the indemnified party shall promptly notify the Person against whom such indemnity may be sought (the "indemnifying person") in writing and the indemnifying party shall assume the defense of such action, including the employment of counsel reasonably satisfactory to the indemnified party and the payment of all fees and expenses of such counsel, as incurred (except that in the case of any action in respect of which indemnity may be sought pursuant to both Sections 8(a) and 8(b), a Holder shall not be required to assume the defense of such action pursuant to this Section 8(c), but may employ separate counsel and participate in the defense thereof, but the fees and expenses of such counsel, except as provided below, shall be at the expense of the Holder). Any indemnified party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the indemnified party unless (i) the employment of such counsel shall have been specifically authorized in writing by the indemnifying party, (ii) the indemnifying party shall have failed to assume the defense of such action or employ counsel reasonably satisfactory to the indemnified party or (iii) the named parties to any such action (including any impleaded parties) include both the indemnified party and the indemnifying party, and the indemnified party shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnifying party (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of the indemnified party). In any such case, the indemnifying party shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all indemnified parties and all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by a majority of the Holders, in the case of the parties indemnified pursuant to Section 8(a), and by the Issuers and Subsidiary Guarantors, in the case of parties indemnified pursuant to Section 8(b). The indemnifying party shall indemnify and hold harmless the indemnified party from and against any and all losses, claims, damages, liabilities and judgments by reason of any settlement of any action (i) effected with its written consent or (ii) effected without its written consent if the settlement is entered into more than twenty Business Days after the indemnifying party shall have received a request from the indemnified party for reimbursement for the fees and expenses of counsel (in any case where such fees and expenses are at the expense of the indemnifying party) and, prior to the date of such settlement, the indemnifying party shall have failed to comply with such reimbursement request. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement or compromise of, or consent to the entry of judgment with respect to, any pending or threatened action in respect of which the indemnified party is or could have been a party and indemnity or contribution may be or could have been sought hereunder by the indemnified party, unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability on claims that are or could have been the subject matter of such action

and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of the indemnified party.

(d) To the extent that the indemnification provided for in this Section 8 is unavailable to an indemnified party in respect of any losses, claims, damages, liabilities or judgments referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or judgments (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuers and the Subsidiary Guarantors, on the one hand, and the Holders, on the other hand, from their sale of Transfer Restricted Securities or (ii) if the allocation provided by clause 8(d)(i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(d)(i) above but also the relative fault of the Issuers and the Subsidiary Guarantors, on the one hand, and of the Holder, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or judgments, as well as any other relevant equitable considerations. The relative fault of the Issuers and the Subsidiary Guarantors, on the one hand, and of the Holder, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuers or such Subsidiary Guarantor, on the one hand, or by the Holder, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Issuers, the Subsidiary Guarantors and each Holder agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or judgments referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such indemnified party in connection with investigating or defending any matter, including any action that could have given rise to such losses, claims, damages, liabilities or judgments. Notwithstanding the provisions of this Section 8, no Holder, its directors, its officers or any Person, if any, who controls such Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the total received by such Holder with respect to the sale of Transfer Restricted Securities pursuant to a Registration Statement exceeds (i) the amount paid by such Holder for such Transfer Restricted Securities and (ii) the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 8(d) are several in proportion to the respective principal amount of Transfer Restricted Securities held by each Holder hereunder and not joint.

Section 9. Rule 144A and Rule 144. The Issuers and each Subsidiary Guarantor agree with each Holder, for so long as any Transfer Restricted Securities remain outstanding and during any period in which the Issuers or such Subsidiary Guarantor (i) is not subject to Section 13 or 15(d) of the Exchange Act, to make available, upon request of any Holder, to such Holder or beneficial owner of Transfer Restricted Securities in connection with any sale thereof and any prospective purchaser of such Transfer Restricted Securities designated by such Holder or beneficial owner, the information required by Rule 144A(d)(4) under the Act in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144A, and (ii) is subject to Section 13 or 15(d) of the Exchange Act, to make all filings required thereby in a timely manner in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144.

Section 10. Miscellaneous.

(a) Remedies. The Issuers and the Subsidiary Guarantors acknowledge and agree that any failure by the Issuers and/or the Subsidiary Guarantors to comply with their respective obligations under Sections 3 and 4 hereof may result in material irreparable injury to the Initial Purchasers or the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may obtain such relief as may be required to specifically enforce the Issuers' and the Subsidiary Guarantors' obligations under Sections 3 and 4 hereof. The Issuers and the Subsidiary Guarantors further agree to waive the defense in any action for specific performance that a remedy at law would be adequate.

(b) No Inconsistent Agreements. Neither the Issuers nor any Subsidiary Guarantor will, on or after the date of this Agreement, enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Neither the Issuers nor any Subsidiary Guarantor have previously entered into any agreement granting any registration rights with respect to its securities to any Person other than the registration rights (i) of El Paso Energy Partners Company and its affiliates in Section 6.14 of the Partnership Agreement, (ii) of EPEC Deepwater Gathering Company ("EPEC") and its successors pursuant to a registration rights agreement between EPEC and the Partnership which was executed in connection with the acquisition by the Partnership of an additional interest in Viosca Knoll Gathering Company, (iii) of Crystal Gas Storage, Inc. ("Crystal") pursuant to the registration rights agreement dated as of August 28, 2000 between Crystal and the Partnership which was executed in connection with the acquisition by the Partnership of the Crystal storage facilities and (iv) granted under the Partnership Credit Facility (as amended, restated and otherwise supplemented through the date hereof) and related agreements and (v) granted pursuant to this Agreement. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Issuers' and the Subsidiary Guarantors' securities under any agreement in effect on the date hereof.

(c) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given unless (i) in the case of Section 5 hereof and this

Section 10(c)(i), the Issuers have obtained the written consent of Holders of all outstanding Transfer Restricted Securities and (ii) in the case of all other provisions hereof, the Issuers have obtained the written consent of Holders of a majority of the outstanding principal amount of Transfer Restricted Securities (excluding Transfer Restricted Securities held by the Issuers or their Affiliates). Notwithstanding the foregoing, a waiver or consent to departure from the provisions hereof that relates exclusively to the rights of Holders whose Transfer Restricted Securities are being tendered pursuant to the Exchange Offer, and that does not affect directly or indirectly the rights of other Holders whose Transfer Restricted Securities are not being tendered pursuant to such Exchange Offer, may be given by the Holders of a majority of the outstanding principal amount of Transfer Restricted Securities subject to such Exchange Offer.

(d) Third Party Beneficiary. The Holders shall be third party beneficiaries to the agreements made hereunder between the Issuers and the Subsidiary Guarantors, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent they may deem such enforcement necessary or advisable to protect its rights or the rights of Holders hereunder.

(e) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt requested), telex, telecopier, or air courier guaranteeing overnight delivery:

(i) if to a Holder, at the address set forth on the records of the Registrar under the Indenture, with a copy to the Registrar under the Indenture; and

(ii) if to the Issuers or the Subsidiary Guarantors:

El Paso Energy Partners, L.P.
4 Greenway Plaza
Houston, Texas 77046
Telecopier No.: (713) 420-5477
Attention: Chief Financial Officer

With a copy to:

Akin, Gump, Strauss, Hauer & Feld, L.L.P.
711 Louisiana Street, Suite 1900
Houston, Texas 77002
Telecopier No.: (713) 236-0822
Attention: J. Vincent Kendrick

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if

telecopied; and on the next Business Day, if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address specified in the Indenture.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties, including without limitation and without the need for an express assignment, subsequent Holders; provided, that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Transfer Restricted Securities in violation of the terms hereof or of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Transfer Restricted Securities in any manner, whether by operation of law or otherwise, such Transfer Restricted Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Transfer Restricted Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement, including the restrictions on resale set forth in this Agreement and, if applicable, the Purchase Agreement, and such Person shall be entitled to receive the benefits hereof.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(j) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(k) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted with respect to the Transfer Restricted Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

* * * *

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Issuers:

EL PASO ENERGY PARTNERS, L.P.

By: /s/ Keith Forman

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

EL PASO ENERGY PARTNERS FINANCE CORPORATION

By: /s/ Keith Forman

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

Subsidiary Guarantors:

ANR CENTRAL GULF GATHERING COMPANY, L.L.C.*
ARGO, L.L.C.*
ARGO I, L.L.C*
ARGO II, L.L.C.*
CRYSTAL HOLDING, L.L.C.*
CHACO LIQUIDS PLANT TRUST
By: EL PASO ENERGY PARTNERS OPERATING COMPANY, L.L.C., in its capacity as trustee of the Chaco Liquids Plant Trust*
DELOS OFFSHORE COMPANY, L.L.C.*
EAST BREAKS GATHERING COMPANY, L.L.C.*
By: EL PASO ENERGY PARTNERS DEEPWATER, L.L.C. its sole member*
EL PASO ENERGY INTRASTATE, L.P.*
EL PASO ENERGY PARTNERS DEEPWATER, L.L.C.*
EL PASO ENERGY PARTNERS OIL TRANSPORT, L.L.C.*
EL PASO ENERGY PARTNERS OPERATING COMPANY, L.L.C.*
EL PASO ENERGY WARWINK I COMPANY, L.P.*
EL PASO ENERGY WARWINK II COMPANY, L.P.*
EL PASO HUB SERVICES COMPANY, L.L.C.*
EL PASO INDIAN BASIN, L.P.*
EL PASO OFFSHORE GATHERING & TRANSMISSION, L.P.*
EL PASO SAN JUAN, L.L.C.*
EL PASO SOUTH TEXAS, L.P.*
EPGT TEXAS PIPELINE, L.P.*
EPN GATHERING AND TREATING COMPANY, L.P.*
EPN GATHERING AND TREATING GP HOLDING, L.L.C.*
EPN GP HOLDING, L.L.C.*
EPN GP HOLDING I, L.L.C.*
EPN HOLDING COMPANY, L.P.*
EPN HOLDING COMPANY I, L.P.*
EPN NGL STORAGE, L.L.C.*
EPN PIPELINE GP HOLDING, L.L.C.*
FIRST RESERVE GAS, L.L.C.*
FLEXTREND DEVELOPMENT COMPANY, L.L.C.*
GREEN CANYON PIPE LINE COMPANY, L.P.*
HATTIESBURG GAS STORAGE COMPANY*
HATTIESBURG INDUSTRIAL GAS SALES, L.L.C.*
HIGH ISLAND OFFSHORE SYSTEM, L.L.C.
By: EL PASO ENERGY PARTNERS DEEPWATER, L.L.C., its sole member*
MANTA RAY GATHERING COMPANY, L.L.C.*
PETAL GAS STORAGE, L.L.C.*
POSEIDON PIPELINE COMPANY, L.L.C.*
VK DEEPWATER GATHERING COMPANY, L.L.C.*
VK-MAIN PASS GATHERING COMPANY, L.L.C.*
WARWINK GATHERING AND TREATING COMPANY*

*By: /s/ Keith Forman

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

Initial Purchasers:

J.P. MORGAN SECURITIES INC.
GOLDMAN, SACHS & CO.
UBS WARBURG LLC
WACHOVIA SECURITIES, INC.

By: J.P. MORGAN SECURITIES INC.

By: /s/ Lawrence (Larry) Landry

Name: Lawrence (Larry) Landry
Title: Managing Director

EXHIBIT 4.I

EL PASO ENERGY PARTNERS, L.P.,
EL PASO ENERGY PARTNERS FINANCE CORPORATION, as Issuers,

THE SUBSIDIARIES NAMED HEREIN, as Subsidiary Guarantors

And

JPMORGAN CHASE BANK, as Trustee

10 5/8% Series A Senior Subordinated Notes due 2012
10 5/8% Series B Senior Subordinated Notes due 2012

INDENTURE

Dated as of November 27, 2002

CROSS-REFERENCE TABLE*

TRUST INDENTURE

ACT SECTION	INDENTURE SECTION
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	7.10
(b)	7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	2.05
(b)	13.03
(c)	13.03
313(a)	7.06
(b)(1)	N.A.
(b)(2)	7.06
(c)	7.06; 13.02
(d)	7.6
314(a)	4.03; 4.19; 13.02
(b)	N.A.
(c)(1)	13.04
(c)(2)	13.04
(c)(3)	N.A.
(d)	N.A.
(e)	13.05
(f)	N.A.
315(a)	7.01
(b)	7.05, 13.02
(c)	7.01
(d)	7.01; 6.05
(e)	6.11
316(a)(last sentence)	2.09
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	N.A.
(b)	6.07
(c)	2.12
317(a)(1)	6.08
(a)(2)	6.09
(b)	2.04

318(a)	13.01
(b)	N.A.
(c)	13.01

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N.A. means not applicable.

*This Cross-Reference Table is not part of the Indenture.

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INDENTURE dated as of November 27, 2002 among El Paso Energy Partners, L.P., a Delaware limited partnership (the "Partnership"), El Paso Energy Partners Finance Corporation, a Delaware corporation ("El Paso Finance," and collectively with the Partnership, the "Issuers"), the Subsidiary Guarantors (as defined herein) listed on Schedule A hereto, and JPMorgan Chase Bank, a New York state banking corporation, as trustee (the "Trustee").

The Issuers, the Subsidiary Guarantors, and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 10?% Series A Senior Subordinated Notes due 2012 (the "Series A Notes") and the 10?% Series B Senior Subordinated Notes due 2012 (the "Exchange Notes" and, together with the Series A Notes, the "Notes"):

ARTICLE 1
DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. DEFINITIONS.

"144A Global Note" means the Global Note in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and that has the "Schedule of Exchange of Interests in the Global Note" attached thereto and deposited with and registered in the name of the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A, subject to adjustment as provided in Section 2.06 hereof.

"Acquired Debt" means, with respect to any specified Person: (i) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person, but excluding Indebtedness that is extinguished, retired or repaid in connection with such Person merging with or becoming a Subsidiary of such specified Person; and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the Voting Stock of a specified Person shall be deemed to be control by the other Person; provided, further, that any third Person which also beneficially owns 10% or more of the Voting Stock of a specified Person shall not be deemed to be an Affiliate of either the specified Person or the other Person merely because of such common ownership in such specified Person. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" shall have correlative meanings. Notwithstanding the foregoing, the term "Affiliate" shall not include a Restricted Subsidiary of any specified Person.

"Agent" means any Registrar, Paying Agent or co-registrar.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"Argo I" means Argo I, L.L.C., a Delaware limited liability company and a subsidiary of the Partnership.

"Asset Sale" means, (i) the sale, lease, conveyance or other disposition of any assets or rights, other than sales of inventory in the ordinary course of business consistent with past practices; provided that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Partnership or the Partnership and its Restricted Subsidiaries taken as a whole will be governed by the provisions of Section 4.06 and/or the provisions of Article 5 hereof and not by the provisions of Section 4.07; and (ii) the issuance of Equity Interests by any of the Partnership's Restricted Subsidiaries or the sale by the Partnership or any of its Restricted Subsidiaries of Equity Interests in any of its Restricted Subsidiaries. Notwithstanding the preceding, the following items shall not be deemed to be Asset Sales: (i) any single transaction or series of related transactions that: (a) involves assets having a fair market value of less than $5.0 million; or (b) results in net proceeds to the Partnership and its Restricted Subsidiaries of less than $5.0 million; (ii) a transfer of assets between or among the Partnership and its Restricted Subsidiaries; (iii) an issuance of Equity Interests by a Restricted Subsidiary to the Partnership or to another Restricted Subsidiary of the Partnership; (iv) a Restricted Payment that is permitted under Section 4.08 hereof; and (v) a transaction of the type described in Section 4.07(d).

"Attributable Debt" in respect of a sale and lease-back transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and lease-back transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"Available Cash" has the meaning assigned to such term in the Partnership Agreement, as in effect on the Issue Date.

"Bankruptcy Law" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"Board of Directors" means, with respect to the Partnership, the Board of Directors of the General Partner, or any authorized committee of such Board of Directors, and with respect to El Paso Finance or any other Subsidiary of the Partnership, the Board of Directors or managing members of such Person.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the General Partner or El Paso Finance, as applicable, to have been duly adopted by the Board of Directors of the General Partner or El Paso Finance, as applicable, and to be in full force and effect on the date of such certification.

"Business Day" means any day other than a Legal Holiday.

"Capital Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"Cash Equivalent" means:

(i) United States dollars or, in an amount up to the amount necessary or appropriate to fund local operating expenses, other currencies;

(ii) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one year from the date of acquisition;

(iii) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding 365 days, demand and overnight bank deposits and other similar types of investments routinely offered by commercial banks, in each case with any domestic commercial bank having a combined capital and surplus of not less than $500.0 million and a Thompson Bank Watch Rating of "B" or better or any commercial bank of any other country that is a member of the Organization for Economic Cooperation and Development ("OECD") and has total assets in excess of $500.0 million;

(iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in clause (iii) above;

(v) commercial paper having one of the two highest ratings obtainable from Moody's Investors Service, Inc. or Standard & Poor's Ratings Group and in each case maturing within six months after the date of acquisition; and

(vi) investments in money market funds at least 95% of whose assets consist of investments of the types described in clauses (i) through (v) above.

"Cash from Operations" shall have the meaning assigned to such term in the Partnership Agreement, as in effect on the Issue Date.

"Certificated Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06 hereof, in the form of Exhibit A, hereto except that such Note shall not bear the Global Note Legend, shall not have the phrase identified by footnote 1 thereto and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Change of Control" means the occurrence of any of the following:

(i) the sale, transfer, lease, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Partnership and its Restricted Subsidiaries taken as a whole to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act) other than the El Paso Group;

(ii) the adoption of a plan relating to the liquidation or dissolution of the Partnership or the General Partner; and

(iii) such time as the El Paso Group ceases to own, directly or indirectly, the general partner interests of the Partnership, or members of the El Paso Group cease to serve as the only general partners of the Partnership.

Notwithstanding the foregoing, a conversion of the Partnership from a limited partnership to a corporation, limited liability company or other form of entity or an exchange of all of the outstanding limited partnership interests for capital stock in a corporation, for member interests in a limited liability company or for Equity Interests in such other form of entity shall not constitute a Change of Control, so long as following such conversion or exchange the El Paso Group beneficially owns, directly or indirectly, in the aggregate more than 50% of the Voting Stock of such entity, or continues to own a sufficient number of the outstanding shares of Voting Stock of such entity to elect a majority of its directors, managers, trustees or other persons serving in a similar capacity for such entity.

"Clearstream" means Clearstream Banking, societe anonyme.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations thereunder.

"Consolidated Cash Flow" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus

(i) an amount equal to the dividends or distributions paid during such period in cash or Cash Equivalents to such Person or any of its Restricted Subsidiaries by a Person that is not a Restricted Subsidiary of such Person; plus

(ii) an amount equal to any extraordinary loss of such Person and its Restricted Subsidiaries plus any net loss realized by such Person and its Restricted Subsidiaries in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; plus

(iii) the provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(iv) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment

obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with aspect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments, if any, pursuant to Hedging Obligations), to the extent that any such expense was deducted in computing such Consolidated Net Income, excluding any such expenses to the extent incurred by a Person that is not a Restricted Subsidiary of the Person for which the calculation is being made; plus

(v) depreciation, depletion and amortization (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income (excluding any such expenses to the extent incurred by a Person that is neither an Issuer nor a Restricted Subsidiary); minus

(vi) non-cash items increasing such Consolidated Net Income for such period, other than items that were accrued in the ordinary course of business, in each case, on a consolidated basis and determined in accordance with GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation and amortization and other non-cash charges of, a Restricted Subsidiary of the Partnership shall be added to Consolidated Net Income to compute Consolidated Cash Flow of the Partnership only to the extent that a corresponding amount would be permitted at the date of determination to be dividended or distributed to the Partnership by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

"Consolidated Net Income" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that: (i) the aggregate Net Income (but not net loss in excess of such aggregate Net Income) of all Persons that are Unrestricted Subsidiaries shall be excluded (without duplication); (ii) the earnings included therein attributable to all Persons that are accounted for by the equity method of accounting and the aggregate Net Income (but not net loss in excess of such aggregate Net Income) included therein attributable to all entities constituting Joint Ventures that are accounted for on a consolidated basis (rather than by the equity method of accounting) shall be excluded; (iii) the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement (other than this Indenture, the Notes or any Guarantee), instrument,

judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders; (iv) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded; and (v) the cumulative effect of a change in accounting principles shall be excluded.

"Consolidated Net Worth" means, with respect to any Person as of any date, the sum of: (i) the consolidated equity of the common stockholders or members (or consolidated partners' capital in the case of a partnership) of such Person and its consolidated Subsidiaries as of such date as determined in accordance with GAAP; plus (ii) the respective amounts reported on such Person's balance sheet as of such date with respect to any series of preferred stock (other than Disqualified Equity) that by its terms is not entitled to the payment of dividends unless such dividends may be declared and paid only out of net earnings in respect of the year of such declaration and payment, but only to the extent of any cash received by such Person upon issuance of such preferred stock.

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 13.02 hereof or such other address as to which the Trustee may give notice to the Issuers.

"Credit Facilities" means, with respect to the Partnership, El Paso Finance or any Restricted Subsidiary, one or more debt facilities or commercial paper facilities, including the Partnership Credit Facility, in each case providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"Deepwater Holdings" means Deepwater Holdings, L.L.C., a Delaware limited liability company.

"Default" means any event that is or with the passage of time or the giving of notice or both would be, an Event of Default.

"Depositary" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 hereof as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"Designated Guarantor Senior Indebtedness" means, with respect to a Subsidiary Guarantor, amounts owing by such Restricted Subsidiary under the Credit Facility and guarantees, if any, by such Subsidiary Guarantor of Designated Senior Debt.

"Designated Senior Debt" means Obligations under the Partnership Credit Facility and any other Senior Debt permitted under this Indenture the principal amount of which is $25.0 million or more and that has been designated by the Partnership as "Designated Senior Debt."

"Disqualified Equity" means any Equity Interests that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the occurrence of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the Holder thereof, in whole or in part, on or prior to the date on which the Notes mature. Notwithstanding the preceding sentence, any Equity Interests that would constitute Disqualified Equity solely because the holders thereof have the right to require the Partnership or any of its Restricted Subsidiaries or El Paso Finance to repurchase such Equity Interests upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Equity if the terms of such Equity Interests provide that such Equity Interests shall not be repurchased or redeemed pursuant to such provisions unless such repurchase or redemption is conditioned upon, and subject to, compliance with Section 4.08 hereof.

"Distribution Compliance Period" means the 40-day distribution compliance period as defined in Regulation S.

"East Breaks" means East Breaks Gathering Company, L.L.C., a Delaware limited liability company.

"El Paso" means El Paso Corporation, a Delaware corporation, and its successors.

"El Paso Finance" means the Person named as such in the preamble of this Indenture under and until a successor replaces it pursuant to the applicable provision of this Indenture and thereafter means such successor.

"El Paso Group" means, collectively, (1) El Paso, (2) each Person of which, as of the time of the determination, El Paso is a direct or indirect Subsidiary and (3) each Person which is a direct or indirect Subsidiary of any Person described in (1) or (2) above.

"Equity Interests" means:

(i) in the case of a corporation, corporate stock;

(ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited);

(iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, and any rights (other than debt securities convertible into capital stock) warrants or options exchangeable for or convertible into such capital stock; and

(v) all warrants, options or other rights to acquire any of the interests described in clauses (i) through (iv) above (but excluding any debt security that is

convertible into, or exchangeable for, any of the interests described in clauses (i) through (iv) above).

"Equity Offering" means any sale for cash of Equity Interests of the Partnership (excluding sales made to any Restricted Subsidiary and excluding sales of Disqualified Equity).

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear system.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Notes" means the 10?% Series B Senior Subordinated Notes due 2012, having terms substantially identical to the Series A Notes, offered to the Holders of the Series A Notes under the Exchange Offer Registration Statement.

"Exchange Offer" means the offer that may be made by the Issuers pursuant to the Registration Rights Agreement to the Holders of the Series A Notes to exchange their Series A Notes for the Exchange Notes.

"Exchange Offer Registration Statement" means that certain registration statement filed by the Issuers and the Subsidiary Guarantors with the SEC to register the Exchange Notes for issuance in the Exchange Offer.

"Existing Indebtedness" means the aggregate principal amount of Indebtedness of the Partnership and its Restricted Subsidiaries in existence on the Issue Date.

"Fixed Charge Coverage Ratio" means, with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person and its Restricted Subsidiaries for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays or redeems any Indebtedness (other than revolving credit borrowings not constituting a permanent commitment reduction) or issues or redeems Disqualified Equity subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence (and the application of the net proceeds thereof), assumption, guarantee, repayment or redemption of Indebtedness, or such issuance or redemption of Disqualified Equity, as if the same had occurred at the beginning of the applicable four-quarter reference period (and if such Indebtedness is incurred to finance the acquisition of assets (including, without limitation, a single asset, a division or segment or an entire company) that were conducting commercial operations prior to such acquisition, there shall be included pro forma net income for such assets, as if such assets had been acquired on the first day of such period).

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(i) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations and

including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date shall be deemed to have occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period shall be calculated without giving effect to clause (iv) of the proviso set forth in the definition of Consolidated Net Income;

(ii) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded;

(iii) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(iv) interest on outstanding Indebtedness of the specified Person or any of its Restricted Subsidiaries as of the last day of the four-quarter reference period shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on such last day after giving effect to any Hedging Obligation then in effect; and

(v) if interest on any Indebtedness incurred by the specified Person or any of its Restricted Subsidiaries on such date may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate or other rates, then the interest rate in effect on the last day of the four-quarter reference period will be deemed to have been in effect during such period.

"Fixed Charges" means, with respect to any Person for any period, without duplication,

(A) the sum of:

(i) the consolidated interest expense of such Person and its Restricted Subsidiaries (excluding for purposes of this clause (i) consolidated interest expense included therein that is attributable to Indebtedness of a Person that is not a Restricted Subsidiary of the Person for which the calculation is being made) for such period, whether paid or accrued, including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts, and other fees and charges incurred in respect of letter of credit or bankers' acceptance

financings, and net payments, if any, pursuant to Hedging Obligations; plus

(ii) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period (excluding for purposes of this clause (ii) any such consolidated interest included therein that is attributable to Indebtedness of a Person that is not a Restricted Subsidiary); plus

(iii) any interest expense on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such guarantee or Lien is called upon, provided that this clause (iii) excludes interest on "claw-back," "make-well" or "keep- well" payments made by the Partnership or any Restricted Subsidiary; plus

(iv) the product of (a) all dividend payments, whether or not in cash, on any series of Disqualified Equity of such Person or any of its Restricted Subsidiaries, other than dividend payments on Equity Interests payable solely in Equity Interests of the Partnership (other than Disqualified Equity) or to the Partnership or a Restricted Subsidiary of the Partnership, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP, less

(B) to the extent included in clause (A) above, amortization or write-off of deferred financing costs of such Person and its Restricted Subsidiaries during such period and any charge related to, or any premium or penalty paid in connection with, incurring any such Indebtedness of such Person and its Restricted Subsidiaries prior to its Stated Maturity.

In the case of both clauses (A) and (B) of this definition, such amounts will be determined after elimination of intercompany accounts among such Person and its Restricted Subsidiaries and in accordance with GAAP.

"GAAP" means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"General Partner" means El Paso Energy Partners Company, a Delaware corporation, in its capacity as the general partner of the Partnership.

"Global Note Legend" means the legend set forth in Section 2.06(g)(ii), which is required to be placed on all Global Notes issued under this Indenture.

"Global Notes" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, in the form of Exhibit A hereto issued in accordance with Section 2.01, 2.06(b), 2.06(d) or 2.06(f) hereof.

"guarantee" means a guarantee, other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner, including, without limitation, by way of pledge of assets, or through letters of credit or reimbursement, "claw-back," "make-well" or "keep-well" agreement in respect thereof, of all or any part of any Indebtedness. The term "guarantee" used as a verb has a corresponding meaning. The term "guarantor" shall mean any Person providing a guarantee of any obligation.

"Guarantee" means, individually and collectively, the guarantees given by the Subsidiary Guarantors pursuant to Article 11 hereof, including a notation in the Notes substantially in the form attached hereto as Exhibit D.

"Guarantee Obligations" means, with respect to each Subsidiary Guarantor, the obligations of such Guarantor under Article 11.

"Guarantor Senior Debt" of a Subsidiary Guarantor means all Obligations with respect to any Indebtedness of such Subsidiary Guarantor, whether outstanding on the Issue Date or thereafter created, incurred or assumed, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall be on a parity with or subordinated in right of payment to such Subsidiary Guarantor's Guarantee. Without limiting the generality of the foregoing, (x) "Guarantor Senior Debt" shall include the principal of, premium, if any, and interest on all Obligations of every nature of such Subsidiary Guarantor from time to time owed to the lenders under the Partnership Credit Facility, including, without limitation, principal of and interest on, and all fees, indemnities and expenses payable by such Subsidiary Guarantor under, the Partnership Credit Facility, and (y) in the case of amounts owing by such Subsidiary Guarantor under the Partnership Credit Facility and guarantees of Designated Senior Indebtedness, "Guarantor Senior Debt" shall include interest accruing thereon subsequent to the occurrence of any Event of Default specified in clause (h) or (i) of Section 6.01 relating to such Subsidiary Guarantor, whether or not the claim for such interest is allowed under any applicable Bankruptcy Law. Notwithstanding the foregoing, "Guarantor Senior Indebtedness" shall not include (i) Indebtedness evidenced by the Notes or the Guarantees, (ii) Indebtedness that is expressly subordinate or junior in right of payment to any other Indebtedness of such Subsidiary Guarantor, (iii) any liability for federal, state, local or other taxes owed or owing by such Subsidiary Guarantor, (iv) Indebtedness of such Subsidiary Guarantor to the Partnership or a Subsidiary of the Partnership or any other Affiliate of the Partnership, (v) any trade payables of such Subsidiary Guarantor, and (vi) any Indebtedness which is incurred by such Subsidiary Guarantor in violation of this Indenture.

"Guarantor Subordinated Indebtedness" means, with respect to a Subsidiary Guarantor, indebtedness and other obligations of such Subsidiary Guarantor which are expressly subordinated in right of payment to such Subsidiary Guarantor's Guarantee.

"Hedging Obligations" means, with respect to any Person, the net obligations (not the notional amount) of such Person under interest rate and commodity price swap agreements, interest rate and commodity price cap agreements, interest rate and commodity price collar agreements and foreign currency and commodity price exchange agreements, options or futures contracts or other similar agreements or arrangements or hydrocarbon hedging contracts or hydrocarbon forward sales contracts, in each case designed to protect such Person against fluctuations in interest rates, foreign exchange rates, or the commodities prices.

"Holder" means the Person in whose name a Note is registered on the Registrar's books.

"IAI Global Note" means the Global Note in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and that has the "Schedule of Exchange of Interests in the Global Note" attached thereto and deposited with and registered in the name of the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes transferred to Institutional Accredited Investors in accordance with 2.06(b)(iii)(C) or 2.06(d)(i)(D), subject to adjustment as provided in Section 2.06 hereof.

"Indebtedness" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent, in respect of:

(i) borrowed money;

(ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof), other than standby letters of credit and performance bonds issued by such Person in the ordinary course of business, to the extent not drawn;

(iii) banker's acceptances;

(iv) representing Capital Lease Obligations;

(v) all Attributable Debt of such Person in respect of any sale and lease-back transactions not involving a Capital Lease Obligation;

(vi) the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable incurred in the ordinary course of business;

(vii) representing Disqualified Equity; or

(viii) representing any Hedging Obligations other than to (in the ordinary course of business and consistent with prior practice) hedge risk

exposure in the operations, ownership of assets or the management of liabilities of such Person and its Restricted Subsidiaries;

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP.

In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by such Person of any indebtedness of any other Person, provided that a guarantee otherwise permitted by this Indenture to be incurred by the Partnership or any of its Restricted Subsidiaries of Indebtedness incurred by the Partnership or a Restricted Subsidiary in compliance with the terms of this Indenture shall not constitute a separate incurrence of Indebtedness.

The amount of any Indebtedness outstanding as of any date shall be: (i) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and (ii) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness. For purposes of clause (vii) of this definition of Indebtedness, Disqualified Equity shall be valued at the maximum fixed redemption, repayment or repurchase price, which shall be calculated in accordance with the terms of such Disqualified Equity as if such Disqualified Equity were repurchased on any date on which Indebtedness shall be required to be determined pursuant to this Indenture; provided, however, that if such this Disqualified Equity is not then permitted by its terms to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Disqualified Equity. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional Obligations as described above and the maximum liability of any guarantees at such date; provided that for purposes of calculating the amount of any non-interest bearing or other discount security, such Indebtedness shall be deemed to be the principal amount thereof that would be shown on the balance sheet of the issuer thereof dated such date prepared in accordance with GAAP, but that such security shall be deemed to have been incurred only on the date of the original issuance thereof. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Initial Purchasers" means J.P. Morgan Securities Inc., Goldman, Sachs & Co., UBS Warburg LLC and Wachovia Securities, Inc.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) of the rules and regulations promulgated under the Securities Act.

"Interest Payment Date" means Stated Maturity of an installment of interest on the Notes.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's or BBB- (or the equivalent) by S&P.

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the forms of direct or indirect loans (including guarantees of Indebtedness or other obligations), advances (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender and commission, moving, travel and similar advances to officers and employees made in the ordinary course of business) or capital contributions, purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. For purposes of the definition of "Unrestricted Subsidiary," the definition of "Restricted Payment" and the covenant in Section 4.08, (i) the term "Investment" shall include the portion (proportionate to the Partnership's Equity Interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of the Partnership or any of its Restricted Subsidiaries at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Partnership or such Restricted Subsidiary shall be deemed to continue to have a permanent "Investment" in such Subsidiary at the time of such redesignation equal to the amount thereof as determined immediately prior to redesignation less the portion (proportionate to the Partnership's or such Restricted Subsidiary's Equity Interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation, and (ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the General Partner. If the Partnership or any Restricted Subsidiary of the Partnership sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Partnership such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Partnership, the Partnership shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Equity Interests of such Restricted Subsidiary not sold or disposed of in an amount determined as provided in Section 4.08(b).

"Issue Date" means November [ ], 2002.

"Issuers" means the Partnership and El Paso Finance, collectively; "Issuer" means the Partnership or El Paso Finance.

"Joint Venture" shall have the meaning assigned to such term in the definition of "Permitted Business Investments" set forth in this Section 1.01. The term "Joint Venture" shall initially include Atlantis Offshore, L.L.C., Copper Eagle Gas Storage, L.L.C., Coyote Gas Treating, L.L.C., Poseidon Oil Pipeline Company, L.L.C. and Deepwater Gateway, L.L.C. and its Subsidiaries.

"Legal Holiday" means a Saturday, a Sunday or a day on which banking institutions in the City of Houston, Texas or New York, New York or at a place of payment are

authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period.

"Letter of Transmittal" means the letter of transmittal to be prepared by the Issuers and sent to all Holders of the Series A Notes for use by such Holders in connection with the Exchange Offer.

"Lien" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, charge, security interest, hypothecation, assignment for security, claim, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement or any lease in the nature thereof, any option or other agreement to grant a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statute) of any jurisdiction.

"Liquidated Damages" means all liquidated damages then owing pursuant to Section 5 of the Registration Rights Agreement.

"Management Agreement" means the General and Administrative Services Agreement, dated as of April 8, 2002, by and among DeepTech International, Inc., a Delaware corporation, El Paso Field Services, L.P., a Delaware limited partnership, and the General Partner, as amended and in effect on the Issue Date.

"Moody's" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"Net Income" means, with respect to any Person, the consolidated net income (loss) of such Person and its Restricted Subsidiaries, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however: (i) the aggregate gain (but not loss in excess of such aggregate gain), together with any related provision for taxes on such gain, realized in connection with (a) any Asset Sale or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and (ii) the aggregate extraordinary gain (but not loss in excess of such extraordinary gain), together with any related provision for taxes on such extraordinary gain (but not loss in excess of such aggregate extraordinary gain).

