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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
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FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NO. 1-11680

EL PASO ENERGY PARTNERS, L.P.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE  
(State or Other Jurisdiction  
of Incorporation or Organization)

76-0396023  
(I.R.S. Employer  
Identification No.)

EL PASO BUILDING  
1001 LOUISIANA STREET  
HOUSTON, TEXAS  
(Address of Principal Executive Offices)

77002  
(Zip Code)

Registrant's Telephone Number, Including Area Code: (713) 420-2600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

The registrant had 43,984,885 common units outstanding as of May 10, 2002.

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PART I -- FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EL PASO ENERGY PARTNERS, L.P.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)  
(UNAUDITED)

QUARTER ENDED MARCH 31,	-----	2002	2001	--
	-----			
	Operating			
revenues.....		\$		
61,544	\$54,502	-----	-----	Operating expenses Cost
				of natural gas.....
	12,158	22,971		Operations and
			14,440	maintenance.....
			5,516	Depreciation, depletion and
		12,549	8,302	amortization.....
				Asset
				impairment charge.....
3,921	-----	39,147	40,710	-----
	Operating			
income.....				
22,397	13,792	-----	-----	Other income (loss)
				Earnings (loss) from unconsolidated
	3,361	(4,712)		Net gain (loss) on
			315	sale of assets.....
				Other
income.....				
426	25,981	-----	4,102	10,888
				Income before interest, income taxes and other
	26,499	24,680	-----	Interest
				and debt expense.....
	11,758	10,923		Minority
interest.....				
41	-----	11,758	10,964	-----
	Income from continuing			
operations.....		14,741	13,716	
	Income (loss) from discontinued			
operations.....		4,385	(743)	-----
	-- Net			
income.....				
\$ 19,126	\$12,973	=====	=====	Income (loss)
	allocation Series B			
unitholders.....		\$		
3,552	\$ 4,322	=====	=====	General partner
				Continuing operations.....
	\$ 8,691	\$ 4,702		Discontinued
operations.....			44	(7)
	\$ 8,735	\$ 4,695	=====	=====
	partners Continuing			Limited
operations.....		\$ 2,498	\$	
	4,692	Discontinued		
operations.....		4,341	(736)	
-----	\$ 6,839	\$ 3,956	=====	=====
				Basic
				and diluted earnings per unit
				Income from continuing
				operations.....
		\$ 0.06	\$ 0.14	
				Income (loss) from discontinued
operations.....		0.11	(0.02)	-----
	Net			
income.....				
\$ 0.17	\$ 0.12	=====	=====	Weighted average number
				of units outstanding.....
		39,941	32,471	
	=====	=====		

See accompanying notes.

EL PASO ENERGY PARTNERS, L.P.

CONDENSED CONSOLIDATED BALANCE SHEETS  
(IN THOUSANDS, EXCEPT UNIT AMOUNTS)  
(UNAUDITED)

MARCH 31,	DECEMBER 31,	2002	2001	-----	-----
--- ASSETS					
Current assets					
Cash and cash equivalents..... \$					
133,432	\$ 13,084	Accounts receivable,			
net.....	50,368	56,025			
Other current assets..... 3,314					
293	-----	-----	Total current		
assets.....	187,114	69,402			
Property, plant, and equipment,					
net.....	936,801	917,867	Assets		
held for sale, net.....			held for sale, net.....		
188,183	185,824	Investment in processing			
agreement.....	118,462	119,981			
Investment in unconsolidated					
affiliates.....	33,438	34,442	Other		
noncurrent					
assets.....	28,192				
29,754	-----	-----	Total		
assets.....					
\$1,492,190	\$1,357,270	=====	=====		
LIABILITIES AND PARTNERS' CAPITAL					
Current liabilities					
Accounts					
payable.....	\$				
19,948	\$ 24,905	Accrued			
interest.....					
14,658	6,401	Current maturities of limited recourse			
term loan.....	19,000	19,000	Other current		
liabilities.....	5,171				
4,159	-----	-----	Total current		
liabilities.....	58,777	54,465			
Revolving credit					
facility.....	444,000				
300,000	Long-term				
debt.....					
425,000	425,000	Limited recourse term loan, less			
current maturities.....	76,000	76,000	Other		
noncurrent					
liabilities.....	1,146				
1,079	-----	-----	Total		
liabilities.....					
1,004,923	856,544	-----	-----	Commitments	
and contingencies Partners' capital Limited partners					
Series B preference units; 125,392 units issued and					
outstanding.....					
146,448	142,896	Common units; 39,740,974 and			
39,738,974	units issued and				
outstanding.....					
335,752	354,019	Accumulated other comprehensive			
income allocated to limited partners'					
interests.....	128	(1,259)	General		
partner.....					
4,938	5,083	Accumulated other comprehensive income			
allocated to general partners'					
interests.....	1	(13)	-----		
--- Total partners'					
capital.....	487,267	500,726	--		
-----	-----	-----	Total liabilities and partners'		
capital.....	\$1,492,190	\$1,357,270	=====		
=====					

See accompanying notes.

EL PASO ENERGY PARTNERS, L.P.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(IN THOUSANDS)  
(UNAUDITED)

QUARTER ENDED MARCH 31, -----	2002	2001
-----		
Cash flows from operating activities Net income.....		
\$ 19,126 \$ 12,973 Less income (loss) from discontinued operations.....	4,385	(743)
Income from continuing operations.....	14,741	13,716
Adjustments to reconcile net income to net cash provided by operating activities Depreciation, depletion and amortization.....	12,549	8,302
Asset impairment charge.....	--	3,921
Distributed earnings of unconsolidated affiliates (Earnings) loss from unconsolidated affiliates.....	(3,361)	4,712
Distributions from unconsolidated affiliates.....	4,500	6,922
Net (gain) loss on sales of assets.....	(315)	10,381
Other noncash items.....	1,265	912
Working capital changes, net of non-cash transactions.....	8,399	(23,508)
Net cash provided by continuing operations.....	37,778	25,358
Net cash provided by (used in) discontinued operations....	5,429	(519)
Net cash provided by operating activities.....	43,207	24,839
Cash flows from investing activities Additions to property, plant and equipment.....	(35,110)	(136,267)
Proceeds from sales of assets.....	5,460	108,233
Additions to investments in unconsolidated affiliates....	--	(1,486)
Net cash used in investing activities of continuing operations.....	(29,650)	(29,520)
Net cash used in investing activities of discontinued operations.....	(3,523)	(18,207)
Net cash used in investing activities.....	(33,173)	(47,727)
Cash flows from financing activities Net proceeds from revolving credit facility.....	143,978	142,620
Revolving credit repayments.....	--	(123,000)
Net proceeds from issuance of common units.....	56	73,358
Distributions to partners.....	(33,717)	(22,122)
Net cash provided by financing activities of continuing operations.....	110,317	70,856
Net cash provided by (used in) financing activities of discontinued operations.....	(3)	24,962
Net cash provided by financing activities.....	110,314	95,818
Increase in cash and cash equivalents.....	120,348	72,930
Cash and cash equivalents Beginning of period.....	13,084	20,281
End of period.....	\$ 133,432	\$ 93,211
=====	=====	=====

See accompanying notes.

EL PASO ENERGY PARTNERS, L.P.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
AND CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME  
(IN THOUSANDS)  
(UNAUDITED)

COMPREHENSIVE INCOME

QUARTER ENDED MARCH 31, -----	2002	2001	---
----- Net			
income.....			
	\$19,126	\$12,973	Other comprehensive
income.....		1,401	-- -----
			-- ----- Total comprehensive
income.....		\$20,527	
	\$12,973	=====	=====

ACCUMULATED OTHER COMPREHENSIVE INCOME

QUARTER ENDED MARCH 31, -----	2002	2001	
----- Beginning			
balance.....			
	\$(1,272)	\$ --	Unrealized mark-to-market losses
arising during period....	(9)	--	Reclassification
adjustments for changes in initial value of			derivative instruments to settlement date.....
	1,410	--	----- Ending
balance.....			
	\$ 129	\$ --	=====

See accompanying notes.

EL PASO ENERGY PARTNERS, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

1. BASIS OF PRESENTATION

Our 2001 Annual Report on Form 10-K includes a summary of our significant accounting policies and other disclosures. You should read it in conjunction with this Quarterly Report on Form 10-Q. The financial statements as of March 31, 2002, and for the quarters ended March 31, 2002 and 2001, are unaudited. The balance sheet as of December 31, 2001, is derived from the audited balance sheet filed in our Form 10-K. These financial statements have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission and do not include all disclosures required by accounting principles generally accepted in the United States. In our opinion, we have made all adjustments, all of which are of a normal, recurring nature, to fairly present our interim period results. Information for interim periods may not necessarily indicate the results of operations for the entire year due to the seasonal nature of our businesses. The prior period information also includes reclassifications which were made to conform to the current presentation. These reclassifications have no effect on our reported net income or partners' capital. Additionally, we have reflected the results of operations from our Prince assets disposition as discontinued operations for all periods presented. See Note 3 for a further discussion of our Prince assets disposition.

Our accounting policies are consistent with those discussed in our Form 10-K, except as discussed below.

Goodwill and Other Intangible Assets

On January 1, 2002, we adopted Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets. Our adoption of this standard did not have a material effect on our financial statements.

Asset Impairments

On January 1, 2002, we adopted SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. The provisions of this statement supersede SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of. There was no initial financial statement impact of adopting this standard.

2. ACQUISITIONS

EPN Holding Assets

In April 2002, EPN Holding Company, L.P., our newly formed wholly-owned subsidiary, acquired from El Paso Corporation midstream assets located in Texas and New Mexico. El Paso Corporation is the indirect parent of our general partner. The acquired assets, which we refer to as the EPN Holding assets, or the midstream assets, include:

- Texas pipeline assets, including the EPGT Texas intrastate pipeline system;
- the Waha gathering and treating system located in the Permian Basin region of Texas and New Mexico;
- the Carlsbad gathering system located in the Permian Basin region of New Mexico;

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As generally used in the energy industry and in this document, the following terms have the following meanings:

/d	= per day	Mcf	= thousand cubic feet
Bbl	= barrel	MDth	= thousand dekatherms
MBbls	= thousand barrels	MMcf	= million cubic feet

When we refer to cubic feet measurements, all measurements are at 14.73 pounds per square inch.

- an approximate 42.3 percent non-operating interest in the Indian Basin processing and treating facility located in southeastern New Mexico; and
- a leased interest in the Wilson natural gas storage facility located in Wharton County, Texas.

The \$750 million sales price was adjusted for the assumption of \$15 million of working capital related to natural gas imbalances. The net consideration of \$735 million for the EPN Holding assets was comprised of the following:

- \$420 million of cash;
- \$119 million of assumed short-term indebtedness payable to El Paso Corporation, which has been repaid;
- \$6 million in common units; and
- \$190 million in assets, comprised of our Prince tension leg platform (TLP) and our nine percent Prince overriding royalty interest.

To finance substantially all of the cash consideration related to this acquisition, EPN Holding entered into a limited recourse credit agreement with a syndicate of commercial banks.

#### Hattiesburg Propane Storage

In January 2002, we acquired a 3.3 million barrel propane storage business and leaching operation located in Hattiesburg, Mississippi from Suburban Propane Partners, L.P. As part of the transaction, we entered into a long-term propane storage agreement with Suburban Propane Partners for a portion of the acquired propane storage capacity. We intend to convert a portion of these assets to natural gas storage and will integrate them with our adjacent Petal natural gas storage facility.

### 3. PRINCE ASSETS DISPOSITION

In connection with our acquisition of the midstream assets from El Paso Corporation, we committed in February 2002 to dispose of our Prince TLP and our nine percent overriding royalty interest in the Prince Field to subsidiaries of El Paso Corporation. The results of operations for these assets have been accounted for as discontinued operations and have been excluded from continuing operations for all periods in our statements of income. Accordingly, the segment results in Note 9 do not reflect the results of operations for the Prince assets. The Prince TLP was previously included in the Platform services segment and the related royalty interest was included in the Other segment. Included in income from discontinued operations for the quarter ended March 31, 2002, was operating revenues of \$6.7 million. We did not recognize any revenue related to the Prince assets during the quarter ended March 31, 2001.

The assets and liabilities related to the Prince assets disposition consist of the following:

MARCH 31,	DECEMBER 31, 2002	2001	-----	----
----- (IN THOUSANDS) Property, plant and equipment.....				
	\$193,219	\$189,696	Accumulated	
depreciation.....				
(5,036)	(3,872)		Assets held	
			for sale,	
net.....			188,183	
185,824			Unamortized debt	
issue costs.....				
1,041	1,091	Limited recourse term		
loan.....	(95,000)			
	(95,000)	Accrued interest on term		
loan.....	(530)	(703)		
----- Net assets related to the				
Prince assets disposition.... \$ 93,694 \$ 91,212				
=====				

In April 2002, we sold the Prince assets for \$190 million and recognized a gain on the sale of approximately \$0.8 million which will be recorded in the second quarter of 2002. In conjunction with this transaction, we repaid the related outstanding \$95 million principal balance under our limited recourse term loan.

#### 4. PARTNERS' CAPITAL

In February 2002, we paid cash distributions of \$0.625 per common unit for an aggregate amount of \$24.8 million and our general partner received incentive distributions of \$8.9 million. In April 2002, we declared a cash distribution of \$0.65 per common unit for the quarter ended March 31, 2002, which we will pay on May 15, 2002, to holders of record as of April 30, 2002. In addition, we will pay our general partner \$10.6 million in incentive distributions. At the current distribution rates, our general partner receives approximately 26 percent of total cash distributions we pay.

In April 2002, we issued 4,083,938 common units, which included 1,083,938 common units purchased by our general partner at the public offering price of \$37.86 per unit pursuant to its anti-dilution right under our partnership agreement. We used the net cash proceeds of approximately \$149.3 million to reduce indebtedness under EPN Holding's acquisition credit agreement. Also in April 2002, we issued approximately 159,000 common units at the then-current market price of \$37.74 per unit to El Paso Corporation as partial consideration for our acquisition of its midstream assets. In addition, our general partner contributed approximately \$1.5 million in cash to us in order to maintain its one percent capital account balance.

#### 5. PROPERTY, PLANT AND EQUIPMENT

Our property, plant and equipment consisted of the following:

MARCH 31, DECEMBER 31, 2002	2001	-----	-----
(IN THOUSANDS) Property, plant and equipment, at cost			
Pipelines.....	\$ 849,919	\$ 856,335	Platforms and
facilities.....			124,305
plant.....			125,546 Processing
properties.....			138,090 Oil and natural gas
facilities.....			125,665 125,665
progress.....			Storage
-----			156,296 156,800 Construction work-in-
amortization.....			137,793 99,667 ----
595,267 584,236	-----	-----	1,532,068 1,502,103 Less accumulated
equipment, net.....			depreciation, depletion, and
			-----
			Property, plant and
			\$ 936,801 \$ 917,867
			=====

#### 6. DEBT AND OTHER CREDIT FACILITIES

##### Shelf registration

In February 2002, our shelf registration statement, as filed with the Securities and Exchange Commission, covering up to \$1 billion of securities representing limited partnership interests, became effective.

##### EPN Holding limited recourse credit agreement

In connection with its acquisition of midstream assets from El Paso Corporation in April 2002, EPN Holding entered into a \$560 million limited recourse credit agreement with a group of commercial banks. The credit agreement provides for a term loan of \$535 million to finance the acquisition of the EPN Holding assets, and a revolving loan of up to \$25 million to finance EPN Holding's working capital. EPN Holding's right to borrow money from time to time under the revolving loan is dependent on its continued compliance with the conditions and covenants provided in the credit agreement, including its compliance with various financial ratios. Subject to specified exceptions, EPN Holding is required to repay the term loan with any net proceeds received from specified types of events or transactions, including purchase price adjustment settlements, insurance claim settlements and our issuance of equity securities and specified debt securities. This credit agreement limits EPN Holding's ability to pay distributions to us. EPN Holding's obligations under the credit agreement are guaranteed by substantially all of its subsidiaries and EPN Holding Company I, L.P. and EPN GP Holding, L.L.C., our two subsidiaries that own the equity interests in EPN Holding. At the time of its acquisition, EPN Holding borrowed \$535 million under this term loan and

had \$25 million available under the revolving loan. The interest rate under the credit agreement varies and was approximately 4.41% at the time of the asset acquisition. EPN Holding pays an annual commitment fee of 0.50% on the average daily amount available under both the revolving loan and the term loan. Both loans mature in April 2005. We used net proceeds of approximately \$149.3 million from our April 2002 common unit offering to reduce indebtedness under this agreement.