"Net Proceeds" means, with respect to any Asset Sale or sale of Equity Interests, the aggregate proceeds received by the Partnership or any of its Restricted Subsidiaries in cash or Cash Equivalents in respect of any Asset Sale or sale of Equity Interests (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any such sale), net of (without duplication): (i) the direct costs relating to such Asset Sale or sale of Equity Interests, including, without limitation, brokerage commissions and legal, accounting and investment banking fees, sales commissions, recording fees, title transfer fees and any relocation expenses incurred as a result thereof, (ii) taxes paid or payable as a result thereof, in each case after taking into account any available tax credits or deductions and any tax

sharing arrangements and amounts required to be applied to the repayment of Indebtedness secured by a Lien on the asset or assets that were the subject of such Asset Sale or sale of Equity Interests, (iii) all distributions and payments required to be made to minority interest holders in Restricted Subsidiaries as a result of such Asset Sale and (iv) any amounts to be set aside in any reserve established in accordance with GAAP or any amount placed in escrow, in either case for adjustment in respect of the sale price of such asset or Equity Interests or for liabilities associated with such Asset Sale or sale of Equity Interests and retained by the Partnership or any of its Restricted Subsidiaries until such time as such reserve is reversed or such escrow arrangement is terminated, in which case Net Proceeds shall include only the amount of the reserve so reserved or the amount returned from such escrow arrangement to the Partnership or its Restricted Subsidiaries, as the case may be.

"Non-Recourse Debt" means Indebtedness as to which:

(i) neither the Partnership nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender of such Indebtedness;

(ii) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Notes) of the Partnership or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and

(iii) the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Partnership or any of its Restricted Subsidiaries,

provided that in no event shall Indebtedness of any Person which is not a Restricted Subsidiary fail to be Non-Recourse Debt solely as a result of any default provisions contained in a guarantee thereof by the Partnership or any of its Restricted Subsidiaries provided that the Partnership or such Restricted Subsidiary was otherwise permitted to incur such guarantee pursuant to this Indenture.

"Non-U.S. Person" means a person who is not a U.S. Person.

"Note Custodian" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"Notes" has the meaning assigned to it in the preamble to this Indenture.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursement obligations, damages and other liabilities payable under the documentation governing any Indebtedness.

"Offering" means the offering of the Series A Notes by the Issuers.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Chief Accounting Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice-President of such Person (or, with respect to the Partnership, so long as it remains a partnership, the General Partner).

"Officers' Certificate" means a certificate signed on behalf of the Partnership by an Officer of the Partnership or an Officer of the General Partner, El Paso Finance or any Subsidiary Guarantor, as the case may be, one of whom must be the principal executive officer, the principal financial officer or the principal accounting officer of such Person, that meets the requirements of Section 13.05 hereof.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee, that meets the requirements of Section 13.05 hereof. The counsel may be an employee of or counsel to the Partnership, El Paso Finance or the General Partner (or any Subsidiary Guarantor, if applicable), any Subsidiary of the Partnership or the Trustee.

"Participant" means, with respect to DTC, Euroclear or Clearstream, a Person who has an account with DTC, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"Partnership" means the Person named as such in the preamble of this Indenture unless and until a successor replaces it pursuant to the applicable provisions of this Indenture and thereafter means such successor.

"Partnership Agreement" means the Second Amended and Restated Agreement of Limited Partnership of the Partnership, amended and restated effective as of August 31, 2000, as such may be amended, modified or supplemented from time to time.

"Partnership Credit Facility" means (i) the Sixth Amended and Restated Credit Agreement dated as of March 23, 1995, as amended and restated through October 10, 2002, among the Partnership, El Paso Finance and the lenders from time to time party thereto, Credit Lyonnais, New York Branch 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, including any deferrals, renewals, extensions, replacements, refinancings or refundings thereof, and any amendments, modifications or supplements thereto and any agreement providing therefor (including any restatement thereof and any increases in the amount of commitments thereunder), whether by or with the same or any other lenders, creditors, group of lenders or group of creditors and including related notes, guarantees, collateral security documents and other instruments and agreements executed in connection therewith and (ii) the Amended and Restated Credit Agreement, dated as of October 10, 2002, among EPN Holding Company, L.P., the lenders from time to time party thereto, Bank 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, including any deferrals, renewals, extensions, replacements, refinancings or refundings thereof, and any amendments, modifications or supplements thereto and any agreement providing therefor (including any restatement thereof and any increases in the

amount of commitments thereunder), whether by or with the same or any lenders, creditors, group of lenders or group of creditors and including related notes, guarantees, collateral security documents and other instruments and agreements executed in connection therewith, and (iii) the Senior Secured Acquisition Term Loan Credit Agreement, dated as of November 27, 2002, among the Partnership, El Paso Finance, the lenders from time to time party thereto and JPMorgan Chase Bank, as administrative agent, UBS Warburg LLC and Wachovia Bank, National Association, as co-syndication agents, and Goldman Sachs Credit Partners L.P. as documentation agent.

"Permitted Business" means:

(i) gathering, transporting (by barge, pipeline, ship, truck or other modes of hydrocarbon transportation), terminalling, storing, producing, acquiring, developing, exploring for, processing, dehydrating and otherwise handling hydrocarbons, including, without limitation, constructing pipeline, platform, dehydration, processing and other energy-related facilities, and activities or services reasonably related or ancillary thereto,

(ii) any business that generates gross income that constitutes "qualifying income" under Section 7704(d) of the Internal Revenue Code of 1986, as amended, other than any business that generates any gross income arising from the refining of a natural resource, and

(iii) any other business that does not constitute a reportable segment (as determined in accordance with GAAP) for the Partnership's annual audited consolidated financial statements.

"Permitted Business Investments" means Investments by the Partnership or any of its Restricted Subsidiaries in any Unrestricted Subsidiary of the Partnership or in any Person that does not constitute a direct or indirect Subsidiary of the Partnership (a "Joint Venture"), provided that (i) either (a) at the time of such Investment and immediately thereafter, the Partnership could incur $1.00 of additional Indebtedness under Section 4.09(a) or (b) such investment is made with the proceeds of Incremental Funds; (ii) if such Unrestricted Subsidiary or Joint Venture has outstanding Indebtedness at the time of such Investment, either (a) all such Indebtedness is Non-Recourse Debt with respect to the Partnership and its Restricted Subsidiaries or (b) any such Indebtedness of such Unrestricted Subsidiary or Joint Venture that is recourse to the Partnership or any of its Restricted Subsidiaries (which shall include all Indebtedness of such Unrestricted Subsidiary or Joint Venture for which the Partnership or any of its Restricted Subsidiaries may be directly or indirectly, contingently or otherwise, obligated to pay, whether pursuant to the terms of such Indebtedness, by law or pursuant to any guaranty or "claw-back," "make-well" or "keep-well" arrangement) could, at the time such Investment is made and, if later, at the time any such Indebtedness is incurred, be incurred by the Partnership and its Restricted Subsidiaries in accordance with the limitation on indebtedness set forth in Section 4.09(a); and (iii) such Unrestricted Subsidiary's or Joint Venture's activities are not outside the scope of the Permitted Business.

"Permitted Investments" means:

(i) any Investment in, or that results in the creation of, a Restricted Subsidiary of the Partnership;

(ii) any Investment in the Partnership or in a Restricted Subsidiary of the Partnership (excluding redemptions, purchases, acquisitions or other retirements of Equity Interests in the Partnership);

(iii) any Investment in cash or Cash Equivalents;

(iv) any Investment by the Partnership or any Restricted Subsidiary of the Partnership in a Person if as a result of such Investment: (a) such Person becomes a Restricted Subsidiary of the Partnership; or (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Partnership or a Restricted Subsidiary of the Partnership;

(v) any Investment made as a result of the receipt of consideration consisting of other than cash or Cash Equivalents from an Asset Sale that was made pursuant to and in compliance with Section 4.07;

(vi) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Equity) of the Partnership;

(vii) payroll advances arising in the ordinary course of business and other advances and loans to officers and employees of the Partnership or any of its Restricted Subsidiaries, so long as the aggregate principal amount of such advances and loans does not exceed $1.0 million at any one time outstanding;

(viii) Investments in stock, obligations or securities received in settlement of debts owing to the Partnership or any of its Restricted Subsidiaries as a result of bankruptcy or insolvency proceedings or upon the foreclosure, perfection or enforcement or any Lien in favor of the Partnership or any such Restricted Subsidiary, in each case as to debt owing to the Partnership or any such Restricted Subsidiary that arose in the ordinary course of business of the Partnership or any such Restricted Subsidiary;

(ix) any Investment in Hedging Obligations;

(x) any Investments in prepaid expenses, negotiable instruments held for collection and lease, utility, workers' compensation and performance and other similar deposits and prepaid expenses made in the ordinary course of business;

(xi) any Investments required to be made pursuant to any agreement or obligation of the Partnership or any Restricted Subsidiary in effect on the Issue Date; and

(xii) other Investments in any Person engaged in a Permitted Business (other than an Investment in an Unrestricted Subsidiary) having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (xii) since the Issue Date and existing at the time the Investment, which is the subject of the determination, was made, not to exceed $5.0 million.

"Permitted Junior Securities" means (i) nonmandatorily redeemable Equity Interests in the Partnership or any Subsidiary Guarantor, as reorganized or adjusted, or (ii) debt securities of the Partnership or any Subsidiary Guarantor as reorganized or readjusted that are subordinated to all Senior Debt and Guarantor Senior Debt and any debt securities issued in exchange for Senior Debt and Guarantor Senior Debt to substantially the same extent as, or to a greater extent than, the Notes and the Guarantees are subordinated to Senior Debt and Guarantor Senior Debt pursuant to Article 10 and Article 11 of this Indenture, provided that the rights of the holders of Senior Debt and Guarantor Senior Debt under the Partnership Credit Facility are not altered or impaired by such reorganization or readjustment.

"Permitted Liens" means,

(i) Liens on the assets of the Partnership and any Subsidiary securing Senior Debt and Guarantor Senior Debt;

(ii) Liens in favor of the Partnership or any of its Restricted Subsidiaries;

(iii) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Partnership or any Restricted Subsidiary of the Partnership, provided that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Partnership or such Restricted Subsidiary;

(iv) Liens on property existing at the time of acquisition thereof by the Partnership or any Restricted Subsidiary of the Partnership, provided that such Liens were in existence prior to the contemplation of such acquisition and relate solely to such property, accessions thereto and the proceeds thereof;

(v) Liens to secure the performance of tenders, bids, leases, statutory obligations, surety or appeal bonds, government contracts, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

(vi) Liens on any property or asset acquired, constructed or improved by the Partnership or any Restricted Subsidiary (a "Purchase Money Lien"), which (A) are in favor of the seller of such property or assets, in favor of the Person constructing or improving such asset or property, or in favor of the Person that provided the funding for the acquisition, construction or improvement of such asset or property, (B) are created within 360 days after the date of acquisition,

construction or improvement, (C) secure the purchase price or construction or improvement cost, as the case may be, of such asset or property in an amount up to 100% of the fair market value (as determined by the Board of Directors of the General Partner) of such acquisition, construction or improvement of such asset or property, and (D) are limited to the asset or property so acquired, constructed or improved (including proceeds thereof and accretions and upgrades thereof);

(vii) Liens on assets of a Subsidiary Guarantor to secure Guarantor Senior Debt of such a Subsidiary Guarantor that, at the time of such incurrence, was permitted by this Indenture to be incurred;

(viii) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor;

(ix) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, old age pension or public liability obligations;

(x) easements, rights-of-way, restrictions, minor defects and irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of the Partnership or its Restricted Subsidiaries;

(xi) Liens securing reimbursement obligations of the Partnership or a Restricted Subsidiary with respect to letters of credit encumbering only documents and other property relating to such letters of credit and the products and proceeds thereof;

(xii) judgment and attachment Liens not giving rise to a Default or Event of Default;

(xiii) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual or warranty requirements of the Partnership and its Restricted Subsidiaries;

(xiv) liens arising out of consignment or similar arrangements for the sale of goods;

(xv) any interest or title of a lessor in property subject to any Capital Lease Obligation;

(xvi) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen and repairmen and other like Liens (including contractual landlord's Liens) arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by

appropriate proceedings, if a reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor;

(xvii) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment, or storage of such inventory or other goods;

(xviii) Liens to secure the performance of Hedging Obligations of the Partnership or any Restricted Subsidiary;

(xix) Liens on pipelines or pipeline facilities that arise by operation of law;

(xx) Liens arising under operating agreements, joint venture agreements, partnership agreements, oil and gas leases, farmout agreements, division orders, contracts for sale, transportation or exchange of oil and natural gas, unitization and pooling declarations and agreements, area of mutual interest agreements and other agreements arising in the ordinary course of the Partnership's or any Restricted Subsidiary's business that are customary in the Permitted Businesses;

(xxi) Liens securing the Obligations of the Issuers under the Notes and this Indenture and of the Subsidiary Guarantors under the Guarantees;

(xxii) Liens in favor of collecting or payor banks having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Partnership or any of its Restricted Subsidiaries on deposit with or in possession of such bank;

(xxiii) Liens on and pledges of the Equity Interests of an Unrestricted Subsidiary or any Joint Venture owned by the Partnership or any Restricted Subsidiary to the extent securing Non- Recourse Debt or Indebtedness incurred pursuant to Section 4.09(a);

(xxiv) Liens existing on the Issue Date and Liens on any extensions, refinancing, renewal, replacement or defeasance of any Indebtedness or other obligation secured thereby;

(xxv) Liens arising from protective filings made in the appropriate office(s) for the filing of a financing statement in the applicable jurisdiction(s) in connection with any lease, consignment or similar transaction otherwise permitted hereby, which filings are made for the purpose of perfecting the interest of the secured party in the relevant items, if the transaction were subsequently classified as a sale and secured lending arrangement;

(xxvi) Liens securing any Indebtedness, which Indebtedness includes a covenant that limits Liens in a manner substantially similar to Section 4.11;

(xxvii) in addition to Liens permitted by clauses (i) through (xxvi) above, Liens that are incurred in the ordinary course of business of the Partnership or any Restricted Subsidiary of the Partnership with respect to obligations that do not exceed $10.0 million at any one time outstanding;

(xxviii) Liens in favor of collecting or payor banks having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Partnership or any of its Restricted Subsidiaries on deposit with or in possession of such bank.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Partnership or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Partnership or any of its Restricted Subsidiaries (other than intercompany Indebtedness); provided that: (i) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount of (or accreted value, if applicable), plus accrued interest on the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus the amount of necessary fees and expenses incurred in connection therewith and any premiums paid on the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded); (ii) such Permitted Refinancing Indebtedness has a final maturity date no earlier than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; (iii) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes or the Guarantees, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes or the Guarantees, as the case may be, on terms at least as favorable to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and (iv) such Indebtedness is incurred either by the Partnership or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"Person" means any individual, corporation, partnership (general or limited), limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or agency or political subdivision thereof or other entity.

"Private Placement Legend" means the legend set forth in Section 2.06(g)(i) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A of the rules and regulations promulgated by the SEC under the Securities Act.

"Rating Agency" means each of S&P and Moody's, or if S&P or Moody's or both shall not make a rating on the notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuers (as certified by a resolution of the

Boards of Directors of the Issuers) which shall be substituted for S&P or Moody's, or both, as the case may be.

"Registrable Securities" has the meaning set forth in the Registration Rights Agreement.

"Registration Rights Agreement" means (i) that certain agreement among the Issuers, the Subsidiary Guarantors and the Initial Purchasers requiring the Issuers and the Subsidiary Guarantors to file the Exchange Offer Registration Statement and the Shelf Registration Statement and (ii) any other registration rights agreement relating to any additional Notes issued by the Issuers after the Issue Date pursuant to Section 2.02.

"Regulation S" means Regulation S promulgated by the SEC under the Securities Act.

"Regulation S Global Note" means a global Note in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and that has the "Schedule of Exchange of Interests in the Global Note" attached thereto and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903 of Regulation S, subject to adjustment as provided in Section 2.06 hereof.

"Representative" means this Indenture trustee or other trustee, agent or representative for any Senior Debt.

"Responsible Officer," when used with respect to the Trustee, means the officer in the Institutional Trust Services department of the Trustee having direct responsibility for administration of this Indenture.

"Restricted Broker-Dealer" has the meaning set forth in the Registration Rights Agreement.

"Restricted Certificated Note" means a Certificated Note bearing the Private Placement Legend.

"Restricted Global Note" means a global Note bearing the Private Placement Legend and that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Restricted Investment" means an Investment other than a Permitted Investment or a Permitted Business Investment.

"Restricted Subsidiary" of a Person means any Subsidiary of the referenced Person that is not an Unrestricted Subsidiary, provided that none of Atlantis Offshore, L.L.C., Copper Eagle Gas Storage, L.L.C., Coyote Gas Treating, L.L.C., Deepwater Gateway, L.L.C. and Poseidon Oil Pipeline, L.L.C., as the case may be, shall constitute a Restricted Subsidiary for purposes of this Indenture (even if such Person is then a Subsidiary of the Partnership), until such time as the Board of Directors of the General Partner designates Atlantis Offshore, L.L.C.,

Copper Eagle Gas Storage, L.L.C., Deepwater Gateway, L.L.C. and Poseidon Oil Pipeline, L.L.C., as the case may be, as a Restricted Subsidiary in a manner consistent with the designation of an Unrestricted Subsidiary as a Restricted Subsidiary, as described in Section 4.15. Notwithstanding anything in this Indenture to the contrary, El Paso Finance shall constitute a Restricted Subsidiary of the Partnership.

"Rule 144" means Rule 144 promulgated by the SEC under the Securities Act.

"Rule 144A" means Rule 144A promulgated by the SEC under the Securities Act.

"Rule 903" means Rule 903 of Regulation S promulgated by the SEC under the Securities Act.

"Rule 904" means Rule 904 of Regulation S promulgated by the SEC under the Securities Act.

"S&P" means Standard & Poor's Ratings Group or any successor to the rating agency business thereof.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Senior Debt" means,

(i) all Indebtedness outstanding under Credit Facilities and all Hedging Obligations with respect thereto,

(ii) any other Indebtedness permitted to be incurred by the Partnership and the Restricted Subsidiaries under the terms of this Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the Notes or the Guarantees, as applicable; and

(iii) all Obligations with respect to the items listed in the preceding clauses (i) and (ii).

Notwithstanding anything to the contrary in the preceding, Senior Debt will not include:

(a) Indebtedness evidenced by the Notes or the Guarantees;

(b) Indebtedness that is expressly subordinate or junior in right of payment to any other indebtedness of the Partnership, El Paso Finance or any Subsidiary Guarantor;

(c) any liability for federal, state, local or other taxes owed or owing by the Partnership or any Restricted Subsidiary;

(d) any Indebtedness of the Partnership or any of its Subsidiaries to any of its Subsidiaries or other Affiliates;

(e) any trade payables; or

(f) any Indebtedness that is incurred in violation of this Indenture.

"Series A Notes" has the meaning set forth in the preamble of this Indenture.

"Shelf Registration Statement" means that certain shelf registration statement filed by the Issuers and the Subsidiary Guarantors in accordance with the Registration Rights Agreement with the SEC to register resales of the Notes or the Exchange Notes.

"Significant Subsidiary" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act and the Exchange Act, as such Regulation is in effect on the date hereof.

"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Subsidiary" means, with respect to any Person: (i) any corporation, association or other business entity of which more than 50% of the total Voting Stock is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and (ii) any partnership (whether general or limited), limited liability company or joint venture (a) the sole general partner or the managing general partner or managing member of which is such Person or a Subsidiary of such Person or (b) if there are more than a single general partner or member either (i) the only general partners or managing members of such Person are such Person or of one or more Subsidiaries of such Person (or any combination thereof) or (ii) such Person owns or controls, directly or indirectly, a majority of the outstanding general partner interests, member interests or other Voting Stock of such partnership, limited liability company or joint venture, respectively.

"Subsidiary Guarantors" means each of: (i) the entities listed on Schedule A hereto; and (ii) any other Restricted Subsidiary of the Partnership that executes a Guarantee in accordance with the provisions of Section 4.14 and Article 11 of this Indenture; and (iii) their respective successors and assigns. Notwithstanding anything in this Indenture to the contrary, El Paso Finance shall not be a Subsidiary Guarantor.

"Tax Payment" means any payment of foreign, federal, state or local tax liabilities.

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date on which this Indenture is qualified under the TIA, except as provided in Section 9.03 hereof.

"Trustee" means the party named as such above until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Unrestricted Certificated Note" means one or more Certificated Notes that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Global Note" means a permanent global Note in the form of Exhibit A attached hereto that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing a series of Notes that do not bear the Private Placement Legend.

"Unrestricted Subsidiary" means any Subsidiary of the Partnership (other than El Paso Finance) that is designated by the Board of Directors of the General Partner as an Unrestricted Subsidiary pursuant to a Board Resolution, provided that, at the time of such designation, (i) no portion of the Indebtedness or other obligation of such Subsidiary (whether contingent or otherwise and whether pursuant to the terms of such Indebtedness or the terms governing the organization of such Subsidiary or by law (A) is guaranteed by the Partnership or any Restricted Subsidiary of the Partnership, (B) is recourse to or obligates the Partnership or any Restricted Subsidiary of the Partnership in any way (including any "claw-back," "keep-well," "make- well" or other agreements, arrangements or understandings to maintain the financial performance or results of operations of such Subsidiary or to otherwise infuse or contribute cash to such Subsidiary), or (C) subjects any property or assets of the Partnership or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction of such Indebtedness, unless such Investment or Indebtedness is permitted by Section 4.08 or Section 4.09, (ii) no Equity Interests of a Restricted Subsidiary are held by such Subsidiary, directly or indirectly, and (iii) the amount of the Partnership's Investment, as determined at the time of such designation, in such Subsidiary since the Issue Date to the date of designation is treated as of the date of such designation as a Restricted Investment, Permitted Investment or Permitted Business Investment, as applicable. EPN Arizona Gas, L.L.C., Arizona Gas Storage, L.L.C. and Matagorda Island Area Gathering System are designated as Unrestricted Subsidiaries. Notwithstanding anything in the Indenture to the contrary, El Paso Finance shall not be, and shall not be designated as, an Unrestricted Subsidiary.

Any designation of a Subsidiary of the Partnership as an Unrestricted Subsidiary shall be evidenced to the Trustee by filing with the Trustee a Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the preceding conditions and was permitted by Section 4.08. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Partnership as of such date and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.09, the Partnership shall be in default of such covenant. The Board of Directors of the General Partner may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Partnership of any outstanding Indebtedness of

such Unrestricted Subsidiary and such designation shall only be permitted if (1) such Indebtedness is permitted under the covenant described under Section 4.09, calculated on a pro forma basis as if such designation had occurred at the beginning of the four- quarter reference period; and (2) no Default or Event of Default would be in existence following such designation.

"U.S. Government Obligations" means securities that are (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged; (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case under clauses (i) or (ii) above, are not callable or redeemable at the option of the issuers thereof; or (iii) depository receipts issued by a bank or trust company as custodian with respect to any such U.S. Government Obligations or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a Depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such Depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation evidenced by such Depository receipt.

"U.S. Person" means a U.S. person as defined in Rule 902(k) of Regulation S promulgated by the SEC under the Securities Act.

"Voting Stock" of any Person as of any date means the Equity Interests of such Person pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers, general partners or trustees of any Person (regardless of whether, at the time, Equity Interests of any other class or classes shall have, or might have, voting power by reason of the occurrence of any contingency) or, with respect to a partnership (whether general or limited), any general partner interest in such partnership.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (ii) the then outstanding principal amount of such Indebtedness.

SECTION 1.02. OTHER DEFINITIONS.

TERM DEFINED IN SECTION - ---- ------------------ "Affiliate Transaction"..... 4.13
"Asset Sale Offer"..... 3.09
"Calculation Date"..... 1.01
(definition of Fixed Charge Coverage Ratio) "Change of Control Offer"..... 4.06 28

"Change of Control Payment"..... 4.06 "Change of Control Payment Date"..... 4.06
"Covenant Defeasance"..... 8.03
"DTC".....
2.03 "Event of Default"..... 6.01
"Excess Proceeds".....
4.07(c) "Incremental Funds"..... 4.08(a)
"incur".....
4.09 "Legal Defeasance"..... 8.02
"Offer Amount"..... 3.09
"Offer Period"..... 3.09
"Paying Agent"..... 2.03
"Payment Blockage Notice"..... 10.03 "Payment Default"..... 6.01(e)
"Permitted Debt"..... 4.09(b)
"Purchase Date"..... 3.09
"Registrar".....
2.03 "Reinstatement

SECTION 1.03. INCORPORATION BY REFERENCE OF TRUST INDENTURE ACT.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes and the Guarantees;

"indenture security Holder" means a Holder of a Note;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee;

"obligor" on the Notes means the Partnership, El Paso Finance or any Subsidiary Guarantor and any successor obligor upon the Notes.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

SECTION 1.04. RULES OF CONSTRUCTION.

Unless the context otherwise requires:

(i) a term has the meaning assigned to it;

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(iii) "or" is not exclusive;

(iv) words in the singular include the plural, and in the plural include the singular;

(v) provisions apply to successive events and transactions; and

(vi) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to time.

ARTICLE 2
THE NOTES

SECTION 2.01 FORM AND DATING.

The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto. The notation on each Note relating to the Guarantees shall be substantially in the form set forth on Exhibit D, which is a part of this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes shall be in denominations of $1,000 and integral multiples thereof.

The terms and provisions contained in the Notes (including the Guarantees) shall constitute, and are hereby expressly made, a part of this Indenture and the Partnership, El Paso Finance, the Subsidiary Guarantors, and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

Notes issued in global form shall be substantially in the form of Exhibits A attached hereto (including the Global Note Legend and the "Schedule of Exchanges in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend, the phrase identified in footnote 1 thereto and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or the Note Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06 hereof.

SECTION 2.02. EXECUTION AND AUTHENTICATION.

One Officer of the Partnership and one Officer of El Paso Finance shall sign the Notes for the Partnership and El Paso Finance, respectively, by manual or facsimile signature. The seal of the Partnership and El Paso Finance shall be reproduced on the Notes and may be in facsimile form.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon a written order of the Partnership and El Paso Finance signed by one Officer of the Partnership and one Officer of El Paso Finance, authenticate (i) $200,000,000 aggregate principal amount of Notes, with the Guarantees endorsed thereon, for original issue on the Issue Date and (ii) any amount of additional Notes specified by the Issuers, in each case, upon a written order of the Partnership and El Paso Finance signed by one Officer of the Partnership and one Officer of El Paso Finance. Such order shall specify (a) the amount of the Notes of each series to be authenticated and the date of original issue thereof, and (b) whether the Notes are Series A Notes or Exchange Notes. The aggregate principal amount of Notes of any series outstanding at any time may not exceed the aggregate principal amount of Notes of such series authorized for issuance by the Issuers pursuant to one or more written orders of the Issuers, except as provided in Section 2.07 hereof. Subject to the foregoing, the aggregate principal amount of Notes of any series that may be issued under this Indenture shall not be limited.

The Trustee may appoint an authenticating agent acceptable to the Issuers to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of either of the Issuers.

SECTION 2.03. REGISTRAR AND PAYING AGENT.

The Partnership, El Paso Finance and the Subsidiary Guarantors shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("Registrar") and an office or agency in the State of New York where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Issuers may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Issuers may change any Paying Agent or Registrar without notice to any Holder. The Issuers shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuers fail to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The

Partnership, El Paso Finance or any of the Subsidiary Guarantors may act as Paying Agent or Registrar.

The Issuers initially appoint The Depository Trust Company ("DTC") to act as Depositary with respect to the Global Notes.

The Issuers initially appoint the Trustee to act as the Registrar and Paying Agent and to act as Note Custodian with respect to the Global Notes.

SECTION 2.04. PAYING AGENT TO HOLD MONEY IN TRUST.

The Issuers shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or interest or Liquidated Damages, if any, on the Notes, and will notify the Trustee of any default by the Partnership, El Paso Finance or the Subsidiary Guarantors in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuers at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than an Issuer or a Subsidiary Guarantor) shall have no further liability for the money. If an Issuer or a Subsidiary Guarantor acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Partnership or El Paso Finance, the Trustee shall serve as Paying Agent for the Notes.

SECTION 2.05. HOLDER LISTS.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Issuers shall furnish to the Trustee at least seven Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Issuers shall otherwise comply with TIA Section 312(a).

SECTION 2.06. TRANSFER AND EXCHANGE.

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes may be exchanged by the Issuers for Certificated Notes if (i) the Issuers deliver to the Trustee notice from the Depositary that it is unwilling or unable to continue to act as Depositary or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Issuers within 90 days after the date of such notice from the Depositary, (ii) the Issuers in their sole discretion determine that the Global Notes (in whole but not in part) should be exchanged for Certificated Notes and deliver a written notice to such effect to the Trustee; provided that in no event shall the Regulation S Global Note

be exchanged by the Issuers for Certificated Notes prior to (x) the expiration of the Distribution Compliance Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903 under the Securities Act, or (iii) if a Default or an Event of Default occurs and is continuing. Whenever a Global Note is exchanged as a whole for one or more Certificated Notes, it shall be surrendered by the Holder thereof to the Trustee for cancellation. Whenever a Global Note is exchanged in part for one or more Certificated Notes, it shall be surrendered by the Holder thereof to the Trustee and the Trustee shall make the appropriate notations to the Schedule of Exchanges of Interests in the Global Notes attached thereto pursuant to Section 2.01 hereof. All Certificated Notes issued in exchange for a Global Note or any portion thereof shall be registered in such names, and delivered, as the Depositary shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to Section 2.07 or 2.10 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.06(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f) hereof.

(b) Transfer and Exchange of Beneficial Interests in the Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; provided, however, that prior to the expiration of the Distribution Compliance Period transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred only to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests (other than a transfer of a beneficial interest in a Global Note to a Person who takes delivery thereof in the form of a beneficial interest in the same Global Note), the transferor of such beneficial interest must deliver to the Registrar either (A) (i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an

amount equal to the beneficial interest to be transferred or exchanged and (ii) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (i) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Certificated Note in an amount equal to the beneficial interest to be transferred or exchanged and (ii) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Certificated Note shall be registered to effect the transfer or exchange referred to in (i) above; provided that in no event shall Certificated Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Global Note prior to (x) the expiration of the Distribution Compliance Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903 under the Securities Act. Upon an Exchange Offer by the Issuers in accordance with Section 2.06(f) hereof, the requirements of this Section 2.06(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture, the Notes and otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h) hereof.

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of clause (ii) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transferee will take delivery in the form of a beneficial interest in the IAI Global Note, then the transferor must deliver (x) a certificate in the form of Exhibit B hereto, including the certifications and certificates and Opinion of Counsel required by item (3)(c) thereof, if applicable.

(iv) Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in the Unrestricted Global Note. A beneficial

interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of clause (ii) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, is not (i) a broker-dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Partnership;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Restricted Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof;

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and

(iii) in each such case set forth in this subparagraph (D), an opinion of counsel in form reasonably acceptable to the Issuers to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are not required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue and, upon receipt of an authentication order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes (accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) in an aggregate principal amount equal

to the principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer or Exchange of Beneficial Interests for Certificated Notes.

(i) If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Certificated Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Certificated Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Certificated Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3)(c) thereof, if applicable; or

(F) if such beneficial interest is being transferred to the Partnership, El Paso Finance or any Restricted Subsidiary of the Partnership, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof.

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuers shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Certificated Note (accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) in the appropriate principal amount. Any Certificated Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Certificated Notes to the Persons in whose names such Notes are so registered. Any Certificated Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Notwithstanding Sections 2.06(c)(i)(A) and (C) hereof, a beneficial interest in the Regulation S Global Note may not be (A) exchanged for a Certificated Note prior to (x) the expiration of the Distribution Compliance Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903 under the Securities Act or (B) transferred to a Person who takes delivery thereof in the form of a Certificated Note prior to the conditions set forth in clause (A) above or unless the transfer is pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(iii) Notwithstanding 2.06(c)(i) hereof, a holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Certificated Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Certificated Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, is not (i) a broker-dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Partnership;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Restricted Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Certificated Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof;

(ii) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Certificated Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and

(iii) in each such case set forth in this subparagraph (D), an opinion of counsel in form reasonably acceptable to the Issuers, to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are not required in order to maintain compliance with the Securities Act.

(iv) If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Certificated Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Certificated Note, then, upon satisfaction of the conditions set forth in Section 2.06(b)(ii) hereof, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h) hereof, and the Issuers shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Certificated Note (accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) in the appropriate principal amount. Any Certificated Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Certificated Notes to the Persons in whose names such Notes are so registered. Any Certificated Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall not bear the Private Placement Legend. A beneficial interest in an Unrestricted Global Note cannot be exchanged for a Certificated Note bearing the Private Placement Legend or transferred to a Person who takes delivery thereof in the form of a Certificated Note bearing the Private Placement Legend.

(d) Transfer and Exchange of Certificated Notes for Beneficial Interests.

(i) If any Holder of a Restricted Certificated Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Certificated Notes to a Person who takes delivery thereof in the form

of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Certificated Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Certificated Note is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Certificated Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Certificated Note is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) and (C) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3)(c) thereof, if applicable; or

(E) if such Certificated Note is being transferred to the Partnership, El Paso Finance or any Restricted Subsidiary of the Partnership, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof.

the Trustee shall cancel the Certificated Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the 144A Global Note, and in the case of clause (C) above, the Regulation S Global Note, in the case of clause (D) above, the IAI Global Note, and in all other cases, the Restricted Global Note.

(ii) A Holder of a Restricted Certificated Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Certificated Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, is not (i) a broker-dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Partnership;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Restricted Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the Holder of such Restricted Certificated Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof;

(ii) if the Holder of such Restricted Certificated Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and

(iii) in each such case set forth in this subparagraph (D), an opinion of counsel in form reasonably acceptable to the Issuers to the effect that such exchange or transfer is in compliance with the Securities Act, that the restrictions on transfer contained herein and in the Private Placement Legend are not required in order to maintain compliance with the Securities Act, and such Certificated Notes are being exchanged or transferred in compliance with any applicable blue sky securities laws of any State of the United States.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Trustee shall cancel the Certificated Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) A Holder of an Unrestricted Certificated Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Certificated Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Certificated Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Certificated Note to a beneficial interest is effected pursuant to subparagraphs (ii) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Issuers shall issue and, upon receipt of an authentication order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes (accompanied by a notation of the Guarantees duly endorsed by the Guarantors) in

an aggregate principal amount equal to the principal amount of beneficial interests transferred pursuant to subparagraphs (ii) or (iii) above.

(e) Transfer and Exchange of Certificated Notes for Certificated Notes. Upon request by a Holder of Certificated Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Certificated Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Certificated Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by his attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, pursuant to the provisions of this Section 2.06(e).

(i) Restricted Certificated Notes may be transferred to and registered in the name of Persons who take delivery thereof if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) Any Restricted Certificated Note may be exchanged by the Holder thereof for an Unrestricted Certificated Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Certificated Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, is not (i) a broker-dealer, (ii) a Person participating in the distribution of the Exchange Notes or (iii) a Person who is an affiliate (as defined in Rule 144) of the Partnership;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(i) if the Holder of such Restricted Certificated Notes proposes to exchange such Notes for an Unrestricted Certificated Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof;

(ii) if the Holder of such Restricted Certificated Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Certificated Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof; and

(iii) in each such case set forth in this subparagraph (D), an opinion of counsel in form reasonably acceptable to the Issuers to the effect that such exchange or transfer is in compliance with the Securities Act, that the restrictions on transfer contained herein and in the Private Placement Legend are not required in order to maintain compliance with the Securities Act, and such Restricted Certificated Note is being exchanged or transferred in compliance with any applicable blue sky securities laws of any State of the United States.