#### Revolving credit facility

As of March 31, 2002, we had \$444 million outstanding with an average interest rate of 3.51% under our \$600 million revolving credit facility with the full unused amount available. In April 2002, we borrowed an additional \$99 million in connection with our acquisition of the midstream assets to repay Argo L.L.C.'s \$95 million limited recourse term loan related to the Prince TLP and provide additional funding for this transaction.

#### Limited recourse term loan

As of March 31, 2002, Argo had \$95 million outstanding under its limited recourse term loan. The average variable interest rate on the debt outstanding at March 31, 2002, was 3.63%. This loan was repaid in full in April 2002 in connection with the EPN Holding asset acquisition.

#### Other credit facility

Poseidon Oil Pipeline Company, L.L.C. is party to a \$185 million credit agreement under which it has outstanding obligations that may restrict its ability to pay distributions to its owners.

In January 2002, Poseidon entered into a two-year interest rate swap agreement to fix the interest rate at 3.49% through January 2004 on \$75 million of the \$150 million outstanding on its credit facility. As of March 31, 2002, the remaining \$75 million was at an average floating interest rate of 3.38%.

## 7. COMMITMENTS AND CONTINGENCIES

#### Legal Proceedings

In 1997, we, along with several subsidiaries of El Paso Corporation, were named defendants in actions brought by Jack Grynberg on behalf of the U.S. Government under the False Claims Act. Generally, these complaints allege an industry-wide conspiracy to under report the heating value as well as the volumes of the natural gas produced from federal and Native American lands, which deprived the U.S. Government of royalties. These matters have been consolidated for pretrial purposes (In re: Natural Gas Royalties Qui Tam Litigation, U.S. District Court for the District of Wyoming, filed June 1997). In May 2001, the court denied the defendants' motions to dismiss.

We have also been named defendants in *Quinque Operating Company, et al v. Gas Pipelines and Their Predecessors, et al*, filed in 1999 in the District Court of Stevens County, Kansas. This class action complaint alleges that the defendants mismeasured natural gas volumes and heating content of natural gas on non-federal and non-Native American lands. The Quinque complaint was transferred to the same court handling the Grynberg complaint and has now been sent back to Kansas State Court for further proceedings. A motion to dismiss this case is pending.

Our Argo L.L.C. subsidiary has received a claim from its contractor related to our recently completed Prince TLP. The contractor received a request for additional payments from its subcontractor as a result of variation orders and is seeking to pass these costs along to Argo. Negotiations between us, the contractor and the subcontractor are underway.

Under the terms of our agreement to acquire the midstream assets, subsidiaries of El Paso Corporation have agreed to indemnify us against all obligations related to legal matters. During 2000, Leapartners, L.P. filed a suit against El Paso Field Services in the District Court of Loving County, Texas, alleging a breach of contract to gather and process gas in areas of western Texas related to an asset we acquired. In May 2001, the

court ruled in favor of Leapartners and entered a judgement against El Paso Field Services of approximately \$10 million. El Paso Field Services subsequently filed an appeal with the Eighth Court of Appeals in El Paso, Texas. Review by the Court of Appeals is expected in December 2002.

In addition, we and our subsidiaries and affiliates are named defendants in numerous lawsuits and governmental proceedings that arise in the ordinary course of our business. For each of these matters, we evaluate the merits of the case, our exposure to the matter and possible legal or settlement strategies and the likelihood of an unfavorable outcome. If we determine that an unfavorable outcome is probable and can be estimated, we will make the necessary accruals. As new information becomes available, our estimates may change. The impact of these changes may have a material effect on our results of operations. As of March 31, 2002, we had no accruals relating to legal proceedings.

While the outcome of the matters discussed above cannot be predicted with certainty, based on information known to date, we do not expect the ultimate resolution of these matters will have a material adverse effect on our financial position, operating results or cash flows.

#### Environmental

We are subject to extensive federal, state, and local laws and regulations governing environmental quality and pollution control. These laws and regulations require us to remove or remedy the effect on the environment of the disposal or release of specified substances at current and former operating sites. As of March 31, 2002, we had no accruals for environmental matters. However, in conjunction with our April 2002 acquisition of the midstream assets, we assumed an estimated liability of approximately \$24 million for remediation costs associated with mercury meters.

It is possible that new information or future developments could require us to reassess our potential exposure related to environmental matters. We may incur significant costs and liabilities in order to comply with existing environmental laws and regulations. It is also possible that other developments, such as increasingly strict environmental laws, regulations and claims for damages to property, employees, other persons and the environment resulting from current or past operations, could result in substantial costs and liabilities in the future. As this information becomes available, or other relevant developments occur, we will make accruals accordingly.

#### Regulatory Matters

In September 2001, the Federal Energy Regulatory Commission (FERC) issued a Notice of Proposed Rulemaking (NOPR) that proposes to apply the standards of conduct governing the relationship between interstate pipelines and marketing affiliates to all energy affiliates. Since our High Island offshore system (HIOS) and Petal Gas Storage facility are interstate facilities as defined by the Natural Gas Act, the proposed regulations, if adopted by FERC, would dictate how HIOS and Petal conduct business and interact with all energy affiliates of El Paso Corporation and us. In April 2002, the FERC staff issued a notice of public conference to be heard on May 21, 2002, at which interested parties will be given an opportunity to comment further on the NOPR. We cannot predict the outcome of the NOPR, but adoption of the regulations in substantially the form proposed would, at a minimum, place administrative and operational burdens on us. Further, more fundamental changes could be required such as a complete organizational separation or sale of HIOS and Petal.

While we cannot predict with certainty the final outcome or the timing of the resolution of all of our rates and regulatory matters, we believe the ultimate resolution of these issues, based on information known to date, will not have a material adverse effect on our financial position, results of operations or cash flows.

#### 8. ACCOUNTING FOR HEDGING ACTIVITIES

A majority of our commodity purchases and sales, which relate to sales of oil and natural gas associated with our production operations and purchases and sales of natural gas associated with our El Paso Intrastate Alabama (EPIA) pipeline, are at spot market or forward market prices. We use futures, forward contracts,

and swaps to limit our exposure to fluctuations in the commodity markets and allow for a fixed cash flow stream from these activities.

At March 31, 2002, in connection with our EPIA operations, we have fixed price contracts with specific customers for the sale of predetermined volumes of natural gas for delivery over established periods of time. As of March 31, 2002, the fair value of these cash flow hedges is immaterial. We do not require collateral and do not anticipate non-performance by our counterparty. No ineffectiveness exists in our hedging relationship because all purchase and sale prices are based on the same index and volumes as the hedge transaction.

In January 2002, Poseidon entered into a two-year interest rate swap agreement to fix the interest rate on \$75 million of its \$150 million variable rate revolving credit facility at 3.49% over the life of the swap. At March 31, 2002, the fair value of its interest rate swap was \$0.4 million resulting in an unrealized gain of \$0.4 million. We included our 36 percent share of the unrealized gain of \$0.1 million in other comprehensive income which we estimate will be reclassified to earnings proportionately over the next 21 months. Additionally, we have recognized in income our 36 percent share of Poseidon's realized loss of \$0.3 million for the period ended March 31, 2002, or \$0.1 million, through our earnings from unconsolidated affiliates.

## 9. SEGMENT INFORMATION

We segregate our business activities into four distinct operating segments:

- Natural gas pipelines and plants;
- Oil and NGL logistics;
- Natural gas storage; and
- Platform services.

In October 2001, we acquired the Chaco processing plant and reflected the operations of this asset in our Oil and NGL logistics segment. In light of the expectations of acquiring additional natural gas pipeline and processing assets, effective January 1, 2002, we moved the Chaco processing plant to our Natural gas pipelines and plants segment. As a result of our sale of the Prince TLP and our nine percent overriding royalty interest in the Prince Field in April 2002, the results of operations from these assets are reflected as discontinued operations in our statements of income for all periods presented and are not reflected in our segment results below. Beginning in 2002, operations from our oil and natural gas production are reflected in Other.

We have restated the prior periods, to the extent practicable, in order to conform to our current business segment presentation. The restated results of operations for the quarter ended March 31, 2001, are not necessarily indicative of the results which would have been achieved had the revised business structure been in effect during the period.

Each of our segments are business units that offer different services and products. They are managed separately, as each requires different technology and marketing strategies. We measure segment performance using performance cash flows, or an asset's ability to generate cash flow. Performance cash flows are used as a supplemental financial measurement in the evaluation of our businesses and should not be considered as an alternative to net income as an indicator of our operating performance or as an alternative to cash flows from operating activities as a measure of liquidity. Performance cash flows may not be a comparable measurement among different companies. Following are results as of and for the quarters ending March 31:

	NATURAL GAS OIL AND NATURAL PIPELINES & NGL GAS PLATFORM PLANTS LOGISTICS STORAGE SERVICES OTHER(1) TOTAL	-----	-----	-----	-----
----- (IN THOUSANDS) 2002					
Revenue from external customers....	\$ 40,360	\$ 8,826	\$ 4,388	\$ 4,462	\$ 3,508
Intersegment revenue.....	59	--	--	3,109	(3,168)
Depreciation, depletion and amortization.....	6,505	1,468	1,401	1,092	2,083
Operating income (loss).....	13,355	4,747	1,308	6,093	(3,106)
Earnings from unconsolidated affiliates.....	--	--	--	--	--
	- 3,361	--	--	--	3,361
EBIT.....	13,673	8,108	1,308	6,093	(2,683)
Performance cash flows.....	26,499	20,178	2,709	12,822	2,094
	48,518	10,715	48,518	12,822	2,094
Assets.....	561,831	191,425	205,307	1,492,190	2001
Revenue from external customers....	\$ 30,959	\$ 4,272	\$ 4,958	\$ 3,858	\$ 10,455
Intersegment revenue.....	116	--	3,175	(3,291)	--
Depreciation, depletion and amortization.....	2,367	716	1,401	1,127	2,691
Asset impairment charge.....	3,921	--	--	--	--
Operating income.....	1,967	2,627	2,513	4,773	1,912
Earnings (loss) from unconsolidated affiliates.....	(8,805)	4,093	--	--	(4,712)
EBIT.....	8,206	6,720	2,533	4,755	2,466
Performance cash flows.....	24,680	11,508	3,934	5,717	7,053
	35,227	7,015	35,227	5,717	7,053
Assets.....	217,495	200,210	178,541	995,888	180,050
	219,592	180,050	178,541	995,888	180,050

(1) Represents predominately our oil and natural gas production operations as well as intersegment eliminations.

Performance cash flows are determined by taking EBIT, and adding or subtracting as appropriate, cash distributions from unconsolidated affiliates; depreciation, depletion and amortization; earnings from unconsolidated affiliates and other items. The schedules below reconcile EBIT to performance cash flows.

PERFORMANCE CASH FLOWS BY SEGMENT

NATURAL GAS OIL AND NATURAL PIPELINES & NGL		GAS PLATFORM PLANTS LOGISTICS STORAGE		SERVICES OTHER TOTAL		-----	
----- (IN THOUSANDS) QUARTER ENDED MARCH 31, 2002							
EBIT.....	\$13,673	\$ 8,108	\$1,308	\$ 6,093	\$(2,683)		
	\$26,499	Plus: Depreciation, depletion and amortization.....					
	6,505	1,468	1,401	1,092	2,083	12,549	Cash distributions from unconsolidated affiliates..... --
	4,500	--	--	--	4,500		Net cash payment received from El Paso Corporation..... --
	--	--	--	1,882	1,882		Discontinued operations of Prince facilities..... --
	--	--	5,637	812	6,449		Less: Earnings from unconsolidated affiliates.....
	--	3,361	--	--	3,361		----- Performance cash flows..... \$20,178
	\$10,715	\$2,709	\$12,822	\$ 2,094	\$48,518		=====
	===== QUARTER ENDED MARCH 31, 2001						
EBIT.....	\$ 8,206	\$ 6,720	\$2,533	\$ 4,755	\$ 2,466		
	\$24,680	Plus: Depreciation, depletion and amortization.....					
	2,367	716	1,401	1,127	2,691	8,302	Asset impairment charge..... 3,921
	--	--	--	--	3,921		Cash distributions from unconsolidated affiliates.....
	3,250	3,672	--	--	--	6,922	Net cash payment received from El Paso Corporation..... --
	--	--	--	1,896	1,896		Discontinued operations of Prince facilities..... --
	--	--	(183)	--	(183)		Loss on sale of Gulf of Mexico assets..... 6,923 -- -- 3,458 --
			10,381				Less: Earnings (loss) from unconsolidated affiliates.....
	(8,805)	4,093	--	--	--	(4,712)	Non-cash earnings related to future payments from El Paso Corporation..... 21,964 -- -- 3,440 -
	- 25,404						----- Performance cash flows..... \$11,508 \$ 7,015
	\$3,934	\$ 5,717	\$ 7,053	\$35,227	=====		=====

10. INVESTMENTS IN UNCONSOLIDATED AFFILIATES

We hold investments in various affiliates which we account for using the equity method of accounting. In October 2001, we acquired the remaining 50 percent of Deepwater Holdings. Following this transaction, Deepwater Holdings is consolidated in our financial statements from the acquisition date. Summarized financial information for these investments is as follows:

QUARTER ENDED MARCH 31, 2002  
(IN THOUSANDS)

POSEIDON ----- OWNERSHIP

INTEREST..... 36%  
===== OPERATING RESULTS DATA: Operating  
revenues..... \$14,390  
                  Other  
income..... 310  
                  Operating  
expenses..... (1,423)  
Depreciation.....  
                  (2,049) Other  
expenses.....  
                  (1,702) ----- Net  
income..... \$  
                  9,526 ===== OUR SHARE: Allocated  
income..... \$ 3,429  
Adjustments(1).....  
                  (68) ----- Earnings from unconsolidated  
                  affiliates..... \$ 3,361 ===== Allocated  
                  distributions..... \$ 4,500  
                  =====

QUARTER ENDED MARCH 31, 2001  
(IN THOUSANDS)

DEEPWATER DIVESTED HOLDINGS POSEIDON

INVESTMENTS(2) TOTAL -----  
----- OWNERSHIP  
INTEREST..... 50%  
36% -- ===== OPERATING RESULTS  
                  DATA: Operating  
revenues..... \$ 14,779  
                  \$18,568 \$1,982 Other income  
(loss)..... -- 366 (85)  
                  Operating  
expenses..... (6,484)  
                  (1,497) (590)  
Depreciation.....  
                  (2,886) (2,837) (953) Other expenses  
(income)..... (2,978)  
                  (2,821) 222 Loss on  
                  sale.....  
                  (14,925) -- ----- Net  
income (loss).....  
\$ (12,494) \$11,779 \$ 576 =====  
                  OUR SHARE: Allocated income  
(loss)..... \$ (6,247) \$  
                  4,240 \$ 148  
Adjustments(1).....  
                  (2,697) (147) (9) -----  
                  Earnings (loss) from unconsolidated  
                  affiliates... \$ (8,944) \$ 4,093 \$ 139 \$(4,712)  
                  ===== Allocated  
                  distributions..... \$ 3,250  
                  \$ 3,672 \$ -- \$ 6,922 =====  
                  =====

(1) We recorded adjustments primarily for differences from estimated year end earnings reported in our Annual Report on Form 10-K and actual earnings reported in the audited annual reports of our unconsolidated affiliates. For the quarter ended March 31, 2001, we recorded an additional adjustment relating to the sale of Stingray and West Cameron. The loss on these sales was not allocated proportionately with Deepwater Holdings' ownership percentages because the capital contributed by us was a larger amount of capital at the formation and therefore we were allocated a larger portion of

the loss. Our total share of the loss relating to these sales was approximately \$14 million.

- (2) Divested Investments includes Manta Ray Offshore Gathering Company, L.L.C. and Nautilus Pipeline Company L.L.C. In January 2001, we sold our 25.67% interest in Manta Ray Offshore and our 25.67% interest in Nautilus.

11. RELATED PARTY TRANSACTIONS

Our transactions with related parties and affiliates are as follows:

QUARTER ENDED MARCH 31, -----	2002			
2001 -----		(IN THOUSANDS)	Revenues	
			received from related parties	
			Gathering and	
			processing services.....	\$
	9,176	\$ 1,080	Natural gas	
sales.....				
	2,918	2,689	Liquid transportation and	
			fractionation services.....	6,233 2,306
			Natural gas storage	
services.....				-- 878
			Platform	
services.....				
-- 34 -----		\$18,327	\$ 6,987	=====
=====			Expenses paid to related parties	Cost of
			natural	
gas.....				\$
	8,401	\$15,312	Operating	
expenses.....				
	8,800	6,949		\$17,201 \$22,261
=====			Reimbursements received from	
			related parties	Operating
expenses.....				
	\$ 525	\$ 4,909	=====	=====

There have been no changes to our related party relationships, except as described below, from our 2001 Annual Report on Form 10-K.

At March 31, 2002, and December 31, 2001, our accounts receivable due from related parties was \$18.0 million and \$22.9 million. At March 31, 2002 and December 31, 2001, our accounts payable due to related parties was \$11.2 million and \$9.9 million.

In connection with the sale of our Gulf of Mexico assets in January 2001, El Paso Corporation agreed to make quarterly payments to us of \$2.25 million for three years beginning March 2001 and \$2 million in the first quarter of 2004. The present value of the amounts due from El Paso Corporation were classified as follows:

MARCH 31, DECEMBER 31, 2002 2001 -----			
-----	(IN THOUSANDS)	Accounts	
		receivable,	
net.....			\$
	7,902	\$ 7,745	Other noncurrent
assets.....			
	8,323	10,362	\$16,225
		\$18,107	=====

Under a general and administrative services agreement between subsidiaries of El Paso Corporation and us, a fee of approximately \$0.8 million per month is charged to our general partner, and accordingly, to us, which is intended to approximate the amount of resources allocated by El Paso Corporation and its affiliates in providing various operational, financial, accounting and administrative services on behalf of our general partner and us. In April 2002, in connection with our acquisition of midstream assets, our general and administrative services agreement was extended to December 31, 2005, and the fee increased to approximately \$1.6 million per month.

The following table provides summary data categorized by our related parties:

QUARTER ENDED MARCH 31, -----		2002		2001		----- (IN THOUSANDS)	
Revenues received from related parties El Paso Corporation Merchant Energy North America Company.....							
		\$	2,920	\$	3,549	El Paso Production	
Company.....			1,093			841 Tennessee Gas Pipeline	
Company.....	--		257			El Paso Field	
Services.....			14,314			2,306 Unconsolidated Subsidiaries	
						Manta Ray	
Offshore(1).....							
--	34		\$18,327		\$	6,987	
=====	=====					Cost of natural gas	
purchased from related parties El Paso Corporation Merchant Energy North America Company.....							
		\$	7,210	\$	13,072	El Paso Production	
Company.....			1,114			2,240 Tennessee Gas Pipeline	
Company.....	77	--					
--			\$ 8,401		\$	15,312	=====
=====						Operating expenses paid to related parties El Paso Corporation El Paso Field Services.....	
		\$	8,690	\$	6,814	Unconsolidated Subsidiaries	
Company.....	110	135	--				
--			\$ 8,800		\$	6,949	=====
=====						Reimbursements received from related parties Unconsolidated Subsidiaries	
Company.....		\$	525	\$	--	Deepwater	
Holdings(2).....							
--			4,901			Manta Ray	
Offshore(1).....							
--	8		\$ 525		\$	4,909	=====
						=====	

- (1) We sold our interest in Manta Ray Offshore in January 2001 in connection with El Paso Corporation's merger with The Coastal Corporation.
- (2) In January 2001, Deepwater Holdings sold its Stingray and West Cameron subsidiaries. In April 2001, Deepwater Holdings sold its UTOS subsidiary. In October 2001, we acquired the remaining 50 percent of Deepwater Holdings, and as a result of this transaction, Deepwater Holdings is consolidated in our financial statements from the acquisition date and our agreement with Deepwater Holdings terminated.

## 12. GUARANTOR FINANCIAL INFORMATION

On May 1, 2001, we purchased our general partner's 1.01 percent non-managing interest owned in twelve of our subsidiaries for \$8 million. As a result of this acquisition, all of our subsidiaries, but not our equity investees, are wholly owned by us. As of March 31, 2002, our revolving credit facility is guaranteed by each of our subsidiaries (excluding our Argo, L.L.C. and Argo I, L.L.C. subsidiaries) and is collateralized by our management agreement, substantially all of our assets, and our general partner's one percent general partner interest. In addition, all of our senior subordinated notes are guaranteed by all of our subsidiaries except Argo and Argo I. We are providing the following condensed consolidating financial information of us (as the Issuer) and our subsidiaries as if our current organizational structure were in place for all periods presented. The consolidating eliminations column on our balance sheets eliminate our investment in consolidated subsidiaries, intercompany payables and receivables and other transactions between subsidiaries.

Non-guarantor subsidiaries for the quarter ended March 31, 2002, consisted of Argo and Argo I which owned the Prince TLP. As a result of our disposal of the Prince TLP and our related overriding royalty interest to El Paso Corporation in April 2002, the results of operations and net book value of these assets are reflected as discontinued operations in our statements of income and assets held for sale in our balance sheets and Argo and Argo I became guarantor subsidiaries.

CONDENSED CONSOLIDATING STATEMENT OF INCOME  
FOR THE QUARTER ENDED MARCH 31, 2002

NON-GUARANTOR	GUARANTOR	CONSOLIDATED	ISSUER
SUBSIDIARIES	SUBSIDIARIES	TOTAL	-----
----- (IN			
THOUSANDS) Operating			
revenues.....			\$ -- \$
-- \$61,544	\$ 61,544	-----	-----
----- Operating expenses			
gas.....			-- -- 12,158
	12,158	Operations and	
maintenance.....			3,272 --
11,168	14,440	Depreciation, depletion and	
amortization....	161	-- 12,388	12,549 -----
-----	-----	3,433	-- 35,714
39,147	-----	-----	-----
		Operating income	
(loss).....			(3,433) --
25,830	22,397	-----	-----
---	Other income (loss)	Earnings from	
unconsolidated affiliates.....	-- --	3,361	
	3,361	Net gain on sales of	
assets.....	-- --	315	315
Other			
income (loss).....			436
-- (10)	426	-----	-----
- 436	-- 3,666	4,102	-----
-	-----	Income before interest, income	
		taxes and other	
charges.....			
(2,997)	-- 29,496	26,499	Interest and debt
			expense..... 10,439 --
(22,197)	(11,758)	-----	-----
-----	Income from continuing		
operations.....			7,442 -- 7,299
	14,741	Income from discontinued	
operations.....	-- 4,004	381	4,385 --
-----	-----	Net	
income.....			\$
7,442	\$4,004	\$ 7,680	\$ 19,126 =====
	=====	=====	=====

CONDENSED CONSOLIDATING STATEMENTS OF INCOME  
FOR THE QUARTER ENDED MARCH 31, 2001

NON-GUARANTOR	GUARANTOR	CONSOLIDATED	ISSUER
SUBSIDIARIES	SUBSIDIARIES	TOTAL	-----
----- (IN			
THOUSANDS) Operating			
revenues.....	\$ --	\$	
-- \$ 54,502	\$ 54,502	-----	
----- Operating expenses	Cost of natural		
gas.....	-- --	22,971	
	22,971	Operations and	
maintenance.....	1,792	--	
3,724	5,516	Depreciation, depletion and	
amortization.....	254	-- 8,048	8,302
Asset impairment charge.....	--	--	
- 3,921	3,921	-----	
- 2,046	-- 38,664	40,710	-----
	-----	Operating income	
(loss).....	(2,046)	--	
15,838	13,792	-----	
	- Other income (loss)	Loss from	
	unconsolidated affiliates.....	-- --	
	(4,712)	(4,712)	Net loss on sales of
	assets.....	(9,676)	-- (705)
	(10,381)	Other	
income.....			
25,953	-- 28	25,981	-----
-----	16,277	-- (5,389)	10,888
--	-----	Income before interest,	
		income taxes and other	
charges.....			
14,231	-- 10,449	24,680	Interest and debt
expense.....		3,565	--
	(14,488)	(10,923)	Minority
interest.....	-- --		
(41)	(41)	-----	
	Income (loss) from continuing		
operations.....	17,796	-- (4,080)	13,716
	Loss from discontinued		
operations.....	-- (743)	-- (743)	-
	-----	Net income	
(loss).....		\$17,796	
\$ (743)	\$ (4,080)	\$ 12,973	=====
		=====	

CONDENSED CONSOLIDATING BALANCE SHEETS  
MARCH 31, 2002

NON-GUARANTOR	GUARANTOR	
CONSOLIDATING	CONSOLIDATED	
ISSUER SUBSIDIARIES		
SUBSIDIARIES ELIMINATIONS		
TOTAL	-----	-----

- (IN THOUSANDS)

Current assets		
Cash and cash equivalents....	\$ 115,002	\$ 10,251
Accounts receivable, net	\$ 8,179	\$ --
Trade.....	720 323 31,349	-- 32,392
Affiliate.....	990,656 18 5,876	(978,574)
Other current assets.....	17,976	3,314 -- --
	3,314	-----

Total current assets.....	1,109,692	10,592 45,404 (978,574)
Property, plant and equipment, net.....	187,114	3,339 -- 933,462 -- 936,801
Assets held for sale, net.....	-- 155,774	32,409
Investment in processing agreement.....	-- 118,462	-- 118,462
Investment in unconsolidated affiliates.....	-- 33,438	-- 33,438
Investment in consolidated affiliates.....	65,061 -- 49,853	(114,914) -
Other noncurrent assets.....	194,069 1,041	3,081 (169,999) 28,192
	-----	-----

Total assets.....	\$1,372,161	\$167,407
	\$1,216,109	\$(1,263,487)
	\$1,492,190	=====
	=====	=====

Current liabilities	Accounts payable	
Trade.....	\$ 2,107	\$ 6,688
Affiliate.....	1,766 19,917	968,044
Accrued interest.....	(978,574) 11,153	14,128
Current maturities of limited recourse term loan.....	530 -- --	14,658
Other current liabilities....	-- 19,000	-- 19,000
	-- 5,171	-- 5,171
	-----	-----

Total current liabilities.....	15,894	41,554 979,903
Revolving credit facility.....	(978,574)	58,777
Long-term debt.....	444,000	-- -- 444,000

425,000	--	--	--	425,000
Limited recourse term loan,				
less current				
maturities.....	--	76,000	-	
- -- 76,000 Other noncurrent				
liabilities...	--	171,145		
(169,999) 1,146 Partners'				
capital.....				
487,267		49,853		65,061
(114,914)		487,267	-----	
-----				
--- ----- Total				
liabilities and partners'				
capital.....				\$1,372,161
\$167,407		\$1,216,109		
\$(1,263,487)		\$1,492,190		
=====		=====		
=====		=====		
=====				

CONDENSED CONSOLIDATING BALANCE SHEET  
DECEMBER 31, 2001

NON-GUARANTOR GUARANTOR  
CONSOLIDATING CONSOLIDATED  
ISSUER SUBSIDIARIES  
SUBSIDIARIES ELIMINATIONS  
TOTAL -----

----- (IN  
THOUSANDS) Current assets  
Cash and cash  
equivalents.... \$ 7,406 \$  
2,571 \$ 3,107 \$ -- \$ 13,084  
Accounts receivable, net  
Trade..... -  
- 191 32,971 -- 33,162  
Affiliate.....  
970,933 2,130 2,150  
(952,350) 22,863 Other  
current assets.....  
2,375 -- (2,082) -- 293 ----  
-----  
----- Total  
current assets.....  
980,714 4,892 36,146  
(952,350) 69,402 Property,  
plant and equipment,  
net.....  
2,371 -- 915,496 -- 917,867  
Assets held for sale,  
net..... -- 152,998 32,826  
-- 185,824 Investment in  
processing  
agreement.....  
-- -- 119,981 -- 119,981  
Investment in unconsolidated  
affiliates.....  
-- -- 34,442 -- 34,442  
Investment in consolidated  
affiliates.....  
51,960 -- 45,849 (97,809) --  
Other noncurrent  
assets..... 196,777 1,089  
1,887 (169,999) 29,754 ----  
-----  
----- Total  
assets..... \$1,231,822  
\$158,979 \$1,186,627  
\$(1,220,158) \$1,357,270  
===== =====  
===== =====  
===== Current  
liabilities Accounts payable  
Trade..... \$  
587 \$ 3,859 \$ 10,541 \$ -- \$  
14,987  
Affiliate..... -  
- 13,568 948,700 (952,350)  
9,918 Accrued  
interest..... 5,698  
703 -- -- 6,401 Current  
maturities of limited  
recourse term loan..... -  
- 19,000 -- -- 19,000 Other  
current liabilities....  
(189) -- 4,348 -- 4,159 ----  
-----  
----- Total  
current liabilities.....  
6,096 37,130 963,589  
(952,350) 54,465 Revolving  
credit facility.....  
300,000 -- -- -- 300,000  
Long-term  
debt.....  
425,000 -- -- -- 425,000  
Limited recourse term loan,

	less current	
maturities.....	-- 76,000	-
- -- 76,000 Other noncurrent		
liabilities...	-- -- 171,078	
(169,999) 1,079 Partners'		
capital.....		
500,726 45,849 51,960		
(97,809) 500,726 -----		
-----		
--- ----- Total		
liabilities and partners'		
capital.....		
\$1,231,822 \$158,979		
\$1,186,627 \$(1,220,158)		
\$1,357,270 =====		
=====		
=====		

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOW  
FOR THE QUARTER ENDED MARCH 31, 2002

NON-GUARANTOR	GUARANTOR	CONSOLIDATED	ISSUER
SUBSIDIARIES	SUBSIDIARIES	TOTAL	-----
----- (IN THOUSANDS)			
Cash flows from operating activities			
Net income.....			
\$ 7,442	\$ 4,004	\$ 7,680	\$ 19,126
Less income from discontinued operations..... --			
4,004	381	4,385	-----
----- Income from continuing operations.....			
7,442	--	7,299	-----
14,741			
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation, depletion and amortization.....			
161	--	12,388	12,549
Net gain on sales of assets..... --			
--	(315)	(315)	
Distributed earnings of unconsolidated affiliates			
Earnings from unconsolidated affiliates..... -- --			
			(3,361)
(3,361) Distributions from unconsolidated affiliates..... --			
--	4,500	4,500	
Other noncash items.....			
1,090	--		
175	1,265		
Working capital changes, net of non-cash transactions.....			
7,688	(1,884)	2,595	8,399
----- Net cash provided by continuing operations.....			
16,381	(1,884)		
23,281	37,778		
Net cash provided by discontinued operations..... --			
4,631	798		
5,429			
----- Net cash provided by operating activities.....			
16,381	2,747	24,079	43,207
----- Cash flows from investing activities			
Additions to property, plant and equipment.....			
(1,129)	--	(33,981)	(35,110)
----- Proceeds from sale of assets.....			
--	--	5,460	5,460
----- Net cash used in investing activities of continuing operations.....			
(1,129)	--	(28,521)	(29,650)
----- Net cash used in investing activities of discontinued operations..... --			
(3,523)			
----- Net cash used in investing activities... (1,129) (3,523) (28,521) (33,173) -----			
----- Cash flows from financing activities			
Net proceeds from revolving credit facility.....			
143,978	--	--	
143,978			
Net proceeds from issuance of common units.....			
56	--	--	
Advances with affiliates.....			
(17,973)			
8,459	9,514		
Distributions to partners.....			
(33,717)	--		
--	(33,717)		
----- Net cash provided by financing activities of continuing operations.....			
92,344			
8,459	9,514	110,317	
Net cash used in financing activities of discontinued operations..... --			
(3)	--		
(3)			
----- Net cash provided by financing activities.....			
92,344	8,456	9,514	110,314
----- Increase in cash and cash equivalents.....			
\$ 5,072	\$ 120,348	=====	\$ 107,596
----- Cash and cash equivalents Beginning of period.....			
13,084	--		
----- End of			

period.....  
\$133,432 =====

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOW  
FOR THE QUARTER ENDED MARCH 31, 2001