(iii) A Holder of Unrestricted Certificated Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Certificated Note. Upon receipt of a request for such a transfer, the Registrar shall register the Unrestricted Certificated Notes pursuant to the instructions from the Holder thereof. Unrestricted Certificated Notes cannot be exchanged for or transferred to Persons who take delivery thereof in the form of a Restricted Certificated Note.

(f) Exchange Offer. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Issuers shall issue and, upon receipt of an authentication order in accordance with Section 2.02, the Trustee shall authenticate (i) one or more Unrestricted Global Notes (accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes tendered for acceptance by Persons that are not (x) broker-dealers, (y) Persons participating in the distribution of the Exchange Notes or (z) Persons who are affiliates (as defined in Rule 144) of the Partnership and accepted for exchange in the Exchange Offer and (ii) Certificated Notes (accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) in an aggregate principal amount equal to the principal amount of the Restricted Certificated Notes accepted for exchange in the Exchange Offer. Concurrent with the issuance of such Notes, the Trustee shall cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Issuers shall execute and the Trustee shall authenticate and deliver to the Persons designated by the Holders of Certificated Notes so accepted Certificated Notes in the appropriate principal amount.

(g) Legends. The following legends shall appear on the face of all Global Notes and Certificated Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) Private Placement Legend.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Certificated Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUERS OF THIS NOTE THAT: (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) TO EL PASO PARTNERS, L.P., EL PASO ENERGY PARTNERS FINANCE CORPORATION, OR ANY OF THEIR SUBSIDIARIES, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (V) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR (VI) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT

UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (VI) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE."

(B) Notwithstanding the foregoing, any Global Note or Certificated Note issued pursuant to subparagraphs (b)(iv), (c)(iii), (c)(iv), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) Global Note Legend. Each Global Note shall bear a legend in substantially the following form:

"UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.06 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED PURSUANT TO SECTION 2.06(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE

MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.11 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE ISSUERS."

(h) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Certificated Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Certificated Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note, by the Trustee or by the Depositary at the direction of the Trustee, to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note, by the Trustee or by the Depositary at the direction of the Trustee, to reflect such increase.

(i) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Issuers shall execute and the Trustee shall authenticate Global Notes and Certificated Notes (in each case, accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) upon the Issuers' order or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Certificated Note for any registration of transfer or exchange, but the Issuers may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.10, 3.06, 3.09, 4.06 and 9.05 hereof).

(iii) The Registrar shall not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Certificated Notes (in each case, accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) issued upon any registration of transfer or exchange of Global Notes or Certificated Notes shall be the valid obligations of the Issuers and the Subsidiary Guarantors, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Certificated Notes surrendered upon such registration of transfer or exchange.

(v) The Issuers shall not be required (A) to issue, to register the transfer of or to exchange Notes during a period beginning at the opening of business 15 days before the day of mailing of notice of redemption and ending at the close of business on the day of such mailing, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part or (C) to register the transfer of or to exchange a Note between a record date and the next succeeding Interest Payment Date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuers may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Issuers shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Certificated Notes (in each case, accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) in accordance with the provisions of Section 2.02 hereof.

(viii) All certifications, certificates and opinions of counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a transfer or exchange may be submitted by facsimile.

(ix) Each Holder of a Note agrees to indemnify the Issuers and the Trustee against any liability that may result from the transfer, exchange or assignment of such Holder's Note in violation of any provision of this Indenture and/or applicable United States federal or state securities law.

(j) Each beneficial owner of an interest in a Note agrees to indemnify the Issuers and the Trustee against any liability that may result from the transfer, exchange or assignment by such beneficial owner of such interest in violation of any provision of this Indenture and/or applicable United States federal or state securities law.

(k) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among beneficial owners of interest in any Global Note) other than to require delivery of such certificate and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

SECTION 2.07. REPLACEMENT NOTES.

If any mutilated Note is surrendered to the Trustee or either of the Issuers and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Issuers shall issue and the Trustee, upon the written order of the Issuers signed by one Officer of the Partnership and one Officer of El Paso Finance, shall authenticate a replacement Note

(accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) if the Trustee's requirements are met. An indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Issuers to protect the Issuers, the Subsidiary Guarantors, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuers may charge for their expenses in replacing a Note.

Every replacement Note is an additional obligation of the Issuers and the Subsidiary Guarantors and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder. The provisions of this Section 2.07 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement of mutilated, destroyed, lost or stolen Notes.

SECTION 2.08. OUTSTANDING NOTES.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section as not outstanding. Except as set forth in Section 2.09 hereof, a Note does not cease to be outstanding because an Issuer or an Affiliate of an Issuer holds the Note.

If a Note is replaced pursuant to Section 2.07 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest and Liquidated Damages, if applicable, on it cease to accrue.

If the Paying Agent (other than an Issuer or a Subsidiary or an Affiliate of an Issuer) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest (and Liquidated Damages, if any).

SECTION 2.09. TREASURY NOTES.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by an Issuer, by any Subsidiary Guarantor or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Partnership or any Subsidiary Guarantor, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded.

SECTION 2.010. TEMPORARY NOTES.

Until Certificated Notes are ready for delivery, the Issuers may prepare and the Trustee shall authenticate temporary Notes (accompanied by a notation of the Guarantees duly

endorsed by the Subsidiary Guarantors) upon a written order of the Issuers signed by one Officer of the Partnership and one Officer of El Paso Finance. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Issuers consider appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuers shall prepare and the Trustee shall authenticate definitive Notes (accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

SECTION 2.11. CANCELLATION.

Either of the Issuers at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall treat such canceled Notes in accordance with its documents retention policies. The Issuers may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

SECTION 2.12. DEFAULTED INTEREST.

If any of the Partnership, El Paso Finance or any Subsidiary Guarantor defaults in a payment of interest on the Notes, it or they (to the extent of their obligations under the Guarantees) shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Issuers shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Issuers shall fix or cause to be fixed each such special record date and payment date, provided that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Issuers (or, upon the written request of the Issuers, the Trustee in the name and at the expense of the Issuers) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

SECTION 2.13. CUSIP NUMBERS.

The Issuers in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if they do so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuers will promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE 3
REDEMPTION AND PREPAYMENT

SECTION 3.01. NOTICES TO TRUSTEE.

If an Issuer elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it shall furnish to the Trustee, at least 35 days (unless a shorter period is acceptable to the Trustee) but not more than 60 days before a redemption date, an Officers' Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

SECTION 3.02. SELECTION OF NOTES TO BE REDEEMED.

If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption as follows:

(a) if the Notes are listed for trading on a national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Notes are so listed; or

(b) if the Notes are not so listed or there are no such requirements, on a pro rata basis, by lot or by such method as the Trustee shall deem fair and appropriate.

No Notes of $1,000 or less shall be redeemed in part. Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address. Notices of redemption may not be conditional.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest and Liquidated Damages, if applicable, cease to accrue on Notes or portions of them called for redemption unless the Issuers default in making such redemption payment.

SECTION 3.03. NOTICE OF REDEMPTION.

At least 30 days but not more than 60 days before a redemption date, the Issuers shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address.

The notice shall identify the Notes to be redeemed (including CUSIP numbers) and shall state:

(a) the redemption date;

(b) the redemption price;

(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption (other than a Global Note) must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Issuers default in making such redemption payment, interest and Liquidated Damages, if applicable, on Notes called for redemption cease to accrue on and after the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Issuers' request, the Trustee shall give the notice of redemption in the Issuers' names and at their expense; provided, however, that the Issuers shall have delivered to the Trustee, at least 45 days prior to the redemption date (unless a shorter period is otherwise acceptable to the Trustee), an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

SECTION 3.04. EFFECT OF NOTICE OF REDEMPTION.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

SECTION 3.05. DEPOSIT OF REDEMPTION PRICE.

Not later than 11:00 a.m., New York City time, on the redemption date, the Issuers shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued interest and Liquidated Damages, if applicable, on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Issuers any money deposited with the Trustee or the Paying Agent by the Issuers in excess of the amounts necessary to pay the redemption price of, and accrued interest and Liquidated Damages, if applicable, on, all Notes to be redeemed.

If the Issuers comply with the provisions of the preceding paragraph, on and after the redemption date, interest and Liquidated Damages, if applicable, shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after an interest

record date but on or prior to the related Interest Payment Date, then any accrued and unpaid interest (and Liquidated Damages, if any) shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Issuers to comply with the preceding paragraph, interest (and Liquidated Damages, if any) shall be paid on the unpaid principal, from the redemption date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

SECTION 3.06. NOTES REDEEMED IN PART.

Upon surrender of a Note that is redeemed in part, the Issuers shall issue and, upon the Issuers' written request, the Trustee shall authenticate for the Holder at the expense of the Issuers a new Note (accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) equal in principal amount to the unredeemed portion of the Note surrendered.

SECTION 3.07. OPTIONAL REDEMPTION.

(a) Except as set forth in clause (b) of this Section 3.07, the Issuers shall not have the option to redeem the Notes pursuant to this Section 3.07 prior to December 1, 2007. From and after December 1, 2007, the Issuers may redeem all or a part of these Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, and Liquidated Damages, if any, to the applicable redemption date, if redeemed during the 12-month period beginning on December 1 of the years indicated below:

YEAR	PERCENTAGE
2007	105.313%
2008	103.542%
2009	101.771%
2010 and thereafter	100.000%

(b) Notwithstanding the provisions of Section 3.07(a), at any time prior to December 1, 2005, the Issuers may on any one or more occasions redeem up to 33% of the aggregate principal amount of Notes originally issued under this Indenture at a redemption price of 110.625% of the principal amount thereof, plus accrued and unpaid interest, if any, and Liquidated Damages, if any, to the redemption date, with the net cash proceeds of one or more Equity Offerings; provided that: (i) at least 67% of the aggregate principal amount of Notes remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Partnership, El Paso Finance or any Restricted Subsidiary of the Partnership); and (ii) the redemption must occur within 90 days of the date of the closing of such Equity Offering.

(c) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06 hereof.

SECTION 3.08. MANDATORY REDEMPTION.

Except for any repurchase offers required to be made pursuant to Sections 4.06 and 4.07 hereof, the Issuers shall not be required to make mandatory redemption payments with respect to the Notes.

SECTION 3.09. OFFER TO PURCHASE BY APPLICATION OF NET PROCEEDS.

In the event that, pursuant to Section 4.07 hereof, the Issuers shall be required to commence a pro rata offer (an "Asset Sale Offer") to all Holders and all holders of other Indebtedness that is pari passu with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the Net Proceeds of sales of assets to purchase Notes and such other pair passu Indebtedness, it shall follow the procedures specified below.

The Asset Sale Offer shall remain open for a period of at least 30 days following its commencement but no longer than 60 days, except to the extent that a longer period is required by applicable law (the "Offer Period"). Promptly after the termination of the Offer Period (the "Purchase Date"), the Issuers shall purchase the principal amount of Notes required to be purchased pursuant to Section 4.07 hereof (the "Offer Amount") or, if less than the Offer Amount has been tendered, all Notes tendered and not withdrawn in response to the Asset Sale Offer. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related Interest Payment Date, accrued and unpaid interest, if any, and Liquidated Damages (to the extent involving interest that is due and payable on such Interest Payment Date), if any, shall be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest (or Liquidated Damages, if any) shall be payable to Holders who validly tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Issuers shall send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(a) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.07 hereof and the length of time the Asset Sale Offer shall remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Note not validly tendered or accepted for payment shall continue to accrue interest and Liquidated Damages, if applicable;

(d) that, unless the Issuers default in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest and Liquidated Damages, if applicable, after the Purchase Date;

(e) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Issuers, a depositary, if appointed by the Issuers, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(f) that Holders shall be entitled to withdraw their election if the Issuers, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(g) that, if the aggregate principal amount of Notes surrendered by Holders exceeds the Offer Amount, the Issuers shall select the Notes to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Issuers so that only Notes in denominations of $1,000, or integral multiples thereof, shall be purchased); and

(h) that Holders whose Notes were purchased only in part shall be issued new Notes (accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Issuers shall, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Offer Amount of Notes or portions thereof validly tendered and not properly withdrawn pursuant to the Asset Sale Offer, or if less than the Offer Amount has been validly tendered and not properly withdrawn, all Notes so tendered and not withdrawn, and shall deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Issuers in accordance with the terms of this Section 3.09. Upon surrender and cancellation of a Certificated Note that is purchased in part, the Issuers shall promptly issue and the Trustee shall authenticate and deliver to the surrendering Holder of such Certificated Note a new Certificated Note equal in principal amount to the unpurchased portion of such surrendered Certificated Note; provided that each such new Certificated Note shall be in a principal amount of $1,000 or an integral multiple thereof. Upon surrender of a Global Note that is purchased in part pursuant to an Asset Sale Offer, the Paying Agent shall forward such Global Note to the Trustee who shall make an endorsement thereon to reduce the principal amount of such Global Note to an amount equal to the unpurchased portion of such Global Note, as provided in Section 2.06(h) hereof. The Issuers, the Depositary or the Paying Agent, as the case may be, shall promptly mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Issuers for purchase, and the Issuers shall promptly issue a new Note (in each case, accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors), and the Trustee, upon written request from the Issuers shall authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Issuers to the Holder thereof. The Issuers shall publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE 4
COVENANTS

SECTION 4.01. PAYMENT OF NOTES.

The Issuers shall pay or cause to be paid the principal of and premium, if any, interest and Liquidated Damages, if any, on the Notes in New York, New York on the dates and in the manner provided in the Notes. Principal, premium, if any, interest and Liquidated Damages, if any, shall be considered paid on the date due if the Paying Agent, if other than an Issuer or any Subsidiary Guarantor thereof, holds as of 11:00 a.m. Eastern Time on the due date money deposited by the Issuers in immediately available funds and designated for and sufficient to pay all principal, premium, if any, interest and Liquidated Damages, if any, then due. The Issuers shall pay all Liquidated Damages, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

The Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium at the then applicable interest rate on the Notes to the extent lawful. The Issuers shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Liquidated Damages (without regard to any applicable grace period) at the same rate to the extent lawful.

SECTION 4.02. MAINTENANCE OF OFFICE OR AGENCY.

The Issuers shall maintain in the Borough of Manhattan, The City of New York, an office or agency (which may be an office of the Trustee or an Affiliate of the Trustee, Registrar or co-registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuers or the Subsidiary Guarantors in respect of the Notes and this Indenture may be served. The Issuers shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuers shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Issuers may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Issuers of their obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Issuers shall give prompt written notice to the Trustee of any such designation or rescission and of any change in location of any such other office or agency.

The Issuers hereby designate the Corporate Trust Office of the Trustee as one such office or agency of the Issuers in accordance with Section 2.03.

SECTION 4.03. COMPLIANCE CERTIFICATE.

(a) The Issuers and the Subsidiary Guarantors shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Issuers and the Restricted Subsidiaries of the Partnership during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Issuers and the Subsidiary Guarantors have kept, observed, performed and fulfilled their respective obligations under this Indenture and the Guarantees, respectively, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge each of such Issuers and such Subsidiary Guarantors, as the case may be, has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action such Issuer or such Subsidiary Guarantor, as the case may be, is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action such Issuer or such Subsidiary Guarantor, as the case may be, is taking or proposes to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the year-end financial statements delivered pursuant to Section 4.19(a) shall be accompanied by a written statement of the Issuers' independent public accountants (who shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Issuers have violated any provisions of Article 4 or Article 5 hereof (except that such written statement need not address the Issuers' and Subsidiary Guarantors' compliance with Sections 4.02, 4.05, 4.06 or 4.13 hereof) or, if any such violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation.

(c) Each of the Issuers shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith upon any Officer of the Partnership, the General Partner or El Paso Finance becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Issuers are taking or propose to take with respect thereto.

SECTION 4.04. TAXES.

The Issuers shall pay, and shall cause each of its Restricted Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

SECTION 4.05. STAY, EXTENSION AND USURY LAWS.

Each of the Issuers and the Subsidiary Guarantors covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and each of the Issuers and the Subsidiary Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.06. CHANGE OF CONTROL.

(a) If a Change of Control occurs, each Holder of Notes shall have the right to require the Issuers to repurchase all or any part (equal to $1,000 or an integral multiple thereof) of that Holder's Notes pursuant to the offer described below (the "Change of Control Offer"). In the Change of Control Offer, the Issuers shall offer a "Change of Control Payment" in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest thereon, if any, and Liquidated Damages, if any, to the date of purchase (the "Change of Control Payment"). Within 30 days following any Change of Control, the Issuers shall mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in such notice, pursuant to the procedures required by this Indenture and described in such notice. If the Change of Control Payment Date is on or after a record date and on or before the related Interest Payment Date, any accrued and unpaid interest and Liquidated Damages (to the extent involving interest that is due and payable on such Interest Payment Date), if any, shall be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest (or Liquidated Damages, if any) (to the extent involving interest that is due and payable on such Interest Payment Date) shall be payable to Holders who validly tender Notes pursuant to the Change of Control Offer. The Issuers shall comply with the requirements of Rule 14e-l under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control.

(b) Within 30 days following any Change of Control, the Issuers shall mail by first class mail, a notice to each Holder, with a copy of such notice to the Trustee. The notice, which shall govern the terms of the Change of Control Offer, shall state, among other things:

(i) that a Change of Control has occurred and a Change of Control Offer is being made as provided for herein, and that, although Holders are not required to tender their Notes, all Notes that are validly tendered shall be accepted for payment;

(ii) the Change of Control Payment and the Change of Control Payment Date, which will be no earlier than 30 days and no later than 60 days after the date such notice is mailed;

(iii) that any Note accepted for payment pursuant to the Change of Control Offer (and duly paid for on the Change of Control Payment Date) shall cease to accrue interest and Liquidated Damages, if applicable, after the Change of Control Payment Date;

(iv) that any Notes (or portions thereof) not validly tendered shall continue to accrue interest and Liquidated Damages, if applicable;

(v) that any Holder electing to have a Note purchased pursuant to any Change of Control Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Issuers, a depositary, if appointed by the Issuers, or a Paying Agent at the address specified in the notice at least one (1) Business Day before the Change of Control Payment Date;

(vi) that Holders shall be entitled to withdraw their election if the Issuers, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Change of Control Offer, a telegram, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased; and

(vii) the instructions and any other information necessary to enable Holders to tender their Notes (or portions thereof) and have such Notes (or portions thereof) purchased pursuant to the Change of Control Offer.

(c) Subject to Section 4.06(f), on the Change of Control Payment Date, the Issuers shall, to the extent lawful:

(i) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer;

(ii) deposit by 11:00 a.m., New York Time with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered; and

(iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuers.

(d) The Paying Agent shall promptly mail to each Holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee shall promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each such new Note shall be in a principal amount of $1,000 or an integral multiple thereof. The Issuers shall publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(e) Upon surrender and cancellation of a Certificated Note that is purchased in part pursuant to the Change of Control Offer, the Issuers shall promptly issue and the Trustee shall authenticate and mail (or cause to be transferred by book entry) to the surrendering Holder of such Certificated Note, a new Certificated Note equal in principal amount to the unpurchased portion of such surrendered Certificated Note; provided that each such new Certificated Note shall be in principal amount of $1,000 or an integral multiple thereof.

(f) Prior to complying with any of the provisions of this Section 4.06, but in any event within 90 days following a Change of Control, the Issuers shall either repay all outstanding Senior Debt or obtain the requisite consents, if any, under all agreements governing outstanding Senior Debt to permit the repurchase of Notes required by this covenant.

(g) The provisions described in this Section 4.06 require the Issuers to make a Change of Control Offer following a Change of Control shall be applicable regardless of whether or not any other provisions of this Indenture are applicable.

(h) Notwithstanding the other provisions of this Section 4.06, the Issuers shall not be required to make a Change of Control Offer upon a Change of Control, and a Holder will not have the right to require that the Issuers repurchase any Notes pursuant to a Change of Control Offer, if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

SECTION 4.07. ASSET SALES.

(a) The Issuers shall not, and shall not permit any Restricted Subsidiary of the Partnership to, consummate an Asset Sale unless:

(i) such Issuer (or the Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(ii) such fair market value is determined by (a) an executive officer of the Partnership if the value is less than $10.0 million, as evidenced by an Officers'

Certificate delivered to the Trustee or (b) the Board of Directors of the General Partner if the value is $10.0 million or more, as evidenced by a resolution of such Board of Directors of the General Partner; and

(iii) at least 75% of the Net Proceeds received by such Issuer or such Restricted Subsidiary is in the form of cash or Cash Equivalents.

For purposes of this clause (iii), each of the following shall be deemed to be cash:

(A) any liabilities (as shown on such Issuer's or such Restricted Subsidiary's most recent balance sheet), of the Issuers or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases such Issuer or such Restricted Subsidiary from further liability; and

(B) any securities, notes or other obligations received by such Issuer or any such Restricted Subsidiary from such transferee that are within 90 days after the Asset Sales (subject to ordinary settlement periods) converted by such Issuer or such Restricted Subsidiary into cash (to the extent of the cash received in that conversion).

(b) Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Partnership or a Restricted Subsidiary may apply (or enter into a definitive agreement for such application, provided that such capital expenditure or purchase is closed within 90 days after the end of such 360-day period) such Net Proceeds at its option: (i) to repay Senior Debt of the Partnership and/or its Restricted Subsidiaries (or to make an offer to repurchase or redeem any such Senior Debt, provided that such repurchase or redemption closes within 45 days after the end of such 360-day period) with a permanent reduction in availability for any revolving credit Indebtedness;

(i) to make a capital expenditure in a Permitted Business;

(ii) to acquire other long-term tangible assets that are used or useful in a Permitted Business; or

(iii) to invest in any other Permitted Business Investment or any other Permitted Investments other than Investments in Cash Equivalents, Interest Swaps or Currency Agreements.

Pending the final application of any such Net Proceeds, the Partnership or a Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest such Net Proceeds in any manner that is not prohibited by this Indenture.

(c) Any Net Proceeds from Asset Sales that are not applied or invested as provided in Section 4.07(b) above will constitute "Excess Proceeds". When the aggregate amount of Excess Proceeds exceeds $10 million, the Issuers will make a pro rata offer (an "Asset Sale Offer") to all Holders of Notes and all holders of other Indebtedness that is pari passu with

the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such other pari passu Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of principal amount plus accrued and unpaid interest (including any Liquidated Damages in the case of the Notes), if any, and premium, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Partnership may use such Excess Proceeds for any purpose not otherwise prohibited by this Indenture, including, without limitation, the repurchase or redemption of Indebtedness of the Issuers or any Subsidiary Guarantor that is subordinated to the Notes or, in the case of any Subsidiary Guarantor, the Guarantee of such Subsidiary Guarantor. If the aggregate principal amount of Notes tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds allocated for repurchases of Notes pursuant to the Asset Sale Offer for Notes, the Trustee shall select the Notes to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

(d) Notwithstanding the definition of the term "Asset Sale" in Section 1.01 hereof, the following transactions shall not constitute an Asset Sale for purposes of this Indenture:

(i) any transaction whereby assets or properties (including (a) ownership interests in any Subsidiary or Joint Venture and (b) in the case of an exchange or contribution for tangible assets, up to 25% in the form of cash, Cash Equivalents, accounts receivable or other current assets), owned by the Partnership or a Restricted Subsidiary of the Partnership are exchanged or contributed for the Equity Interests of a Joint Venture or Unrestricted Subsidiary in a transaction that satisfies the requirements of a Permitted Business Investment or for other assets (not more than 25% of which consists of cash, Cash Equivalents, accounts receivables or other current assets) or properties (including interests in any Subsidiary or Joint Venture) so long as (i) the fair market value of the assets or properties (if other than a Permitted Business Investment) received are substantially equivalent to the fair market value of the assets or properties given up, and (ii) any cash received in such exchange or contribution by the Partnership or any Restricted Subsidiary of the Partnership is applied in accordance with the foregoing provisions of this Section 4.07;

(ii) any sale, transfer or other disposition of cash or Cash Equivalents;

(iii) any sale, transfer or other disposition of Restricted Investments; and

(iv) any sale, transfer or other disposition of interests in oil and gas leaseholds (including, without limitation, by abandonment, farm-ins, farm-outs, leases, swaps and subleases), hydrocarbons and other mineral products in the ordinary course of business of the oil and gas operations conducted by the Partnership or any Restricted Subsidiary of the Partnership, which sale, transfer or other disposition is made by the Partnership or any such Restricted Subsidiary.

SECTION 4.08. RESTRICTED PAYMENTS.

(a) The Issuers shall not, and shall not permit any of their Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any other payment or distribution on account of the Equity Interests of the Partnership or any of its Restricted Subsidiaries (including, without limitation, any payment in connection with any merger or consolidation involving the Partnership or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Equity Interests of the Partnership or of any of its Restricted Subsidiaries in their capacity as such (other than dividends or distributions payable in Equity Interests of the Partnership (other than Disqualified Equity) and other than distributions or dividends payable to the Partnership or a Restricted Subsidiary of the Partnership).

(ii) except to the extent permitted in clause (iv) below, purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving an Issuer) any Equity Interests of the Partnership or of any of its Restricted Subsidiaries (other than any such Equity Interests owned by the Partnership or any of its Restricted Subsidiaries);

(iii) except to the extent permitted in clause (iv) below, make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is pari passu with or subordinated to the Notes or the Guarantees (other than the Notes or the Guarantees), except (a) a payment of interest or principal at the Stated Maturity thereof, (b) a purchase, redemption, acquisition or retirement required to be made pursuant to the terms of such Indebtedness (including pursuant to an asset sale or change of control provision) and (c) any such Indebtedness of the Partnership or any Restricted Subsidiary owned by the Partnership or a Restricted Subsidiary;

(iv) make any Investment other than a Permitted Investment or a Permitted Business Investment (all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "Restricted Payments"),

unless, at the time of and after giving effect to such Restricted Payment, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof and either:

(A) if the Fixed Charge Coverage Ratio for the Partnership's four most recent fiscal quarters for which internal financial statements are available is not less than 2.0 to 1.0, such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Partnership and its Restricted Subsidiaries during the quarter in which such Restricted Payment is made, is less than the sum, without duplication, of (a) Available Cash constituting Cash from

Operations as of the end of the immediately preceding quarter, plus (b) the aggregate net cash proceeds of any (i) substantially concurrent capital contribution to the Partnership from any Person (other than a Restricted Subsidiary of the Partnership) after the Issue Date, (ii) substantially concurrent issuance and sale after the Issue Date of Equity Interests (other than Disqualified Equity) of the Partnership or from the issuance or sale after the Issue Date of convertible or exchangeable Disqualified Equity or convertible or exchangeable debt securities of the Partnership that have been converted into or exchanged for such Equity Interests (other than Disqualified Equity), (iii) to the extent that any Restricted Investment that was made after the Issue Date is sold for cash or Cash Equivalents or otherwise liquidated or repaid for cash or Cash Equivalents, the lesser of the refund of capital or similar payment made in other Cash Equivalents with respect to such Restricted Investment (less the cost of such disposition, if any) and the initial amount of such Restricted Investment (other than to a Restricted Subsidiary of the Partnership), plus (c) the net reduction in Investments in Restricted Investments resulting from dividends, repayments of loans or advances, or other transfers of assets in each case to the Partnership or any of its Restricted Subsidiaries from any Person (including, without limitation, Unrestricted Subsidiaries) or from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries to the extent such amounts have not been included in Available Cash constituting Cash from Operations for any quarter commencing on or after the Issue Date (items (b) and (c) being referred to as "Incremental Funds"), minus (d) the aggregate amount of Incremental Funds previously expended pursuant to this clause (A) or clause (B) below; or

(B) if the Fixed Charge Coverage Ratio for the Partnership's four most recent fiscal quarters for which internal financial statements are available is less than 2.0 to 1.0, such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Partnership and its Restricted Subsidiaries during the quarter in which such Restricted Payment is made, is less than the sum, without duplication, of (a) $60.0 million less the aggregate amount of all Restricted Payments made by the Partnership and its Restricted Subsidiaries pursuant to this clause (B)(a) during the period ending on the last day of the fiscal quarter of the Partnership immediately preceding the date of such Restricted Payment and beginning on the Issue Date, plus (b) Incremental Funds to the extent not previously expended pursuant to this clause (B) or clause (A) above.

For purposes of clauses (A) and (B) above, the term "substantially concurrent" means that either (x) the offering was consummated within 120 days of the date of determination or (y) the offering was consummated within 24 months of the date of determination and the proceeds therefrom were used for the purposes expressly stated in the documents related thereto and may be traced to such use by segregating, separating or otherwise specifically identifying the movement of such proceeds.

(b) So long as no Default has occurred and is continuing or would be caused thereby, the preceding provisions of this Section 4.08 shall not prohibit:

(i) the payment by the Partnership or any of its Restricted Subsidiaries of any distribution or dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of this Indenture;

(ii) the redemption, repurchase, retirement, defeasance or other acquisition of any pari passu or subordinated Indebtedness of the Partnership or any of its Restricted Subsidiaries or of any Equity Interests of the Partnership or any of its Restricted Subsidiaries in exchange for, or out of the net cash proceeds of, a substantially concurrent (a) capital contribution to the Partnership or such Restricted Subsidiary from any Person (other than the Partnership or another Restricted Subsidiary) or (b) sale (a sale will be deemed substantially concurrent if such redemption, repurchase, retirement, defeasance or acquisition occurs not more than 120 days after such sale) (other than to a Restricted Subsidiary of the Partnership) of (i) Equity Interests (other than Disqualified Equity) of the Partnership or such Restricted Subsidiary or (ii) Indebtedness that is subordinated to the Notes or the Guarantees, provided that such new subordinated Indebtedness with respect to the redemption, repurchase, retirement, defeasance or other acquisition of pari passu or subordinated Indebtedness (W) is subordinated to the same extent as such refinanced subordinated Indebtedness, (X) has a Weighted Average Life to Maturity of at least the remaining Weighted Average Life to Maturity of the refinanced subordinated Indebtedness, (Y) is for the same principal amount as either such refinanced subordinated Indebtedness plus original issue discount to the extent not reflected therein or the redemption or purchase price of such Equity Interests (plus reasonable expenses of refinancing and any premiums paid on such refinanced subordinated Indebtedness) and (Z) is incurred by the Partnership or the Restricted Subsidiary that is the obligor on the Indebtedness so refinanced or the issuer of the Equity Interests so redeemed, repurchased or retired; provided, however, that the amount of any net cash proceeds that are utilized for any such redemption, repurchase or other acquisition or retirement shall be excluded or deducted from the calculation of Available Cash and Incremental Funds;

(iii) the defeasance, redemption, repurchase or other acquisition of pari passu or subordinated Indebtedness of the Partnership or any Restricted Subsidiary with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(iv) the payment of any distribution or dividend by a Restricted Subsidiary to the Partnership or to the holders of the Equity Interests (other than Disqualified Equity) of such Restricted Subsidiary on a pro rata basis;

(v) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Partnership or any of its Restricted Subsidiaries held by any member of the General Partner's or the Partnership's or any Restricted Subsidiary's management pursuant to any management equity subscription agreement or stock option agreement or to satisfy obligations under

any Equity Interests appreciation rights or option plan or similar arrangement; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed $5.0 million in any 12-month period; and

(vi) any payment by the Partnership pursuant to section 3.1(b) of the Management Agreement to compensate for certain tax liabilities resulting from certain allocated income.

In computing the amount of Restricted Payments made for purposes of Section 4.08(a), Restricted Payments made under clauses (i) (but only if the declaration of such dividend or other distribution has not been counted in a prior period) and, to the extent of amounts paid to holders other than the Partnership or any of its Restricted Subsidiaries, (iv) of this Section 4.08(b) shall be included, and Restricted Payments made under clauses (ii), (iii), (v) and (vi) and, except to the extent noted above, (iv) of this Section 4.08(b) shall not be included. The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Partnership or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant shall be determined by the Board of Directors of the General Partner whose resolution with respect thereto shall be delivered to the Trustee.

SECTION 4.09. INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF DISQUALIFIED EQUITY.

(a) The Partnership shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and the Partnership will not issue any Disqualified Equity and will not permit any of its Restricted Subsidiaries to issue any Disqualified Equity; provided, however, that the Partnership and any Restricted Subsidiary may incur Indebtedness (including Acquired Debt), and the Partnership and the Restricted Subsidiaries may issue Disqualified Equity, if the Fixed Charge Coverage Ratio for the Partnership's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Equity is issued would have been at least 2.25 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Equity had been issued, at the beginning of such four-quarter period.

(b) Notwithstanding the prohibitions of Section 4.09(a), so long as no Default or Event of Default shall have occurred and be continuing or would be caused thereby, the Partnership and its Restricted Subsidiaries may incur any of the following items of Indebtedness (collectively, "Permitted Debt"):

(i) the incurrence by the Partnership and any of its Restricted Subsidiaries of the Indebtedness under Credit Facilities and the guarantees

thereof; provided that the aggregate principal amount of all Indebtedness of the Partnership and the Restricted Subsidiaries outstanding under all Credit Facilities after giving effect to such incurrence does not exceed $1.2 billion less the aggregate amount of all repayments of Indebtedness under a Credit Facility that may have been made by the Partnership or any of its Restricted Subsidiaries with Net Proceeds from Asset Sales to the extent such repayments constitute a permanent reduction of commitments under such Credit Facility;

(ii) the incurrence by the Partnership and its Restricted Subsidiaries of Existing Indebtedness;

(iii) the incurrence by the Partnership and the Subsidiary Guarantors of Indebtedness represented by the Notes and the Guarantees and the related Obligations;

(iv) the incurrence by the Partnership or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligation, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Partnership or such Restricted Subsidiary, in an aggregate principal amount not to exceed $20.0 million at any time outstanding;

(v) the incurrence by the Partnership or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace, Indebtedness (other than intercompany Indebtedness) that was not incurred in violation of this Indenture;

(vi) the incurrence by the Partnership or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Partnership and any of its Restricted Subsidiaries; provided, however, that:

(A) if the Partnership or any Subsidiary Guarantor is the obligor on such Indebtedness, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes, in the case of the Partnership, or the Guarantee of such Subsidiary Guarantor, in the case of a Subsidiary Guarantor; and

(B) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Partnership or a Restricted Subsidiary thereof and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Partnership or a Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an incurrence of such Indebtedness by the Partnership or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (vi);

(vii) the incurrence by the Partnership or any of its Restricted Subsidiaries of Hedging Obligations that are incurred for the purpose of fixing or hedging foreign currency exchange rate risk of the Partnership or any Restricted Subsidiary or interest rate risk with respect to any floating rate Indebtedness of the Partnership or any Restricted Subsidiary that is permitted by the terms of this Indenture to be outstanding or commodities pricing risks of the Partnership or any Restricted Subsidiary in respect of hydrocarbon production from properties in which the Partnership or any of its Restricted Subsidiaries owns an interest;

(viii) the guarantee by the Partnership or any of its Restricted Subsidiaries of Indebtedness of the Partnership or a Restricted Subsidiary of the Partnership that was permitted to be incurred by another provision of this covenant;

(ix) bid, performance, surety and appeal bonds incurred in the ordinary course of business, including guarantees and standby letters of credit supporting such obligations, to the extent not drawn;

(x) the incurrence by the Partnership or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (x), not to exceed $20.0 million;

(xi) the incurrence by the Partnership's Unrestricted Subsidiaries of Non-Recourse Debt; provided, however, that if any such Indebtedness ceases to be Non-Recourse Debt of an Unrestricted Subsidiary, such event shall be deemed to constitute an incurrence of Indebtedness by a Restricted Subsidiary of the Partnership that was not permitted by this clause (xi);

(xii) the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Equity, in the form of additional shares of the same class of Disqualified Equity, provided, in each such case, that the amount thereof is included in Fixed Charges of the Partnership as so accrued, accredited or amortized; and

(xiii) Indebtedness incurred by the Partnership or any of its Restricted Subsidiaries arising from agreements or their respective bylaws providing for indemnification, adjustment of purchase price or similar obligations.

(c) For purposes of determining compliance with this Section 4.09, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in paragraphs (b)(i) through (b)(xiii) above, or is entitled to be incurred pursuant to Section 4.09(a), the Partnership shall be permitted to classify such item of Indebtedness on the date of its incurrence in any manner that complies with this Section 4.09. An

item of Indebtedness may be divided and classified in one or more of the types of Permitted Indebtedness.

SECTION 4.10. ANTI-LAYERING.

The Issuers shall not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of either of the Issuers and senior in any respect in right of payment to the Notes. No Subsidiary Guarantor shall incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of such Subsidiary Guarantor and senior in any respect in right of payment to such Subsidiary Guarantor's Guarantee.

SECTION 4.11. LIENS.

The Partnership shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness, Attributable Debt or trade payables on any asset now owned or hereafter acquired, except Permitted Liens, without making effective provision whereby all Obligations due under the Notes and this Indenture or any Guarantee, as applicable, will be secured by a Lien equally and ratably with any and all Obligations thereby secured for so long as any such Obligations shall be so secured.

SECTION 4.12. DIVIDEND AND OTHER PAYMENT RESTRICTIONS AFFECTING SUBSIDIARIES.

The Partnership shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions on its Equity Interests to the Partnership or any of the Partnership's Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Partnership or any of the other Restricted Subsidiaries;

(b) make loans or advances to or make other investments in the Partnership or any of the other Restricted Subsidiaries; or

(c) transfer any of its properties or assets to the Partnership or any of the other Restricted Subsidiaries.

The restrictions contained in the immediately preceding sentence will not apply to encumbrances or restrictions existing under or by reason of:

(i) agreements as in effect on the Issue Date and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of any such agreements or any Existing Indebtedness to which such agreement relates, provided that such amendments,

modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, with respect to such distribution, dividend and other payment restrictions and loan or investment restrictions than those contained in such agreement, as in effect on the Issue Date;

(ii) the Partnership Credit Facility and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof, provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, with respect to such distribution, dividend and other payment restrictions and loan or investment restrictions than those contained in such Credit Facility as in effect on the Issue Date;

(iii) this Indenture, the Notes and the Guarantees;

(iv) applicable law;

(v) any instrument governing Indebtedness or Equity Interests of a Person acquired by the Partnership or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, other than such Person, or the property or assets of such Person, so acquired, provided that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be incurred;

(vi) customary non-assignment provisions in licenses and leases entered in the ordinary course of business and consistent with past practices;

(vii) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on the property so acquired of the nature described in clause (c) of the preceding sentence;

(viii) any agreement for the sale or other disposition of a Restricted Subsidiary that contains any one or more of the restrictions described in clauses (a) through (c) of the preceding sentence by such Restricted Subsidiary pending its sale or other disposition, provided that such sale or disposition is consummated, or such restrictions are canceled or terminated or lapse, within 90 days;

(ix) Permitted Refinancing Indebtedness, provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(x) Liens securing Indebtedness otherwise permitted to be issued pursuant to the provisions of Section 4.11 that limit the right of the Partnership or any of its Restricted Subsidiaries to dispose of the assets subject to such Lien;

(xi) any agreement or instrument relating to any property or assets acquired after the Issue Date, so long as such encumbrance or restriction relates only to the property or assets so acquired and is not and are not created in anticipation of such acquisitions;

(xii) any agreement or instrument relating to any Acquired Debt of any Restricted Subsidiary at the date on which such Restricted Subsidiary was acquired by the Partnership or any Restricted Subsidiary (other than the Indebtedness incurred in anticipation of such acquisition and provided such encumbrances or restrictions extend only to property of such acquired Restricted Subsidiary);

(xiii) any agreement or instrument governing Indebtedness permitted to be incurred under this Indenture, provided that the terms and conditions of any such restrictions and encumbrances, taken as a whole, are not materially more restrictive than those contained in this Indenture, taken as a whole;

(xiv) provisions with respect to the disposition or distribution of assets or property in joint venture agreements and other similar agreements, including "clawback," "make-well" or "keep-well" agreements, to maintain financial performance or results of operations of a joint venture entered into in the ordinary course of business; and

(xv) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

SECTION 4.13. TRANSACTIONS WITH AFFILIATES.

(a) The Partnership shall not, and shall not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an "Affiliate Transaction"), unless:

(i) such Affiliate Transaction is on terms that are no less favorable to the Partnership or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Partnership or such Restricted Subsidiary with an unrelated Person; and

(ii) the Partnership delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $10.0 million but less than or equal to $25.0 million, an Officers'

Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved (either pursuant to specific or general resolutions) by the Board of Directors of the General Partner or has been approved by an officer pursuant to a delegation (specific or general) of authority from the Board of Directors of the General Partner; and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $25.0 million, (I) a resolution of the Board of Directors of the General Partner set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the General Partner and (II) either (a) an opinion as to the fairness to the Partnership of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing recognized as an expert in rendering fairness opinions on transactions such as those proposed, (b) with respect to assets classified, in accordance with GAAP, as property, plant and equipment on the Partnership's or such Restricted Subsidiary's balance sheet, a written appraisal from a nationally recognized appraiser showing the assets have a fair market value not less than the consideration to be paid (provided that if the fair market value determined by such appraiser is a range of values or otherwise inexact, the Board of Directors of the General Partner shall determine the exact fair market value, provided that it shall be within the range so determined by the appraiser), (c) in the case of gathering, transportation, marketing, hedging, production handling, operating, construction, storage, platform use, or other operational contracts, any such contracts are entered into in the ordinary course of business on terms substantially similar to those contained in similar contracts entered into by the Partnership or any Restricted Subsidiary and third parties or, if none of the Partnership or any Restricted Subsidiary has entered into a similar contract with a third party, that the terms are no less favorable than those available from third parties on an arm's-length basis, as determined by the Board of Directors of the General Partner or (d) in the case of any transaction between the Partnership or any of its Restricted Subsidiaries and any Affiliate thereof in which the Partnership beneficially owns 50% or less of the Voting Stock and one or more Persons not Affiliated with the Partnership beneficially own (together) a percentage of Voting Stock at least equal to the interest in Voting Stock of such Affiliate beneficially owned by the Partnership, a resolution of the Board of Directors of the General Partner set forth in the Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors of the General Partner. Even though a particular Affiliate Transaction or series of Affiliate Transactions may be covered by two or more of clauses (a)

through (d) above, the compliance with any one of such applicable clauses shall be satisfactory.

(b) The following items shall not be deemed to be Affiliate Transactions and, therefore, shall not be subject to the provisions of Section 4.13(a):

(i) transactions pursuant to the Management Agreement as in effect on the date hereof;

(ii) any employment, equity option or equity appreciation agreement or plan entered into by the Partnership or any of its Restricted Subsidiaries in the ordinary course of business and, as applicable, consistent with the past practice of the Partnership or such Restricted Subsidiary;

(iii) transactions between or among the Partnership and/or its Restricted Subsidiaries;

(iv) Restricted Payments that are permitted by Section 4.08;

(v) transactions effected in accordance with the terms of agreements as in effect on the Issue Date;

(vi) customary compensation, indemnification and other benefits made available to officers, directors or employees of the Partnership or a Restricted Subsidiary, including reimbursement or advancement of out-of-pocket expenses and provisions of officers' and directors' liability insurance; and

(vii) loans to officers and employees made in the ordinary course of business in an aggregate amount not to exceed $1.0 million at any one time outstanding.

SECTION 4.14. ADDITIONAL SUBSIDIARY GUARANTEES.

If the Partnership or any of its Restricted Subsidiaries acquires or creates another Restricted Subsidiary after the Issue Date that guarantees any Indebtedness of either of the Issuers, then that newly acquired or created Restricted Subsidiary must become a Subsidiary Guarantor and execute a supplemental indenture satisfactory to the Trustee and deliver an Opinion of Counsel to the Trustee within 10 Business Days of the date on which it was acquired or created. If a Restricted Subsidiary that is not then a Subsidiary Guarantor guarantees Indebtedness of either of the Issuers or any other Restricted Subsidiary, such Restricted Subsidiary shall execute and deliver a Guarantee. The Partnership will not permit any of its Restricted Subsidiaries, directly or indirectly, to guarantee or pledge any assets to secure the payment of any other Indebtedness of either Issuer unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the guarantee of the payment of the Notes by such Restricted Subsidiary, which Guarantee shall be senior to or pari passu with such Restricted Subsidiary's guarantee of or pledge to secure such other Indebtedness, unless such other Indebtedness is Senior Debt, in which case the Guarantee of the Notes may be subordinated to the guarantee of such Senior Debt to the same extent as the Notes

are subordinated to such Senior Debt. Notwithstanding the foregoing, any Guarantee of a Restricted Subsidiary that was incurred pursuant to this paragraph shall provide by its terms that it shall be automatically and unconditionally released upon the release or discharge of the guarantee which resulted in the creation of such Restricted Subsidiary's Subsidiary Guarantee, except a discharge or release by, or as a result of payment under, such guarantee.

SECTION 4.15. DESIGNATION OF RESTRICTED AND UNRESTRICTED SUBSIDIARIES.

The General Partner may designate any Restricted Subsidiary of the Partnership to be an Unrestricted Subsidiary if that designation would not cause a Default or Event of Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, all outstanding Investments owned by the Partnership and its Restricted Subsidiaries in the Subsidiary so designated will be deemed to be an Investment made as of the time of such designation and will reduce the amount available for Restricted Payments under Section 4.08(a), Permitted Investments or Permitted Business Investments, as applicable. All such outstanding Investments will be valued at their fair market value, as determined by the Board of Directors of the General Partner, at the time of such designation. That designation will only be permitted if such Restricted Payment, Permitted Investments or Permitted Business Investments would be permitted under this Indenture at that time and such Restricted Subsidiary otherwise complies with the definition of an Unrestricted Subsidiary. All Subsidiaries of such an Unrestricted Subsidiary shall be also thereafter constitute Unrestricted Subsidiaries. A Subsidiary may not be designated as an Unrestricted Subsidiary unless at the time of such designation, (x) it has no Indebtedness other than Non-Recourse Debt; (y) no portion of the Indebtedness or any other obligation of such Subsidiary (whether contingent or otherwise and whether pursuant to the terms of such Indebtedness or the terms governing the organization and operation of such Subsidiary or by law) (A) is guaranteed by the Partnership or any of its other Restricted Subsidiaries, except as such Indebtedness is permitted by Sections 4.08 and 4.09, (B) is recourse to or obligates the Partnership or any of its Restricted Subsidiaries in any way (including any "claw-back", "keep-well' or "make-well" agreements or other agreements, arrangements or understandings to maintain the financial performance or results of operations of such Subsidiary, except as such Indebtedness or Investment is permitted by Sections 4.08 and 4.09), or (C) subjects any property or assets of the Partnership or any of its other Restricted Subsidiaries, directly or indirectly, contingently or otherwise, to the satisfaction thereof; and (z) no Equity Interests of a Restricted Subsidiary are held by such Subsidiary, directly or indirectly. Upon the designation of a Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary, the Guarantee of such entity shall be released and the Trustee shall be authorized to take such actions as may be appropriate to reflect such release.

The Board of Directors of the General Partner may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if a Default or Event of Default is not continuing, the redesignation would not cause a Default or Event of Default and provided that, if at the time of such designation such Subsidiary is a Subsidiary Guarantor, after giving effect to such designation, the Partnership and its remaining Restricted Subsidiaries could incur at least $1.00 of additional Indebtedness under Section 4.09(a).

SECTION 4.16. BUSINESS ACTIVITIES.

The Partnership shall not, and shall not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses.

SECTION 4.17. SALE AND LEASEBACK TRANSACTIONS.

The Partnership will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; provided that the Partnership or any Restricted Subsidiary that is a Subsidiary Guarantor may enter into a sale and leaseback transaction if:

(a) the Partnership or that Subsidiary Guarantor, as applicable, could have (i) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction under Section 4.09(a), and (ii) incurred a Lien to secure such Indebtedness pursuant to Section 4.11; provided, however, that clause (i) of this clause (a) shall be suspended during any period in which the Partnership and the Restricted Subsidiaries are not subject to the Suspended Covenants;

(b) the gross cash proceeds of that sale and leaseback transaction are at least equal to the fair market value, as determined in good faith by the Board of Directors of the General Partner, of the property that is the subject of such sale and leaseback transaction; and

(c) the transfer of assets in that sale and leaseback transaction is permitted by, and the Partnership applies the proceeds of such transaction in compliance with, Section 4.07.

SECTION 4.18. PAYMENTS FOR CONSENT.

The Partnership shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such considerations is offered to be paid and is paid to all Holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

SECTION 4.19. REPORTS.

(a) Whether or not required by the SEC, so long as any Notes are outstanding, the Partnership will file with the SEC (unless the SEC will not accept such a filing) within the time periods specified in the SEC's rules and regulations and, upon request, the Partnership will furnish the Trustee for delivery to Holders upon their request:

(i) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Partnership were required to file such Forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Partnership's certified independent accountants; and

(ii) all current reports that would be required to be filed with the SEC on Form 8-K if the Partnership were required to file such reports.

(b) If at the end of any such quarterly or annual period referred to in Section 4.19(a), the Partnership has designated any of its Subsidiaries as Unrestricted Subsidiaries or if the Partnership owns more than 50% of Atlantis Offshore, L.L.C., Copper Eagle Gas Storage, L.L.C., Deepwater Gateway, L.L.C. and Poseidon Oil Pipeline Company, L.L.C. but such entity or any of its Subsidiaries still is designated as a Joint Venture, then the Partnership shall deliver (promptly after such SEC filing referred to in Section 4.19(a)) to the Trustee for delivery to the Holders of the Notes quarterly and annual financial information required by Section 4.19(a) as revised to include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in Management's Discussion and Analysis of Financial Condition and Results of Operations, of the financial condition and results of operations of the Partnership and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Partnership and the designated Joint Ventures of the Partnership.

(c) In addition, whether or not required by the SEC, the Partnership will make such information available to securities analysts, investors and prospective investors upon request. In addition, upon request the Partnership shall furnish the Trustee such other non-confidential information, documents and other reports which the Partnership is required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act.

(d) For so long as any Series A Notes remain outstanding (unless the Partnership is subject to the reporting requirements of the Exchange Act), the Partnership and the Securities Guarantors shall furnish to the Holders thereof, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to the extent such information is not provided pursuant to Sections 4.19(a) and 4.19(b).

(e) Delivery of reports, information and documents to the Trustee pursuant to this Section 4.19 is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Partnership's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 4.20. SUSPENSION OF COVENANTS.

During any period of time that the Notes have an Investment Grade Rating from both Rating Agencies and no Default has occurred and is continuing, the Partnership and the Restricted Subsidiaries shall not be subject to Sections 4.07, 4.08, 4.09, 4.12, 4.13, 4.17(a)(i) and 5.01(a)(iv)(B) (collectively, the "Suspended Covenants"); provided, however, that if the Partnership and the Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of this Section 4.20 and, subsequently, either of the Rating Agencies withdraws its ratings or downgrades the ratings assigned to the Notes below the Investment Grade Ratings so that the Notes do not have an Investment Grade Rating from both Rating Agencies, or a Default (other than with respect to the Suspended Covenants) occurs and is continuing, the Issuers and the Restricted Subsidiaries shall thereafter again be subject to the

Suspended Covenants, subject to the terms, conditions and obligations set forth in this Indenture (each such date of reinstatement being the "Reinstatement Date"). Compliance with the Suspended Covenants with respect to Restricted Payments made after the Reinstatement Date shall be calculated in accordance with Section 4.08 as though Section 4.08 had been in effect during the entire period of time from which the Notes are issued.

ARTICLE 5
SUCCESSORS

SECTION 5.01. MERGER, CONSOLIDATION, OR SALE OF ASSETS.

(a) Neither of the Issuers may, directly or indirectly: (x) consolidate or merge with or into another Person (whether or not such Issuer is the survivor); or (y) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to another Person; unless:

(i) either: (A) such Issuer is the surviving entity; or (B) the Person formed by or surviving any such consolidation or merger (if other than such Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made is an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia (provided that El Paso Finance may not consolidate or merge with or into any entity other than a corporation satisfying such requirement for so long as the Partnership remains a partnership);

(ii) the Person formed by or surviving any such consolidation or merger (if other than such Issuer) or the Person to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made expressly assumes all the obligations of such Issuer under the Notes and this Indenture pursuant to agreements reasonably satisfactory to the Trustee;

(iii) immediately after such transaction no Default or Event of Default exists;

(iv) such Issuer or the Person formed by or surviving any such consolidation or merger (if other than such Issuer):

(A) shall have Consolidated Net Worth immediately after the transaction equal to or greater than the Consolidated Net Worth of such Issuer immediately preceding the transaction; and

(B) shall, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.09(a); provided, however, that this clause (B) shall be suspended during any period in

which the Partnership and the Restricted Subsidiaries are not subject to the Suspended Covenants; and

(C) has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and, if a supplemental indenture is required, such supplemental indenture comply with this Indenture and all conditions precedent therein relating to such transaction have been satisfied.

(b) Notwithstanding Section 5.01(a), the Partnership is permitted to reorganize as any other form of entity in accordance with the procedures established in this Indenture; provided that:

(i) the reorganization involves the conversion (by merger, sale, contribution or exchange of assets or otherwise) of the Partnership into a form of entity other than a limited partnership formed under Delaware law;

(ii) the entity so formed by or resulting from such reorganization is an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia;

(iii) the entity so formed by or resulting from such reorganization assumes all of the obligations of the Partnership under the Notes and this Indenture pursuant to agreements reasonably satisfactory to the Trustee;

(iv) immediately after such reorganization no Default or Event of Default exists; and

(v) such reorganization is not adverse to the Holders of the Notes (for purposes of this clause (v) it is stipulated that such reorganization shall not be considered adverse to the Holders of the Notes solely because the successor or survivor of such reorganization (1) is subject to federal or state income taxation as an entity or (2) is considered to be an "includible corporation" of an affiliated group of corporations within the meaning of Section 1504(b)(i) of the Code or any similar state or local law).

(c) Section 5.01(a) shall not apply to a merger or consolidation or any sale, assignment, transfer, lease, conveyance or other disposition of assets between or among the Partnership and any of its Restricted Subsidiaries.

(d) No Subsidiary Guarantor may consolidate with or merge with or into (whether or not such Subsidiary Guarantor is the surviving Person) another Person, whether or not affiliated with such Subsidiary Guarantor, but excluding the Partnership or another Subsidiary Guarantor, unless (i) subject to the provisions of Section 5.01(e), the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) assumes all the obligations of such Subsidiary Guarantor pursuant to the Subsidiary Guarantor's Guarantee of the Notes and the Indenture pursuant to a supplemental indenture and (ii) immediately after

giving effect to such transaction, no Default or Event of Default exists. Any Subsidiary Guarantor may be merged or consolidated with or into any one or more Subsidiary Guarantors.

(e) In the event of a sale or other disposition of all or substantially all of the assets of any Subsidiary Guarantor, by way of merger, consolidation or otherwise, or a sale or other disposition of all or substantially all of the Equity Interests of any Subsidiary Guarantor, then such Subsidiary Guarantor (in the event of a sale or other disposition, by way of such a merger, consolidation or otherwise, of all of the Equity Interests of such Subsidiary Guarantor) or the Person acquiring the property (in the event of a sale or other disposition of all or substantially all of the assets of such Subsidiary Guarantor) will be released and relieved of any obligations under its Guarantee; provided that the Partnership applies the Net Proceeds of such sale or other disposition in accordance with the provisions set forth under Sections 3.09 and 4.07.

SECTION 5.02. SUCCESSOR ENTITY SUBSTITUTED.

(a) Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of an Issuer in accordance with Section 5.01 hereof, the surviving entity formed by such consolidation or into or with which such Issuer is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, lease, conveyance or other disposition, the provisions of this Indenture referring to the "Partnership" or "El Paso Finance," as the case may be, shall refer instead to the surviving entity and not to the Partnership or El Paso Finance, as the case may be), and may exercise every right and power of the Partnership or El Paso Finance, as the case may be, under this Indenture with the same effect as if such successor Person had been named as an Issuer herein; provided, however, that the predecessor shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale of all of an Issuer's assets that meets the requirements of Section 5.01 hereof.

(b) If the surviving entity shall have succeeded to and been substituted for an Issuer, such surviving entity may cause to be signed, and may issue either in its own name or in the name of the applicable Issuer prior to such succession any or all of the Notes issuable hereunder which theretofore shall not have been signed by such Issuer and delivered to the Trustee; and, upon the order of such surviving entity, instead of such Issuer, and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Notes which previously shall have been signed and delivered by the Officers of such Issuer to the Trustee for authentication, and any Notes which such surviving entity thereafter shall cause to be signed and delivered to the Trustee for that purpose (in each instance with notations of Guarantees thereon by the Subsidiary Guarantors). All of the Notes so issued and so endorsed shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued and endorsed in accordance with the terms of this Indenture and the Guarantees as though all such Notes had been issued and endorsed at the date of the execution hereof.

(c) In case of any such consolidation, merger, continuance, sale, transfer, conveyance or other disposal, such changes in phraseology and form (but not in substance) may

be made in the Notes thereafter to be issued or the Guarantees to be endorsed thereon as may be appropriate.

(d) For all purposes of this Indenture and the Notes, Subsidiaries of any surviving entity will, upon such transaction or series of transactions, become Restricted Subsidiaries or Unrestricted Subsidiaries as provided pursuant to this Indenture and all Indebtedness, and all Liens on property or assets, of the surviving entity and its Restricted Subsidiaries immediately prior to such transaction or series of transactions shall be deemed to have been incurred upon such transaction or series of transactions.

ARTICLE 6
DEFAULTS AND REMEDIES

SECTION 6.01. EVENTS OF DEFAULT.

Each of the following is an Event of Default:

(a) default for 30 days in the payment when due of interest on, or Liquidated Damages with respect to, the Notes, whether or not prohibited by the subordination provisions of this Indenture;

(b) default in payment when due of the principal of or premium, if any, on the Notes, whether or not prohibited by the subordination provisions of this Indenture;

(c) failure by the Partnership or any of its Restricted Subsidiaries to comply with the provisions described under Sections 3.09, 4.06, and 4.07 hereof;

(d) failure by the Partnership or any of its Restricted Subsidiaries to comply with any of the other agreements in this Indenture for 60 days after notice to the Issuers by the Trustee or to the Issuers and Trustee by Holders of at least 25% in aggregate principal amount of the Notes then outstanding (provided that no such notice need be given, and an Event of Default shall occur, 60 days after a failure to comply with the covenants in Section 4.08, 4.09 or 5.01 hereof, unless theretofore cured);

(e) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by either Issuer or any of the Restricted Subsidiaries of the Partnership (or the payment of which is guaranteed by either Issuer or any of such Restricted Subsidiaries), whether such Indebtedness or guarantee now exists or is created after the date of this Indenture, if that default:

(i) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "Payment Default"); or

(ii) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $20.0 million or more;

(f) failure by an Issuer or any Restricted Subsidiary of the Partnership to pay final judgments aggregating in excess of $10.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(g) except as permitted by this Indenture, any Guarantee shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Subsidiary Guarantor, or any Person acting on behalf of any Subsidiary Guarantor, shall deny or disaffirm its obligations under its Guarantee;

(h) either Issuer or any Restricted Subsidiary of the Partnership that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Partnership that, taken as a whole, would constitute a Significant Subsidiary, pursuant to or within the meaning of Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

(iii) consents to the appointment of a custodian of it or for all or substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors, or

(v) generally is not paying its debts as they become due; and

(i) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against an Issuer or any Restricted Subsidiary of the Partnership that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Partnership that, taken as a whole, would constitute a Significant Subsidiary in an involuntary case;

(ii) appoints a custodian of an Issuer or any Restricted Subsidiary of the Partnership that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Partnership that, taken as a whole, would constitute a Significant Subsidiary or for all or substantially all of the property of an Issuer or any Restricted Subsidiary of the Partnership that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Partnership that, taken as a whole, would constitute a Significant Subsidiary; or

(iii) orders the liquidation of an Issuer or any Restricted Subsidiary of the Partnership that is a Significant Subsidiary or any group of Restricted

Subsidiaries of the Partnership that, taken as a whole, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days.

SECTION 6.02. ACCELERATION.

If any Event of Default (other than an Event of Default specified in clauses (h) or (i) of Section 6.01 hereof) occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately. Upon any such declaration, the Notes shall become due and payable immediately. Notwithstanding the foregoing, if an Event of Default specified in clause (h) or (i) of Section 6.01 hereof occurs, all outstanding Notes shall be due and payable immediately without further action or notice. Notwithstanding the foregoing, so long as any Credit Facility shall be in full force and effect, if an Event of Default pursuant to clause (e) of Section 6.01 with regard to such Credit Facility shall have occurred and be continuing, the Notes shall not become due and payable until the earlier to occur of (x) five Business Days following delivery of written notice of such acceleration of the Notes to the agent under such Credit Facility and (y) the acceleration of any Indebtedness under such Credit Facility. The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived.

SECTION 6.03. OTHER REMEDIES.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest (and Liquidated Damages, if any) on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. WAIVER OF PAST DEFAULTS.

Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive an existing Default or Event of Default and its consequences hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium and/or interest, if any, or Liquidated Damages, if any, on, the Notes (including in connection with an offer to purchase) (provided, however, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related

payment default that resulted from such acceleration). Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 6.05. CONTROL BY MAJORITY.

Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders of Notes or that may involve the Trustee in personal liability.

SECTION 6.06. LIMITATION ON SUITS.

A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

(a) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder of a Note or Holders of Notes offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

SECTION 6.07. RIGHTS OF HOLDERS OF NOTES TO RECEIVE PAYMENT.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, premium and interest and Liquidated Damages, if any, on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.08. COLLECTION SUIT BY TRUSTEE.

If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Trustee is authorized to recover a judgment in its own name and as trustee of an express trust against the Issuers for the whole amount of principal of, premium and interest and Liquidated Damages, if any, remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.09. TRUSTEE MAY FILE PROOFS OF CLAIM.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to an Issuer or any of the Subsidiary Guarantors (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10. PRIORITIES.

If the Trustee collects any money pursuant to this Article, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: subject to the subordination provisions of this Indenture, to Holders of Notes for amounts due and unpaid on the Notes for principal, premium and Liquidated Damages, if any, and interest, ratably, without preference or priority of any kind, according to the amounts

due and payable on the Notes for principal, premium and Liquidated Damages, if any and interest, respectively; and

Third: to the Issuers or the Subsidiary Guarantors or to such other party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

SECTION 6.11. UNDERTAKING FOR COSTS.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE 7
TRUSTEE

SECTION 7.01. DUTIES OF TRUSTEE.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to any provision of this Indenture relating to the time, method and place of conducting any proceeding or remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any claim, loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Partnership or El Paso Finance. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

SECTION 7.02. RIGHTS OF TRUSTEE.

(a) Subject to the provisions of Section 7.01(a) hereof, the Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting in the administration of this Indenture, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may execute any of its trusts or powers or perform any duties under this Indenture either directly by or through agents or attorneys, and may in all cases pay, subject to reimbursement as provided herein, such reasonable compensation as it deems proper to

all such agents and attorneys employed or retained by it, and the Trustee shall not be responsible for any misconduct or negligence of any agent or attorney appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from an Issuer or any Subsidiary Guarantor shall be sufficient if signed by an Officer of the Partnership or the General Partner (in the case of the Partnership), by an Officer of the General Partner (in the case of the General Partner) or by an Officer of El Paso Finance or any Subsidiary Guarantor (in the case of El Paso Finance or such Subsidiary Guarantor).

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity against the claims, costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee is not required to make any inquiry or investigation into facts or matters stated in any document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuers.

(h) The Trustee is not required to take notice or shall not be deemed to have notice of any Default or Event of Default hereunder except Defaults or Events of Default under Sections 6.01(a) and 6.01(b) hereof, unless a Responsible Officer of the Trustee has actual knowledge thereof or has received notice in writing of such Default or Event of Default from the Issuers or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, and in the absence of any such notice, the Trustee may conclusively assume that no such Default or Event of Default exists.

(i) The Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture.

(j) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders of Notes, each representing less than the aggregate principal amount of Notes outstanding required to take any action hereunder, the Trustee, in its sole discretion may determine what action, if any, shall be taken.

(k) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation of removal, the discharge of this Indenture and final payments of the Notes.

(l) The permissive right of the Trustee to take actions permitted by this Indenture shall not be construed as an obligation or duty to do so.

(m) Except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information and any offering memorandum, disclosure material or prospectus distributed with respect to the Notes.

SECTION 7.03. INDIVIDUAL RIGHTS OF TRUSTEE.

The Trustee in its commercial banking or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuers, any Subsidiary Guarantors or any Affiliate of the Partnership with the same rights it would have if it were not Trustee. Any Affiliate of the Trustee or Agent may do the same with like rights and duties. However, in the event that the Trustee acquires any conflicting interest (as defined in the TIA) it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee or resign. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

SECTION 7.04. TRUSTEE'S DISCLAIMER.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Notes or the Guarantees, it shall not be accountable for the Issuers' use of the proceeds from the Notes or any money paid to an Issuer or upon an Issuer's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

SECTION 7.05. NOTICE OF DEFAULTS.

If a Default or Event of Default known to the Trustee occurs, the Trustee shall mail to Holders of Notes a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium, if any, or interest or Liquidated Damages, if any, on any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

SECTION 7.06. REPORTS BY TRUSTEE TO HOLDERS OF THE NOTES.

Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA Section 313(b)(2). The Trustee shall also transmit by mail all reports as required by TIA Section 313(c).

A copy of each report at the time of its mailing to the Holders of Notes shall be mailed to the Partnership and filed with the SEC and each stock exchange on which the Notes are listed in accordance with TIA Section 313(d). The Issuers shall promptly notify the Trustee when the Notes are listed on any stock exchange.

SECTION 7.07. COMPENSATION AND INDEMNITY.

The Issuers and the Subsidiary Guarantors shall pay to the Trustee from time to time such compensation as shall be agreed upon in writing between the Issuers and the Trustee for its acceptance of this Indenture and services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuers and the Subsidiary Guarantors shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Issuers and the Subsidiary Guarantors shall indemnify each of the Trustee or any successor Trustee against any and all losses, damages, claims, liabilities or expenses (including reasonable attorneys' fees and expenses) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against either of the Issuers or any Subsidiary Guarantor (including this Section 7.07) and defending itself against any claim (whether asserted by an Issuer, any Subsidiary Guarantor, or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence or bad faith. The Trustee shall notify the Issuers promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Issuers shall not relieve the Issuers and the Subsidiary Guarantors of their obligations hereunder. The Issuers and the Subsidiary Guarantors shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Issuers and the Subsidiary Guarantors shall pay the reasonable fees and expenses of such separate counsel. The Issuers and the Subsidiary Guarantors need not pay for any settlement made without their consent, which consent shall not be unreasonably withheld.

The obligations of the Issuers and the Subsidiary Guarantors under this Section 7.07 shall survive the satisfaction and discharge of this Indenture.

To secure the Issuers' and the Subsidiary Guarantors' payment obligations in this Section, the Trustee shall have a Lien (which it may exercise through right of set-off) prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal, premium, if any, and Liquidated Damages, if any, and interest on particular Notes. Such Lien shall survive the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(h) or (i) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Trustee shall comply with the provisions of TIA Section 313(b)(2) to the extent applicable.

SECTION 7.08. REPLACEMENT OF TRUSTEE.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuers. The Holders of Notes of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuers in writing. The Issuers may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10 hereof;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(c) a custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuers shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuers.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuers, any Subsidiary Guarantor or the Holders of Notes of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder of a Note who has been a Holder of a Note for at least six months, fails to comply with Section 7.10, such Holder of a Note may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuers. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders of the Notes. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Issuers' and the Subsidiary Guarantors' obligations under Section 7.07 hereof shall continue for the benefit of the retiring Trustee.

SECTION 7.09. SUCCESSOR TRUSTEE BY MERGER, ETC.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

SECTION 7.10. ELIGIBILITY; DISQUALIFICATION.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trust powers, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA Section 310(a)(1), (2) and (5). The Trustee is subject to TIA Section 310(b), provided, however, that there shall be excluded from the operation of TIA Section 310(b)(l) any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Issuers are outstanding if the requirements of such exclusion set forth in TIA Section 310(b)(l) are met. For purposes of the preceding sentence, the optional provision permitted by the second sentence of Section 310(b)(9) of the Trust Indenture Act shall be applicable.

SECTION 7.11. PREFERENTIAL COLLECTION OF CLAIMS AGAINST ISSUERS.

The Trustee is subject to TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

SECTION 8.01. OPTION TO EFFECT LEGAL DEFEASANCE OR COVENANT DEFEASANCE.

The Issuers may, at the option of the Board of Directors of the General Partner (in the case of the Partnership) or of the Board of Directors of El Paso Finance (in the case of El Paso Finance) evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

SECTION 8.02. LEGAL DEFEASANCE AND DISCHARGE.

Upon the Issuers' exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Issuers and the Subsidiary Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their respective Obligations and certain other obligations with respect to all outstanding Notes and Guarantees, as applicable, on the date the conditions set forth below are satisfied (hereinafter,

"Legal Defeasance"). For this purpose, Legal Defeasance means that the Issuers and the Subsidiary Guarantors shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in clauses (a) and (b) of this sentence below, and to have satisfied all its other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Issuers, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of outstanding Notes to receive solely from the trust fund described in Section 8.04 hereof, and as more fully set forth in such Section, payments in respect of the principal of, premium, if any, and interest and Liquidated Damages, if any, on such Notes when such payments are due (but not the Change of Control Payment or the payment pursuant to the Asset Sale Offer), (b) the Issuers' obligations with respect to such Notes under Sections 2.03, 2.04, 2.06, 2.07, 2.10 and 4.02 hereof, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Issuers' and the Subsidiary Guarantors' obligations in connection therewith, (d) the Issuers' rights of optional redemption and (e) this Article 8. Subject to compliance with this Article 8, the Issuers may exercise the option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

SECTION 8.03. COVENANT DEFEASANCE.

Upon the Issuers' exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Issuers and the Subsidiary Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from its obligations under the covenants contained in Sections 3.09, 4.06, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.17, 4.19 and 5.01(a)(iv) hereof and any covenant added to this Indenture subsequent to the Issue Date pursuant to Section 9.01 hereof with respect to the outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Issuers may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby. In addition, upon the Issuers' exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(c) through 6.01(g) hereof shall not constitute Events of Default.

SECTION 8.04. CONDITIONS TO LEGAL OR COVENANT DEFEASANCE.

The following shall be the conditions to the application of either Section 8.02 or 8.03 hereof to the outstanding Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuers must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in United States dollars, non-callable U.S. Government Obligations, or a combination thereof, in such amounts as shall be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest, on the outstanding Notes at the Stated Maturity thereof or on the applicable redemption date, as the case may be, and the Issuers must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(b) in the case of an election under Section 8.02 hereof, the Issuers shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that (A) the Partnership has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of an election under Section 8.03 hereof, the Partnership shall have delivered to the Trustee an Opinion of Counsel in the United States reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the incurrence of Indebtedness all or a portion of the proceeds of which shall be applied to such deposit) or insofar as Sections 6.01(h) and 6.01(i) hereof are concerned, at any time in the period ending on the 91st day after the date of deposit;

(e) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which either of the Issuers or any Restricted Subsidiary of the Partnership is a party or by which either of the Issuers or any Restricted Subsidiary of the Partnership is bound;

(f) the Partnership shall have delivered to the Trustee an Opinion of Counsel to the effect that after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(g) the Partnership shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by such Issuer with the intent of preferring the Holders over any other creditors of such Issuer or the Subsidiary Guarantors or with the intent of defeating, hindering, delaying or defrauding other creditors of such Issuer; and

(h) the Partnership shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

SECTION 8.05. DEPOSITED MONEY AND GOVERNMENT SECURITIES TO BE HELD IN TRUST; OTHER MISCELLANEOUS PROVISIONS.