NON-GUARANTOR	GUARANTOR	CONSOLIDATED	ISSUER
SUBSIDIARIES	SUBSIDIARIES	TOTAL	-----
----- (IN			
THOUSANDS) Cash flows from operating			
activities Net income			
(loss)..... \$			
17,796	\$ (743)	\$ (4,080)	\$ 12,973
Less loss			
from discontinued operations..... --			
(743)	-- (743)	-----	--
----- Income (loss) from continuing			
operations..... 17,796 -- (4,080) 13,716			
Adjustments to reconcile net income to net			
cash provided by operating activities			
Depreciation, depletion and			
amortization..... 254 -- 8,048 8,302			
Asset			
impairment charge..... --			
- 3,921 3,921			
Net loss on sale of			
assets..... 9,676 -- 705			
10,381			
Distributed earnings of			
unconsolidated affiliates Loss from			
unconsolidated affiliates..... -- --			
4,712 4,712			
Distributions from			
unconsolidated			
affiliates..... --			
-- 6,922 6,922			
Other noncash			
items..... 912 -- --			
912			
Working capital changes, net of non-cash			
transactions.....			
(19,172)	(167)	(4,169)	(23,508)
-----			
----- Net cash provided			
by (used in) continuing			
operations.....			
9,466	(167)	16,059	25,358
Net cash used by			
discontinued operations..... -- (519) --			
(519)	-----	-----	-----
Net cash provided by (used in) operating			
activities..... 9,466			
(686)	16,059	24,839	-----
-----			
----- Cash flows from investing			
activities Additions to property, plant and			
equipment..... -- -- (136,267) (136,267)			
Proceeds from sale of			
assets..... 89,162 -- 19,071			
108,233			
Additions to investments in			
unconsolidated			
affiliates.....			
-- --	(1,486)	(1,486)	-----
-----			
----- Net cash provided by (used			
in) investing activities of continuing			
operations..... 89,162 -- (118,682)			
(29,520)			
Net cash used in investing			
activities of discontinued			
operations..... -- (18,207)			
-- (18,207)	-----	-----	-----
-----			
----- Net cash provided by (used in)			
investing			
activities.....			
89,162	(18,207)	(118,682)	(47,727)
-----			
----- Cash flows from			
financing activities Net proceeds from			
revolving credit facility..... 142,620 -- --			
142,620			
Revolving credit			
repayments..... (123,000) --			
-- (123,000)			
Net proceeds from issuance of			
common units..... 73,358 -- -- 73,358			
Advances with			
affiliates..... (103,914)			
1,291 102,623 --			
Distributions to			
partners..... (22,122) --			
-- (22,122)	-----	-----	-----
-----			
----- Net cash provided by (used in)			
financing activities of continuing			
operations..... (33,058) 1,291 102,623			
70,856			
Net cash provided by financing			
activities of discontinued			

operations.....	--	24,962	-
- 24,962 .....			
-- Net cash provided by (used in) financing activities.....			
(33,058) 26,253 102,623 95,818 .....			
----- Increase in cash and cash equivalents.....		\$ 65,570	\$
7,360 \$ -- 72,930 .....		=====	=====
===== Cash and cash equivalents			
Beginning of			
period.....	20,281	-	
----- End of			
period.....		\$	
93,211 .....		=====	

### 13. NEW ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

#### Accounting for Asset Retirement Obligations

In August 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 143, Accounting for Asset Retirement Obligations. This statement requires companies to record a liability relating to the retirement and removal costs of assets used in their business. The liability is discounted to its present value, and the related asset value is increased by the amount of the resulting liability. Over the life of the asset, the liability will be accreted to its future value and eventually extinguished when the asset is taken out of service. Capitalized retirement and removal costs will be depreciated over the useful life of the related asset. The provisions of this statement are effective for fiscal years beginning after June 15, 2002. We are currently evaluating the effects of this pronouncement.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in Item 2 updates, and you should read it in conjunction with, information disclosed in Part II, Items 7, 7A and 8, in our Annual Report on Form 10-K for the year ended December 31, 2001, in addition to the interim financial statements and notes presented in Item 1 of this Quarterly Report on Form 10-Q.

### RECENT DEVELOPMENTS

#### EPN HOLDING ASSETS

In April 2002, EPN Holding acquired from El Paso Corporation midstream assets located in Texas and New Mexico. The acquired assets include:

- Texas pipeline assets, including the EPGT Texas intrastate pipeline system;
- the Waha gathering and treating system located in the Permian Basin region of Texas and New Mexico;
- the Carlsbad gathering system located in the Permian Basin region of New Mexico;
- an approximate 42.3 percent non-operating interest in the Indian Basin processing and treating facility located in southeastern New Mexico; and
- a leased interest in the Wilson natural gas storage facility located in Wharton County, Texas.

The \$750 million sales price was adjusted for the assumption of \$15 million of working capital related to natural gas imbalances. The net consideration of \$735 million for the EPN Holding assets was comprised of the following:

- \$420 million of cash;
- \$119 million of assumed short-term indebtedness payable to El Paso Corporation, which has been repaid;
- \$6 million in common units; and
- \$190 million in assets, comprised of our Prince TLP and our nine percent Prince overriding royalty interest.

To finance substantially all of the cash consideration related to this acquisition, EPN Holding entered into a limited recourse credit agreement with a syndicate of commercial banks. EPN Holding's obligations under the credit agreement are guaranteed by substantially all of its subsidiaries and EPN Holding Company I, L.P. and EPN GP Holding, L.L.C., our two subsidiaries that own the equity interests in EPN Holding. Those obligations are collateralized by the equity interest in, and substantially all of the assets of, EPN Holding and its subsidiaries. In addition, the credit agreement limits EPN Holding's ability to pay distributions to us.

As discussed in our Form 10-K, we have instituted specific procedures for evaluating and valuing transactions with El Paso Corporation and its subsidiaries. This acquisition of the midstream assets was consummated only after the Special Conflicts Committee's approval and recommendation of the transaction.

#### FALCON NEST

In April 2002, we entered into an agreement with Pioneer Natural Resources and Mariner Energy, Inc. Company under which we will construct, install, own, and operate a fixed-leg platform and processing facility to process natural gas from Pioneer's and Mariner's Falcon Field discoveries located in the Gulf of Mexico. We expect this platform to have processing capacity of at least 300 MMcf/d and to place this platform in service in the first quarter of 2003.

## CAMERON HIGHWAY PROJECT

In February 2002, we announced that we will build and operate the Cameron Highway Oil Pipeline System, a 380-mile oil pipeline in the Gulf of Mexico. Cameron Highway will deliver up to 500 MBbl/d of oil from the southern Green Canyon and western Gulf of Mexico areas to Port Arthur and Texas City, Texas. The new pipeline is expected to be in service by the third quarter of 2004. We have entered into agreements with operating subsidiaries of BP p.l.c., BHP Billiton, and Unocal under which each of them has dedicated production from the Holstein, Mad Dog, and Atlantis discoveries in the Deepwater Trend in the Gulf of Mexico to Cameron Highway. We plan to seek a partner or partners for up to 50 percent of the interest in the pipeline.

## HATTIESBURG STORAGE FACILITY

In January 2002, we acquired a 3.3 million barrel propane storage business and leaching operation located in Hattiesburg, Mississippi from Suburban Propane Partners, L.P. As part of the transaction, we entered into a long-term propane storage agreement with Suburban Propane Partners for a portion of the acquired propane storage capacity. We intend to convert a portion of these assets to natural gas storage and will integrate them with our adjacent Petal natural gas storage facility.

SEGMENT RESULTS

In October 2001, we acquired the Chaco plant and reflected the operations of this asset in our Oil and NGL logistics segment. In light of acquiring additional natural gas pipeline and processing assets, effective January 1, 2002, we moved the Chaco Plant to our Natural gas pipelines and plants. As a result of our sale of the Prince TLP and our nine percent overriding interest in the Prince Field in April 2002, the results of operations from these assets are reflected as discontinued operations in our statements of income for all periods presented and are not reflected in our segment results below. Beginning in 2002, operations from our oil and natural gas production are reflected in Other.

To the extent possible, results of operations have been reclassified to conform to the current business segment presentation, although these results may not be indicative of the results which would have been achieved had the revised business segment structure been in effect during those periods. Operating revenues and expenses by segment include intersegment revenues and expenses which are eliminated in consolidation. The following table presents EBIT by segment and in total for each of the quarters ended March 31:

2002	2001		(IN THOUSANDS)	EARNINGS
				BEFORE INTEREST EXPENSE AND INCOME TAXES
				Natural gas pipelines and plants.....
		\$13,673	\$ 8,206	Oil and NGL logistics.....
		8,108	6,720	Natural gas storage.....
		1,308	2,533	Platform services.....
		6,093	4,755	----- Segment
		29,182	22,214	Other, net.....
		(2,683)	2,466	----- Consolidated
		\$26,499	\$24,680	=====

EBIT variances are discussed in the segment results below.

NATURAL GAS PIPELINES AND PLANTS

QUARTER ENDED MARCH 31,	2002	2001	--
			(IN THOUSANDS, EXCEPT FOR VOLUMES)
			Gathering and processing
		\$ 26,000	\$ 6,470
			Natural gas sales.....
		24,605	14,419
			Total operating revenues.....
		40,419	31,075
			Cost of natural gas.....
		(22,971)	(12,158)
			Operating expenses.....
		(14,906)	(6,137)
			Other income.....
		318	6,239
			-----
		\$ 13,673	\$ 8,206
		=====	=====
			Volumes (MDth/d)
			HIOS.....
		831	978
			Viosca Knoll Gathering.....
			533 563
			East Breaks.....
		239	214
			El Paso Intrastate
		195	170
			Indian Basin Pipeline.....
			38 --
			Chaco Plant.....
			619
			----- Total
			volumes.....
		1,950	2,430
		=====	=====

Gathering and processing revenue for the quarter ended March 31, 2002, was \$19.5 million higher than in the same period in 2001, primarily due to our consolidation of Deepwater Holdings and the purchase of the Chaco plant in October 2001. Natural gas sales margin, or natural gas sales less cost of



quarter ended March 31, 2002, were \$0.6 million higher than in the same period in 2001 primarily due to increased volumes and an increase in the spread between our sales price and our cost of natural gas on EPIA in 2002.

Operating expenses for the quarter ended March 31, 2002, were \$8.8 million higher than the same period in 2001 primarily due to our consolidation of Deepwater Holdings and the purchase of the Chaco plant in October 2001.

Other income for the quarter ended March 31, 2002, was \$5.9 million lower than the same period in 2001 primarily due to our receipt of \$22.0 million in additional consideration from El Paso Corporation associated with the sale of our Gulf of Mexico pipeline assets in 2001, partially offset by net losses of \$7.8 million due to the sale of our interests in the Tarpon and Green Canyon pipeline assets in January 2001. Further contributing to our decrease in other income was lower earnings from unconsolidated affiliates of \$8.9 million, which relates to Deepwater Holdings' sale of Stingray and the West Cameron dehydration facility and the sale of our interest in Nautilus and Manta Ray Offshore during the first quarter of 2001.

#### OIL AND NGL LOGISTICS

QUARTER ENDED MARCH 31, -----	2002	2001	-
-----	(IN THOUSANDS, EXCEPT FOR VOLUMES)		
Liquid transportation and fractionation			
revenue.....	\$ 8,826	\$ 4,272	Operating
expenses.....			Other
	(4,079)	(1,645)	
income.....			
	3,361	4,093	-----
EBIT.....			
\$ 8,108	\$ 6,720	=====	=====
Oil Pipeline.....	142,677		Volume (Bbl/d) Poseidon
	161,498		EPN
Texas.....			
	70,837	24,016	Allegheny Oil
Pipeline.....	18,226		
	15,774	-----	-----
volumes.....	231,740		Total
	201,288	=====	=====

For the quarter ended March 31, 2002, revenues were \$4.6 million higher and operating expenses were \$2.4 million higher than the same period in 2001, due to our acquisitions of the EPN Texas transportation and fractionation assets in February 2001, the Hattiesburg propane storage facility in January 2002, and the Anse La Butte NGL storage facility in December 2001.

Other income for the quarter ended March 31, 2002, was \$0.7 million lower than the same period in 2001 primarily due to a decrease in earnings from unconsolidated affiliates attributable to Poseidon Oil Pipeline due to lower volumes.

#### NATURAL GAS STORAGE

QUARTER ENDED MARCH 31, -----	2002	2001	--
-----	(IN THOUSANDS) Natural gas storage		
revenue.....	\$ 4,388	\$ 4,958	
			Operating
expenses.....			
	(3,080)	(2,425)	-----
EBIT.....			
	\$ 1,308	\$ 2,533	=====

Natural gas storage revenue for the quarter ended March 31, 2002, was \$0.6 million lower than the same period in 2001, primarily due to lower interruptible storage services during 2002.

Operating expenses for the quarter ended March 31, 2002, were \$0.7 million higher than the same period in 2001, primarily due to the favorable resolution of an imbalance settlement in 2001.

PLATFORM SERVICES

QUARTER ENDED MARCH 31, -----	2002	2001	---
----- (IN THOUSANDS, EXCEPT FOR VOLUMES)			
Platform services revenue.....	\$		
7,571	\$	7,033	Operating
expenses.....			
(1,478)	(	2,260)	Other
loss.....			--
(18)	-----	-----	
EBIT.....			
\$ 6,093	\$	4,755	=====
Natural gas platform			
volumes (Mdth/d) East Cameron 373			
platform.....	150	172	Garden
Banks 72 platform.....	6	12	
Viosca Knoll 817			
platform.....	9	10	-----
Total natural gas platform			
volumes.....	165	194	=====
Oil platform volumes (Bbl/d) East Cameron 373			
platform.....	1,728	2,131	
Garden Banks 72			
platform.....	1,062	1,737	
Viosca Knoll 817			
platform.....	2,075	2,040	---
Total oil platform			
volumes.....	4,865	5,908	=====
=====			

For the quarter ended March 31, 2002, revenues were \$0.5 million higher than in the same period in 2001, due to an increase in access fees on East Cameron 373. Operating expenses for the same periods were \$0.8 million lower due to lower direct costs.

Other loss for the quarter ended March 31, 2001, reflects approximately \$3.0 million of losses recognized on the sales of our Gulf of Mexico platform assets in January 2001, offset by the additional consideration from El Paso Corporation related to the sale of these assets.

OTHER, NET

Earnings before interest expense and taxes related to non-segment activity for the quarter ended March 31, 2002, was \$5.1 million lower than the same period in 2001. The decrease was primarily due to lower natural gas and oil prices in 2002, partially offset by lower depletion from natural gas production as a result of upward revisions of prior estimates of reserve quantities.

INTEREST AND DEBT EXPENSE

Interest and debt expense, net of capitalized interest, for the three months ended March 31, 2002, was approximately \$0.8 million higher than the same period in 2001. This increase primarily relates to the \$250 million of 8.5% Senior Subordinated Notes which were issued in May 2001, partially offset by a decrease in interest rates on our revolving credit facility. Capitalized interest in the first quarter of 2002 was \$1.6 million.