Subject to Section 8.06 hereof, all money and non-callable U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including either Issuer acting as a Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, and Liquidated Damages, if any, but such money need not be segregated from other funds except to the extent required by law.

The Issuers and the Subsidiary Guarantors shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. Government Obligations deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article 8 to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuers from time to time upon the request of the Issuers any money or non-callable U.S. Government Obligations held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.06. REPAYMENT TO ISSUERS.

Any money deposited with the Trustee or any Paying Agent, or then held by an Issuer, in trust for the payment of the principal of, premium, if any, interest or Liquidated Damages, if any, on any Note and remaining unclaimed for two years after such principal, and premium, if any, interest or Liquidated Damages, if any, has become due and payable shall, subject to applicable escheat law, be paid to the Issuers on the request of the Issuers or (if then held by an Issuer) shall be discharged from such trust; and the Holder of such Note shall thereafter, as a creditor, look only to the Issuers or Subsidiary Guarantors for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of such Issuer as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuers cause to be published once, in The New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Issuers.

SECTION 8.07. REINSTATEMENT.

If the Trustee or Paying Agent is unable to apply any United States dollars or U.S. Government Obligations in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuers' and the Subsidiary Guarantors' Obligations under this Indenture, the Notes and the Guarantees, as applicable, shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; provided, however, that, if the Issuers or the Subsidiary Guarantors make any payment of principal of, premium, if any, interest or Liquidated Damages, if any, on any Note following the reinstatement of its Obligations, the Issuers and the Subsidiary Guarantors shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

SECTION 9.01. WITHOUT CONSENT OF HOLDERS OF NOTES.

Notwithstanding Section 9.02 of this Indenture, the Issuers and the Subsidiary Guarantors and the Trustee may amend or supplement this Indenture, the Guarantees, or the Notes without the consent of any Holder of a Note:

(a) to cure any ambiguity, defect or inconsistency;

(b) to provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of Article 2 hereof (including the related definitions) in a manner that does not materially adversely affect any Holder;

(c) to provide for the assumption of an Issuer's or a Subsidiary Guarantor's obligations to the Holders of the Notes in the case of a merger or consolidation or sale of all or substantially all of such Issuer's or Subsidiary Guarantors' assets pursuant to Article 5 hereof;

(d) to add or release Subsidiary Guarantors pursuant to the terms of this Indenture;

(e) to make any change that would provide any additional rights or benefits to the Holders of the Notes or surrender any right or power conferred upon the Issuers or the Subsidiary Guarantors by the Indenture that does not adversely affect the legal rights hereunder of any Holder of the Notes; or

(f) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA;

(g) to evidence or provide for the appointment under this Indenture of a successor Trustee;

(h) to add additional Events of Default; or

(i) to secure the Notes and/or the Guarantees.

Upon the request of the Issuers accompanied by a resolution of the Board of Directors of the General Partner (in the case of the Partnership), and of the Board of Directors of El Paso Finance and each of the Subsidiary Guarantors (in the case of El Paso Finance and the Subsidiary Guarantors), authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 9.06 hereof, the Trustee shall join with the Issuers and each of the Subsidiary Guarantors in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.02. WITH CONSENT OF HOLDERS OF NOTES.

Except as provided below in this Section 9.02, the Issuers, the Subsidiary Guarantors and the Trustee may amend or supplement this Indenture (including Sections 3.09, 4.06 and 4.07 hereof), the Guarantees, and the Notes with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Guarantees or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including consents obtained in connection with a tender offer or exchange offer for the Notes).

Upon the request of the Issuers accompanied by a resolution of the Board of Directors of the General Partner (in the case of the Partnership) and of the Board of Directors of El Paso Finance and each of the Subsidiary Guarantors (in the case of El Paso Finance and each of the Subsidiary Guarantors) authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 9.06 hereof, the Trustee shall join with the Issuers and each of the Subsidiary Guarantors in the execution of such amended or supplemental Indenture unless such amended or supplemental Indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Indenture.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section becomes effective, the Issuers shall mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Issuers to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding may waive compliance in a particular instance by the Issuers with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment or waiver may not (with respect to any Notes held by a non-consenting Holder):

(a) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(b) reduce the principal of or change the fixed maturity of any Note or alter or waive any of the provisions with respect to the redemption of the Notes, except as provided above with respect to Sections 3.09, 4.06 and 4.07 hereof;

(c) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(d) waive a Default or Event of Default in the payment of principal of or premium, if any, interest or Liquidated Damages, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(e) make any Note payable in money other than that stated in the Notes;

(f) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of or premium, if any, or interest on the Notes;

(g) waive a redemption payment with respect to any Note (other than a payment required by the covenants contained in Sections 3.09, 4.06 or 4.07 hereof;

(h) except as otherwise permitted by this Indenture, release any Subsidiary Guarantor from any of its obligations under its Guarantee or this Indenture, or change any Guarantee in any manner that would adversely affect the right of Holders; or

(i) make any change in Section 6.04 or 6.07 hereof or in the foregoing amendment and waiver provisions (except to increase any percentage set forth therein).

In addition, any amendment to the provisions of Article 10 or Section 11.07 of this Indenture (which relate to subordination) shall require the consent of the Holders of at least 75% in aggregate principal amount of the Notes then outstanding if such amendment would adversely affect the rights of Holders of Notes.

SECTION 9.03. COMPLIANCE WITH TRUST INDENTURE ACT.

Every amendment or supplement to this Indenture, the Guarantees, or the Notes shall be set forth in an amended or supplemental Indenture that complies with the TIA as then in effect.

SECTION 9.04. REVOCATION AND EFFECT OF CONSENTS.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

SECTION 9.05. NOTATION ON OR EXCHANGE OF NOTES.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuers in exchange for all Notes may issue and the Trustee shall authenticate new Notes (accompanied by a notation of the Guarantees duly endorsed by the Subsidiary Guarantors) that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. TRUSTEE TO SIGN AMENDMENTS, ETC.

The Trustee shall sign any amended or supplemental Indenture authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Issuers and the Subsidiary Guarantors may not sign an amendment or supplemental Indenture until the Board of Directors of the General Partner approves it. In executing any amended or supplemental indenture, the Trustee shall be entitled to receive and (subject to Section 7.01) shall be fully protected in relying upon, an Officers' Certificate of the Board of Directors of the General Partner and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

SECTION 9.07. EFFECT OF SUPPLEMENTAL INDENTURES.

Upon the execution of any supplemental indenture under this Article 9, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Notes theretofore or thereafter authenticated and delivered hereunder shall be bound thereby. After a supplemental indenture becomes effective, the Issuers shall mail to Holders a notice briefly describing such amendment. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section.

ARTICLE 10
SUBORDINATION

SECTION 10.01. AGREEMENT TO SUBORDINATE.

The Issuers covenant and agree, and each Holder by accepting a Note agrees, that the Indebtedness evidenced by, and any Liquidated Damages and other Obligations with respect to, the Notes are subordinated in right of payment, to the extent and in the manner provided in this Article 10, to the prior payment in full in cash of all Senior Debt (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of the holders of Senior Debt.

SECTION 10.02. LIQUIDATION; DISSOLUTION; BANKRUPTCY.

Upon any payment or distribution to creditors of either of the Issuers or any Subsidiary Guarantor in a liquidation or dissolution of such Issuer or such Subsidiary Guarantor or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to such Issuer or such Subsidiary Guarantor or its property, in an assignment for the benefit of creditors or any marshaling of such Issuer's or such Subsidiary Guarantor's assets and liabilities:

(a) holders of Senior Debt shall be entitled to receive payment in full in cash of all Obligations in respect of Senior Debt (including interest after the commencement of any such proceeding at the rate specified in the applicable Senior Debt, whether or not such interest would be an allowed claim in such proceeding) before Holders of the Notes shall be entitled to receive any payment with respect to the Notes (except that Holders may receive and retain (i) Permitted Junior Securities and (ii) payments and other distributions made from any defeasance trust created pursuant to Article 8 hereof, provided that the funding of such trust was permitted); and

(b) until all Obligations with respect to Senior Debt (as provided in subsection (a) above) are paid in full in cash, any payment or distribution to which Holders would be entitled but for this Article 10 shall be made to holders of Senior Debt (except that Holders of Notes may receive and retain (i) Permitted Junior Securities and (ii) payments and other distributions made from any defeasance trust created pursuant to Article 8 hereof, provided that the funding of such trust was permitted), as their interests may appear.

SECTION 10.03. DEFAULT ON DESIGNATED SENIOR DEBT.

The Issuers and the Subsidiary Guarantors may not make any payment or distribution in respect of Obligations with respect to the Notes (whether by redemption, purchase, defeasance or otherwise) and may not acquire any Notes for cash or property (other than (i) Permitted Junior Securities and (ii) payments and other distributions made from any defeasance trust created pursuant to Article 8 hereof, provided that the funding of such trust was permitted) until all principal and other Obligations with respect to the Senior Debt have been paid in full in cash if:

(a) a default in the payment of any principal, premium, if any, or interest (and other Obligations in the case of the Credit Facilities) on Designated Senior Debt occurs and is continuing; or

(b) any other default on Designated Senior Debt occurs and is continuing that permits holders of the Designated Senior Debt to accelerate its maturity and the Trustee receives a notice of the default (a "Payment Blockage Notice") from a Person who may give it pursuant to Section 10.11 hereof. If the Trustee receives any such Payment Blockage Notice, no subsequent Payment Blockage Notice shall be effective for purposes of this Section unless and until at least 360 days shall have elapsed since the effectiveness of the immediately prior Payment Blockage Notice. No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Trustee shall be, or be made, the basis for a subsequent Payment Blockage Notice unless such default shall have been cured or waived for a period of not less than 120 days.

The Issuers may and shall resume payments on and distributions in respect of the Notes and may acquire them upon the earlier of:

(a) in the case of a default referred to in clause (a) of the immediately preceding paragraph, the date upon which the default is cured or waived, or

(b) in the case of a default referred to in clause (b) of the immediately preceding paragraph, the earlier of the date on which such non-payment default is cured or waived and 179 days after the date on which the applicable Payment Blockage Notice is received by the Trustee unless the maturity of such Designated Senior Debt has been accelerated,

if this Article 10 otherwise permits the payment, distribution or acquisition at the time of such payment or acquisition.

SECTION 10.04. ACCELERATION OF NOTES.

If payment of the Notes is accelerated because of an Event of Default, the Issuers shall promptly notify holders of Senior Debt of the acceleration.

SECTION 10.05. WHEN DISTRIBUTION MUST BE PAID OVER.

In the event that the Trustee or any Holder receives any payment of or distribution with respect to any Obligations with respect to the Notes at a time when such payment or distribution is prohibited by Section 10.02 or 10.03 hereof, such payment or distribution shall be held by the Trustee or such Holder, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to, the holders of Designated Senior Debt as their interests may appear or their Representative under this Indenture or other agreement (if any) pursuant to which such Designated Senior Debt may have been issued, as their respective interests may appear, for application to the payment in cash of all Obligations with respect to such Designated Senior Debt remaining unpaid to the extent necessary to pay such Obligations in full in cash in accordance with their terms, after giving effect to any concurrent payment or distribution to or for the holders of such Designated Senior Debt.

With respect to the holders of Senior Debt, the Trustee undertakes to perform only such obligations on the part of the Trustee as are specifically set forth in this Article 10, and no implied covenants or obligations with respect to the holders of Senior Debt shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the

holders of Senior Debt, and shall not be liable to any such holders if the Trustee shall pay over or distribute to or on behalf of Holders or the Issuers or any other Person money or assets to which any holders of Senior Debt shall be entitled by virtue of this Article 10, except if such payment is made as a result of the willful misconduct or gross negligence of the Trustee.

SECTION 10.06. NOTICE BY ISSUERS.

The Issuers shall promptly notify the Trustee and the Paying Agent of any facts known to the Issuers that would cause a payment of any Obligations with respect to the Notes to violate this Article 10, but failure to give such notice shall not affect the subordination of the Notes to the Senior Debt as provided in this Article 10.

SECTION 10.07. SUBROGATION.

After all Senior Debt is paid in full in cash and until the Notes are paid in full, Holders of Notes shall be subrogated (equally and ratably with all other Indebtedness pari passu with the Notes) to the rights of holders of Senior Debt to receive distributions applicable to Senior Debt to the extent that distributions otherwise payable to the Holders of Notes have been applied to the payment of Senior Debt. A distribution made under this Article 10 to holders of Senior Debt that otherwise would have been made to Holders of Notes is not, as between the Issuers and Holders, a payment by the Issuers on the Notes.

SECTION 10.08. RELATIVE RIGHTS.

This Article 10 defines the relative rights of Holders of Notes and holders of Senior Debt. Nothing in this Indenture shall:

(a) impair, as between the Issuers and Holders of Notes, the obligation of the Issuers, which is absolute and unconditional, to pay principal of and interest on the Notes in accordance with their terms;

(b) affect the relative rights of Holders of Notes and creditors of the Issuers other than their rights in relation to holders of Senior Debt; or

(c) subject to Section 6.02, prevent the Trustee or any Holder of Notes from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to Holders of Notes.

If the Issuers fail because of this Article 10 to pay principal of or interest on a Note on the due date, the failure is still a Default or Event of Default.

SECTION 10.09. SUBORDINATION MAY NOT BE IMPAIRED BY ISSUERS.

No right of any holder of Senior Debt to enforce the subordination of the Indebtedness evidenced by the Notes shall be impaired by any act or failure to act by either of the Issuers or any Holder or by the failure of either of the Issuers or any Holder to comply with this Indenture.

SECTION 10.10. DISTRIBUTION OR NOTICE TO REPRESENTATIVE.

Whenever a payment or distribution is to be made or a notice given to holders of Senior Debt, the payment or distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets of either of the Issuers or any of the Subsidiary Guarantors referred to in this Article 10, the Trustee and the Holders of Notes shall be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of Notes for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other Indebtedness of such Issuer or Subsidiary Guarantor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article 10.

SECTION 10.11. RIGHTS OF TRUSTEE AND PAYING AGENT.

Notwithstanding the provisions of this Article 10 or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee, and the Trustee and the Paying Agent may continue to make payments on the Notes, unless a Responsible Officer of the Trustee shall have received at its Corporate Trust Office at least two Business Days prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Notes to violate this Article 10. Only the Issuers or the holders of Designated Senior Debt or their Representative may give the notice. Nothing in this Article 10 shall impair the claims of, or payments to, the Trustee under or pursuant to Section 7.07 hereof. Each Paying Agent shall be subject to the same obligations under this Article 10 as is the Trustee.

The Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Trustee. Any Affiliate of the Trustee or Agent may do the same with like rights.

SECTION 10.12. AUTHORIZATION TO EFFECT SUBORDINATION.

Each Holder of Notes, by the Holder's acceptance thereof, authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article 10, and appoints the Trustee to act as such Holder's attorney-in-fact for any and all such purposes. If the Trustee does not file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 6.09 hereof at least 30 days before the expiration of the time to file such claim, the Representative of the Designated Senior Debt are hereby authorized to file an appropriate claim for and on behalf of the Holders of the Notes.

SECTION 10.13. AMENDMENTS.

The provisions of this Article 10 shall not be amended or modified without the written consent of the holders of all Designated Senior Debt.

ARTICLE 11
GUARANTEES

SECTION 11.01. GUARANTEES.

Subject to the provisions of this Article 11, each of the Subsidiary Guarantors hereby, jointly and severally, unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the Obligations of the Issuers hereunder or thereunder, that: (a) the principal of, premium, interest and Liquidated Damages, if any, on the Notes shall be promptly paid in full when due, whether at the maturity or interest payment or mandatory redemption date, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium, interest and Liquidated Damages, if any, on the Notes, if any, if lawful, and all other Obligations of the Issuers to the Holders or the Trustee under this Indenture and the Notes shall be promptly paid in full or performed, all in accordance with the terms of this Indenture and the Notes; and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Subsidiary Guarantors shall be jointly and severally obligated to pay the same immediately. The Subsidiary Guarantors hereby agree that to the fullest extent permitted by applicable law, their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions of this Indenture and the Notes, the recovery of any judgment against the Issuers, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Subsidiary Guarantor. To the fullest extent permitted by applicable law, each Subsidiary Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuers, any right to require a proceeding first against the Issuers, protest, notice and all demands whatsoever and covenant that the Guarantees shall not be discharged except by complete performance of the obligations contained in the Notes and this Indenture.

If any Holder or the Trustee is required by any court or otherwise to return to the Issuers or Subsidiary Guarantors, or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuers or Subsidiary Guarantors, any amount paid by either to the Trustee or such Holder, these Guarantees, to the extent theretofore discharged, shall be reinstated in full force and effect. Each Subsidiary Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any Obligations guaranteed hereby until payment in full of all Obligations guaranteed hereby.

Each Subsidiary Guarantor further agrees that, as between the Subsidiary Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of these Guarantees, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby, and (y) in the event

of any declaration of acceleration of such Obligations as provided in Article 6 hereof, such Obligations (whether or not due and payable) shall forthwith become due and payable by the Subsidiary Guarantors for the purpose of these Guarantees. The Subsidiary Guarantors shall have the right to seek contribution from any non-paying Subsidiary Guarantor so long as the exercise of such right does not impair the rights of the Holders under these Guarantees.

SECTION 11.02. LIMITATION OF GUARANTOR'S LIABILITY.

Each Subsidiary Guarantor and, by its acceptance hereof, each Holder hereby confirms that it is its intention that the Guarantee by such Subsidiary Guarantor not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to the Guarantees. To effectuate the foregoing intention, each such Person hereby irrevocably agrees that the Obligation of such Subsidiary Guarantor under its Guarantee under this Article 11 shall be limited to the maximum amount as shall, after giving effect to such maximum amount and all other (contingent or otherwise) liabilities of such Subsidiary Guarantor that are relevant under such laws, and after giving effect to any rights to contribution of such Subsidiary Guarantor pursuant to any agreement providing for an equitable contribution among such Subsidiary Guarantor and other Affiliates of the Issuers of payments made by guarantees by such parties, result in the Obligations of such Subsidiary Guarantor in respect of such maximum amount not constituting a fraudulent conveyance. Each Holder, by accepting the benefits hereof, confirms its intention that, in the event of bankruptcy, reorganization or other similar proceeding of either of the Issuers or any Subsidiary Guarantor in which concurrent claims are made upon such Subsidiary Guarantor hereunder, to the extent such claims shall not be fully satisfied, each such claimant with a valid claim against such Issuer shall be entitled to a ratable share of all payments by such Subsidiary Guarantor in respect of such concurrent claims.

SECTION 11.03. EXECUTION AND DELIVERY OF GUARANTEES.

To evidence the Guarantees set forth in Section 11.01 hereof, each Subsidiary Guarantor hereby agrees that a notation of the Guarantees substantially in the form of Exhibit D shall be endorsed by an Officer of such Subsidiary Guarantor on each Note authenticated and delivered by the Trustee and that this Indenture shall be executed on behalf of such Subsidiary Guarantor by its President or one of its Vice Presidents.

Each Subsidiary Guarantor hereby agrees that the Guarantees set forth in Section 11.01 shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of the Guarantees.

If an Officer or Officer whose signature is on this Indenture or on the Guarantees no longer holds that office at the time the Trustee authenticates the Note on which the notation of the Guarantees are endorsed, the Guarantees shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantees set forth in this Indenture on behalf of the Subsidiary Guarantors.

SECTION 11.04. SUBSIDIARY GUARANTORS MAY CONSOLIDATE, ETC., ON CERTAIN TERMS.

(a) Except as set forth in Articles 4 and 5 hereof, nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of the Partnership or a Subsidiary Guarantor with or into the Partnership or another Subsidiary Guarantor or shall prevent any sale or conveyance of the property of a Subsidiary Guarantor as an entirety or substantially as an entirety, to the Partnership or another Subsidiary Guarantor.

(b) Except as set forth in Articles 4 and 5 hereof, nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of a Subsidiary Guarantor with or into another Person other than the Partnership or another Subsidiary Guarantor (whether or not affiliated with the Subsidiary Guarantor), or successive consolidations or mergers in which a Subsidiary Guarantor or its successor or successors shall be a party or parties, or shall prevent any sale or conveyance of the property of a Subsidiary Guarantor as an entirety or substantially as an entirety, to a person other than the Partnership (whether or not affiliated with the Subsidiary Guarantor) authorized to acquire and operate the same; provided, however, that such transaction meets all of the following requirements: (i) each Subsidiary Guarantor hereby covenants and agrees that, upon any such consolidation, merger, sale or conveyance, the Guarantee contained herein, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by such Subsidiary Guarantor, shall be expressly assumed (in the event that the Subsidiary Guarantor is not the surviving corporation in the merger or consolidation), by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by the Person formed by such consolidation, or into which the Subsidiary Guarantor shall have been merged, or by the Person which shall have acquired such property, and (ii) immediately after giving effect to such transaction, no Default or Event of Default exists. In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Guarantees contained herein and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Subsidiary Guarantor, such successor shall succeed to and be substituted for the Subsidiary Guarantor with the same effect as if it had been named herein as a Subsidiary Guarantor. Such successor thereupon may cause to be signed any or all of the notations of the Guarantees to be endorsed upon all of the Notes issuable hereunder which theretofore shall not have been signed by the Issuers and delivered to the Trustee. All the Guarantees so issued shall in all respects have the same legal rank and benefit under this Indenture as the Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Guarantees had been issued at the date of the execution hereof.

SECTION 11.05. RELEASES.

Concurrently with any sale of assets (including, if applicable, all of the Equity Interests of any Subsidiary Guarantor), any Liens in favor of the Trustee in the assets sold thereby shall be released; provided that in the event of an Asset Sale, the Net Proceeds from such sale or other disposition are treated in accordance with the provisions of Section 4.07 hereof. The Guarantee or the obligations under Section 11.04 hereof of a Subsidiary Guarantor will be released (i) in connection with any sale or other disposition of all or substantially all of the assets

of such Subsidiary Guarantor (including by way of merger or consolidation), if the Partnership applies the Net Proceeds of that sale or other disposition in accordance with Section 4.07 hereof; or (ii) in connection with the sale or other disposition of all of the Equity Interests of a Subsidiary Guarantor, if the Partnership applies the Net Proceeds of that sale in accordance with Section 4.07 hereof; or (iii) if the Partnership designates any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary; or (iv) at such time as such Subsidiary Guarantor ceases to guarantee any other Indebtedness of the Partnership. Upon delivery by the Partnership to the Trustee of an Officers' Certificate to the effect that such sale or other disposition was made by the Partnership in accordance with the provisions of this Indenture, including without limitation Section 4.07 hereof or such Guarantee is to be released pursuant to the provisions of the immediately preceding sentence, the Trustee shall execute any documents reasonably required in order to evidence the release of any Subsidiary Guarantor from its obligations under its Guarantees. Any Subsidiary Guarantor not released from its obligations under its Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Subsidiary Guarantor under this Indenture as provided in this Article 11.

SECTION 11.06. "TRUSTEE" TO INCLUDE PAYING AGENT.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Issuers and be then acting hereunder, the term "Trustee" as used in this Article 11 shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent within its meaning as fully and for all intents and purposes as if such Paying Agent were named in this Article 11 in place of the Trustee.

SECTION 11.07. SUBORDINATION OF GUARANTEES.

The obligations of each Subsidiary Guarantor under its Guarantee pursuant to this Article 11 shall be junior and subordinated to the prior payment in full in cash of all Senior Debt and Guarantor Senior Debt (including interest after the commencement of any proceeding of the type described in Section 10.02 with respect to such Subsidiary Guarantor at the rate specified in the applicable Guarantor Senior Debt, whether or not such interest would be an allowed claim in such proceeding) of such Subsidiary Guarantor, in each case on the same basis as the Notes are junior and subordinated to Senior Debt, mutatis mutandis. For the purposes of the foregoing sentence, the Trustee and the Holders shall have the right to receive and/or retain payments by any of the Subsidiary Guarantors only at such times as they may receive and/or retain payments and distributions in respect of the Notes pursuant to this Indenture, including Article 10 hereof.

ARTICLE 12
SATISFACTION AND DISCHARGE

SECTION 12.01. SATISFACTION AND DISCHARGE.

This Indenture shall upon the request of the Issuers cease to be of further effect (except as to surviving rights of registration of transfer or exchange of Notes herein expressly provided for, the Issuers' obligations under Section 7.07 hereof, the Issuers' rights of optional redemption under Article 3 hereof, and the Trustee's and the Paying Agent's obligations under

Section 12.02 and 12.03 hereof) and the Trustee, at the expense of the Issuers, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture when

(a) either

(i) all Notes therefore authenticated and delivered (other than (A) Notes which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.07 and (B) Notes for whose payment money has been deposited in trust with the Trustee or any Paying Agent and thereafter paid to the Issuers or discharged from such trust) have been delivered to the Trustee for cancellation; or

(ii) all such Notes not theretofore delivered to the Trustee for cancellation

(A) have become due and payable; or

(B) shall become due and payable at their Stated Maturity within one year, or

(C) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuers,

and the Issuers, in the case of clause (A), (B) or (C) above, have irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for such purpose money or U.S. Government Obligations in an amount sufficient (as certified by an independent public accountant designated by the Issuers) to pay and discharge the entire indebtedness of such Notes not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest, if any, to the date of such deposit (in the case of Notes which have become due and payable) or the Stated Maturity or redemption date, as the case may be;

(b) the Issuers have paid or caused to be paid all other sums then due and payable hereunder by the Issuers;

(c) no Default or Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit and after giving effect to such deposit; and

(d) the Issuers have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the Issuers' obligations in Sections 2.03, 2.04, 2.06, 2.07, 2.11, 7.07, 7.08, 12.02, 12.03 and 12.04, and the Trustee's and Paying Agent's obligations in Section 12.03 shall survive until the Notes are no longer outstanding. Thereafter, only the Issuers' obligations in Section 12.03 shall survive.

In order to have money available on a payment date to pay principal (and premium, if any, on) or interest on the Notes, the U.S. Government Obligations shall be payable as to principal (and premium, if any) or interest at least one Business Day before such payment date in such amounts as shall provide the necessary money. The U.S. Government Obligations shall not be callable at the issuer's option.

SECTION 12.02. APPLICATION OF TRUST.

All money deposited with the Trustee pursuant to Section 12.01 shall be held in trust and, at the written direction of the Issuers, be invested prior to maturity in non-callable U.S. Government Obligations, and applied by the Trustee in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for the payment of which money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

SECTION 12.03. REPAYMENT OF THE ISSUERS.

The Trustee and the Paying Agent shall promptly pay to the Issuers upon written request any excess money or securities held by them at any time.

The Trustee and the Paying Agent shall notify the Issuers of, and pay to the Issuers upon written request, any money held by them for the payment of principal or interest that remains unclaimed for two years after the date upon which such payment shall have become due; provided that the Issuers shall have either caused notice of such payment to be mailed to each Holder of the Notes entitled thereto no less than 30 days prior to such repayment or within such period shall have published such notice in a financial newspaper of widespread circulation published in The City of New York, including, without limitation, The Wall Street Journal (national edition). After payment to the Issuers, Holders entitled to the money must look to the Issuers for payment as general creditors unless an applicable abandoned property law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease. In the absence of a written request from the Issuers to return unclaimed funds to the Issuers, the Trustee shall from time to time deliver all unclaimed funds to or as directed by applicable escheat authorities, as determined by the Trustee in its sole discretion, in accordance with the customary practices and procedures of the Trustee. Any unclaimed funds held by the Trustee pursuant to this Section 12.03 shall be held uninvested and without any liability for interest.

SECTION 12.04. REINSTATEMENT.

If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 12.01 by reason of any legal proceeding or by reason of any order or judgment of any court of governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuers' and Subsidiary Guarantors' Obligations under this Indenture, the Notes and the Guarantees shall be revived and reinstated as though no deposit has occurred pursuant to Section 12.01 until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with Section 12.02,

provided, however, that if the Issuers or the Subsidiary Guarantors have made any payment of interest on or principal of any Notes because of the reinstatement of their Obligations, the Issuers or such Subsidiary Guarantors shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 13
MISCELLANEOUS

SECTION 13.01. TRUST INDENTURE ACT CONTROLS.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Section 318(c), the imposed duties shall control.

SECTION 13.02. NOTICES.

Any notice or communication by the Issuers or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Issuers or any Subsidiary Guarantor:

El Paso Energy Partners, L.P.
4 Greenway Plaza
Houston, Texas 77046
Telecopier No.: (713) 420-2131
Attention: Chief Financial Officer

With a copy to:

Akin, Gump, Strauss, Hauer & Feld, L.L.P.
1900 Pennzoil Place, South Tower
711 Louisiana Street
Houston, Texas 77002
Telecopier No.: (713) 236-0822
Attention: J. Vincent Kendrick

If to the Trustee or Paying Agent:

JPMorgan Chase Bank
600 Travis, Suite 1150
Houston, Texas 77002
Telecopier No.: (713) 577-5200
Attention: Rebecca A. Newman

The Issuers, any Subsidiary Guarantor or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if sent by facsimile transmission; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA Section 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

If the Issuers mail a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

SECTION 13.03. COMMUNICATION BY HOLDERS OF NOTES WITH OTHER HOLDERS OF NOTES.

The Trustee is subject to TIA Section 312(b), and Holders may communicate pursuant thereto with other Holders with respect to their rights under this Indenture or the Notes. The Issuers, the Subsidiary Guarantors, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

SECTION 13.04. CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT.

Upon any request or application by the Issuers or any Subsidiary Guarantor to the Trustee to take any action under this Indenture, the Issuers or such Subsidiary Guarantors shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 13.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 13.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an Officer of the General Partner, an Issuer or any Subsidiary Guarantor may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such Officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, and may state that it is so based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an Officer or Officers of the General Partner, an Issuer or such Subsidiary Guarantor stating that the information with respect to such factual matters is in possession of the General Partner, an Issuer or such Subsidiary Guarantor, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate of opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 13.05. STATEMENTS REQUIRED IN CERTIFICATE OR OPINION.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA Section 314(a)(4)) shall comply with the provisions of TIA Section 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

SECTION 13.06. RULES BY TRUSTEE AND AGENTS.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 13.07. NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, PARTNERS, EMPLOYEES, INCORPORATORS, STOCKHOLDERS AND MEMBERS.

No past, present or future director, officer, partner, employee, incorporator, stockholder or member of either of the Issuers, the General Partner or any Subsidiary Guarantor, as such, shall have any liability for any Obligations of either of the Issuers or any Subsidiary

Guarantor under the Notes, this Indenture or the Guarantees or for any claim based on, in respect of, or by reason of, such Obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 13.08. GOVERNING LAW.

THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE GUARANTEES.

SECTION 13.09. NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of either of the Issuers or any Subsidiary of the Partnership or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture or the Guarantees.

SECTION 13.10. SUCCESSORS.

All agreements of the Issuers and the Subsidiary Guarantors in this Indenture, the Notes and the Guarantees shall bind its successors. All agreements of the Trustee in this Indenture shall bind their respective successors.

SECTION 13.11. SEVERABILITY.

In case any provision in this Indenture, the Notes or the Guarantees shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 13.12. COUNTERPART ORIGINALS.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

SECTION 13.13. TABLE OF CONTENTS, HEADINGS, ETC.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Indenture as of the date first written above. Issuers:

EL PASO ENERGY PARTNERS, L.P.

By: EL PASO ENERGY PARTNERS COMPANY, as General Partner

By: /s/ D. Mark Leland

Name: D. Mark Leland

Title: Senior Vice President and Controller

EL PASO ENERGY PARTNERS FINANCE CORPORATION

By: /s/ D. Mark Leland

Name: D. Mark Leland

Title: Senior Vice President and Controller

Subsidiary Guarantors:

ANR CENTRAL GULF GATHERING COMPANY, L.L.C.*
ARGO, L.L.C.*
ARGO I, L.L.C*
ARGO II, L.L.C.*
CRYSTAL HOLDING, L.L.C.*
CHACO LIQUIDS PLANT TRUST
  By: EL PASO ENERGY PARTNERS OPERATING COMPANY, L.L.C., in its capacity as trustee of the Chaco Liquids Plant Trust*
DELOS OFFSHORE COMPANY, L.L.C.*
EAST BREAKS GATHERING COMPANY, L.L.C.*
  By: EL PASO ENERGY PARTNERS DEEPWATER, L.L.C. its sole member*
EL PASO ENERGY INTRASTATE, L.P.*
EL PASO ENERGY PARTNERS DEEPWATER, L.L.C.*
EL PASO ENERGY PARTNERS OIL TRANSPORT, L.L.C.*
EL PASO ENERGY PARTNERS OPERATING COMPANY, L.L.C.*
EL PASO ENERGY WARWINK I COMPANY, L.P.*
EL PASO ENERGY WARWINK II COMPANY, L.P.*
EL PASO HUB SERVICES COMPANY, L.L.C.*
EL PASO INDIAN BASIN, L.P.*
EL PASO OFFSHORE GATHERING & TRANSMISSION, L.P.*
EL PASO SAN JUAN, L.L.C.*
EL PASO SOUTH TEXAS, L.P.*
EPGT TEXAS PIPELINE, L.P.*
EPN GATHERING AND TREATING COMPANY, L.P.*
EPN GATHERING AND TREATING GP HOLDING, L.L.C.*
EPN GP HOLDING, L.L.C.*
EPN GP HOLDING, I, L.L.C.*
EPN HOLDING COMPANY, L.P.*
EPN HOLDING COMPANY, I, L.P.*
EPN NGL STORAGE, L.L.C.*
EPN PIPELINE GP HOLDING, L.L.C.*
FIRST RESERVE GAS, L.L.C.*
FLEXTREND DEVELOPMENT COMPANY, L.L.C.*
GREEN CANYON PIPE LINE COMPANY, L.P.*
HATTIESBURG GAS STORAGE COMPANY*
HATTIESBURG INDUSTRIAL GAS SALES, L.L.C.*
HIGH ISLAND OFFSHORE SYSTEM, L.L.C.
  By: EL PASO ENERGY PARTNERS DEEPWATER, L.L.C., its sole member*
MANTA RAY GATHERING COMPANY, L.L.C.*

PETAL GAS STORAGE, L.L.C.*
POSEIDON PIPELINE COMPANY, L.L.C.*
VK DEEPWATER GATHERING COMPANY, L.L.C.*
VK-MAIN PASS GATHERING COMPANY, L.L.C.*
WARWINK GATHERING AND TREATING COMPANY*

By: /s/ D. Mark Leland

Name: D. Mark Leland

Title: Senior Vice President and Controller

Trustee:

JPMORGAN CHASE BANK, as Trustee

By: /s/ Cary Gilliam

Name: Cary Gilliam

Title: Vice President

AMENDED AND RESTATED
GENERAL AND ADMINISTRATIVE SERVICES AGREEMENT

This Amended and Restated General and Administrative Services Agreement (this "Agreement") is entered into as of November 27, 2002 by and between DeepTech International Inc., a Delaware corporation ("DII"), El Paso Energy Partners Company (formerly Leviathan Gas Pipeline Company), a Delaware corporation ("EPEPC"), and El Paso Field Services, L.P., a Delaware limited partnership ("EPFS"). DII, EPEPC and EPFS are sometimes referred to collectively herein as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, EPEPC is a wholly-owned subsidiary of DII and the general partner (in such capacity, the "General Partner") of El Paso Energy Partners, L.P., a publicly-owned Delaware limited partnership (the "Partnership");

WHEREAS, all management powers over the business and affairs of the Partnership are exclusively vested in the General Partner and the General Partner is required to conduct, direct and exercise full control over all activities of the Partnership, including, among other things, providing various general and administrative resources;

WHEREAS, DII historically has provided certain operational, financial, accounting and other general and administrative services to EPEC through the Management Agreement dated July 1, 1992, as amended and restated by the First Amended and Restated Management Agreement dated as of June 27, 1994, and as amended, restated and replaced by the General and Administrative Services Agreement dated April 8, 2002 (as so amended, restated and replaced, the "Existing Agreement");

WHEREAS, EPEC and DII have amended the terms of the Existing Agreement from time to time to address changing circumstances, including, among other things, providing for incremental general and administrative resources necessary to manage additional assets acquired (through construction, purchase or otherwise) by the Partnership, adjusting the fees for such resources to reflect changes in the costs thereof, and extending the term of the Existing Agreement;

WHEREAS, substantially contemporaneous with the date of this Agreement, the Partnership acquired approximately $782 million of midstream energy assets from El Paso Corporation (the "Acquisition Transactions"); and

WHEREAS, the Parties desire to amend and restate the Existing Agreement to, among other things, increase the fees paid by EPEPC to DII to reflect the increased general and administrative costs to be incurred following the consummation of the Acquisition Transactions.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby confirmed and acknowledged), the Parties agree as follows:

I. REPLACEMENT OF EXISTING AGREEMENT

The Parties hereby amend and restate, and replace in its entirety, the Existing Agreement with this Agreement.

II. DEFINITIONS

2.1 Defined Terms. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Affiliates" means, with respect to either Party, entities that directly or indirectly through one or more intermediaries control, or are controlled by, or are under common control with such Party, and the term "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise; provided, however, that (i) with respect to DII, the term "Affiliate" shall exclude each member of the Partnership Group and (ii) with respect to EPEPC, the term "Affiliate" shall exclude each member of the El Paso Group.

"Agreement" shall have the meaning set forth in the preamble.

"Communications Facilities" means communications equipment, towers and other facilities (including rights-of-way and fee property).

"Communications Services" means communications services, including: (i) providing access to Communication Facilities; (ii) providing use of Communication Facilities; (iii) maintaining bandwidth and network connectivity to meet the communications requirements for Partnership Facilities; (iv) transporting and networking of voice, data and video used to support field operations, including mobile radio systems, SCADA communications, telephone systems, videoconferencing and wide area and local area networking; (v) operating and maintaining the Communication Facilities so as to ensure reliable service at a consistent level across the entire network; (vi) operating and maintaining Communications Facilities in compliance with all applicable laws and regulations and in accordance with all licenses and permits; (vii) maintaining in full force and effect all rights-of-way used with respect to Communications Facilities; (viii) designing and engineering additions and modifications to the existing Communications Facilities so as to provide the above-described communications services for future growth and changes (as agreed to by the Parties); and (ix) all other communications-related services necessary for the operation of the Partnership Facilities consistent with their level of operation prior to the date of this Agreement.

"DII" shall have the meaning set forth in the preamble.

"El Paso Group" means, other than members of the Partnership Group, (i) each Affiliate of El Paso Corporation in which El Paso Corporation owns (directly or indirectly) an equity interest and (ii) each natural person that is an Affiliate of any person described in (i) above solely

because of such natural person's position as an officer (or natural person performing similar functions), director (or natural person performing similar functions) or other representative of any person described in (i) above, but only to the extent that such natural person is acting in such capacity.

"EPEPC" shall have the meaning set forth in the preamble.

"EPFS" shall have the meaning set forth in the preamble.

"Existing Agreement" shall have the meaning set forth in the recitals.

"Fiscal Year" shall mean the period from July 1 through June 30.

"General Partner" shall have the meaning set forth in the recitals.

"Party" and "Parties" shall have the meanings set forth in the preamble.

"Partnership" shall have the meaning set forth in the recitals.

"Partnership Agreement" shall mean the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated effective as of August 31, 2000, as it may be amended, supplemented, restated or otherwise modified from time to time.

"Partnership Facilities" means all of the Partnership's assets and facilities.

"Partnership Group" means (i) EPEPC, (ii) the Partnership, (iii) each Affiliate of the Partnership in which the Partnership owns (directly or indirectly) an equity interest and (iv) each natural person that is an Affiliate of any person described in (i) - (iii) above solely because of such natural person's position as an officer (or natural person performing similar functions), director (or natural person performing similar functions) or other representative of any person described in (i) - (iii) above, but only to the extent that such natural person is acting in such capacity.

"Primary Term" shall have the meaning set forth in Section 6.1.

"Renewal Date" means December 31, 2005.

2.2 Other Definitions. Capitalized terms used herein but not otherwise defined in Section 2.1 shall have the meanings ascribed to them throughout this Agreement.

III. DUTIES AND OBLIGATIONS OF EPEPC

3.1 General and Administrative. DII or any Affiliate or designee of DII shall provide non-exclusive management, employee-related and other related services to EPEPC, its subsidiaries and the Partnership through EPEPC, which shall include, but shall not be limited to, services related to acquisitions to be made by EPEPC, cash management, review of significant operating, financial opportunities, accounting, legal, engineering, commercial, human resources, information technology and such other management, employee-related and other general and administrative services as the Parties may from time to time agree.

3.2 Chief Executive Officer. In order to provide the services set forth in Section 3.1, DII shall provide to EPEPC the services of a Chief Executive Officer who shall serve with EPEPC in that capacity. The individual to serve as Chief Executive Officer of EPEPC shall be recommended by DII but shall be subject to the approval of the Board of Directors of EPEPC.

3.3 Communications Services. DII will, or will cause the applicable El Paso Group member to, provide Communications Services for the Partnership Facilities, as necessary or appropriate to operate the Partnership Facilities in the manner in which such facilities had been operated prior to the date of this Agreement. All Communications Services will be provided in a good and workmanlike manner, and in accordance with industry standards. DII will ensure that the Partnership has the right to inspect all Communications Facilities on reasonable (but no less than 24 hours) notice.

IV. COMPENSATION, EXPENSES AND PAYMENT

4.1 Fees. Prior to the date hereof, the annual compensation due DII from EPEPC for services provided pursuant to this Agreement shall accrue in accordance with the terms and conditions of the Existing Agreement. On and as of the date hereof through the term of this Agreement, the annual compensation (prorated for any portion of a month) due DII from EPEPC for services provided pursuant to this Agreement shall be as follows:

(a) For costs associated with the Partnership's current assets (including costs associated with Communication Services), a fee of $1,608,333 per month; and

(b) For additional costs associated with the assets acquired in the Acquisition Transactions (including costs associated with Communications Services), a fee of $1,291,667 per month.

EPEPC shall also promptly reimburse DII for (i) amounts actually paid by DII for reasonable out-of-pocket expenditures to Persons other than the El Paso Group and who are directly engaged to provide goods or services to the Partnership Group, (ii) the value for the use of materials or equipment (other than in connection with Communications Services, which costs are included in the fee described in Section 4.1) provided by the El Paso Group to the Partnership Group (including, but not limited to, field equipment, vehicles and vessels) and (iii) to the extent of the actual time expended directly in connection with providing services to the Partnership Group, the corresponding portion of the salaries, wages and employee benefit costs of employees (1) who work in the field, (2) whose primary function is the direct supervision of employees who work in the field or (3) who have special and specific engineering, geological or other professional skills and whose primary function is addressing, resolving and otherwise handling operating conditions and problems related to assets of the Partnership Group. DII shall maintain time sheets and other appropriate records to substantiate such costs and allocations thereof.

4.2 Payment of Fee. For purposes of accounting and periodic payment, before the first day of each calendar month, DII shall present EPEPC with an invoice which reflects an amount equal to all reimbursable amounts. EPEPC shall pay such sum on or before the first day of that calendar month. On or before September 1 of each calendar year, DII shall furnish a statement to EPEPC detailing (i) payments made from EPEPC to DII for such Fiscal Year and

(ii) any adjustment balance due to/from DII. Within 15 days of the date of such statement, EPEPC or DII, as applicable, shall remit the balance due.

4.3 Uncompensated Services. It is recognized by the Parties that DII owns all of the issued and outstanding shares of common stock of EPEPC. It is expressly acknowledged and agreed by the Parties that the compensation to DII provided for in Section 4.1 is solely to compensate DII for services to be rendered by DII to EPEPC or on EPEPC's behalf which are of direct benefit to EPEPC and such compensation is not and shall not be related to DII's status as a shareholder of EPEPC.

V. ACCESS TO INFORMATION, BOOKS AND RECORDS

DII and its duly authorized representatives shall have complete access to EPEPC's offices, facilities and records wherever located, in order to discharge DII's responsibilities hereunder; provided, however, that EPEPC shall provide and make available to DII and its duly authorized representatives at DII's Houston offices, at DII's request, all such records required by DII to perform its duties pursuant to this Agreement. All records and materials furnished to DII by EPEPC in performance of this Agreement shall at all times during the term of this Agreement remain the property of EPEPC.

VI. TERM AND TERMINATION OF THE AGREEMENT

6.1 Initial and Extended Term. This Agreement shall be in effect until the Renewal Date (the "Primary Term") subject, however, to the terms of Section 6.2. At the end of the Primary Term, this Agreement shall continue in force and effect for subsequent one-year periods unless terminated by either Party pursuant to Section 6.2.

6.2 Termination. This Agreement may be sooner terminated on the first to occur of the following:

(a) Termination by Mutual Agreement. If the Parties so mutually agree in writing, this Agreement may be terminated on the terms and dates stipulated therein.

(b) Optional Termination. Either Party may, 90 days prior to the Renewal Date or any anniversary thereof, provide to the other Party written notice of its intent to terminate this Agreement on such date, whereupon this Agreement shall terminate on the date specified in such notice.

(c) Uncorrected Material Breach. If either Party shall fail to discharge any of its material obligations hereunder, or shall commit a material breach of this Agreement, and such default or breach shall continue for a period of 30 days after the other Party has served notice of such default, this Agreement may then be terminated at the option of the non-breaching Party by notice thereof to the breaching Party.

6.3 Effects of Termination. Except for covenants or other provisions herein that, by their terms, expressly extend beyond the term of this Agreement, the Parties' obligations hereunder are limited to the term of this Agreement.

6.4 EPEPC's Remedies. If DII shall at any time owe or otherwise become liable to EPEPC for any amount pursuant to the terms of this Agreement, in addition to EPEPC's other rights hereunder, at law or in equity, EPEPC shall have the right to offset any such amount against any amount held by EPEPC for the account of DII and against any amount otherwise due or to become due to DII from EPEPC.

VII. INDEMNIFICATION OF DII

EPEPC hereby agrees to indemnify and hold harmless DII from and against any and all claims, courses of action, liabilities, damages, costs, charges, fees, expenses (including reasonable attorneys' fees and expenses to be reimbursed as incurred), suits, order, judgments, adjudications and losses of whatever nature and kind which DII or its Affiliates or designees or for which DII or its Affiliates or designees become liable as the result of the performance of DII's obligations and duties pursuant to this Agreement; provided, however, that EPEPC shall not be obligated to indemnify DII for any claims, courses of action, liabilities, damages, costs, charges, fees, expenses (including reasonable attorneys' fees and expenses to be reimbursed as incurred), suits, order, judgments, adjudications and losses attributable to the gross negligence or willful misconduct of DII or its Affiliates or subcontractors.

VIII. OBLIGATIONS OF EPFS

EPFS executes this Agreement for the sole purpose of assuming all obligations of DII hereunder and agrees to fully and timely perform and discharge (including the payment of money) all obligations and liabilities of DII now existing or hereafter arising under this Agreement and hereby agrees that if DII shall fail (i) to pay any amount when and as the same shall be due and payable by DII to EPEPC or (ii) timely to perform and discharge in full any other obligation or liability in accordance with the terms of this Agreement, EPFS will forthwith pay to EPEPC such amount or perform and discharge any such obligation or liability, as the case may be, as such payment or performance and discharge is required to be made or done by the DII pursuant to the terms of this Agreement.

IX. MISCELLANEOUS

9.1 Relationship of Parties. This Agreement does not create a partnership, joint venture or association; nor does this Agreement, or the operations hereunder, create the relationship of lessor and lessee or bailor and bailee. Nothing contained in this Agreement or in any agreement made pursuant hereto shall ever be construed to create a partnership, joint venture or association, or the relationship of lessor and lessee or bailor and bailee, or to impose any duty, obligation or liability that would arise therefrom with respect to either or both or the Parties. Specifically, but not by way of limitation, except as otherwise expressly provided for herein, nothing contained herein shall be construed as imposing any responsibility on DII for the debts or obligations of EPEPC or any if its Affiliates. It is expressly understood that DII is hereby engaged by EPEPC to provide management and operational services as an agent of EPEPC. DII, its Affiliates and designees shall have the right to render similar services for other business entities and persons, including its own, whether or not engaged in the same business as EPEPC, and may enter into such other business activities as DII and its Affiliates, in their sole discretion, may determine.

9.2 No Third Party Beneficiaries. Except to the extent (i) that EPEPC utilizes services provided hereunder by DII to perform its obligations as General Partner to the Partnership in accordance with the terms of the Partnership Agreement or (ii) a third party is expressly given rights herein, any agreement herein contained, expressed or implied, shall be only for the benefit of the Parties and their respective legal representatives, successors, and permitted assigns, and such agreements or assumption shall not inure to the benefit of any other party whomsoever, it being the intention of the Parties that no person or entity shall be deemed a third party beneficiary of this Agreement except to the extent a third party is expressly given rights herein.

9.3 General Representations. Each Party represents and warrants that on the date hereof: (i) it is a corporation, duly established, validly existing and in good standing under the laws of its state or jurisdiction of incorporation, with power and authority to carry on the business in which it is engaged and to perform its respective obligations under this Agreement; (ii) the execution and delivery of this Agreement have been duly authorized and approved by all requisite corporate action; (iii) it has all the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder; and (iv) the execution and delivery of this Agreement do not, and consummation of the transactions contemplated herein shall not, violate any of the provisions of its charter or bylaws or any applicable state or federal laws applicable to it.

9.4 Notices. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given two business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to DII, to:

DeepTech International Inc.
Attention: President
El Paso Building
1001 Louisiana
Houston, Texas 77002
(713) 420-2600

If to EPEPC, to:

El Paso Energy Partners Company
Attention: President
4 Greenway Plaza
Houston, Texas 77046
(713) 420-2131

If to EPFS, to:

El Paso Field Services, L.P.
Attention: President
El Paso Building
1001 Louisiana
Houston, Texas 77002
(713) 420-2600

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the addresses set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

9.5 GOVERNING LAW. THIS AGREEMENT HAS BEEN EXECUTED AND DELIVERED AND SHALL BE INTERPRETED, CONSTRUED, GOVERNED AND ENFORCED PURSUANT TO AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ANY CHOICE OR CONFLICT OF LAW PRINCIPLES (WHETHER OF THE STATE OF TEXAS OR ANY OTHER JURISDICTION) WHICH, IF APPLIED, MIGHT PERMIT OR REQUIRE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF TEXAS.

9.6 Assignment. No assignment of this Agreement or any of the rights or obligations set forth herein by either Party shall be valid without the specific written consent of the other Party; provided, however, that DII shall have the right to assign its rights and obligations under this Agreement to any Affiliate without the consent of EPEPC, and any such Affiliate may reassign such rights and obligations so long as such rights and obligations are not assigned to any entity other than an Affiliate of DII.

9.7 Waiver of Breach. The waiver by either Party of a breach or violation of any provision of this Agreement, whether intentional or not, shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or any other provision hereof.

9.8 Additional Assurances. The provisions of this Agreement shall be self-operative and shall not require further accord between the Parties except as may herein specifically be provided to the contrary; provided, however, that at the request of either Party, the other Party shall execute such additional instruments and take such additional actions as shall be necessary to effectuate this Agreement.

9.9 Severability. If any provision of this Agreement is held to be unenforceable for any reason, such provision shall be severable from this Agreement if it is capable of being identified with and apportioned to reciprocal consideration or to the extent that it is a provision that is not essential and the absence of which would not have prevented the Parties from entering into this Agreement. The unenforceability of a provision that has been performed shall not be grounds for invalidation of this Agreement under circumstances in which the true controversy between the Parties does not involve such provision.

9.10 Article and Section Headings. The article and section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning of interpretation of this Agreement.

9.11 Amendments. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each Party.

9.12 Entire Agreement. This Agreement (including the documents referred to herein) supersedes all previous understandings, representations, contracts or agreements, written, oral or otherwise, between the Parties and constitutes the entire Agreement between the Parties with respect to the subject matter of this Agreement, and no changes in or additions to this Agreement shall be recognized unless incorporated herein by written amendment.

9.13 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean "including without limitation". All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. All references herein to Exhibits, Schedules, Articles, Sections or subdivisions thereof shall refer to the corresponding Exhibits, Schedules, Article, Section or subdivision thereof of this Agreement unless specific reference is made to such exhibits, articles, sections or subdivisions of another document or instrument. The terms "herein," "hereby," "hereunder," "hereof," "hereinafter," and other equivalent words refer to this Agreement in its entirety and not solely to the particular portion of the Agreement in which such word is used.

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

****

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives as of the day and year first above written.

DII: DEEPTECH INTERNATIONAL INC.

By: /s/ D. Mark Leland

Name: D. Mark Leland
Title: Senior Vice President

EPEPC: EL PASO ENERGY PARTNERS COMPANY

By: /s/ D. Mark Leland

Name: D. Mark Leland
Title: Senior Vice President

EPFS: EL PASO FIELD SERVICES, L.P.

By: /s/ Keith Forman

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

EXHIBIT-10.R

EXECUTION COPY

EL PASO ENERGY PARTNERS, L.P.

EL PASO ENERGY PARTNERS FINANCE CORPORATION

as Issuers

and

THE SUBSIDIARIES LISTED ON SCHEDULE A

as Subsidiary Guarantors

$200,000,000

10 5/8% Series A Senior Subordinated Notes due 2012

Purchase Agreement

November 22, 2002

J.P. MORGAN SECURITIES INC.

GOLDMAN, SACHS & CO.

UBS WARBURG LLC

WACHOVIA SECURITIES, INC.

as Initial Purchasers

$200,000,000

10 5/8% Series A Senior Subordinated Notes due 2012

of

EL PASO ENERGY PARTNERS, L.P.
and
EL PASO ENERGY PARTNERS FINANCE CORPORATION

Purchase Agreement

November 22, 2002

J.P. MORGAN SECURITIES INC.
GOLDMAN, SACHS & CO.
UBS WARBURG LLC
WACHOVIA SECURITIES, INC.

c/o J.P. Morgan Securities Inc.
270 Park Avenue, 5th Floor
New York, New York 10017

Ladies and Gentlemen:

El Paso Energy Partners, L.P., a Delaware limited partnership (the "Partnership"), and El Paso Energy Partners Finance Corporation, a Delaware corporation ("El Paso Finance" and together with the Partnership, the "Issuers"), propose to issue and sell to J.P. Morgan Securities Inc., Goldman, Sachs & Co., UBS Warburg LLC and Wachovia Securities, Inc. (each an "Initial Purchaser" and, collectively, the "Initial Purchasers") an aggregate of $200,000,000 in principal amount of its 10?% Series A Senior Subordinated Notes due 2012 (the "Series A Notes"), subject to the terms and conditions set forth herein. The Series A Notes are to be issued pursuant to the provisions of an indenture, to be dated as of November 27 (the "Indenture"), among the Issuers, the Guarantors (as defined below) and JPMorgan Chase Bank, as trustee (the "Trustee"). The Series A Notes and the Series B Notes (as defined below) issuable in exchange therefor are collectively referred to herein as the "Notes." The Series A Notes will be guaranteed pursuant to guarantees (the "Series A Guarantees") by each of the entities listed on Schedule A hereto (each, a "Subsidiary Guarantor" and, collectively, the "Subsidiary Guarantors"). The Series A Guarantees and the Series B Guarantees (as defined below) are collectively referred to herein as the "Guarantees".

1. Offering Memorandum. The Series A Notes will be offered and sold to the Initial Purchasers pursuant to one or more exemptions from the registration requirements under the Securities Act of 1933, as amended (the "Act"). The Issuers and the Subsidiary Guarantors have prepared a preliminary offering memorandum, dated November 18,

2002 (the "Preliminary Offering Memorandum"), and a final offering memorandum, dated November 22, 2002 (the "Offering Memorandum"), relating to the Series A Notes and the Guarantees. Any reference herein to the Preliminary Offering Memorandum or the Offering Memorandum shall be deemed to include the documents and other information incorporated by reference therein.

Upon original issuance thereof, and until such time as the same is no longer required pursuant to the Indenture, the Series A Notes (and all securities issued in exchange therefor, in substitution thereof or upon conversion thereof) shall bear the following legend:

"THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUERS OF THIS NOTE THAT: (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) TO EL PASO ENERGY PARTNERS, L.P., EL PASO ENERGY PARTNERS FINANCE CORPORATION, OR ANY SUBSIDIARY OF EL PASO ENERGY PARTNERS, L.P., (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) , (V) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF $250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT OR (VI) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN

EACH OF CASES (I) THROUGH (VI) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE."

2. Agreements to Sell and Purchase. On the basis of the representations, warranties and covenants contained in this Agreement, and subject to the terms and conditions contained herein, the Issuers agree to issue and sell to the Initial Purchasers, and each Initial Purchaser agrees, severally and not jointly, to purchase from the Issuers, the principal amounts of Series A Notes set forth opposite the name of such Initial Purchaser on Schedule B hereto at a purchase price equal to 97.242% of the principal amount thereof (the "Purchase Price").

3. Terms of Offering. The Initial Purchasers have advised the Issuers that the Initial Purchasers will make offers (the "Exempt Resales") of the Series A Notes purchased hereunder on the terms set forth in the Offering Memorandum, as amended or supplemented, solely to (i) persons whom the Initial Purchasers reasonably believe to be "qualified institutional buyers" as defined in Rule 144A under the Act ("QIBs") and (ii) persons permitted to purchase the Series A Notes in offshore transactions in reliance upon Regulation S under the Act (each, a "Regulation S Purchaser") (such persons specified in clauses (i) and (ii) being referred to herein as the "Eligible Purchasers"). The Initial Purchasers will offer the Series A Notes to Eligible Purchasers initially at a price equal to 99.242% of the principal amount thereof.

Holders (including subsequent transferees) of the Series A Notes will have the registration rights set forth in the registration rights agreement (the "Registration Rights Agreement"), to be dated as of the Closing Date, in substantially the form of Exhibit A hereto, for so long as such Series A Notes constitute "Transfer Restricted Securities" (as defined in the Registration Rights Agreement). Pursuant to the Registration Rights Agreement, the Issuers and the Subsidiary Guarantors will agree to file with the Securities and Exchange Commission (the "Commission") under the circumstances set forth therein, (i) a registration statement under the Act (the "Exchange Offer Registration Statement") relating to the Issuers' 10?% Series B Senior Subordinated Notes due 2012 (the "Series B Notes"), and the guarantees thereof by each of the Subsidiary Guarantors (the "Series B Guarantees") to be offered in exchange for the Series A Notes and the Series A Guarantees thereof (such offer to exchange being referred to as the "Exchange Offer") and (ii) a shelf registration statement pursuant to Rule 415 under the Act (the "Shelf Registration Statement" and, together with the Exchange Offer Registration Statement, the "Registration Statements") relating to the resale by certain holders of the Series A Notes and to use its best efforts to cause such Registration Statements to be declared and remain effective and usable for the periods specified in the Registration Rights Agreement and to consummate the Exchange Offer. This Agreement, the Indenture, the Notes, the Guarantees and the Registration Rights Agreement are hereinafter sometimes referred to collectively as the "Operative Documents."

4. Delivery and Payment.

(a) Delivery of, and payment of the Purchase Price for, the Series A Notes shall be made at the offices of Akin, Gump, Strauss, Hauer & Feld, L.L.P., 1900 Pennzoil Place South Tower, 711 Louisiana Street, Houston, TX 77002, or such other location as may be mutually acceptable. Such delivery and payment shall be made at 9:00 a.m. New York City time, on November 27, 2002 or at such other time on the same date or such other date as shall be agreed upon by the Initial Purchasers and the Issuers in writing. The time and date of such delivery and the payment for the Series A Notes are herein called the "Closing Date."

(b) One or more of the Series A Notes in definitive global form, registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC"), having an aggregate principal amount corresponding to the aggregate principal amount of the Series A Notes (collectively, the "Global Note"), shall be delivered by the Issuers to the Initial Purchasers (or as the Initial Purchasers direct) in each case with any transfer taxes thereon duly paid by the Issuers against payment by the Initial Purchasers of the Purchase Price thereof by wire transfer in same day funds to the order of the Partnership. The Global Note shall be made available to the Initial Purchasers for inspection not later than 9:30 a.m., New York City time, on the business day immediately preceding the Closing Date.

5. Agreements of the Issuers and the Subsidiary Guarantors. Each of the Partnership, El Paso Finance and the Subsidiary Guarantors hereby agrees with the Initial Purchasers as follows:

(a) To advise the Initial Purchasers promptly and, if requested by the Initial Purchasers, to confirm such advice in writing, (i) of the issuance by any state securities commission of any stop order suspending the qualification or exemption from qualification of any Series A Notes for offering or sale in any jurisdiction designated by the Initial Purchasers pursuant to Section 5(e) hereof, or the initiation of any proceeding by any state securities commission or any other federal or state regulatory authority for such purpose and (ii) of the happening of any event during the period referred to in Section 5(c) below that makes any statement of a material fact made in the Offering Memorandum untrue or that requires any additions to or changes in the Offering Memorandum in order to make the statements therein not misleading. The Issuers and the Subsidiary Guarantors shall use their best efforts to prevent the issuance of any stop order or order suspending the qualification or exemption of any Series A Notes under any state securities or Blue Sky laws and, if at any time any state securities commission or other federal or state regulatory authority shall issue an order suspending the qualification or exemption of any Series A Notes under any state securities or Blue Sky laws, the Issuers and the Subsidiary Guarantors shall use their best efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(b) To furnish the Initial Purchasers and those persons identified by the Initial Purchasers to the Issuers as many copies of the Offering Memorandum, and any amendments or supplements thereto, as the Initial Purchasers may reasonably request for the time period specified in Section 5(c). Subject to the Initial Purchasers' compliance with its representations and warranties and agreements set forth in Section 7 hereof, the Issuers

consent to the use of the Offering Memorandum, and any amendments and supplements thereto required pursuant hereto, by the Initial Purchasers in connection with Exempt Resales;

(c) At any time prior to the completion of the initial offering of the Series A Notes and in connection with market-making activities of the Initial Purchasers for so long as any Series A Notes are outstanding, (i) not to make any amendment or supplement to the Offering Memorandum of which the Initial Purchasers shall not previously have been advised or to which the Initial Purchasers shall reasonably object after being so advised, provided, that this clause (i) shall not apply to any filing by the Partnership of an Annual Report on Form 10-K, Quarterly Report on Form 10-Q or Current Report on Form 8-K with respect to matters unrelated to the Series A Notes and the offering or exchange thereof, and (ii) to prepare promptly upon the Initial Purchasers' reasonable request, any amendment or supplement to the Offering Memorandum which may be necessary or advisable in connection with such Exempt Resales or such market-making activities;

(d) If, during the period referred to in Section 5(c) above, any event shall occur or condition shall exist as a result of which, in the opinion of counsel to the Initial Purchasers, it becomes necessary to amend or supplement the Offering Memorandum in order to make the statements therein, in the light of the circumstances when such Offering Memorandum is delivered to an Eligible Purchaser, not misleading, or if, in the opinion of counsel to the Initial Purchasers, it is necessary to amend or supplement the Offering Memorandum to comply with any applicable law, forthwith to prepare, subject to Section 5(c), an appropriate amendment or supplement to such Offering Memorandum so that the statements therein, as so amended or supplemented, will not, in the light of the circumstances when it is so delivered, be misleading, or so that such Offering Memorandum will comply with applicable law, and to furnish to the Initial Purchasers and such other persons as the Initial Purchasers may designate such number of copies thereof as the Initial Purchasers may reasonably request;

(e) Prior to the sale of all Series A Notes pursuant to Exempt Resales as contemplated hereby, to cooperate with the Initial Purchasers and counsel to the Initial Purchasers in connection with the registration or qualification of the Series A Notes for offer and sale to the Initial Purchasers and pursuant to Exempt Resales under the securities or Blue Sky laws of such jurisdictions as the Initial Purchasers may request and to continue such registration or qualification in effect so long as required for Exempt Resales and to file such consents to service of process or other documents as may be necessary in order to effect such registration or qualification; provided, however, that neither the Issuers nor any Subsidiary Guarantor shall be required in connection therewith to qualify as a foreign partnership, limited liability company, trust or corporation in any jurisdiction in which it is not now so qualified or to take any action that would subject it to general consent to service of process or taxation other than as to matters and transactions relating to the Preliminary Offering Memorandum, the Offering Memorandum or Exempt Resales, in any jurisdiction in which it is not now so subject;

(f) For so long as the Series A Notes are outstanding, to furnish or make available to the Initial Purchasers copies of any annual reports, quarterly reports and current reports filed

by the Partnership with the Commission on Forms 10-K, 10-Q and 8-K, and such other documents, reports and information as shall be furnished by the Company to the Trustee or to the holders of Series A Notes, in each case pursuant to the Indenture;

(g) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of the obligations of the Issuers and the Subsidiary Guarantors under this Agreement, including:

(i) the fees, disbursements and expenses of counsel to the Issuers and the Subsidiary Guarantors and accountants of the Issuers and the Subsidiary Guarantors in connection with the sale and delivery of the Series A Notes to the Initial Purchasers and pursuant to Exempt Resales, and all other fees and expenses in connection with the preparation, printing, filing and distribution of the Offering Memorandum and all amendments and supplements to any of the foregoing (including financial statements), including the mailing and delivery of copies thereof to the Initial Purchasers and persons designated by them in the quantities specified herein,

(ii) all costs and expenses related to the transfer and delivery of the Series A Notes to the Initial Purchasers and pursuant to Exempt Resales, including any transfer or other taxes payable thereon,

(iii) all costs of printing or producing this Agreement, the other Operative Documents and any other agreements or documents in connection with the offering, purchase, sale or delivery of the Series A Notes,

(iv) all expenses in connection with the registration or qualification of the Series A Notes and the Series A Guarantees for offer and sale under the securities or Blue Sky laws of the several states and all costs of printing or producing any preliminary and supplemental Blue Sky memoranda in connection therewith (including the filing fees and fees and disbursements of counsel for the Initial Purchasers in connection with such registration or qualification and memoranda relating thereto),

(v) the cost of printing certificates representing the Series A Notes and the Series A Guarantees,

(vi) all expenses and listing fees in connection with the application for quotation of the Series A Notes in the National Association of Securities Dealers, Inc. ("NASD") Automated Quotation System - PORTAL ("PORTAL"),

(vii) the fees and expenses of the Trustee and the Trustee's counsel in connection with the Indenture, the Notes and the Guarantees,

(viii) the costs and charges of any transfer agent, registrar and/or depositary (including DTC),

(ix) any fees charged by rating agencies for the rating of the Notes,

(x) all costs and expenses of the Exchange Offer and any Registration Statement, as set forth in the Registration Rights Agreement, and

(xi) all other costs and expenses incident to the performance of the obligations of the Issuers and the Subsidiary Guarantors hereunder for which provision is not otherwise made in this Section;

(h) To use its best efforts to effect the inclusion of the Series A Notes in PORTAL and to maintain the listing of the Series A Notes on PORTAL for so long as the Series A Notes are outstanding;

(i) To obtain the approval of DTC for "book-entry" transfer of the Notes, and to comply with all of its agreements set forth in the representation letters of the Issuers and the Subsidiary Guarantors to DTC relating to the approval of the Notes by DTC for "book-entry" transfer;

(j) During the period beginning on the date hereof and continuing to and including the Closing Date, not to offer, sell, contract to sell or otherwise transfer or dispose of any debt securities of each of the Issuers or any Subsidiary Guarantor or any warrants, rights or options to purchase or otherwise acquire debt securities of the Issuers or any Subsidiary Guarantor substantially similar to the Notes and the Guarantees (other than (i) the Notes and the Guarantees, (ii) commercial paper issued in the ordinary course of business and (iii) the incurrence of debt in connection with the Credit Facility, the EPN Holding Term Loan and the Acquisition Loan) without the prior written consent of J.P. Morgan Securities Inc. As used herein, the term "Credit Facility" means the Sixth Amended and Restated Credit Agreement among the Partnership, El Paso Finance, the several lenders from time to time parties thereto, Credit Lyonnais New York Branch 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 as of March 23, 1995, as amended and restated through October 10, 2002, and the collateral documents related thereto. As used herein, the term "EPN Holding Term Loan" means 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 as of April 8, 2002, as amended and restated through October 10, 2002, and the related collateral documents. As used herein, the term "Acquisition Loan" means the acquisition term loan to be entered into by the Partnership in connection with the San Juan Acquisition, and the related collateral documents.

(k) Not to sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Act) that would be integrated with the sale of the Series A Notes to the Initial Purchasers or pursuant to Exempt Resales in a manner that would require the registration of any such sale of the Series A Notes under the Act;

(l) Not to voluntarily claim, and to actively resist any attempts to claim, the benefit of any usury laws against the holders of any Notes and the related Guarantees;

(m) To comply with all of its agreements set forth in the Registration Rights Agreement;

(n) To use its best efforts to do and perform all things required or necessary to be done and performed under this Agreement by it prior to the Closing Date and to satisfy all conditions precedent to the delivery of the Series A Notes and the Series A Guarantees; and

(o) Promptly following the Closing Date, apply the proceeds from the issuance and sale of the Series A Notes as described in the Offering Memorandum under "Use of Proceeds."

6. Representations, Warranties and Agreements of the Partnership, El Paso Finance and the Subsidiary Guarantors. As of the date hereof, each of the Partnership, El Paso Finance and the Subsidiary Guarantors represents and warrants to, and agrees with, the Initial Purchasers as to the following:

(a) the Offering Memorandum does not, and any supplement or amendment to it will not, contain any 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 the light of the circumstances under which they were made, not misleading, except that the representations and warranties contained in this paragraph (a) shall not apply to statements in or omissions from the Offering Memorandum (or any supplement or amendment thereto) based upon information relating to the Initial Purchasers furnished to the Issuers in writing by the Initial Purchasers expressly for use therein. The parties hereto acknowledge and agree that for purposes of this Agreement, including this Section 6(a) and Section 8(b) hereof, the only information furnished to the Issuers in writing by the Initial Purchasers expressly for use in the Offering Memorandum (or any amendment or supplement to it) is the information set forth in the third paragraph, the fifth and sixth sentences in the ninth paragraph, and the eleventh paragraph under the caption "Plan of Distribution" in the Offering Memorandum. Furthermore, the parties hereto acknowledge that for purposes of this Agreement, including this Section 6(a) and Section 8(b) hereof, the Initial Purchasers shall not be deemed to have provided any information (and therefore are not responsible for any statements or omissions) pertaining to any arrangement or agreement with respect to any party other than the Initial Purchasers. No stop order preventing the use of the Offering Memorandum, or any amendment or supplement thereto, or any order asserting that any of the transactions contemplated by this Agreement are subject to the registration requirements of the Act, has been issued.