LIQUIDITY AND CAPITAL RESOURCES

CASH FROM OPERATING ACTIVITIES

Net cash provided by operating activities was \$43.2 million for the quarter ended March 31, 2002, compared to \$24.8 million for the same period in 2001. The increase was attributable to operating cash flows from our acquisitions of the Chaco plant and the remaining 50 percent interest in Deepwater Holdings that we did not already own in October 2001. This increase was partially offset by lower cash distributions from unconsolidated affiliates relating to our consolidation of Deepwater Holdings in October 2001.

#### CASH FROM INVESTING ACTIVITIES

Net cash used in investing activities was approximately \$33.2 million for the quarter ended March 31, 2002. Capital expenditures primarily related to the expansion of our Petal natural gas storage facility. Proceeds from asset sales related to the Buffalo Treating Facility which we sold to El Paso Production Company in the first quarter of 2002.

#### CASH FROM FINANCING ACTIVITIES

Net cash provided by financing activities was approximately \$110.3 million for the quarter ended March 31, 2002. We received net proceeds of \$144 million from borrowings under our revolving credit facility, \$95 million of which was subsequently used to pay in full the limited recourse term loan in April 2002. We paid distributions to our partners of \$33.7 million.

We expect that future funding for capital expenditures, acquisitions, and other investing activities and for long-term debt retirements, distributions, and other financing activities will be provided by internally generated funds, available capacity under existing credit facilities, and the issuance of long-term debt or equity. In February 2002, our shelf registration statement, as filed with the Securities and Exchange Commission, covering up to \$1 billion of securities representing limited partnership interests, became effective.

#### LIQUIDITY

For a discussion of our financing arrangements and transactions, see Part I, Financial Information, Note 6, which is incorporated herein by reference.

#### COMMITMENTS AND CONTINGENCIES

See Part I, Financial Information, Note 7, which is incorporated herein by reference.

CAUTIONARY STATEMENT REGARDING  
FORWARD-LOOKING STATEMENTS

We have made statements in this document that constitute forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties. Forward-looking statements include information concerning possible or assumed future results of operations. These statements may relate to information or assumptions about:

- earnings per unit;
- capital and other expenditures;
- cash distributions;
- financing plans;
- capital structure;
- liquidity and cash flow;
- pending legal proceedings and claims, including environmental matters;
- future economic performance;
- operating income;
- cost savings;
- management's plans; and
- goals and objectives for future operations.

Important factors that could cause actual results to differ materially from estimates or projections contained in forward-looking statements are described in our Annual Report on Form 10-K for the year ended December 31, 2001, and other filings with the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This information updates, and you should read it in conjunction with, our quantitative and qualitative disclosures about market risks reported in our Annual Report on Form 10-K for the year ended December 31, 2001, in addition to information presented in Items 1 and 2 of this Quarterly Report on Form 10-Q and our Current Reports on Form 8-K.

During 2001, we entered into cash flow hedges. As of March 31, 2002, the fair value of these cash flow hedges is immaterial. During the quarter ended March 31, 2002, the majority of our cash flow hedges expired and we reclassified \$1.4 million from accumulated other comprehensive income to earnings.

PART II -- OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Part I, Financial Information, Note 7, which is incorporated herein by reference.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Each exhibit identified below is filed as part of this report. Exhibits not incorporated by reference to a prior filing are designated by an asterisk.

(a) Exhibits

EXHIBIT NUMBER	DESCRIPTION - -----
----- 4.D --	
	Indenture dated as of May 27, 1999 among El Paso Energy Partners, L.P., El Paso Energy Partners Finance Corporation, the Subsidiary Guarantors and Chase Bank of Texas, as Trustee (Exhibit 4.1 to our Registration Statement on Form S-4, filed on June 24, 1999, File Nos. 333-81143 through 333- 81143-17).
*4.D.1 --	
	Sixth Supplemental Indenture dated as of April 18, 2002 to the Indenture dated as of May 27, 1999 among El Paso Energy Partners, L.P., El Paso

Energy  
Partners  
Finance  
Corporation,  
the  
Subsidiary  
Guarantors  
and JP Morgan  
Chase Bank,  
as Trustee.

\*4.D.2 --  
Seventh  
Supplemental  
Indenture  
dated as  
April 18,  
2002 to the  
Indenture  
dated as of  
May 27, 1999  
among El Paso  
Energy  
Partners,  
L.P., El Paso  
Energy  
Partners  
Finance  
Corporation,  
the  
Subsidiary  
Guarantors  
and JP Morgan  
Chase Bank,  
as Trustee.

4.E --  
Indenture  
dated as of  
May 11, 2000  
among El Paso  
Energy  
Partners,  
L.P., El Paso  
Energy  
Partners  
Finance  
Corporation,  
the  
Subsidiary  
Guarantors  
and The Chase  
Manhattan  
Bank, as  
Trustee  
(Exhibit 4.1  
to our  
Registration  
Statement on  
Form S-4,  
filed June  
25, 2001,  
Registration  
Nos. 333-  
63800 through  
333-63800-  
20). \*4.E.1 -  
- First  
Supplemental  
Indenture  
dated as of  
April 18,  
2002 to the  
Indenture  
dated as of  
May 17, 2001  
among El Paso  
Energy  
Partners,  
L.P., El Paso  
Energy  
Partners  
Finance

Corporation,  
The  
Subsidiary  
Guarantors  
and JP Morgan  
Chase Bank,  
as Trustee.

\*4.E.2 --  
Second  
Supplemental  
Indenture  
dated as  
April 18,  
2002 to the  
Indenture  
dated as of  
May 17, 2001  
among El Paso  
Energy  
Partners,  
L.P., El Paso  
Energy  
Partners  
Finance  
Corporation,  
The  
Subsidiary  
Guarantors  
and JP Morgan  
Chase Bank,  
as Trustee.

10.A --  
General and  
Administrative  
Services  
Agreement by  
and between  
DeepTech  
International  
Inc., El Paso  
Energy  
Partners  
Company, and  
El Paso Field  
Services,  
L.P., dated  
as of April  
8, 2002  
(Exhibit 10.A  
to our Form  
8-K filed  
April 22,  
2002).

\*10.B.1 --  
Second  
Amendment  
dated as of  
March 28,  
2002 to Fifth  
Amended and  
Restated  
Credit  
Agreement.

EXHIBIT  
NUMBER  
DESCRIPTION -  
-----  
----- 10.N --  
Purchase,  
Sale and  
Merger  
Agreement by  
and between  
El Paso  
Tennessee  
Pipeline Co.  
and El Paso  
Energy  
Partners,  
L.P., dated  
as of April  
1, 2002  
(Exhibit 10.N  
to our Form  
8-K filed  
April 22,  
2002). 10.0 -  
-  
Contribution  
Agreement by  
and between  
El Paso Field  
Services  
Holding  
Company and  
El Paso  
Energy  
Partners,  
L.P., dated  
as of April  
1, 2002  
(Exhibit 10.0  
to our Form  
8-K filed  
April 22,  
2002). 10.P -  
- Purchase  
and Sale  
Agreement by  
and between  
El Paso  
Energy  
Partners,  
L.P. and El  
Paso  
Production  
GOM Inc.  
dated as of  
April 1, 2002  
(Exhibit 10.P  
to our Form  
8-K filed  
April 22,  
2002). 10.Q -  
- Credit  
Agreement  
among EPN  
Holding  
Company,  
L.P., the  
Lenders party  
thereto, Banc  
One Capital  
Markets, Inc.  
and Wachovia  
Bank, N.A.,  
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  
(Exhibit 10.Q  
to our Form  
8-K filed  
April 22,  
2002).

(b) Reports on Form 8-K

We filed a current report on Form 8-K dated April 15, 2002, announcing the completion of a previously announced acquisition of certain Texas and New Mexico midstream assets from El Paso Corporation.

We filed a current report on Form 8-K dated April 22, 2002, providing audited financial statements of the acquired businesses.

We filed a current report on Form 8-K dated April 24, 2002, filing the consents from experts incorporated by reference in our Registration Statement on Form S-3 (File No. 333-85987).

We filed a current report on Form 8-K dated April 29, 2002, filing the Underwriting Agreement in connection with our recent public offering of 3 million common units.

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: May 15, 2002

By: /s/ KEITH B. FORMAN

-----  
Keith B. Forman  
Vice President and Chief Financial  
Officer

Date: May 15, 2002

By: /s/ D. MARK LELAND

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

INDEX TO EXHIBITS

Each exhibit identified below is filed as part of this report. Exhibits not incorporated by reference to a prior filing are designated by an asterisk.

EXHIBIT NUMBER	DESCRIPTION - -----
----- 4.D --	
	Indenture dated as of May 27, 1999 among El Paso Energy Partners, L.P., El Paso Energy Partners Finance Corporation, the Subsidiary Guarantors and Chase Bank of Texas, as Trustee (Exhibit 4.1 to our Registration Statement on Form S-4, filed on June 24, 1999, File Nos. 333-81143 through 333- 81143-17).
*4.D.1 --	
	Sixth Supplemental Indenture dated as of April 18, 2002 to the Indenture dated as of May 27, 1999 among El Paso Energy Partners, L.P., El Paso Energy Partners Finance Corporation, the Subsidiary Guarantors and JP Morgan Chase Bank, as Trustee.
*4.D.2 --	
	Seventh Supplemental Indenture dated as April 18, 2002 to the Indenture dated as of May 27, 1999 among El Paso Energy Partners, L.P., El Paso Energy

Partners  
Finance  
Corporation,  
the  
Subsidiary  
Guarantors  
and JP Morgan  
Chase Bank,  
as Trustee.

4.E --

Indenture  
dated as of  
May 11, 2000  
among El Paso

Energy  
Partners,  
L.P., El Paso  
Energy  
Partners

Finance  
Corporation,  
the

Subsidiary  
Guarantors  
and The Chase  
Manhattan  
Bank, as  
Trustee

(Exhibit 4.1  
to our  
Registration  
Statement on  
Form S-4,  
filed June  
25, 2001,

Registration  
Nos. 333-  
63800 through  
333-63800-  
20). \*4.E.1 -

- First  
Supplemental

Indenture  
dated as of  
April 18,  
2002 to the  
Indenture  
dated as of  
May 17, 2001

among El Paso  
Energy  
Partners,  
L.P., El Paso

Energy  
Partners  
Finance

Corporation,  
The

Subsidiary  
Guarantors  
and JP Morgan  
Chase Bank,  
as Trustee.

\*4.E.2 --

Second  
Supplemental  
Indenture  
dated as

April 18,  
2002 to the  
Indenture  
dated as of  
May 17, 2001  
among El Paso

Energy  
Partners,  
L.P., El Paso

Energy  
Partners  
Finance  
Corporation,

The  
Subsidiary  
Guarantors  
and JP Morgan  
Chase Bank,  
as Trustee.

10.A --

General and  
Administrative  
Services  
Agreement by  
and between  
DeepTech  
International  
Inc., El Paso  
Energy  
Partners  
Company, and  
El Paso Field  
Services,  
L.P., dated  
as of April  
8, 2002

(Exhibit 10.A  
to our Form  
8-K filed  
April 22,  
2002).

\*10.B.1 --

Second  
Amendment  
dated as of  
March 28,  
2002 to Fifth  
Amended and  
Restated  
Credit  
Agreement.

10.N --

Purchase,  
Sale and  
Merger  
Agreement by  
and between  
El Paso  
Tennessee  
Pipeline Co.  
and El Paso  
Energy  
Partners,  
L.P., dated  
as of April  
1, 2002

(Exhibit 10.N  
to our Form  
8-K filed  
April 22,  
2002). 10.0 -

-  
Contribution  
Agreement by  
and between  
El Paso Field  
Services  
Holding  
Company and  
El Paso  
Energy  
Partners,  
L.P., dated  
as of April  
1, 2002

(Exhibit 10.0  
to our Form  
8-K filed  
April 22,  
2002). 10.P -

- Purchase  
and Sale  
Agreement by  
and between

El Paso  
Energy  
Partners,  
L.P. and El  
Paso  
Production  
GOM Inc.  
dated as of  
April 1, 2002  
(Exhibit 10.P  
to our Form  
8-K filed  
April 22,  
2002). 10.Q -  
- Credit  
Agreement  
among EPN  
Holding  
Company,  
L.P., the  
Lenders party  
thereto, Banc  
One Capital  
Markets, Inc.  
and Wachovia  
Bank, N.A.,  
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  
(Exhibit 10.Q  
to our Form  
8-K filed  
April 22,  
2002).

=====

EL PASO ENERGY PARTNERS, L.P.  
EL PASO ENERGY PARTNERS FINANCE CORPORATION, AS THE ISSUERS,

AND

THE SUBSIDIARIES PARTY HERETO, AS SUBSIDIARY GUARANTORS

AND

JPMORGAN CHASE BANK, A NEW YORK STATE BANKING CORPORATION,  
SUCCESSOR TO  
CHASE BANK OF TEXAS, NATIONAL ASSOCIATION, AS TRUSTEE

-----

SIXTH SUPPLEMENTAL INDENTURE

DATED AS OF APRIL 18, 2002

TO

INDENTURE

DATED AS OF MAY 27, 1999

-----

\$175,000,000

10 3/8% SENIOR SUBORDINATED NOTES DUE 2009, SERIES A  
10 3/8% SENIOR SUBORDINATED NOTES DUE 2009, SERIES B

=====

SIXTH SUPPLEMENTAL INDENTURE

THIS SIXTH SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of April 18, 2002 is by and among El Paso Energy Partners, L.P., a Delaware limited partnership (formerly Leviathan Gas Pipeline Partners, L.P.), El Paso Energy Partners Finance Corporation, a Delaware corporation (formerly Leviathan Finance Corporation), the guarantor parties hereto, and JPMorgan Chase Bank, a New York state banking corporation, as successor to Chase Bank of Texas, National Association, a national banking association, as the original trustee.

WITNESSETH:

WHEREAS, the Issuers (as defined in the Indenture), the Subsidiary Guarantors (as defined in the Indenture) and the Trustee (as defined in the Indenture) entered into an Indenture, dated as of May 27, 1999 (as in effect on the date hereof, the "Indenture"), relating to \$175,000,000 of the Company's 10 3/8% Senior Subordinated Notes due 2009;

WHEREAS, the Partnership (as defined in the Indenture) has acquired Deepwater Holdings, L.L.C., a Delaware limited liability company ("Deepwater"), Western Gulf Holdings, L.L.C., a Delaware limited liability company ("Western Gulf"), East Breaks Gathering Company, L.L.C., a Delaware limited liability company ("East Breaks"), and High Island Offshore System L.L.C., a Delaware limited liability company ("HIOS");

WHEREAS, El Paso Energy Partners Deepwater, L.L.C., a Delaware limited liability company and a Subsidiary Guarantor merged with Deepwater and Western Gulf, with Western Gulf as the surviving entity expressly assuming the obligations of the merged entities and thereafter changing its name to "El Paso Energy Partners Deepwater, L.L.C." ("EP Deepwater");

WHEREAS, on March 27, 2002 the Board of Directors of the General Partner of the Partnership redesignated East Breaks and HIOS as Restricted Subsidiaries under the Indenture;

WHEREAS, the Partnership also acquired title to the Chaco Liquids Plant Trust (the "Trust" and collectively with EP Deepwater, East Breaks and HIOS, the "New Guarantors"), which will also become a Subsidiary Guarantor under the Indenture pursuant to the terms of this Supplemental Indenture;

WHEREAS, this Supplemental Indenture is executed and delivered pursuant to Sections 4.14, 5.01, 11.01 and 11.04 of the Indenture;

WHEREAS, the Issuers, the Subsidiary Guarantors (which term includes the New Guarantors) and the Trustee desire to enter into this Supplemental Indenture to provide for the New Guarantors' guarantee of payment on the same terms and conditions as the Guarantees by the other Subsidiary Guarantors;

WHEREAS, all conditions precedent provided for in the Indenture relating to this Supplemental Indenture have been complied with; and

NOW, THEREFORE, in consideration of the premises herein contained, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Issuers, the Subsidiary Guarantors and the Trustee mutually covenant and agree for the equal and proportionate benefit of all Holders (herein defined) of the Notes (herein defined) as follows:

#### SECTION 1. Incorporation of Indenture; Definitions

1.1 INCORPORATION OF INDENTURE. This Supplemental Indenture constitutes a supplement to the Indenture, and the Indenture and this Supplemental Indenture shall be read together and shall have effect so far as practicable as though all of the provisions thereof and hereof are contained in one instrument.

1.2 DEFINITIONS. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Indenture.

#### SECTION 2. SUPPLEMENTAL PROVISIONS

2.1 UNCONDITIONAL GUARANTEE. Subject to the provisions of Article 11 of the Indenture, the New Guarantors shall be Subsidiary Guarantors under the terms of the Indenture and hereby unconditionally guarantee 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 the Indenture, the Notes or the Obligations of the Issuers under the Indenture or the Notes, 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 the Indenture and the Notes shall be promptly paid in full or performed, all in accordance with the terms of the 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 New Guarantors hereby agree that their obligations hereunder and under the Indenture shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the 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 the 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. The New Guarantors hereby waive 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 the 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. The New Guarantors agree that they shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed under the Indenture until payment in full of all obligations guaranteed under the Indenture.

The New Guarantors further agree 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 under the Indenture may be accelerated as provided in Article 6 of the Indenture for the purposes of these Guarantees, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed under the Indenture, and (y) in the event of any declaration of acceleration of such Obligations as provided in Article 6 of the Indenture, 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 New Guarantors agree that 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.

2.2 OTHER GUARANTEE TERMS. The New Guarantors hereby confirm, adopt and acknowledge each of the provisions of the Indenture relating to the Subsidiary Guarantors and the Guarantees, including, but not limited to, Articles 4 and 11 thereof.

### SECTION 3. MISCELLANEOUS

3.1 COUNTERPARTS. This Supplemental Indenture may be signed in counterparts and by the different parties hereto in separate counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

3.2 SEVERABILITY. In case any provision in this Supplemental Indenture 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.

3.3 HEADINGS. The headings of the Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

3.4 SUCCESSORS. All agreements of the Issuers and the Subsidiary Guarantors in this Supplemental Indenture shall bind their respective successors. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

3.5 GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE

STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

3.6 FULL FORCE AND EFFECT. The Indenture, as supplemented by this Supplemental Indenture, remains in full force and effect and is hereby ratified and confirmed as the valid and binding obligation of the parties hereto.

3.7 TRUSTEE. The Trustee accepts the modifications of trusts referenced in the Indenture and effected by this Supplemental Indenture. Without limiting the generality of the foregoing, the Trustee assumes no responsibility for the correctness of the recitals herein contained, which shall be taken as the statements of the Company and the Subsidiary Guarantors, and the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity or execution or sufficiency of this Supplemental Indenture, and the Trustee makes no representation with respect thereto.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

EL PASO ENERGY PARTNERS, L.P.  
by its general partner  
EL PASO ENERGY PARTNERS  
COMPANY

EL PASO ENERGY PARTNERS  
FINANCE CORPORATION

By: /s/ D. Mark Leland  
Name: D. Mark Leland  
Title: Senior Vice President  
and Controller

By: /s/ D. Mark Leland  
Name: D. Mark Leland  
Title: Senior Vice President  
and Controller

JPMORGAN CHASE BANK, as successor Trustee

By: /s/ Mauri J. Cowen  
Name: Mauri J. Cowen  
Title: Vice President and Trust Officer

NEW GUARANTORS:

EL PASO ENERGY PARTNERS DEEPWATER, L.L.C.  
(formerly, Western Gulf Holdings, L.L.C.)  
EAST BREAKS GATHERING COMPANY, L.L.C.  
HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
THE CHACO LIQUIDS PLANT TRUST  
(by EL PASO ENERGY PARTNERS OPERATING  
COMPANY, L.L.C., solely in its capacity as trustee  
of the Chaco Liquids Plant Trust)

By: /s/ D. Mark Leland  
Name: D. Mark Leland  
Title: Senior Vice President of each such entity

Each of the undersigned hereby ratifies and confirms its respective obligations under the Indenture, as supplemented by this Supplemental Indenture:

ARGO II, L.L.C.  
CRYSTAL HOLDING, L.L.C.  
CRYSTAL PROPERTIES AND TRADING COMPANY, L.L.C.  
DELOS OFFSHORE COMPANY, L.L.C.  
EL PASO ENERGY PARTNERS OIL TRANSPORT, L.L.C.  
EL PASO ENERGY PARTNERS OPERATING COMPANY, L.L.C.  
FIRST RESERVE GAS, L.L.C.  
FLEXTREND DEVELOPMENT COMPANY, L.L.C.  
GREEN CANYON PIPE LINE COMPANY, L.P.  
HATTIESBURG INDUSTRIAL GAS SALES COMPANY, L.L.C.  
MANTA RAY GATHERING COMPANY, L.L.C.  
PETAL GAS STORAGE COMPANY, L.L.C.  
POSEIDON PIPELINE COMPANY, L.L.C.  
VK DEEPWATER GATHERING COMPANY, L.L.C.  
VK-MAIN PASS GATHERING COMPANY, L.L.C.

By: /s/ D. Mark Leland

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Name: D. Mark Leland  
Title: Senior Vice President of each such entity

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EL PASO ENERGY PARTNERS, L.P.  
EL PASO ENERGY PARTNERS FINANCE CORPORATION, AS THE ISSUERS,

AND

THE SUBSIDIARIES PARTY HERETO, AS SUBSIDIARY GUARANTORS

AND

JPMORGAN CHASE BANK, A NEW YORK STATE BANKING CORPORATION,  
SUCCESSOR TO  
CHASE BANK OF TEXAS, NATIONAL ASSOCIATION, AS TRUSTEE

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SEVENTH SUPPLEMENTAL INDENTURE

DATED AS OF APRIL 18, 2002

TO

INDENTURE

DATED AS OF MAY 27, 1999

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\$175,000,000

10 3/8% SENIOR SUBORDINATED NOTES DUE 2009, SERIES A  
10 3/8% SENIOR SUBORDINATED NOTES DUE 2009, SERIES B

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SEVENTH SUPPLEMENTAL INDENTURE

THIS SEVENTH SUPPLEMENTAL INDENTURE (this "SUPPLEMENTAL INDENTURE"), dated as of April 18, 2002 is by and among El Paso Energy Partners, L.P., a Delaware limited partnership (formerly Leviathan Gas Pipeline Partners, L.P.), El Paso Energy Partners Finance Corporation, a Delaware corporation (formerly Leviathan Finance Corporation), the guarantor parties hereto, and JPMorgan Chase Bank, a New York state banking corporation, as successor to Chase Bank of Texas, National Association, a national banking association, as the original trustee.

W I T N E S S E T H:

WHEREAS, the Issuers, the Subsidiary Guarantors and the Trustee entered into an Indenture, dated as of May 27, 1999 (as in effect on the date hereof, the "INDENTURE"), relating to \$175,000,000 of the Company's 10 3/8% Senior Subordinated Notes due 2009;

WHEREAS, Argo I, L.L.C., a Delaware limited liability company ("ARGO I") and Argo, L.L.C., a Delaware limited liability company ("ARGO"), were previously Unrestricted Subsidiaries under the Indenture;

WHEREAS, the Partnership desires to redesignate Argo I and Argo as Restricted Subsidiaries and, accordingly, cause such subsidiaries to become Subsidiary Guarantors under the Indenture pursuant to the terms of this Supplemental Indenture;

WHEREAS, Hattiesburg Gas Storage Company, a Delaware general partnership ("HATTIESBURG STORAGE" and, collectively with Argo and Argo I, the "NEW GUARANTORS") is a Restricted Subsidiary of the Partnership and shall become a Subsidiary Guarantor under the Indenture pursuant to the terms of this Supplemental Indenture;

WHEREAS, this Supplemental Indenture is executed and delivered pursuant to Sections 4.14 and 11.01 of the Indenture;

WHEREAS, the Issuers, the Subsidiary Guarantors (which term includes the New Guarantors) and the Trustee desire to enter into this Supplemental Indenture to provide for the New Guarantors' guarantee of payment on the same terms and conditions as the Guarantees by the other Subsidiary Guarantors;

WHEREAS, all conditions precedent provided for in the Indenture relating to this Supplemental Indenture have been complied with; and

NOW, THEREFORE, in consideration of the premises herein contained, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Issuers, the Subsidiary Guarantors and the Trustee mutually covenant and agree for the equal and proportionate benefit of all Holders of the Notes as follows:

SECTION 1. INCORPORATION OF INDENTURE; DEFINITIONS

1.1 INCORPORATION OF INDENTURE. This Supplemental Indenture constitutes a supplement

to the Indenture, and the Indenture and this Supplemental Indenture shall be read together and shall have effect so far as practicable as though all of the provisions thereof and hereof are contained in one instrument.

1.2 DEFINITIONS. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Indenture.

## SECTION 2. SUPPLEMENTAL PROVISIONS

2.1 UNCONDITIONAL GUARANTEE. Subject to the provisions of Article 11 of the Indenture, the New Guarantors shall be Subsidiary Guarantors under the terms of the Indenture and hereby unconditionally guarantee 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 the Indenture, the Notes or the Obligations of the Issuers under the Indenture or the Notes, 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 the Indenture and the Notes shall be promptly paid in full or performed, all in accordance with the terms of the 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 New Guarantors hereby agree that their obligations hereunder and under the Indenture shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the 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 the 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. The New Guarantors hereby waive 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 the 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. The New Guarantors agree that they shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed under the Indenture until payment in full of all obligations guaranteed under the Indenture.

The New Guarantors further agree 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 under the Indenture may be accelerated as provided in Article 6 of the Indenture for the purposes of these Guarantees, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed under the Indenture, and (y) in the event of any declaration of acceleration of such Obligations as provided in Article 6 of the Indenture, 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 New Guarantors agree that 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.

2.2 OTHER GUARANTEE TERMS. The New Guarantors hereby confirm, adopt and acknowledge each of the provisions of the Indenture relating to the Subsidiary Guarantors and the Guarantees, including, but not limited to, Articles 4 and 11 thereof.

### SECTION 3. MISCELLANEOUS

3.1 COUNTERPARTS. This Supplemental Indenture may be signed in counterparts and by the different parties hereto in separate counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

3.2 SEVERABILITY. In case any provision in this Supplemental Indenture 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.

3.3 HEADINGS. The headings of the sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

3.4 SUCCESSORS. All agreements of the Issuers and the Subsidiary Guarantors in this Supplemental Indenture shall bind their respective successors. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

3.5 GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

3.6 FULL FORCE AND EFFECT. The Indenture, as supplemented by this Supplemental Indenture, remains in full force and effect and is hereby ratified and confirmed as the valid and

binding obligation of the parties hereto.

3.7 TRUSTEE. The Trustee accepts the modifications of trusts referenced in the Indenture and effected by this Supplemental Indenture. Without limiting the generality of the foregoing, the Trustee assumes no responsibility for the correctness of the recitals herein contained, which shall be taken as the statements of the Issuers and the Subsidiary Guarantors, and the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity or execution or sufficiency of this Supplemental Indenture, and the Trustee makes no representation with respect thereto.

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

EL PASO ENERGY PARTNERS, L.P.  
by its general partner  
EL PASO ENERGY PARTNERS  
COMPANY

EL PASO ENERGY PARTNERS  
FINANCE CORPORATION

By: /s/ D. Mark Leland  
Name: D. Mark Leland  
Title: Senior Vice President  
and Controller

By: /s/ D. Mark Leland  
Name: D. Mark Leland  
Title: Senior Vice President  
and Controller

JPMORGAN CHASE BANK, as successor Trustee

By: /s/ Mauri J. Cowen  
Name: Mauri J. Cowen  
Title: Vice President and Trust Officer

NEW GUARANTORS:

HATTIESBURG GAS STORAGE COMPANY

ARGO I, L.L.C.

ARGO, L.L.C.

By: /s/ D. Mark Leland

Name: D. Mark Leland

Title: Senior Vice President and Controller of each such entity

Each of the undersigned hereby ratifies and confirms its respective obligations under the Indenture, as supplemented by this Supplemental Indenture:

ARGO II, L.L.C.  
THE CHACO LIQUIDS PLANT TRUST,  
by EL PASO ENERGY PARTNERS OPERATING  
COMPANY, L.L.C., solely in its  
capacity as trustee of the  
Chaco Liquids Plant Trust  
CRYSTAL HOLDING, L.L.C.  
DELOS OFFSHORE COMPANY, L.L.C.  
East Breaks Gathering Company, L.L.C.  
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.  
EPN NGL STORAGE, L.L.C.  
FIRST RESERVE GAS, L.L.C.  
FLEXTREND DEVELOPMENT COMPANY, L.L.C.  
GREEN CANYON PIPE LINE COMPANY, L.P.  
HATTIESBURG INDUSTRIAL GAS SALES, L.L.C.  
High Island Offshore System, L.L.C.  
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.

By: /s/ D. Mark Leland  
Name: D. Mark Leland  
Title: Senior Vice President and Controller of  
each such entity

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EL PASO ENERGY PARTNERS, L.P.  
EL PASO ENERGY PARTNERS FINANCE CORPORATION, AS THE ISSUERS,

AND

THE SUBSIDIARIES PARTY HERETO, AS SUBSIDIARY GUARANTORS

AND

JPMORGAN CHASE BANK, A NEW YORK STATE BANKING CORPORATION,  
AS SUCCESSOR TRUSTEE TO  
THE CHASE MANHATTAN BANK, A NEW YORK STATE BANKING CORPORATION, AS TRUSTEE

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FIRST SUPPLEMENTAL INDENTURE

DATED AS OF APRIL 18, 2002

TO

INDENTURE

DATED AS OF MAY 17, 2001

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8 1/2% SERIES A SENIOR SUBORDINATED NOTES DUE 2011  
8 1/2% SERIES B SENIOR SUBORDINATED NOTES DUE 2011

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FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of April 18, 2002 is by and among El Paso Energy Partners, L.P., a Delaware limited partnership, El Paso Energy Partners Finance Corporation, a Delaware corporation (formerly Leviathan Finance Corporation), the guarantor parties hereto, and JPMorgan Chase Bank, successor to The Chase Manhattan Bank, a New York state banking corporation, as trustee.

WITNESSETH:

WHEREAS, the Issuers (as defined in the Indenture), the Subsidiary Guarantors (as defined in the Indenture) and the Trustee (as defined in the Indenture) entered into an Indenture, dated as of May 17, 2001 (as in effect on the date hereof, the "Indenture"), relating to the 8 1/2% Series A Senior Subordinated Notes due 2011 and the 8 1/2% Series B Senior Subordinated Notes due 2011;

WHEREAS, on October 18, 2001 the Partnership (as defined in the Indenture) acquired Deepwater Holdings, L.L.C., a Delaware limited liability company ("Deepwater"), Western Gulf Holdings, L.L.C., a Delaware limited liability company ("Western Gulf"), East Breaks Gathering Company, L.L.C., a Delaware limited liability company ("East Breaks"), and High Island Offshore System L.L.C., a Delaware limited liability company ("HIOS");

WHEREAS, El Paso Energy Partners Deepwater, L.L.C., a Delaware limited liability company and a Subsidiary Guarantor merged with Deepwater and Western Gulf, with Western Gulf as the surviving entity expressly assuming the obligations of the merged entities and thereafter changing its name to "El Paso Energy Partners Deepwater, L.L.C." ("EP Deepwater");

WHEREAS, on March 27, 2002 the Board of Directors of the General Partner of the Partnership redesignated East Breaks and HIOS as Restricted Subsidiaries under the Indenture;

WHEREAS, the Partnership also acquired title to the Chaco Liquids Plant Trust (the "Trust" and collectively with EP Deepwater, East Breaks and HIOS, the "New Guarantors"), which will also become a Subsidiary Guarantor under the Indenture pursuant to the terms of this Supplemental Indenture;

WHEREAS, this Supplemental Indenture is executed and delivered pursuant to Sections 4.14, 5.01, 11.01 and 11.04 of the Indenture;

WHEREAS, the Issuers, the Subsidiary Guarantors (which term includes the New Guarantors) and the Trustee desire to enter into this Supplemental Indenture to provide for the New Guarantors' guarantee of payment on the same terms and conditions as the Guarantees by the other Subsidiary Guarantors;

WHEREAS, all conditions precedent provided for in the Indenture relating to this Supplemental Indenture have been complied with; and

NOW, THEREFORE, in consideration of the premises herein contained, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged,

the Issuers, the Subsidiary Guarantors and the Trustee mutually covenant and agree for the equal and proportionate benefit of all Holders (herein defined) of the Notes (herein defined) as follows:

## SECTION 1. INCORPORATION OF INDENTURE; DEFINITIONS

1.1 INCORPORATION OF INDENTURE. This Supplemental Indenture constitutes a supplement to the Indenture, and the Indenture and this Supplemental Indenture shall be read together and shall have effect so far as practicable as though all of the provisions thereof and hereof are contained in one instrument.