(b) Each of the Partnership and its Restricted Subsidiaries (as defined in the Offering Memorandum), the San Juan Subsidiaries (as defined in Section 6(g) hereof) which, upon consummation of the San Juan Acquisition (as defined in Section 9(n) hereof), would constitute Restricted Subsidiaries of the Partnership (the "San Juan Restricted Subsidiaries"), and El Paso Finance, as applicable, has been duly formed or incorporated, is validly existing as a partnership, corporation, business trust or limited liability

company in good standing under the laws of their respective jurisdictions of formation or incorporation and has, and upon consummation of the San Juan Acquisition will have, the partnership, corporate, trust or limited liability company power and authority to carry on their respective businesses as described in the Offering Memorandum and to own, lease and operate their respective properties, and each (other than the general partnerships) is, and upon consummation of the San Juan Acquisition will be, duly qualified and is, and upon consummation of the San Juan Acquisition will be, in good standing as a foreign limited partnership, corporation, business trust or limited liability company authorized to do business in each jurisdiction in which the nature of each of their businesses or their ownership or leasing of property requires such qualification, except where the failure to be so qualified could reasonably be expected not to have a material adverse effect on the business, financial condition or results of operations of the Partnership, its subsidiaries and El Paso Finance and, upon consummation of the San Juan Acquisition, the San Juan Businesses (as defined in Section 6(aa) hereof), taken as a whole (a "Material Adverse Effect").

(c) El Paso Energy Partners Company, a Delaware corporation, (the "General Partner") has been duly incorporated and is validly existing in good standing under the laws of the State of Delaware with full corporate power and authority to carry on its businesses; to own, lease and operate its properties; and to act as the general partner of the Partnership in all material respects as described in the Offering Memorandum. The General Partner is duly qualified and is in good standing as a foreign corporation authorized to do business in each jurisdiction in which the nature of its businesses or its ownership or leasing of property requires such qualification, except where the failure to be so qualified could reasonably be expected not to (i) have a Material Adverse Effect, or (ii) subject the limited partners of the Partnership to any material liability or disability.

(d) All of the issued and outstanding shares of capital stock of the General Partner have been duly and validly authorized and issued and are fully paid and nonassessable, and are owned by DeepTech International Inc. ("DeepTech") free and clear of any lien, adverse claim, security interest equity or other encumbrance (each, a "Lien"), except for any Permitted Encumbrances. DeepTech is a wholly-owned subsidiary of El Paso Corporation. As used herein "Permitted Encumbrances" means any lien or adverse claim established by or under (i) the Credit Facility, (ii) 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, (iii) 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, is party, and the collateral documents related thereto, (iv) the financing arrangements to which Sabine I and Sabine II (each as defined below) are parties, and the collateral documents related thereto, (v) the EPN Holding Term Loan, (vi) the Acquisition Term Loan, (vii) the indenture into which the Partnership entered on May 27, 1999, as amended and supplemented, (viii) the indenture into which the Partnership entered on May 17, 2001, as amended and supplemented and (ix) the Indenture, as amended and supplemented.

(e) All outstanding shares of capital stock or partnership interests of El Paso Finance or the Partnership, as applicable, have been duly authorized and validly issued and are fully paid, non-assessable (except, in the case of the partnership interests of the Partnership, to the extent set forth in Section 17-303 of the Delaware Revised Uniform Limited Partnership Act (the "DRULPA")) and not subject to any preemptive or similar rights except as otherwise set forth in the Partnership Agreement and disclosed in the Offering Memorandum.

(f) The entities listed on Schedule C hereto are the only subsidiaries, direct or indirect, of the Partnership. All of the outstanding shares of capital stock, limited partner interests, general partner interests or limited liability company interests or other equity interests of each of the Partnership's subsidiaries have been duly authorized and validly issued and are fully paid and (except (i) as required to the contrary by the Delaware Limited Liability Company Act and DRULPA and (ii) with respect to any general partner interests) non-assessable, and except as otherwise set forth in the Offering Memorandum (exclusive of any supplement or amendment) or on Schedule C are owned by the Partnership, directly or indirectly through one or more wholly-owned subsidiaries or the General Partner, free and clear of any Lien, other than Permitted Encumbrances.

(g) The entities listed on Schedule D hereto are the corporations, associations, limited liability companies, trusts, partnerships and other legal entities in which the Partnership will acquire a direct or indirect controlling interest in the San Juan Acquisition (the "San Juan Subsidiaries"). All of the outstanding shares of capital stock, limited partner interests, general partner interests or limited liability company interests or other equity interests of each of the San Juan Subsidiaries have been duly authorized and validly issued and are fully paid and (except (i) as required to the contrary by the Delaware Limited Liability Company Act and DRULPA and (ii) with respect to any general partner interests) non-assessable, and except as otherwise set forth in the Offering Memorandum (exclusive of any supplement or amendment) or on Schedule D will be owned by the Partnership, directly or indirectly through one or more wholly-owned subsidiaries or the General Partner, free and clear of any Lien, other than Permitted Encumbrances.

(h) The General Partner is the sole general partner of the Partnership with a 1.0% general partner interest in the Partnership, and 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 El Paso Energy Partners, L.P. dated as of February 19, 1993 as amended and restated effective as of August 31, 2000 (as amended, the "Partnership Agreement"). The 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, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability. The General Partner owns such general partner interest free and clear of any Lien, other than Permitted Encumbrances.

(i) The General Partner, El Paso Field Services Holding Company ("EPFS Holding"), Sabine River Investors I, L.L.C. ("Sabine I") and Sabine River Investors II, L.L.C. ("Sabine II") own limited partner interests in the Partnership represented by 11,674,245 common units ("Common Units"); all of such Common Units and the limited partner interests represented thereby have been duly authorized and validly issued and are fully paid (to the extent required by the Partnership Agreement) and nonassessable (except (i) as required to the contrary by DRULPA and (ii) as such nonassessability may be affected by matters described in the Offering Memorandum); and the General Partner and its affiliates own such limited partner interests free and clear of any Lien, other than Permitted Encumbrances.

(j) This Agreement has been duly authorized, executed and delivered by each of the Issuers and each of the Subsidiary Guarantors and constitutes a valid and binding obligation of each of the Issuers and each of the Subsidiary Guarantors, enforceable in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.

(k) The Indenture has been duly authorized by each of the Issuers and each of the Subsidiary Guarantors and, on the Closing Date, will have been validly executed and delivered by each of the Issuers and each of the Subsidiary Guarantors and will be a valid and binding agreement of each of the Issuers and each of the Subsidiary Guarantors, enforceable against each of the Issuers and each of the Subsidiary Guarantors in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability. The Indenture conforms in all material respects to the requirements of the Trust Indenture Act of 1939, as amended (the "TIA"), and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder.

(l) The Series A Notes have been duly authorized and, on the Closing Date, will have been validly executed and delivered by each of the Issuers. When the Series A Notes have been issued, executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms of this Agreement, the Series A Notes will be entitled to the benefits of the Indenture and will be valid and binding obligations of the Issuers, enforceable in accordance with their terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability. On the Closing Date, the Series A Notes will conform as to legal matters to the description thereof contained in the Offering Memorandum.

(m) On the Closing Date, the Series B Notes will have been duly authorized by each of the Issuers. When the Series B Notes are issued, executed and authenticated in accordance with the terms of the Exchange Offer and the Indenture, the Series B Notes

will be entitled to the benefits of the Indenture and will be the valid and binding obligations of the Issuers, enforceable against the Issuers in accordance with their terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability.

(n) The Series A Guarantee to be endorsed on the Series A Notes by each Subsidiary Guarantor has been duly authorized by such Subsidiary Guarantor and, on the Closing Date, will have been duly executed and delivered by each such Subsidiary Guarantor. When the Series A Notes have been issued, executed and authenticated in accordance with the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms of this Agreement, the Series A Guarantee of each Subsidiary Guarantor endorsed thereon will be entitled to the benefits of the Indenture and will be the valid and binding obligation of such Subsidiary Guarantor, enforceable against such Subsidiary Guarantor in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability. On the Closing Date, the Series A Guarantees to be endorsed on the Series A Notes will conform as to legal matters to the description thereof contained in the Offering Memorandum.

(o) The Series B Guarantee to be endorsed on the Series B Notes by each Subsidiary Guarantor has been duly authorized by such Subsidiary Guarantor and, when issued, will have been duly executed and delivered by each such Subsidiary Guarantor. When the Series B Notes have been issued, executed and authenticated in accordance with the terms of the Exchange Offer and the Indenture, the Series B Guarantee of each Subsidiary Guarantor endorsed thereon will be entitled to the benefits of the Indenture and will be the valid and binding obligation of such Subsidiary Guarantor, enforceable against such Subsidiary Guarantor in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability. When the Series B Notes are issued, authenticated and delivered, the Series B Guarantees to be endorsed on the Series B Notes will conform as to legal matters to the description thereof in the Offering Memorandum.

(p) The Registration Rights Agreement has been duly authorized by each of the Issuers and each of the Subsidiary Guarantors and, on the Closing Date, will have been duly executed and delivered by each of the Issuers and each of the Subsidiary Guarantors. When the Registration Rights Agreement has been duly executed and delivered, the Registration Rights Agreement will be a valid and binding agreement of each of the Issuers and each of the Subsidiary Guarantors, enforceable against each of the Issuers and each of the Subsidiary Guarantors in accordance with its terms, except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) rights of acceleration and the availability of equitable remedies may be limited by equitable principles of general applicability. On the Closing

Date, the Registration Rights Agreement will conform as to legal matters to the description thereof in the Offering Memorandum.

(q) Neither the Issuers nor any of their subsidiaries nor any of the San Juan Subsidiaries is, or upon consummation of the San Juan Acquisition will be, in violation of its respective limited partnership agreement, limited liability company agreement, charter, by-laws or similar organizational document or in default in the performance of any obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, lease or other agreement or instrument that is, or upon consummation of the San Juan Acquisition will be, material to the Issuers and their subsidiaries, taken as a whole, to which the Issuers or any of their subsidiaries or the San Juan Subsidiaries is, or upon consummation of the San Juan Acquisition will be, a party or by which the Issuers or any of their subsidiaries or the San Juan Subsidiaries or their respective property or the San Juan Assets (as defined in Section 9(n) hereof) is, or upon the consummation of the San Juan Acquisition will be, bound, except with respect to any such indenture, loan agreement, mortgage, lease or other agreement or instrument, any default which could reasonably be expected not to have a Material Adverse Effect.

(r) The execution, delivery and performance of this Agreement and the other Operative Documents by each of the Issuers and each of the Subsidiary Guarantors, compliance by each of the Issuers and each of the Subsidiary Guarantors with all provisions hereof and thereof and the consummation of the transactions contemplated hereby and thereby did not and will not (whether upon consummation of the San Juan Acquisition or otherwise) and did not (i) require any consent, approval, authorization, filing with or other order of, or qualification with, any court or governmental body or agency (except such as may be required under the securities or Blue Sky laws of the various states or, with respect to the proposed offer to exchange the Exchange Notes for the Notes, the federal securities laws), (ii) conflict with or constitute a breach of any of the terms or provisions of, or a default under, the limited partnership agreement, limited liability company agreement, charter, by-laws or similar organizational document of the Partnership or any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance (collectively, the "Organizational Documents") or any existing indenture, loan agreement, mortgage, lease or other agreement or instrument that is material to the Partnership and its Restricted Subsidiaries, the San Juan Businesses and El Paso Finance, taken as a whole, to which the Partnership or any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance is, or upon consummation of the San Juan Acquisition will be, a party or by which the Partnership or any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance or their respective property is, or upon consummation of the San Juan Acquisition will be, bound, (iii) violate or conflict with any applicable existing law or any rule, regulation, judgment, order or decree of any court or any governmental body or agency having jurisdiction over the Partnership or any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance or their respective property or the San Juan Assets, (iv) result in the imposition or creation of (or the obligation to create or impose) a Lien under, any existing agreement or instrument to which the Partnership or any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance is, or upon the consummation of the San Juan Acquisition will be, a party or by which the Partnership or any of its Restricted

Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance or their respective property is, or upon the consummation of the San Juan Acquisition will be, bound, other than the Acquisition Loan or (v) result in the termination, suspension or revocation of any existing Authorization (as defined below) of the Partnership or any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance, or included in the San Juan Assets, or result in any other impairment of the rights of the holder of any such Authorization, except (other than in the case of clause (ii) above with respect to Organizational Documents) to the extent they could reasonably be expected not to have a Material Adverse Effect.

(s) No action, suit or governmental proceedings by or before any court or governmental agency, authority or body is pending or, to our knowledge, threatened to which the Partnership or any of its Restricted Subsidiaries or El Paso Finance or any of the San Juan Subsidiaries is or could be a party or to which any of their respective property or the San Juan Assets is or could be subject, except for such proceedings which, singly or in the aggregate, could reasonably be expected not to result in a Material Adverse Effect and except as set forth in the Offering Memorandum.

(t) The Partnership, its Restricted Subsidiaries, the San Juan Restricted Subsidiaries and El Paso Finance are, and upon consummation of the San Juan Acquisition will be, (i) in compliance with any and all foreign, federal, state or local law or regulation 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 under the Environmental Laws, in the case of (i) through (iii), except where such non-compliance or liability, singly or in the aggregate, could reasonably be expected not to result in a Material Adverse Effect. None of the Partnership, its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance have been named as a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"). The Partnership, its Restricted Subsidiaries, the San Juan Restricted Subsidiaries and El Paso Finance are not in violation of any provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any provisions of the Foreign Corrupt Practices Act or the rules and regulations promulgated thereunder, except for such violations which, singly or in the aggregate, could reasonably be expected not to result in a Material Adverse Effect.

(u) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any Authorization, any related constraints on operating activities and any potential liabilities to third parties) which, singly or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

(v) Each of the Partnership and its Restricted Subsidiaries, the San Juan Restricted Subsidiaries and El Paso Finance has, and upon consummation of the San Juan

Acquisition will have, such permits, licenses, consents, exemptions, franchises, authorizations and other approvals (each, an "Authorization") of, and has made, and upon consummation of the San Juan Acquisition will have made, all filings with and notices to, all governmental or regulatory authorities and self-regulatory organizations and all courts and other tribunals, including without limitation, under any applicable Environmental Laws, as are necessary to own, lease, license and operate its respective properties and to conduct its business, except where the failure to have any such Authorization or to make any such filing or notice could, singly or in the aggregate, reasonably be expected not to have a Material Adverse Effect. Each such Authorization is, and upon consummation of the San Juan Acquisition will be, valid and in full force and effect and each of the Partnership and its Restricted Subsidiaries, the San Juan Restricted Subsidiaries and El Paso Finance is, and upon consummation of the San Juan Acquisition will be, in compliance with all the terms and conditions thereof and with the rules and regulations of the authorities and governing bodies having jurisdiction with respect thereto; and no event has occurred (including, without limitation, the receipt of any notice from any authority or governing body) which allows or, after notice or lapse of time or both, would allow, revocation, suspension or termination of any such Authorization or results or, after notice or lapse of time or both, would result in any other impairment of the rights of the holder of any such Authorization; and such Authorizations contain no restrictions that are, or upon consummation of the San Juan Acquisition will be, burdensome to the Partnership or any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance; except where such failure to be valid and in full force and effect or to be in compliance, the occurrence of any such event or the presence of any such restriction could, singly or in the aggregate, reasonably be expected not to have a Material Adverse Effect.

(w) Each of the Partnership and its Restricted Subsidiaries and El Paso Finance owns or leases all such properties as are necessary to the conduct of its operations as presently conducted, except where the lack of ownership or leasing would not, individually or in the aggregate, have a Material Adverse Effect.

(x) Each of the Partnership and its Restricted Subsidiaries, the San Juan Restricted Subsidiaries and El Paso Finance has, or at the Closing Date will have, and upon the consummation of the San Juan Acquisition will have, such consents, easements, right-of-way or licenses from any person ("rights-of-way") as are necessary to conduct its business in the manner described in the Offering Memorandum, subject to such qualifications as may be set forth in the Offering Memorandum and except for such rights-of-way which, if not obtained, could, singly or in the aggregate, reasonably be expected not to have a Material Adverse Effect; each of the Partnership and its subsidiaries, the San Juan Restricted Subsidiaries and El Paso Finance has, or at the Closing Date will have, and upon consummation of the San Juan Acquisition will have, 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 could reasonably be expected not to have a Material Adverse Effect, subject in each case to such qualifications as may be set forth in the Offering

Memorandum; and except as described in the Offering Memorandum, none of such rights-of-way contains any restriction that is, or upon consummation of the San Juan Acquisition will be, materially burdensome to the Partnership and its subsidiaries, the San Juan Subsidiaries and El Paso Finance considered as a whole.

(y) The accountants, PricewaterhouseCoopers LLP, that have certified financial statements and supporting schedules included in the Offering Memorandum are independent public accountants with respect to the Issuers, the Subsidiary Guarantors and Poseidon Oil Pipeline Company, L.L.C., as required by the Act and the Exchange Act. The historical financial statements, together with related schedules and notes, set forth in the Offering Memorandum comply as to form in all material respects with the requirements applicable to registration statements on Form S-3 under the Act.

(z) The historical financial statements, together with related schedules and notes, forming part of the Offering Memorandum (and any amendment or supplement thereto), present fairly the consolidated financial position, results of operations and changes in financial position of the Partnership and its subsidiaries (including El Paso Finance) on the basis stated in the Offering Memorandum at the respective dates or for the respective periods to which they apply; such statements and related schedules and notes have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except as disclosed therein; and the other financial and statistical information and data set forth in the Offering Memorandum (and any amendment or supplement thereto) are, in all material respects, accurately presented and prepared on a basis consistent with such financial statements and the books and records of the Partnership and El Paso Finance.

(aa) The historical financial statements of El Paso Field Services' San Juan Gathering and Processing Businesses, Typhoon Gas Pipeline, Typhoon Oil Pipeline and Coastal Liquids Partners' NGL Business (the "San Juan Businesses"), together with related schedules and notes, forming part of the Offering Memorandum (and any amendment or supplement thereto), present fairly the consolidated financial position, results of operations and changes in financial position of the San Juan Businesses on the basis stated in the Offering Memorandum at the respective dates or for the respective periods to which they apply; such statements and related schedules and notes have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except as disclosed therein.

(bb) The pro forma financial statements included in the Offering Memorandum have been prepared on a basis consistent with the historical financial statements of the Partnership and its subsidiaries and El Paso Finance and give effect to assumptions used in the preparation thereof on a reasonable basis and in good faith and present fairly the historical and proposed transactions contemplated by the Offering Memorandum; and such pro forma financial statements comply as to form in all material respects with the requirements applicable to pro forma financial statements included in registration statements on Form S-3 under the Act. The other pro forma financial and statistical information and data included in the Offering Memorandum are, in all material respects,

accurately presented and prepared on a basis consistent with the pro forma financial statements.

(cc) Neither of the Issuers nor any of the Partnership's Restricted Subsidiaries nor any of the San Juan Restricted Subsidiaries is and, after giving effect to the offering and sale of the Series A Notes, the application of the net proceeds thereof as described in the Offering Memorandum and the San Juan Acquisition, neither of the Issuers will be, an "investment company," as such term is defined in the Investment Company Act of 1940, as amended or 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.

(dd) There are, and upon consummation of the San Juan Acquisition will be, no contracts, agreements or understandings between the Issuers or any Subsidiary Guarantor or any San Juan Restricted Subsidiary, on the one hand, and any person, on the other hand, granting such person the right to require the Issuers or such Subsidiary Guarantor or such San Juan Restricted Subsidiary to file a registration statement under the Act with respect to any securities of the Issuers or such Subsidiary Guarantor or such San Juan Restricted Subsidiary other than the rights (i) of the General Partner and its affiliates in Section 6.14 of the Partnership Agreement and in the Registration Rights Agreement to be executed upon the closing of the San Juan Acquisition pursuant to the San Juan Agreement (the "Series C RRA"); (ii) of EPEC Deepwater Gathering Company ("EPEC") and its successors pursuant to a registration rights agreement between EPEC and the Partnership executed in connection with the acquisition by the Partnership of an additional interest in Viosca Knoll Gathering Company; (iii) of Crystal Gas Storage, Inc. pursuant to the registration rights agreement between Crystal Gas Storage, Inc. and the Partnership which was executed in connection with the acquisition by the Partnership of the Crystal storage facilities; provided, however, that with respect to (i), (ii) and (iii) above, the General Partner, EPEC, Sabine I, Sabine II and Crystal Gas Storage, Inc. have agreed not to exercise their rights with respect to such securities in connection with the offering of the Notes for 90 days hereafter pursuant to letter agreements of even date herewith; (iv) granted under the Credit Facility, EPN Holding Term Loan, the Acquisition Loan and related agreements; and (v) granted under the Registration Rights Agreement. There are, and upon consummation of the San Juan Acquisition will be, no contracts, agreements or understandings between the Issuers or any Subsidiary Guarantor or any San Juan Restricted Subsidiary, on the one hand, and any person, on the other hand, granting such person the right to require the Issuers or such Subsidiary Guarantor or such San Juan Restricted Subsidiary to include such securities with the Notes and Guarantees registered pursuant to any Registration Statement, other than the rights of the General Partner and its affiliates in Section 6.14 of the Partnership Agreement (which rights have been waived in connection with any Registration Statement filed pursuant to the Registration Rights Agreement).

(ee) Neither the Partnership nor any of its subsidiaries nor El Paso Finance nor any agent thereof acting on the behalf of them has taken, and none of them will take, any action that might cause this Agreement or the issuance or sale of the Series A Notes to violate Regulation T (12 C.F.R. Part 220), Regulation U (12 C.F.R. Part 221) or

Regulation X (12 C.F.R. Part 224) of the Board of Governors of the Federal Reserve System.

(ff) No "nationally recognized statistical rating organization" as such term is defined for purposes of Rule 436(g)(2) under the Act (i) has imposed (or has informed the Issuers or any Subsidiary Guarantor that it is considering imposing) any condition (financial or otherwise) on the Issuers' or any Subsidiary Guarantor's or any San Juan Restricted Subsidiary's retaining any rating assigned to the Issuers or any Subsidiary Guarantor or any San Juan Restricted Subsidiary, any securities of the Issuer or any Subsidiary Guarantor or any San Juan Restricted Subsidiary or (ii) has indicated to the Issuers or any Subsidiary Guarantor or any San Juan Restricted Subsidiary that it is considering (a) the downgrading, suspension, or withdrawal of, or any review for a possible change that does not indicate the direction of the possible change in, any rating so assigned or (b) any change in the outlook for any rating of the Issuers, any Subsidiary Guarantor , any San Juan Restricted Subsidiary or any securities of the Issuers or any Subsidiary Guarantor or any San Juan Restricted Subsidiary, other than, in the case of this cause (ii), any such downgrading, suspension, withdrawal, review or change that has been publicly announced by such organization as of the time of the execution of this Agreement.

(gg) Since the respective dates as of which information is given in the Offering Memorandum other than as set forth in the Offering Memorandum (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), (i) there has not occurred any material adverse change or any development involving a prospective material adverse change in the condition, financial or otherwise, or the earnings, business, management or operations of the Partnership and its subsidiaries, the San Juan Businesses and El Paso Finance, taken as a whole, (ii) there has not been any material adverse change or any development involving a prospective material adverse change in the capital stock, limited liability company interests or partnership units, as applicable, or in the long-term debt of the Partnership or any of its subsidiaries, the San Juan Subsidiaries or El Paso Finance and (iii) neither the Partnership, any of its subsidiaries, the San Juan Subsidiaries nor El Paso Finance has incurred any material liability or obligation, direct or contingent.

(hh) The Offering Memorandum, as of its date, contains all the information specified in, and meets all of the requirements of, Rule 144A(d)(4) under the Act.

(ii) The Offering Memorandum, as of its date, contains all of the information specified in, and complies in all material respects with, the applicable requirements of the Act as if such document were filed using a registration statement on Form S-3.

(jj) Upon execution and delivery by the parties thereto, the Indenture will comply as to form in all material respects with the requirements of the TIA, and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder. It is not necessary in connection with the offer, sale and delivery of the Series A Notes to the Initial Purchasers in the manner contemplated by this Agreement or in connection with the initial placement of the Series A Notes by the Initial Purchasers in the manner

contemplated by the Offering Memorandum pursuant to Exempt Resales to qualify the Indenture under the TIA.

(kk) The statements under the captions "Description of Notes," "Description of Other Indebtedness," "United States Federal Income and Estate Tax Considerations" and "Plan of Distribution" in the Offering Memorandum, insofar as such statements purport to constitute a summary of the legal matters, documents or proceedings referred to therein, fairly present in all material respects such legal matters, documents and proceedings.

(ll) When the Series A Notes and the Series A Guarantees are issued and delivered pursuant to this Agreement, neither the Series A Notes nor the Series A Guarantees will be of the same class (within the meaning of Rule 144A under the Act) as any security of the Issuers or the Subsidiary Guarantors or the San Juan Restricted Subsidiaries that is listed on a national securities exchange registered under Section 6 of the Exchange Act or that is quoted in a United States automated inter-dealer quotation system.

(mm) No form of general solicitation or general advertising (as defined in Regulation D under the Act) was used by the Issuers, the Subsidiary Guarantors or any of their respective representatives (other than the Initial Purchasers, as to whom the Issuers and the Subsidiary Guarantors make no representation) in connection with the offer and sale of the Series A Notes contemplated hereby, including, but not limited to, articles, notices or other communications published in any newspaper, magazine, or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising. No securities of the same class as the Series A Notes have been issued and sold by the Issuers within the six-month period immediately prior to the date hereof.

(nn) It is not necessary to qualify the Indenture under the TIA in connection with the offering of the Series A Notes.

(oo) None of the Issuers, the Subsidiary Guarantors nor any of their respective affiliates or any person acting on its or their behalf (other than the Initial Purchasers, as to whom the Issuers and the Subsidiary Guarantors make no representation) has engaged or will engage in any directed selling efforts within the meaning of Regulation S under the Act ("Regulation S") with respect to the Series A Notes or the Series A Guarantees.

(pp) The Issuers, the Subsidiary Guarantors and their respective affiliates and all persons acting on their behalf (other than the Initial Purchasers, as to whom the Issuers and the Subsidiary Guarantors make no representation) have complied with and will comply with the offering restrictions requirements of Regulation S in connection with the offering of the Series A Notes outside the United States and, in connection therewith, the Offering Memorandum will contain the disclosure required by Regulation S.

(qq) The Partnership is a "reporting issuer," as defined in Rule 902 under the Act.

(rr) The Series A Notes offered and sold in reliance on Regulation S have been and will be offered and sold only in offshore transactions.

(ss) The sale of the Series A Notes pursuant to Regulation S is not part of a plan or scheme to evade the registration provisions of the Act.

(tt) No registration under the Act of the Series A Notes or the Series A Guarantees is required for the sale of the Series A Notes and the Series A Guarantees to the Initial Purchasers as contemplated hereby or for the Exempt Resales assuming the accuracy of the Initial Purchasers' representations and warranties and agreements set forth in Section 7 hereof.

(uu) Each certificate signed by any officer of the Issuers or any Subsidiary Guarantor and delivered to the Initial Purchasers or counsel for the Initial Purchasers shall be deemed to be a representation and warranty by the Issuers or such Subsidiary Guarantor to the Initial Purchasers as to the matters covered thereby.

(vv) Except as otherwise set forth in the Offering Memorandum or such as are not material to the business, prospects, financial condition or results of operations of the Partnership and its subsidiaries and the San Juan Businesses (taken as a whole), and except for liens created by operation and maintenance agreements, space lease agreements and other similar types of agreements ordinary and customary to the operations of the General Partner, the Partnership and its subsidiaries, and the San Juan Subsidiaries, the Partnership and the Subsidiary Guarantors and the San Juan Restricted Subsidiaries have, and with respect to the San Juan Assets, will have upon the consummation of the San Juan Acquisition, good and defensible title to their interests in their oil and gas properties.

(ww) The information which 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 the Subsidiary Guarantors as of December 31, 2001, 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 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 January 28, 2002 (the "Netherland & Sewell Letter"); 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 the Subsidiary Guarantors; 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 Offering Memorandum 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 Offering Memorandum 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 Securities Act. For calendar years prior to 2002, the Partnership did not include as production costs in the reserve reports platform fees that it paid under its platform use agreements. Beginning in 2002 the Partnership will include platform costs as production

costs for its reserve reports. The exclusion of such platform fees does not materially affect the Partnership's 2001 or prior financial statements.

(xx) The Partnership and each of its subsidiaries and the San Juan Subsidiaries are, and upon consummation of the San Juan Acquisition will be, insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; and neither the Partnership nor any of its subsidiaries nor any of the San Juan Subsidiaries (i) has received notice from any insurer or agent of such insurer that substantial capital improvements or other material expenditures will have to be made in order to continue such insurance or (ii) has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers at a cost that could reasonably be expected not to have a Material Adverse Effect;

(yy) Except as disclosed in the Offering Memorandum, no relationship, direct or indirect, exists, or will exist upon consummation of the San Juan Acquisition, between or among the Partnership or any of its subsidiaries on the one hand, and the directors, officers, stockholders, customers or suppliers of the Partnership or any of its subsidiaries, on the other hand, which would be required by the Act to be described in the Offering Memorandum if the Offering Memorandum were a prospectus included in a registration statement on Form S-1 filed with the Commission.

(zz) There is no (i) significant unfair labor practice complaint, grievance or arbitration proceeding pending or threatened against the Partnership or any of its subsidiaries or any of the San Juan Subsidiaries before the National Labor Relations Board or any state or local labor relations board, (ii) strike, labor dispute, slowdown or stoppage pending or threatened against the Partnership or any of its subsidiaries or any of the San Juan Subsidiaries or (iii) union representation question existing with respect to the employees of the Partnership or any of its subsidiaries or any of the San Juan Subsidiaries, except in the case of clauses (i), (ii) and (iii) for such actions which, singly or in the aggregate, could reasonably be expected not to have a Material Adverse Effect. To the best knowledge of the Partnership, no collective bargaining organizing activities are taking place with respect to the Partnership or any of its subsidiaries or any of the San Juan Subsidiaries.

(aaa) The Issuers and each of their subsidiaries and the San Juan Subsidiaries maintain 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.

(bbb) All material tax returns required to be filed by the Issuers and each of their subsidiaries and each of the San Juan Subsidiaries in any jurisdiction have been filed, other than those filings being contested in good faith, and all material taxes, including withholding taxes, penalties and interest, assessments, fees and other charges due pursuant to such returns or pursuant to any assessment received by the Issuers or any of their subsidiaries or any of the San Juan Subsidiaries have been paid, other than those being contested in good faith and for which adequate reserves have been provided. 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 paid in connection with the execution and delivery of this Agreement or the issuance and sale of the Notes.

(ccc) All indebtedness of the Partnership that will be repaid with the proceeds of the issuance and sale of the Series A Notes was incurred, and the indebtedness represented by the Series A Notes is being incurred, for proper purposes and in good faith and each of the Issuers and the Subsidiary Guarantors was, at the time of the incurrence of such indebtedness that will be repaid with the proceeds of the issuance and sale of the Series A Notes, and will be on the Closing Date (after giving effect to the application of the proceeds from the issuance of the Series A Notes) solvent, and had at the time of the incurrence of such indebtedness that will be repaid with the proceeds of the issuance and sale of the Series A Notes and will have on the Closing Date (after giving effect to the application of the proceeds from the issuance of the Series A Notes) sufficient capital for carrying on their respective business and were, at the time of the incurrence of such indebtedness that will be repaid with the proceeds of the issuance and sale of the Series A Notes, and will be on the Closing Date (after giving effect to the application of the proceeds from the issuance of the Series A Notes) able to pay their respective debts as they mature.

(ddd) No action has been taken and no law, statute, rule or regulation or order has been enacted, adopted or issued by any governmental agency or body which prevents the execution, delivery and performance of any of the Operative Documents, or the issuance of the Series A Notes or the Series A Guarantees, or suspends the sale of the Series A Notes or the Series A Guarantees in any jurisdiction referred to in Section 5(e); and no injunction, restraining order or other order or relief of any nature by a federal or state court or other tribunal of competent jurisdiction has been issued with respect to the Issuers or any of their subsidiaries which would prevent or suspend the issuance or sale of the Series A Notes or the Series A Guarantees in any jurisdiction referred to in Section 5(e).

The Issuers acknowledge that the Initial Purchasers and, for purposes of the opinions to be delivered to the Initial Purchasers pursuant to Section 9 hereof, counsel to the Issuers and the Subsidiary Guarantors and counsel to the Initial Purchasers will rely upon the accuracy and truth of the foregoing representations and hereby consents to such reliance.

7. Initial Purchasers' Representations and Warranties. Each of the Initial Purchasers, severally and not jointly, represents and warrants to each of the Issuers and the Subsidiary Guarantors, and agrees that:

(a) Such Initial Purchaser is a QIB with such knowledge and experience in financial and business matters as is necessary in order to evaluate the merits and risks of an investment in the Series A Notes;

(b) Such Initial Purchaser (A) is not acquiring the Series A Notes with a view to any distribution thereof or with any present intention of offering or selling any of the Series A Notes in a transaction that would violate the Act or the securities laws of any state of the United States or any other applicable jurisdiction and (B) will be reoffering and reselling the Series A Notes only to (x) QIBs in reliance on the exemption from the registration requirements of the Act provided by Rule 144A, and (y) in offshore transactions in reliance upon Regulation S under the Act;

(c) Such Initial Purchaser agrees that no form of general solicitation or general advertising (within the meaning of Regulation D under the Act) has been or will be used by such Initial Purchaser or any of its representatives in connection with the offer and sale of the Series A Notes pursuant hereto, including, but not limited to, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising;

(d) Such Initial Purchaser agrees that, in connection with Exempt Resales, such Initial Purchaser will solicit offers to buy the Series A Notes only from, and will offer to sell the Series A Notes only to, Eligible Purchasers. Each Initial Purchaser further agrees that it will offer to sell the Series A Notes only to, and will solicit offers to buy the Series A Notes only from (A) Eligible Purchasers that the Initial Purchaser reasonably believes are QIBs, and (B) Regulation S Purchasers, in each case, that will be deemed to have agreed that (x) the Series A Notes purchased by them may be offered, resold, pledged or otherwise transferred, only (i) to the Partnership, El Paso Finance, or any subsidiary of the Partnership, (ii) in the United States to a person whom the seller reasonably believes is a Qualified Institutional Buyer (as defined in Rule 144A under the Securities Act) in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in an offshore transaction in accordance with Rule 904 under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (v) in accordance with any applicable securities laws of any state of the United States, and (y) they will deliver to each person to whom such Series A Notes or an interest therein is transferred a notice substantially to the effect of the foregoing;

(e) Such Initial Purchaser and its affiliates or any person acting on its or their behalf have not engaged or will not engage in any directed selling efforts within the meaning of Regulation S with respect to the Series A Notes or the Series A Guarantees;

(f) The Series A Notes offered and sold by such Initial Purchaser pursuant hereto in reliance on Regulation S have been and will be offered and sold only in offshore transactions;

(g) The sale of the Series A Notes offered and sold by such Initial Purchaser pursuant hereto in reliance on Regulation S is not part of a plan or scheme to evade the registration provisions of the Act;

(h) Such Initial Purchaser agrees that it has not offered or sold and will not offer or sell the Series A Notes in the United States or to, or for the benefit or account of, a U.S. Person (other than a distributor), in each case, as defined in Rule 902 under the Act (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering of the Series A Notes pursuant hereto and the Closing Date, other than in accordance with Regulation S of the Act or another exemption from the registration requirements of the Act. Such Initial Purchaser agrees that, during such 40-day restricted period, it will not cause any advertisement with respect to the Series A Notes (including any "tombstone" advertisement) to be published in any newspaper or periodical or posted in any public place and will not issue any Memorandum relating to the Series A Notes, except such advertisements as are permitted by and include the statements required by Regulation S;

(i) Such Initial Purchaser agrees that, at or prior to confirmation of a sale of Series A Notes by it to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the 40-day restricted period referred to in Rule 903(b) under the Act, it will send to such distributor, dealer or person receiving a selling concession, fee or other remuneration a confirmation or notice to substantially the following effect:

> "The Series A Notes covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of your distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act (or Rule 144A or to institutional accredited investors as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, in transactions that are exempt from the registration requirements of the Securities Act), and in connection with any subsequent sale by you of the Series A Notes covered hereby in reliance on Regulation S during the period referred to above to any distributor, dealer or person receiving a selling concession, fee or other remuneration, you must deliver a notice to substantially the foregoing effect. Terms used above have the meanings assigned to them in Regulation S."; and

(j) Such initial purchaser:

> (i) has not offered or sold and, prior to the date six months after the date of issuance of the Series A Notes, will not offer or sell any notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);

(ii) has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 received by it in connection with the issue or sale of any Series A Notes in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to us or the guarantors; and

(iii) has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Series A Notes in, from or otherwise involving the United Kingdom.