1.2 DEFINITIONS. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Indenture.

## SECTION 2. SUPPLEMENTAL PROVISIONS

2.1 UNCONDITIONAL GUARANTEE. Subject to the provisions of Article 11 of the Indenture, the New Guarantors shall be Subsidiary Guarantors under the terms of the Indenture and hereby unconditionally guarantee 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 the Indenture, the Notes or the Obligations of the Issuers under the Indenture or the Notes, 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 the Indenture and the Notes shall be promptly paid in full or performed, all in accordance with the terms of the 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 New Guarantors hereby agree that their obligations hereunder and under the Indenture shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the 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 the 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. The New Guarantors hereby waive 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 the 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. The New Guarantors agree that they shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed under the Indenture until payment in full of all obligations guaranteed under the Indenture.

The New Guarantors further agree 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 under the Indenture may be accelerated as provided in Article 6 of the Indenture for the purposes of these Guarantees, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed under the Indenture, and (y) in the event of any declaration of acceleration of such Obligations as provided in Article 6 of the Indenture, 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 New Guarantors agree that 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.

2.2 OTHER GUARANTEE TERMS. The New Guarantors hereby confirm, adopt and acknowledge each of the provisions of the Indenture relating to the Subsidiary Guarantors and the Guarantees, including, but not limited to, Articles 4 and 11 thereof.

### SECTION 3. MISCELLANEOUS

3.1 COUNTERPARTS. This Supplemental Indenture may be signed in counterparts and by the different parties hereto in separate counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

3.2 SEVERABILITY. In case any provision in this Supplemental Indenture 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.

3.3 HEADINGS. The headings of the Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

3.4 SUCCESSORS. All agreements of the Issuers and the Subsidiary Guarantors in this Supplemental Indenture shall bind their respective successors. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

3.5 GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE

PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

3.6 FULL FORCE AND EFFECT. The Indenture, as supplemented by this Supplemental Indenture, remains in full force and effect and is hereby ratified and confirmed as the valid and binding obligation of the parties hereto.

3.7 TRUSTEE. The Trustee accepts the modifications of trusts referenced in the Indenture and effected by this Supplemental Indenture. Without limiting the generality of the foregoing, the Trustee assumes no responsibility for the correctness of the recitals herein contained, which shall be taken as the statements of the Company and the Subsidiary Guarantors, and the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity or execution or sufficiency of this Supplemental Indenture, and the Trustee makes no representation with respect thereto.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

EL PASO ENERGY PARTNERS, L.P.  
by its general partner  
EL PASO ENERGY PARTNERS  
COMPANY

EL PASO ENERGY PARTNERS  
FINANCE CORPORATION

By: /s/ D. Mark Leland  
Name: D. Mark Leland  
Title: Senior Vice President

By: /s/ D. Mark Leland  
Name: D. Mark Leland  
Title: Senior Vice President

JPMORGAN CHASE BANK, as successor Trustee

By: /s/ Mauri J. Cowen  
Name: Mauri J. Cowen  
Title: Vice President and Trust Officer

NEW GUARANTORS:

EL PASO ENERGY PARTNERS DEEPWATER, L.L.C.  
(formerly, Western Gulf Holdings, L.L.C.)  
EAST BREAKS GATHERING COMPANY, L.L.C.  
HIGH ISLAND OFFSHORE SYSTEM, L.L.C.  
THE CHACO LIQUIDS PLANT TRUST  
(by EL PASO ENERGY PARTNERS OPERATING  
COMPANY, L.L.C., solely in its capacity as trustee  
of the Chaco Liquids Plant Trust)

By: /s/ D. Mark Leland  
Name: D. Mark Leland  
Title: Senior Vice President of each such entity

Each of the undersigned hereby ratifies and confirms its respective obligations under the Indenture, as supplemented by this Supplemental Indenture:

ARGO II, L.L.C.  
CRYSTAL HOLDING, L.L.C.  
CRYSTAL PROPERTIES AND TRADING COMPANY, L.L.C.  
DELOS OFFSHORE COMPANY, L.L.C.  
EL PASO ENERGY PARTNERS OIL TRANSPORT, L.L.C.  
EL PASO ENERGY PARTNERS OPERATING COMPANY, L.L.C.  
FIRST RESERVE GAS, L.L.C.  
FLEXTREND DEVELOPMENT COMPANY, L.L.C.  
GREEN CANYON PIPE LINE COMPANY, L.P.  
HATTIESBURG INDUSTRIAL GAS SALES COMPANY, L.L.C.  
MANTA RAY GATHERING COMPANY, L.L.C.  
PETAL GAS STORAGE COMPANY, L.L.C.  
POSEIDON PIPELINE COMPANY, L.L.C.  
VK DEEPWATER GATHERING COMPANY, L.L.C.  
VK-MAIN PASS GATHERING COMPANY, L.L.C.

By: /s/ D. Mark Leland

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Name: D. Mark Leland

Title: Senior Vice President of each such entity

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EL PASO ENERGY PARTNERS, L.P.  
EL PASO ENERGY PARTNERS FINANCE CORPORATION, AS THE ISSUERS,

AND

THE SUBSIDIARIES PARTY HERETO, AS SUBSIDIARY GUARANTORS

AND

JPMORGAN CHASE BANK, A NEW YORK STATE BANKING CORPORATION,  
AS SUCCESSOR TRUSTEE TO  
THE CHASE MANHATTAN BANK, A NEW YORK STATE BANKING CORPORATION, AS TRUSTEE

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SECOND SUPPLEMENTAL INDENTURE

DATED AS OF APRIL 18, 2002

TO

INDENTURE

DATED AS OF MAY 17, 2001

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8 1/2% SERIES A SENIOR SUBORDINATED NOTES DUE 2011  
8 1/2% SERIES B SENIOR SUBORDINATED NOTES DUE 2011

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## SECOND SUPPLEMENTAL INDENTURE

THIS SECOND SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of April 18, 2002 is by and among El Paso Energy Partners, L.P., a Delaware limited partnership (the "Partnership"), El Paso Energy Partners Finance Corporation, a Delaware corporation (formerly Leviathan Finance Corporation), the guarantor parties hereto, and JPMorgan Chase Bank, a New York state banking corporation, as successor trustee to The Chase Manhattan Bank, a New York state banking corporation, as Trustee.

### WITNESSETH:

WHEREAS, the Issuers, the Subsidiary Guarantors and the Trustee entered into an Indenture, dated as of May 17, 2001 (as in effect on the date hereof, the "Indenture"), relating to the 8 1/2% Series A Senior Subordinated Notes due 2011 and the 8 1/2% Series B Senior Subordinated Notes due 2011;

WHEREAS, Argo I, L.L.C., a Delaware limited liability company ("Argo I") and Argo, L.L.C., a Delaware limited liability company ("Argo"), were previously Unrestricted Subsidiaries under the Indenture;

WHEREAS, the Partnership desires to redesignate Argo I and Argo as Restricted Subsidiaries and, accordingly, cause such subsidiaries to become Subsidiary Guarantors under the Indenture pursuant to the terms of this Supplemental Indenture;

WHEREAS, Hattiesburg Gas Storage Company, a Delaware general partnership ("Hattiesburg Storage" and, collectively with Argo and Argo I, the "New Guarantors") is a Restricted Subsidiary of the Partnership and shall become a Subsidiary Guarantor under the Indenture pursuant to the terms of this Supplemental Indenture;

WHEREAS, this Supplemental Indenture is executed and delivered pursuant to Sections 4.14 and 11.01 of the Indenture;

WHEREAS, the Issuers, the Subsidiary Guarantors (which term includes the New Guarantors) and the Trustee desire to enter into this Supplemental Indenture to provide for the New Guarantors' guarantee of payment on the same terms and conditions as the Guarantees by the other Subsidiary Guarantors; and

WHEREAS, all conditions precedent provided for in the Indenture relating to this Supplemental Indenture have been complied with.

NOW, THEREFORE, in consideration of the premises herein contained, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Issuers, the Subsidiary Guarantors and the Trustee mutually covenant and agree for the equal and proportionate benefit of all Holders of the Notes as follows:

### SECTION 1. INCORPORATION OF INDENTURE; DEFINITIONS

1.1 INCORPORATION OF INDENTURE. This Supplemental Indenture constitutes a supplement

to the Indenture, and the Indenture and this Supplemental Indenture shall be read together and shall have effect so far as practicable as though all of the provisions thereof and hereof are contained in one instrument.

1.2 DEFINITIONS. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Indenture.

## SECTION 2. SUPPLEMENTAL PROVISIONS

2.1 UNCONDITIONAL GUARANTEE. Subject to the provisions of Article 11 of the Indenture, the New Guarantors shall be Subsidiary Guarantors under the terms of the Indenture and hereby unconditionally guarantee 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 the Indenture, the Notes or the Obligations of the Issuers under the Indenture or the Notes, 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 the Indenture and the Notes shall be promptly paid in full or performed, all in accordance with the terms of the 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 New Guarantors hereby agree that their obligations hereunder and under the Indenture shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the 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 the 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. The New Guarantors hereby waive 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 the 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. The New Guarantors agree that they shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed under the Indenture until payment in full of all obligations guaranteed under the Indenture.

The New Guarantors further agree 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 under the Indenture may be accelerated as provided in Article 6 of the Indenture for the purposes of these Guarantees, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed under the Indenture, and (y) in the event of any declaration of acceleration of such Obligations as provided in Article 6 of the Indenture, 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 New Guarantors agree that 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.

2.2 OTHER GUARANTEE TERMS. The New Guarantors hereby confirm, adopt and acknowledge each of the provisions of the Indenture relating to the Subsidiary Guarantors and the Guarantees, including, but not limited to, Articles 4 and 11 thereof.

### SECTION 3. MISCELLANEOUS

3.1 COUNTERPARTS. This Supplemental Indenture may be signed in counterparts and by the different parties hereto in separate counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

3.2 SEVERABILITY. In case any provision in this Supplemental Indenture 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.

3.3 HEADINGS. The headings of the sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

3.4 SUCCESSORS. All agreements of the Issuers and the Subsidiary Guarantors in this Supplemental Indenture shall bind their respective successors. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

3.5 GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

3.6 FULL FORCE AND EFFECT. The Indenture, as supplemented by this Supplemental Indenture, remains in full force and effect and is hereby ratified and confirmed as the valid and

binding obligation of the parties hereto.

3.7 TRUSTEE. The Trustee accepts the modifications of trusts referenced in the Indenture and effected by this Supplemental Indenture. Without limiting the generality of the foregoing, the Trustee assumes no responsibility for the correctness of the recitals herein contained, which shall be taken as the statements of the Issuers and the Subsidiary Guarantors, and the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity or execution or sufficiency of this Supplemental Indenture, and the Trustee makes no representation with respect thereto.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

EL PASO ENERGY PARTNERS, L.P.  
by its general partner  
EL PASO ENERGY PARTNERS  
COMPANY

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

JP MORGAN CHASE BANK, as successor trustee

By: /s/ Mauri J. Cowen  
Name: Mauri J. Cowen  
Title: Vice President and Trust Officer

[Supplemental Indenture Signature Page]

NEW GUARANTORS:

HATTIESBURG GAS STORAGE COMPANY  
ARGO I, L.L.C.  
ARGO, L.L.C.

By: /s/ D. Mark Leland  
Name: D. Mark Leland  
Title: Senior Vice President and Controller of each such entity

[Supplemental Indenture Signature Page]

Each of the undersigned hereby ratifies and confirms its respective obligations under the Indenture, as supplemented by this Supplemental Indenture:

ARGO II, L.L.C.  
THE CHACO LIQUIDS PLANT TRUST,  
by EL PASO ENERGY PARTNERS OPERATING  
COMPANY, L.L.C., solely in its capacity as  
trustee of the Chaco Liquids Plant Trust  
CRYSTAL HOLDING, L.L.C.  
DELOS OFFSHORE COMPANY, L.L.C.  
East Breaks Gathering Company, L.L.C.  
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.  
EPN NGL STORAGE, L.L.C.  
FIRST RESERVE GAS, L.L.C.  
FLEXTREND DEVELOPMENT COMPANY, L.L.C.  
GREEN CANYON PIPE LINE COMPANY, L.P.  
HATTIESBURG INDUSTRIAL GAS SALES, L.L.C.  
High Island Offshore System, L.L.C.  
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.

By: /s/ D. Mark Leland  
Name: D. Mark Leland  
Title: Senior Vice President and Controller  
of each such entity

## SECOND AMENDMENT TO FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDMENT dated as of March 28, 2002 TO FIFTH AMENDED AND RESTATED CREDIT AGREEMENT (this "Second Amendment"), is by and among EL PASO ENERGY PARTNERS, L.P., a Delaware limited partnership (formerly known AS LEVIATHAN GAS PIPELINE PARTNERS, L.P., the "Borrower"), EL PASO ENERGY PARTNERS FINANCE CORPORATION, a Delaware corporation (formerly known as LEVIATHAN FINANCE CORPORATION, the "Co-Borrower"), CREDIT LYONNAIS NEW YORK BRANCH and FIRST UNION NATIONAL BANK, as Co-Syndication Agents, FLEET NATIONAL BANK and FORTIS CAPITAL CORP., as Co-Documentation Agents, JPMORGAN CHASE BANK, a New York banking corporation formerly known as The Chase Manhattan Bank, as Administrative Agent, and the several banks and other financial institutions signatories hereto, and shall amend the FIFTH AMENDED AND RESTATED CREDIT AGREEMENT, dated as of March 23, 1995, as amended and restated through May 16, 2001, as amended by that certain First Amendment to Fifth Amended and Restated Credit Agreement dated as of October 10, 2001 (as amended, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), among the Borrower, the Co-Borrower, the several banks and other financial institutions (the "Lenders") parties thereto, Credit Lyonnais New York Branch and First Union National Bank, as Co-Syndication Agents, Fleet National Bank and Fortis Capital Corp., as Co-Documentation Agents and The Chase Manhattan Bank, a New York banking corporation, as Administrative Agent for the Lenders. Unless otherwise defined herein, capitalized terms used herein shall have the respective meanings assigned to them in the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement).