Each Initial Purchaser acknowledges that the Issuers and the Subsidiary Guarantors and, for purposes of the opinions to be delivered to each Initial Purchaser pursuant to Section 9 hereof, counsel to the Issuers and the Subsidiary Guarantors and counsel to the Initial Purchasers will rely upon the accuracy and truth of the foregoing representations and the Initial Purchasers hereby consent to such reliance.

8. Indemnification.

(a) Each of the Issuers and each Subsidiary Guarantor agree, jointly and severally, to indemnify and hold harmless the Initial Purchasers, their directors, affiliates, their officers and each person, if any, who controls such Initial Purchasers within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages, liabilities and judgments (including, without limitation, any legal or other expenses incurred in connection with investigating or defending any matter, including any action, that could give rise to any such losses, claims, damages, liabilities or judgments) caused by any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum (or any amendment or supplement thereto), the Offering Memorandum (or any amendment or supplement thereto) or any information provided by the Issuers or any Subsidiary Guarantor to any holder or prospective purchaser of Series A Notes pursuant to Section 5(f), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or judgments are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to the Initial Purchasers furnished in writing to the Issuers by such Initial Purchaser (and not with respect to the information provided by any other Initial Purchaser).

(b) The Initial Purchasers agree, severally and not jointly, to indemnify and hold harmless the Issuers and the Subsidiary Guarantors, and their respective directors and officers and each person, if any, who controls (within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) the Issuers or the Subsidiary Guarantors, to the same extent as the foregoing indemnity from the Issuers and the Subsidiary Guarantors to the Initial Purchasers but only with reference to information relating to the Initial Purchaser furnished in writing to the Issuers by such Initial Purchaser expressly for use in

the Preliminary Offering Memorandum or the Offering Memorandum and not with respect to the information provided by any other Initial Purchaser.

(c) In case any action shall be commenced involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b) (the "indemnified party"), the indemnified party shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing and the indemnifying party shall assume the defense of such action, including the employment of counsel reasonably satisfactory to the indemnified party and the payment of all fees and expenses of such counsel, as incurred (except that in the case of any action in respect of which indemnity may be sought pursuant to both Sections 8(a) and 8(b), the Initial Purchasers shall not be required to assume the defense of such action pursuant to this Section 8(c), but may employ separate counsel and participate in the defense thereof, but the fees and expenses of such counsel, except as provided below, shall be at the expense of the Initial Purchasers). Any indemnified party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the indemnified party unless (i) the employment of such counsel shall have been specifically authorized in writing by the indemnifying party, (ii) the indemnifying party shall have failed to assume the defense of such action or employ counsel reasonably satisfactory to the indemnified party or (iii) the named parties to any such action (including any impleaded parties) include both the indemnified party and the indemnifying party, and the indemnified party shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the indemnifying party (in which case the indemnifying party shall not have the right to assume the defense of such action on behalf of the indemnified party). In any such case, the indemnifying party shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all indemnified parties and all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by J.P. Morgan Securities Inc., in the case of the parties indemnified pursuant to Section 8(a), and by the Issuers, in the case of parties indemnified pursuant to Section 8(b). The indemnifying party shall indemnify and hold harmless the indemnified party from and against any and all losses, claims, damages, liabilities and judgments by reason of any settlement of any action (i) effected with its written consent or (ii) effected without its written consent if the settlement is entered into more than twenty business days after the indemnifying party shall have received a request from the indemnified party for reimbursement for the fees and expenses of counsel (in any case where such fees and expenses are at the expense of the indemnifying party) and, prior to the date of such settlement, the indemnifying party shall have failed to comply with such reimbursement request. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement or compromise of, or consent to the entry of judgment with respect to, any pending or threatened action in respect of which the indemnified party is or could have been a party and indemnity or contribution may be or could have been sought hereunder by the indemnified party, unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability on claims that are or

could have been the subject matter of such action and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of the indemnified party.

(d) To the extent the indemnification provided for in this Section 8 is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages, liabilities or judgments referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities and judgments (i) in such proportion as is appropriate to reflect the relative benefits received by the Issuers and the Subsidiary Guarantors, on the one hand, and the Initial Purchasers on the other hand from the offering of the Series A Notes or (ii) if the allocation provided by clause 8(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(d)(i) above but also the relative fault of the Issuers and the Subsidiary Guarantors, on the one hand, and the Initial Purchasers, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or judgments, as well as any other relevant equitable considerations. The relative benefits received by the Issuers and the Subsidiary Guarantors, on the one hand and the Initial Purchasers, on the other hand, shall be deemed to be in the same proportion as the total net proceeds from the offering of the Series A Notes (after discounts and commissions received by the Initial Purchasers, but before deducting expenses) received by the Issuers, and the total discounts and commissions received by the Initial Purchasers bear to the total price to investors of the Series A Notes, in each case as set forth in the table on the cover page of the Offering Memorandum. The relative fault of the Issuers and the Subsidiary Guarantors, on the one hand, and the Initial Purchasers, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuers or the Subsidiary Guarantors, on the one hand, or the Initial Purchasers, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Issuers and the Subsidiary Guarantors, and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation, even if the Initial Purchasers were treated as one entity for such purpose, or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or judgments referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such indemnified party in connection with investigating or defending any matter, including any action, that could have given rise to such losses, claims, damages, liabilities or judgments. Notwithstanding the provisions of this Section 8, the Initial Purchasers shall not be required to contribute any amount in excess of the amount by which the total discounts and commissions received by such Initial Purchasers exceeds the amount of any damages which each Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Initial Purchasers' obligations to contribute pursuant to this Section 8(d) are several in proportion to the respective principal amount of Series A Notes purchased by each of the Initial Purchasers hereunder and not joint.

(e) The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

9. Conditions of Initial Purchasers' Obligations. The obligations of each of the Initial Purchasers to purchase the Series A Notes under this Agreement are subject to the satisfaction of each of the following conditions:

(a) All the representations and warranties of the Issuers and the Subsidiary Guarantors contained in this Agreement shall be true and correct in all material respects on the Closing Date with the same force and effect as if made on and as of the Closing Date, provided that the representations and warranties qualified by "materiality" shall be true and correct on the Closing Date;

(b) On or after the date hereof, there shall not have occurred (i) any downgrading, suspension or withdrawal of, nor shall any notice have been given of any potential or intended downgrading, suspension or withdrawal of, or of any review (or of any potential or intended review) for a possible change that either does not indicate the direction of the possible change or indicates a negative change in, any rating of the Issuers or any Subsidiary Guarantor or any securities of the Issuers or any Subsidiary Guarantor (including, without limitation, the placing of any of the foregoing ratings on credit watch with negative or developing implications or under review with an uncertain or negative direction) by any "nationally recognized statistical rating organization" as such term is defined for purposes of Rule 436(g)(2) under the Act, (ii) any change, nor shall any notice have been given of any potential or intended change, in the outlook for any rating of the Issuers or any Subsidiary Guarantor or any securities of the Issuers or any Subsidiary Guarantor by any such rating organization and (iii) no such rating organization shall have given notice that it has assigned (or is considering assigning) a lower rating to the Notes than that on which the Notes were marketed; (iv) any change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the judgment of J.P. Morgan Securities Inc., be likely to prejudice materially the success of the proposed issue, sale or distribution of the Notes, whether in the primary market or in respect of dealings in the secondary market; (v) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Issuers on any exchange or in the over-the-counter market; (vi) any banking moratorium declared by U.S. Federal or New York authorities; (vii) any major disruption of settlements of securities or clearance services in the United States or (viii) any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the judgment of J.P. Morgan

Securities Inc., the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the offering or sale of and payment for the Series A Notes on the terms and in the manner contemplated in the Offering Memorandum.

(c) Since the respective dates as of which information is given in the Offering Memorandum other than as set forth in the Offering Memorandum (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement), (i) there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or the earnings, business, management or operations of the Partnership and its subsidiaries and El Paso Finance, taken as a whole, or the San Juan Business (ii) there shall not have been any change or any development involving a prospective change in the capital stock, limited liability company interests or partnership units, as applicable, or in the long-term debt of the Issuers or any of their subsidiaries and (iii) neither the Issuers nor any of their subsidiaries shall have incurred any liability or obligation, direct or contingent, the effect of which, in any such case described in clause 9(c)(i), 9(c)(ii) or 9(c)(iii), in your judgment, is material and adverse and, in your judgment, makes it or impracticable or inadvisable to proceed with the completion of the offering and sale and payment for market the Series A Notes on the terms and in the manner contemplated in the Offering Memorandum;

(d) You shall have received on the Closing Date a certificate dated the Closing Date, signed by the President or a Senior Vice President and the Chief Financial Officer of the Partnership and El Paso Finance and each of the Subsidiary Guarantors, confirming the matters set forth in Sections 6(ee), 9(a) and 9(b)(i), (ii) and (iii) and stating that each of the Issuers and the Subsidiary Guarantors has complied with all the agreements and satisfied all of the conditions herein contained and required to be complied with or satisfied on or prior to the Closing Date;

(e) You shall have received on the Closing Date an opinion (satisfactory to you and counsel for the Initial Purchasers), dated the Closing Date, of Akin, Gump, Strauss, Hauer & Feld, L.L.P., counsel for the Issuers and the Subsidiary Guarantors, to the effect that:

> (i) Each of the Partnership and its Restricted Subsidiaries (other than any business trust), the San Juan Restricted Subsidiaries and El Paso Finance, as applicable, has been duly formed or incorporated and is validly existing as a partnership, corporation or limited liability company and in good standing (other than any general partnership) under the laws of its jurisdiction of formation or incorporation and has the partnership, corporate or limited liability company power and authority to conduct its business and to own, lease and operate its properties, in each case as described in the Offering Memorandum;
>
> (ii) Each of the Partnership and its Restricted Subsidiaries (other than general partnerships) and El Paso Finance, as applicable, is duly qualified or registered to do business as a foreign limited partnership, corporation, limited liability company or business trust, as the case may be, and, based solely on the various

certificates from public officials of Texas, Louisiana, Mississippi, New Mexico, Massachusetts, Nevada and Alabama (the "Good Standing Certificates"), is in good standing as a foreign limited partnership, corporation, limited liability company or business trust authorized to do business in the respective jurisdictions listed on Schedule E hereto;

(iii) The General Partner has been duly incorporated and is validly existing in good standing under the laws of the State of Delaware with full corporate power and authority to carry on its businesses; to own, lease and operate its properties; and to act as the general partner of the Partnership in all material respects as described in the Offering Memorandum. The General Partner is duly qualified and, based solely on the Good Standing Certificates, is in good standing as a foreign corporation authorized to do business in the jurisdictions listed on Schedule E hereto;

(iv) The General Partner is the sole general partner of the Partnership and owns (of record) a 1.0% general partner interest in the Partnership;

(v) the Series A Notes have been duly authorized by each of the Issuers and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms of this Agreement, will be entitled to the benefits of the Indenture and will be valid and binding obligations of the Issuers, enforceable in accordance with their terms except as may be 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; and (v) securities laws and public policy underlying such laws with respect to rights to indemnification and contribution (the "General Exceptions");

(vi) The Series A Guarantees have been duly authorized and, when the Series A Notes are executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms of this Agreement, the Series A Guarantees endorsed by the notations on the Series A Notes will be entitled to the benefits of the Indenture and will be valid and binding obligations of the Subsidiary Guarantors, enforceable in accordance with their terms except as may be limited by the General Exceptions;

(vii) The Series B Guarantees have been duly authorized and, when the Series B Notes are executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms of this Agreement, the Series B Guarantees endorsed by the

notations on the Series B Notes will be entitled to the benefits of the Indenture and will be valid and binding obligations of the Subsidiary Guarantors, enforceable in accordance with their terms except as may be limited by the General Exceptions;

(viii) The Indenture has been duly authorized, executed and delivered by each of the Issuers and each Subsidiary Guarantor and is a valid and binding agreement of each of the Issuers and each Subsidiary Guarantor, enforceable against each of the Issuers and each Subsidiary Guarantor in accordance with its terms except as may be limited by the General Exceptions;

(ix) This Agreement has been duly authorized, executed and delivered by each of the Issuers and the Subsidiary Guarantors;

(x) The Registration Rights Agreement has been duly authorized, executed and delivered by each of the Issuers and the Subsidiary Guarantors and is a valid and binding agreement of each of the Issuers and each Subsidiary Guarantor, enforceable against each of the Issuers and each Subsidiary Guarantor in accordance with its terms, except as may be limited by the General Exceptions;

(xi) The Series B Senior Notes have been duly authorized by each of the Issuers;

(xii) The statements under the captions "Description of Notes," "Description of Other Indebtedness," "United States Federal Income and Estate Tax Considerations" and "Plan of Distribution" in the Offering Memorandum, insofar as such statements purport to constitute a summary of the legal matters, documents or proceedings referred to therein, fairly present in all material respects such legal matters, documents and proceedings;

(xiii) To the knowledge of such counsel, neither the Partnership nor any of its Restricted Subsidiaries nor El Paso Finance is in violation of its respective partnership agreement, limited liability company agreement, charter or by-laws or other organizational documents, as applicable and, neither the Partnership nor any of its subsidiaries nor El Paso Finance is in default in the performance of any obligation, agreement, covenant or condition contained in any of the material agreements attached as exhibits to the Partnership's 2001 Annual Report on Form 10-K or any Current Report on Form 8-K or Quarterly Report on Form 10-Q filed since January 1, 2002 (the "Material Agreements");

(xiv) The execution, delivery and performance of this Agreement and the other Operative Documents by each of the Issuers and each of the Subsidiary Guarantors, the compliance by each of the Issuers and each of the Subsidiary Guarantors with all provisions hereof and thereof and the consummation by the Issuers and the Subsidiary Guarantors, of the transactions contemplated by this Agreement and the other Operative Documents will not, upon the consummation of the San Juan Acquisition or otherwise, to the knowledge of such counsel,

(i) require any consent, approval, authorization, filing with or other order of, or qualification with, any court or governmental body or agency (except (x) such as may be required under the securities or Blue Sky laws of the various states or, with respect to the proposed offer to exchange the Exchange Notes for the Notes, the federal securities laws or the TIA, (y) routine corporate, partnership and limited liability company filings required after the date thereof, and (z) routine filings under the Exchange Act), (ii) conflict with or constitute a breach of any of the terms or provisions of, or a default under, the partnership agreement, limited liability company agreement, charter or by-laws or other organizational documents, as applicable, of the Partnership or any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance or any Material Agreement, or (iii) result in the imposition or creation of (or the obligation to create or impose) a Lien under any Material Agreement; and except that such counsel need express no opinion regarding antifraud provisions of federal or state securities or blue sky laws with respect to clause (i) of this paragraph (xiii);

(xv) Neither of the Issuers is and, after giving effect to the offering and sale of the Series A Notes, the application of the net proceeds thereof as described in the Offering Memorandum and the San Juan Acquisition, neither of the Issuers will be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended;

(xvi) To the knowledge of such counsel, there are, and upon the consummation of the San Juan Acquisition there will be, no contracts, agreements or understandings between the Partnership, El Paso Finance, any Subsidiary Guarantor or any San Juan Restricted Subsidiary and any person granting such person the right to require the Partnership, El Paso Finance, such Subsidiary Guarantor or such San Juan Restricted Subsidiary to file a registration statement under the Act with respect to any securities of the Partnership, El Paso Finance, such Subsidiary Guarantor or such San Juan Restricted Subsidiary (other than the rights (i) of the General Partner and its affiliates in Section 6.14 of the Partnership Agreement and in the Series C RRA; (ii) of EPEC and its successors pursuant to a registration rights agreement between EPEC and the Partnership executed in connection with the acquisition by the Partnership of an additional interest in Viosca Knoll Gathering Company; (iii) of Crystal Gas Storage, Inc. pursuant to the registration rights agreement between Crystal Gas Storage, Inc. and the Partnership which was executed in connection with the acquisition by the Partnership of the Crystal storage facilities; provided, however, that with respect to (i) and (ii) above, the General Partner, EPEC, Sabine I and Sabine II have agreed not to exercise their rights with respect to such securities in connection with the offering of the Notes for 90 days hereafter pursuant to letter agreements of even date herewith; (iv) granted under the Credit Facility, the EPN Holding Term Loan, the Acquisition Loan and related agreements; and (v) granted under the Registration Rights Agreement); and to the knowledge of such counsel there are no contracts, agreements or understandings between the Partnership, El Paso Finance,

any Subsidiary Guarantor or any San Juan Restricted Subsidiary and any person granting such person the right to require the Partnership, El Paso Finance, such Subsidiary Guarantor or such San Juan Restricted Subsidiary to include such securities with the Notes and Guarantees registered pursuant to any Registration Statement other than the rights of the General Partner and its affiliates in Section 6.14 of the Partnership Agreement and in the Series C RRA (which rights have been waived in connection with any Registration Statement filed pursuant to the Registration Rights Agreement).

(xvii) The Indenture complies as to form in all material respects with the requirements of the TIA, and the rules and regulations of the Commission applicable to an indenture which is qualified thereunder. It is not necessary in connection with the offer, sale and delivery of the Series A Notes to the Initial Purchasers in the manner contemplated by this Agreement or in connection with the initial placement of the Series A Notes by the Initial Purchasers in the manner contemplated by the Offering Memorandum pursuant to Exempt Resales to qualify the Indenture under the TIA (it being understood that such counsel need express no opinion as to any other offer or sale);

(xviii) No registration under the Act of the Series A Notes is required for the sale of the Series A Notes to the Initial Purchasers as contemplated by this Agreement or for the Exempt Resales assuming that (i) each Initial Purchaser is a QIB, or a Regulation S Purchaser, (ii) the accuracy of, and compliance with, the Initial Purchasers' representations and agreements contained in Section 7 of this Agreement and (iii) the accuracy of the representations and agreements of each of the Issuers and the Subsidiary Guarantors set forth in Sections 5(f) and (k) and 6(ff), (ii), (jj), (ll), (mm), (oo) and (pp) of this Agreement;

(xix) The Offering Memorandum, as of its date, and each amendment or supplement thereto, as of its date, complied as to form in all material respects with the applicable requirements of Rule 144A(d)(4) of the Act (it being understood that such counsel need express no opinion with respect to this paragraph (xix) regarding the financial statements and the notes thereto, oil and gas reserve information and the schedules and other financial data included in the Offering Memorandum);

(xx) A court applying Texas conflict of laws rules in a properly presented and argued case should give effect to the express choice of law provisions contained in the Operative Documents to the extent that such provisions provide that the laws of the State of New York are to govern issues under the Operative Documents.

In addition, such counsel shall include a statement in such opinion letter to the effect that although such counsel has not undertaken, except as otherwise indicated in their opinion, to determine independently, and does not assume any responsibility for, the accuracy or completeness of the statements in the Offering Memorandum, such counsel has participated in the preparation of the Offering Memorandum and any amendments or supplements thereto, including review and discussion of the contents thereof, and nothing has come to the attention of such counsel that has caused them to believe that, as of the

date of the Offering Memorandum or as of the Closing Date, the Offering Memorandum, as amended or supplemented, if applicable, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (it being understood that such counsel need express no opinion with respect to the financial statements and notes thereto, oil and gas reserve information and the schedules and other financial data included in the Offering Memorandum).

The opinion of Akin, Gump, Strauss, Hauer & Feld, L.L.P. described in Section 9(e) above (i) may be subject to customary qualifications, assumptions and limitations and (ii) shall be rendered to you at the request of the Issuers and the Subsidiary Guarantors and shall so state therein.

(f) The Initial Purchasers shall have received on the Closing Date an opinion, dated the Closing Date, of Robert W. Baker, counsel for the Partnership, to the effect that: (i) except as set forth in the Offering Memorandum, such counsel does not know of any legal or governmental proceedings pending or threatened to which the Partnership or any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance is a party or to which any of their respective property is, or upon consummation of the San Juan Acquisition will be, subject, except for those which, singly or in the aggregate, could reasonably be expected not to result in a Material Adverse Effect;

(ii) The execution, delivery and performance of this Agreement and the other Operative Documents by each of the Issuers and each of the Subsidiary Guarantors, the compliance by each of the Issuers and each of the Subsidiary Guarantors with all provisions hereof and thereof and the consummation by the Issuers and the Subsidiary Guarantors, of the transactions contemplated by this Agreement and the other Operative Documents will not, upon the consummation of the San Juan Acquisition or otherwise, to the knowledge of such counsel, (i) violate or conflict with any applicable law or any rule, regulation, judgment, order or decree of any court or any governmental body or agency having jurisdiction over the Partnership, any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance or their respective property or (ii) result in the termination, suspension or revocation of any Authorization of the Partnership or any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance or result in any other impairment of the rights of the holder of any such Authorization, except for those which, singly or in the aggregate, could reasonably be expected not to result in a Material Adverse Effect; and except that such counsel need express no opinion regarding antifraud provisions of federal or state securities or blue sky laws with respect to clause (i) of this paragraph (ii);

(iii) To the knowledge of such counsel, (A) each of the Partnership and its Restricted Subsidiaries, the San Juan Restricted Subsidiaries and El Paso Finance has, and upon consummation of the San Juan Acquisition will have, such Authorizations of, and has, and upon consummation of the San Juan Acquisition will have, made all filings with and notices to, all governmental or regulatory authorities and self-regulatory organizations and all courts and other tribunals,

including without limitation, under any applicable Environmental Laws, as are necessary to own, lease, license and operate its respective properties and to conduct its business, except where the failure to have any such Authorization or to make any such filing or notice could, singly or in the aggregate, reasonably be expected not to have a Material Adverse Effect; (B) each such Authorization known to us is, and upon consummation of the San Juan Acquisition will be, valid and in full force and effect and, to the knowledge of such counsel, each of the Partnership and its Restricted Subsidiaries, the San Juan Restricted Subsidiaries and El Paso Finance is, and upon consummation of the San Juan Acquisition will be, in compliance with all the terms and conditions thereof and with the rules and regulations of the authorities and governing bodies having jurisdiction with respect thereto; (C) no event has occurred (including the receipt of any notice from any authority or governing body) which allows or, after notice or lapse of time or both, would allow, revocation, suspension or termination of any such Authorization or results or, after notice or lapse of time or both, would result in any other material impairment of the rights of the holder of any such Authorization; and (D) such Authorizations contain no restrictions that are, or upon consummation of the San Juan Acquisition will be, materially burdensome to the Partnership or any of its Restricted Subsidiaries, the San Juan Restricted Subsidiaries or El Paso Finance; except in the case of (A) through (D) above those which could reasonably be expected not to, singly or in the aggregate, have a Material Adverse Effect; and

(iv) Neither the General Partner nor the Partnership is a "holding company" or, after giving effect to the offering and sale of the Series A Notes and the application of the proceeds thereof as described in the Offering Memorandum will be a "holding company," within the meaning of, or subject to regulation under, the Public Holding Utility Company Act of 1935, as amended, and the rules and regulations promulgated by the Commission thereunder.

(g) The Initial Purchasers shall have received on the Closing Date an opinion, dated the Closing Date, of Simpson Thacher & Bartlett, counsel for the Initial Purchasers, in form and substance reasonably satisfactory to the Initial Purchasers.

(h) The Initial Purchasers shall have received, at the time this Agreement is executed and at the Closing Date, letters dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Initial Purchasers containing the information and statements of the type ordinarily included in accountants' "comfort letters" to the Initial Purchasers from PricewaterhouseCoopers LLP, independent public accountants, with respect to the financial statements of the Issuers and their subsidiaries, and certain financial information contained in the Offering Memorandum.

(i) The Initial Purchasers shall have received, at the time of this Agreement is executed and at the Closing Date, letters dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Initial Purchasers from Netherland & Sewell.

(j) The Series A Notes shall have been approved by the NASD for trading and duly listed in PORTAL.

(k) The Issuers, the Subsidiary Guarantors and the Trustee shall have executed the Indenture.

(l) The Issuers and the Subsidiary Guarantors shall have executed the Registration Rights Agreement and the Initial Purchasers shall have received an original copy thereof, duly executed by the Issuers and the Subsidiary Guarantors.

(m) Neither the Issuers nor the Subsidiary Guarantors shall have failed at or prior to the Closing Date to perform or comply with any of the agreements herein contained and required to be performed or complied with by each of the Issuers or the Subsidiary Guarantors, as the case may be, at or prior to the Closing Date.

(n) As contemplated by the Contribution, Purchase and Sale Agreement dated as of November 21, 2002 by and between El Paso Corporation, a Delaware corporation, and the Partnership (the "San Juan Agreement"), the Partnership shall have consummated its acquistion (the "San Juan Acquisition") from El Paso Corporation of the gas gathering, processing and treating assets in the San Juan Basin of New Mexico and the other assets identified in the San Juan Agreement (the "San Juan Assets").

10. Effectiveness of Agreement and Termination. This Agreement shall become effective upon the execution and delivery of this Agreement by the parties hereto.

This Agreement may be terminated at any time on or prior to the Closing Date by the Initial Purchasers by written notice to the Issuers if any of the following has occurred: (i) any outbreak or escalation of hostilities or other national or international calamity or crisis or change in economic conditions or in the financial markets of the United States or elsewhere that, in any of the Initial Purchasers' judgment, is material and adverse and, in any of the Initial Purchasers' judgment, makes it impracticable or inadvisable to proceed with the completion of the offering and sale and payment for the Series A Notes on the terms and in the manner contemplated in the Offering Memorandum, (ii) the suspension or material limitation of trading in securities or other instruments on the New York Stock Exchange, the American Stock Exchange, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange, the Chicago Board of Trade or the Nasdaq National Market or limitation on prices for securities or other instruments on any such exchange or the Nasdaq National Market, (iii) the suspension of trading of any securities of the Issuers or any Subsidiary Guarantor on any exchange or in the over-the-counter market, (iv) the enactment, publication, decree or other promulgation of any federal or state statute, regulation, rule or order of any court or other governmental authority which in your opinion materially and adversely affects, or will materially and adversely affect, the business, prospects, financial condition or results of operations of the Issuers and their subsidiaries, taken as a whole, (v) the declaration of a banking moratorium by either federal or New York State authorities or (vi) the taking of any action by any federal, state or local government or agency in respect of its monetary or fiscal affairs which in your opinion has a material adverse effect on the financial markets in the United States.

If on the Closing Date any one or more of the Initial Purchasers shall fail or refuse to purchase the Series A Notes which it or they have agreed to purchase hereunder on such date and the aggregate principal amount of the Series A Notes which such defaulting Initial Purchaser or Initial Purchasers, as the case may be, agreed but failed or refused to purchase is not more than one-tenth of the aggregate principal amount of the Series A Notes to be purchased on such date by all Initial Purchasers, each non-defaulting Initial Purchaser shall be obligated severally, in the proportion which the principal amount of the Series A Notes set forth opposite its name in Schedule B bears to the aggregate principal amount of the Series A Notes which all the non-defaulting Initial Purchasers, as the case may be, have agreed to purchase, or in such other proportion as you may specify, to purchase the Series A Notes which such defaulting Initial Purchaser or Initial Purchasers, as the case may be, agreed but failed or refused to purchase on such date; provided that in no event shall the aggregate principal amount of the Series A Notes which any Initial Purchaser has agreed to purchase pursuant to Section 2 hereof be increased pursuant to this Section 10 by an amount in excess of one-ninth of such principal amount of the Series A Notes without the consent of such Initial Purchaser. If on the Closing Date any Initial Purchaser or Initial Purchasers shall fail or refuse to purchase the Series A Notes and the aggregate principal amount of the Series A Notes with respect to which such default occurs is more than one-tenth of the aggregate principal amount of the Series A Notes to be purchased by all Initial Purchasers and arrangements satisfactory to the Initial Purchasers and the Issuers for purchase of such Series A Notes are not made within 48 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Initial Purchaser and the Issuers. In any such case which does not result in termination of this Agreement, either you or the Issuers shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Offering Memorandum or any other documents or arrangements may be effected. Any action taken under this paragraph shall not relieve any defaulting Initial Purchaser from liability in respect of any default of any such Initial Purchaser under this Agreement.

This Agreement may be terminated at any time on or prior to the Closing Date by the Issuers by written notice to the Initial Purchasers if, there is a failure to obtain any consent or waiver under, or amendment of, the Credit Facility, that is required in order for the issuance of the Notes to not constitute a default thereunder.

11. Miscellaneous.

(a) Notices given pursuant to any provision of this Agreement shall be addressed as follows:

(i) if to the Issuers or any Subsidiary Guarantor, to:

El Paso Energy Partners, L.P.
4 Greenway Plaza
Houston, Texas 77046
Attention: Chief Financial Officer;

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

Akin Gump Strauss Hauer & Feld, LLP
1900 Pennzoil Place, South Tower
711 Louisiana Street
Houston, Texas 77002
Attention: J. Vincent Kendrick

(ii) if to the Initial Purchasers, to:

J.P. Morgan Securities Inc.
270 Park Avenue
New York, New York 10017
Attention: Lawrence Landry

or in any case to such other address as the person to be notified may have requested in writing.

(b) The respective indemnities, contribution agreements, representations, warranties and other statements of the Issuers, the Subsidiary Guarantors and the Initial Purchasers, set forth in or made pursuant to this Agreement shall remain operative and in full force and effect, and will survive delivery of and payment for the Series A Notes, regardless of (i) any investigation, or statement as to the results thereof, made by or on behalf of the Initial Purchasers, the officers or directors of the Initial Purchasers, any person controlling the Initial Purchasers, the Issuers, any Subsidiary Guarantor, the officers or directors of the Issuers or any Subsidiary Guarantor, or any person controlling the Issuers or any Subsidiary Guarantor, (ii) acceptance of the Series A Notes and payment for them hereunder and (iii) termination of this Agreement.

(c) If for any reason the Series A Notes are not delivered by or on behalf of the Issuers as provided herein (other than as a result of any termination of this Agreement pursuant to Section 10), the Issuers and each Subsidiary Guarantor, jointly and severally, agree to reimburse the Initial Purchasers for all out-of-pocket expenses (including the fees and disbursements of counsel) incurred by them. Notwithstanding any termination of this Agreement, the Issuers shall be liable for all expenses which they have agreed to pay pursuant to Section 5(i) hereof. Each of the Issuers and each Subsidiary Guarantor also agrees, jointly and severally, to reimburse each of the Initial Purchasers and its officers, directors and each person, if any, who controls such Initial Purchasers within the meaning of Section 15 of the Act or Section 20 of the Exchange Act for any and all fees and expenses (including without limitation the fees and expenses of counsel) incurred by them in connection with enforcing their rights under this Agreement (including without limitation its rights under Section 8).

(d) Except as otherwise provided, this Agreement has been and is made solely for the benefit of and shall be binding upon the Partnership, El Paso Finance, the Subsidiary Guarantors, the Initial Purchasers, each of the Initial Purchasers' affiliates, directors and officers, any controlling persons referred to herein, the directors of the Issuers and the Subsidiary Guarantors and their respective successors and assigns, all as and to the extent provided in this Agreement, and no other person shall acquire or have any right under or

by virtue of this Agreement. The term "successors and assigns" shall not include a purchaser of any of the Series A Notes from the Initial Purchasers merely because of such purchase.

(e) This Agreement shall be governed and construed in accordance with the laws of the State of New York.

(f) This Agreement may be signed in various counterparts which together shall constitute one and the same instrument.

(Signatures Page Follows)

Please confirm that the foregoing correctly sets forth the agreement among the Partnership, El Paso Finance, the Subsidiary Guarantors and the Initial Purchasers.

Very truly yours,

Issuers:

EL PASO ENERGY PARTNERS, L.P.

By: /s/ Keith Forman

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

EL PASO PARTNERS FINANCE CORPORATION

By: /s/ Keith Forman

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

Subsidiary Guarantors:

ANR CENTRAL GULF GATHERING COMPANY, L.L.C.*
ARGO, L.L.C.*
ARGO I, L.L.C*
ARGO II, L.L.C.*
CRYSTAL HOLDING, L.L.C.*
CHACO LIQUIDS PLANT TRUST
   By: EL PASO ENERGY PARTNERS OPERATING
       COMPANY, L.L.C., in its capacity as trustee of the
       Chaco Liquids Plant Trust*
DELOS OFFSHORE COMPANY, L.L.C.*
EAST BREAKS GATHERING COMPANY, L.L.C.*
   By: EL PASO ENERGY PARTNERS DEEPWATER, L.L.C.
       its sole member*
EL PASO ENERGY INTRASTATE, L.P.*
EL PASO ENERGY PARTNERS DEEPWATER, L.L.C.*
EL PASO ENERGY PARTNERS OIL TRANSPORT, L.L.C.*
EL PASO ENERGY PARTNERS OPERATING
       COMPANY, L.L.C.*
EL PASO ENERGY WARWINK I COMPANY, L.P.*
EL PASO ENERGY WARWINK II COMPANY, L.P.*
EL PASO HUB SERVICES COMPANY, L.L.C.*
EL PASO INDIAN BASIN, L.P.*
EL PASO OFFSHORE GATHERING & TRANSMISSION, L.P.*
EL PASO SAN JUAN, L.L.C.*
EL PASO SOUTH TEXAS, L.P.*
EPGT TEXAS PIPELINE, L.P.*
EPN GATHERING AND TREATING COMPANY, L.P.*
EPN GATHERING AND TREATING GP HOLDING, L.L.C.*
EPN GP HOLDING, L.L.C.*
EPN GP HOLDING, I, L.L.C.*
EPN HOLDING COMPANY, L.P.*
EPN HOLDING COMPANY, I, L.P.*
EPN NGL STORAGE, L.L.C.*
EPN PIPELINE GP HOLDING, L.L.C.*
FIRST RESERVE GAS, L.L.C.*
FLEXTREND DEVELOPMENT COMPANY, L.L.C.*
GREEN CANYON PIPE LINE COMPANY, L.P.*
HATTIESBURG GAS STORAGE COMPANY*
HATTIESBURG INDUSTRIAL GAS SALES, L.L.C.*
HIGH ISLAND OFFSHORE SYSTEM, L.L.C.
   By: EL PASO ENERGY PARTNERS DEEPWATER, L.L.C.,
       its sole member*
MANTA RAY GATHERING COMPANY, L.L.C.*
PETAL GAS STORAGE, L.L.C.*

POSEIDON PIPELINE COMPANY, L.L.C.*
VK DEEPWATER GATHERING COMPANY, L.L.C.*
VK-MAIN PASS GATHERING COMPANY, L.L.C.*
WARWINK GATHERING AND TREATING COMPANY*

*By: /s/ D. Mark Leland

Name: D. Mark Leland
Title: Senior Vice President and Controller

Initial Purchasers:

J.P. MORGAN SECURITIES INC.
GOLDMAN, SACHS & CO.
UBS WARBURG LLC
WACHOVIA SECURITIES, INC.

By: J.P. MORGAN SECURITIES INC.

By: /s/ Lawrence (Larry) Landry

Name: Lawrence (Larry) Landry
Title: Managing Director