WHEREAS, the Borrower desires to create additional wholly-owned Unrestricted Subsidiaries (as defined in the Credit Agreement) to be used in connection with the acquisition of pipeline and transmission assets located in Texas and New Mexico;

WHEREAS, the Borrower desires to form a Joint Venture for the construction and financing of a Moses-type floating tension leg platform to be located in the Gulf of Mexico;

WHEREAS, in connection with the acquisition of the Texas and New Mexico pipeline and transmission assets, the Borrower desires to contribute, or cause to be contributed, the assets of Argo, the current owner of the existing tension leg platform located in the Gulf of Mexico, to or on behalf of a newly formed Unrestricted Subsidiary wholly owned by Green Canyon as part of the Texas and New Mexico pipeline and transmission asset acquisition;

WHEREAS, the Borrower desires to fund future additional investments in such Unrestricted Subsidiaries and the Joint Venture;

WHEREAS, the Borrower desires to correct and clarify certain other matters related to the Credit Agreement;

WHEREAS, the Borrower has requested that the Lenders modify and amend the Credit Agreement as more fully described herein;

WHEREAS, the Lenders are willing to agree to the amendments being requested by the Borrower, but only on the terms and subject to the conditions set forth in this Second Amendment; and

WHEREAS, each of the signatories hereto is a party to the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, the Administrative Agent, the Lenders and each of the other signatories hereto hereby agree as follows:

1. Amendments. The Credit Agreement is hereby amended as follows:

(a) Amendments to Section 1.1

(i) The following definitions are hereby added to Section 1.1 of the Credit Agreement where alphabetically appropriate:

"EPN NGL": EPN NGL Storage, L.L.C., a Delaware limited liability company, formerly known as Crystal Properties and Trading Company, L.L.C.

"Gateway": Deepwater Gateway L.L.C., a Delaware limited liability company and a Joint Venture created by the Borrower and one or more Persons that are not Affiliates of the Borrower to initially develop and construct the Marco Polo Platform by, among other things, building and constructing platforms located in, and providing related services with respect to, the Marco Polo Field.

"Marco Polo Clawback": the "clawback" and similar obligations incurred by the Borrower and any Restricted Subsidiary under the Marco Polo Financing Documents in an aggregate amount not to exceed \$30,000,000 at any one time outstanding.

"Marco Polo Financing": the loans made to Gateway under the Marco Polo Financing Documents.

"Marco Polo Financing Documents": (i) the Credit Agreement to be entered into among Gateway, as Borrower, JPMorgan Chase Bank, individually and as Administrative Agent, and the lenders party thereto and (ii) the other financing documents (as identified therein); in the case of (i) and (ii) above, as amended, restated, renewed, replaced or otherwise modified from time to time.

"Marco Polo Field": the oil and gas property known as the "Marco Polo Field" located offshore Louisiana, in the Gulf of Mexico Outer Continental Shelf, including Green Canyon Blocks 474, 518-520, 562-564, 606-608, 652, and 830.

"Marco Polo Platform": the construction, installation and ownership by Gateway of a Moses-type four-column tension leg platform floating hull facility,

pipelines, processing facilities, and appurtenances in connection with the development of the Marco Polo Field.

"Second Amendment": the Second Amendment to Fifth Amended and Restated Credit Agreement dated as of March 28, 2002 among the Borrower, the Co-Borrower, the Lenders parties thereto, Credit Lyonnais New York Branch and First Union National Bank, as Co-Syndication Agents, Fleet National Bank and Fortis Capital Corp., as Co-Documentation Agents and JPMorgan Chase Bank, a New York banking corporation, as Administrative Agent for the Lenders

"Texas Pipeline Acquisition": the acquisition by newly formed Unrestricted Subsidiaries, which are wholly owned (directly or indirectly) by Green Canyon, of certain pipelines, transmission facilities, processing facilities, and storage facilities located in Texas and New Mexico from Subsidiaries of El Paso for consideration up to an aggregate amount of \$750,000,000.

"Texas Pipeline Financing Documents": (i) the Credit Agreement to be entered into among an Unrestricted Subsidiary wholly owned (directly or indirectly) by Green Canyon, as Borrower, JPMorgan Chase Bank, individually and as Administrative Agent, and the lenders party thereto and (ii) the other Loan Documents (as defined therein); in the case of (i) and (ii) above, as amended, restated, renewed, replaced or otherwise modified from time to time.

"Texas Pipeline Unrestricted Subsidiaries": The Unrestricted Subsidiaries formed or acquired and wholly owned (directly or indirectly) by Green Canyon to consummate the Texas Pipeline Acquisition.

(ii) The following definitions in Section 1.1 of the Credit Agreement are hereby amended and restated in their entirety as follows:

"Argo": Argo, L.L.C., a Delaware limited liability company, originally designated as an Unrestricted Subsidiary and redesignated as a Restricted Subsidiary effective as of April 2, 2002.

"Argo I" Argo I, L.L.C., a Delaware limited liability company, originally designated as an Unrestricted Subsidiary and redesignated as a Restricted Subsidiary effective as of April 2, 2002.

"Chase": JPMorgan Chase Bank, formerly known as The Chase Manhattan Bank.

"Ewing Bank": Ewing Bank Gathering Company, L.L.C., a Delaware limited liability company, which has been subsequently merged into Flextrend.

"Intercreditor Agreement": the Intercreditor Agreement to be entered into in connection with the Marco Polo Financing, between the Administrative Agent, for the benefit of the Lenders, and the administrative agent for the lenders in

connection with the Marco Polo Financing, and acknowledged by the Borrower, substantially in the form of the Intercreditor Agreement dated as of June 30, 2000, between The Chase Manhattan Bank, as EPLP Administrative Agent and The Chase Manhattan Bank, as Argo Administrative Agent, which Intercreditor Agreement will provide the pari passu Liens on the Collateral as described in subsection 8.3(i), as amended, modified and supplemented from time to time.

"Joint Venture": any Person in which the Borrower and/or its Subsidiaries hold more than 5% but less than a majority of the equity interests, and which does not constitute a Subsidiary of the Borrower, whether direct or indirect; provided that Gateway and its Subsidiaries shall be deemed a Joint Venture for purpose of the Loan Documents unless any such Person becomes a Subsidiary in accordance with the definition thereof and the Borrower designates such Person as a Subsidiary.

"Restricted Subsidiary": any Subsidiary of the Borrower other than an Unrestricted Subsidiary. Subject to the right to redesignate certain Restricted Subsidiaries as Unrestricted Subsidiaries in accordance with the definition of "Unrestricted Subsidiary", all of the Subsidiaries of the Borrower as of April 2, 2002 other than the Texas Pipeline Unrestricted Subsidiaries are Restricted Subsidiaries. Notwithstanding the foregoing, any Subsidiary which guarantees the Senior Subordinated Notes shall be a Restricted Subsidiary. Any Subsidiary designated as an Unrestricted Subsidiary may be redesignated as a Restricted Subsidiary with the consent of the Required Lenders as long as, after giving effect thereto, no Default or Event of Default has occurred and is continuing and the Borrower would be in pro forma compliance with the covenants set forth in Section 8.1 after giving effect thereto.

"Subsidiary Guarantors": collectively, Argo, Argo I, Argo II, Crystal Holding, Delos, EP Deepwater, EP Operating, EP Transport, EPN NGL, First Reserve, Flextrend, Green Canyon, Hattiesburg Sales, Hattiesburg Storage, Manta Ray, Petal Gas Storage, Poseidon, VK Deepwater, VK Main Pass, each other Restricted Subsidiary and any other Subsidiary of the Borrower which, from time to time, may become party to the Subsidiaries Guarantee. Notwithstanding anything to the contrary in the Loan Documents, El Paso Energy Partners Finance Corporation shall be the Co-Borrower and not a Subsidiary Guarantor.

"Unrestricted Subsidiary": any Subsidiary of the Borrower (a) which becomes a Subsidiary of the Borrower after the date hereof and, at the time it becomes a Subsidiary, is designated as an Unrestricted Subsidiary, in each case pursuant to a written notice from the Borrower to the Administrative Agent, (b) which has not acquired any assets (other than cash made available pursuant to this Agreement or as permitted by subsection 8.8(h) for the Texas Pipeline Unrestricted Subsidiaries) from the Borrower or any Restricted Subsidiary, (c) which has no Indebtedness, Guarantee Obligations or other obligations other than Non-Recourse Obligations and (d) which has not guaranteed the Senior Subordinated Notes. Any Subsidiary designated as a Restricted Subsidiary may

be redesignated as an Unrestricted Subsidiary with the consent of the Required Lenders as long as, after giving effect thereto, no Default or Event of Default has occurred and is continuing and the Borrower would be in pro forma compliance with the financial covenants in Section 8.1 after giving effect thereto. Notwithstanding the foregoing, the Texas Pipeline Unrestricted Subsidiaries shall be deemed to be Unrestricted Subsidiaries unless redesignated as Restricted Subsidiaries in accordance with this Agreement.

(iii) The following definitions in Section 1.1 of the Credit Agreement are hereby deleted in their entirety:

"Argo Clawback"  
"Argo Financing"  
"Argo Financing Documents"  
"Argo Unrestricted Subsidiaries"  
"Crystal Trading"  
"Prince Project"  
"Viosca Knoll"

(b) Amendments to Section 4.13

(i) Section 4.13(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(b) Marco Polo Financing Transactions.

(i) the contribution by the Borrower and the Restricted Subsidiaries to Gateway of up to \$60,000,000, in the aggregate, of cash and other assets related to the Marco Polo Platform;

(ii) the pledge by the Borrower and the Restricted Subsidiaries of their equity interests in Gateway to secure Indebtedness of Gateway; and

(iii) the incurrence by the Borrower of the Marco Polo Clawback, and the securing of the Marco Polo Clawback obligations by the collateral on a pari passu basis with the Obligations, subject to the Intercreditor Agreement.

(ii) Section 4.13 of the Credit Agreement is hereby further amended by adding new subsections (d) and (e) as follows:

(d) Texas Pipeline Acquisition Transactions

(i) the creation of the Texas Pipeline Unrestricted Subsidiaries with an initial contribution by the Borrower and the Restricted Subsidiaries to such Texas Pipeline Unrestricted Subsidiaries (or on their behalf to El Paso or its Subsidiaries) of up to \$200,000,000 in the aggregate, of which \$105,000,000 will be in cash and \$95,000,000 will be in the form of the Borrower's indirect ownership in Argo's assets for the purpose of consummating the Texas Pipeline Acquisition;

(ii) additional investments or loans in or to the Texas Pipeline Unrestricted Subsidiaries in an amount equal to the Indebtedness permitted by Section 8.2(i) and 100% of the net proceeds of any equity issued by the Borrower or its Restricted Subsidiaries used to fund prepayments under the Texas Pipeline Financing Documents; and

(iii) the sale and transfer by Flextrend of its 9% overriding royalty interest in the Prince Field to Argo.

(c) Amendments to Section 5.15 Section 5.15 of the Credit Agreement is hereby amended and restated in its entirety as follows:

The Persons set forth on Schedule 5.15 constitute all of the Subsidiaries of the Borrower, and all Joint Ventures in which the Borrower owns any interest, as of the Closing Date, and the percentage of the equity interests owned by the Borrower in each such Person as of such date. The Persons set forth on Schedule 5.15A attached to the Second Amendment constitute all of the Subsidiaries of the Borrower and all Joint Ventures in which the Borrower owns any interest, after giving effect to the Texas Pipeline Acquisition. The Persons set forth on Schedule 5.15B attached to the Second Amendment constitute all of the Subsidiaries of the Borrower and all Joint Ventures in which the Borrower owns any interest, after giving effect to the Reorganization Transactions (as defined and permitted in the Texas Pipeline Financing Documents). Except for the Texas Pipeline Unrestricted Subsidiaries, each of the Subsidiaries listed on Schedule 5.15A and Schedule 5.15B is as of April 2, 2002 a Restricted Subsidiary.

(d) Amendment to Article VII The introduction to Article VII of the Credit Agreement is hereby amended and restated in its entirety as follows:

The Borrower hereby agrees that, so long as the Revolving Credit Commitments remain in effect, any Revolving Credit Note or any Letter of Credit remains outstanding and unpaid or any other amount is owing to any Lender or the Administrative Agent hereunder, the Borrower shall and (except in the case of delivery of financial information, reports, and notices) shall cause each of its Restricted Subsidiaries and, with respect to Section 7.11, each of its Unrestricted Subsidiaries to:

(e) Amendment to Section 7.10 Section 7.10(c) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(c) Notwithstanding anything to the contrary in any Loan Document, neither the Borrower nor any Restricted Subsidiary shall be obligated to (a) pledge under the Loan Documents any of its equity interest in any Joint Venture if such pledge is prohibited by any Contractual Obligation or to the extent such equity interest is pledged to another Person in accordance with subsection 8.3(h), (b) pledge under the Loan Documents any of its real property or (c) pledge under the Loan Documents any Capital Stock in any Texas Pipeline Unrestricted Subsidiary to the extent such Capital Stock is pledged to another Person in accordance with subsection 8.3(m).

(f) Amendment to Section 7.11 Section 7.11(c) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(c) Notwithstanding any provision of the Loan Documents to the contrary (i) the Borrower and the Restricted Subsidiaries may incur Guarantee Obligations supporting obligations of Gateway that were assumed by it from Delos in connection with its formation, such Guarantee Obligations not to exceed \$10,000,000 and (ii) the Borrower and the Restricted Subsidiaries may incur Guarantee Obligations (including Guarantee Obligations of which any lenders under the Marco Polo Financing Documents are the beneficiaries) consisting of guarantees of performance obligations of Unrestricted Subsidiaries as long as such guarantees do not constitute guarantees of payment.

(g) Amendment to Section 8.2 Section 8.2 is hereby amended as follows:

(i) the word "and" is deleted from the end of subsection (g) thereof;

(ii) the period at the end of subsection (h) thereof is replaced with semicolon followed by the word "and"; and

(iii) the following subsection (i) is added at the end of such section:

(i) other Indebtedness issued by the Borrower or its Restricted Subsidiaries in an aggregate amount up to \$575,000,000, the proceeds of which shall be used to fund prepayments under the Texas Pipeline Financing Documents.

(h) Amendments to Section 8.3

(i) Section 8.3(h) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(h) the Borrower and its Restricted Subsidiaries may pledge on a non-recourse basis their equity interest in Gateway to secure Indebtedness of Gateway under the Marco Polo Financing Documents;

(ii) Section 8.3 of the Credit Agreement is hereby further amended as follows:

(A) the word "and" is deleted from the end of subsection (k) thereof;

(B) the period at the end of subsection (l) thereof is replaced with semicolon followed by the word "and"; and

(C) the following subsection (m) is added at the end of such section:

(m) the Borrower and its Restricted Subsidiaries may pledge on a non recourse basis their Capital Stock in any or all of the Texas Pipeline Unrestricted Subsidiaries to secure Indebtedness of the Texas Pipeline Unrestricted Subsidiaries under the Texas Pipeline Financing Documents.

(i) Amendment to Section 8.4 Section 8.4(g) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(g) Guarantee Obligations, in addition to those described in clauses (e) and (f) of this Section 8.4, of up to \$30,000,000 in the aggregate incurred pursuant to the Marco Polo Clawback; and

(j) Amendments to Section 8.8

(i) Section 8.8(g) of the Credit Agreement is hereby amended by adding the words (-(i)) after 8.8(h) and deleting the word "and" after the semicolon

(ii) Section 8.8(h) is hereby amended and restated in its entirety as follows:

(h) capital contributions, loans, or other investments consisting of up to \$60,000,000 of cash and other assets to or in Gateway; and

(iii) Section 8.8 of the Credit Agreement is hereby further amended by adding the following subsection (i) at the end of such section:

(i) capital contributions, loans and other investments in the Texas Pipeline Unrestricted Subsidiaries in an amount equal to \$200,000,000 plus the Indebtedness permitted under Section 8.2(i) plus 100% of the net proceeds of any equity issued by the Borrower or its Restricted Subsidiaries which have been used to fund prepayments under the Texas Pipeline Financing Documents.

2. Conditions to Effectiveness. This Second Amendment shall become effective on the date (the "Second Amendment Effective Date") on which all of the following conditions

precedent have been satisfied or waived: (i) the Borrower, the Co-Borrower, the Administrative Agent and the Required Lenders shall have executed and delivered to the Administrative Agent this Second Amendment and (ii) the Administrative Agent and the Lenders shall have received payment of all fees and costs payable by the Borrower on or before the Second Amendment Effective Date in connection with this Second Amendment.

### 3. Miscellaneous.

(a) Representations and Warranties. After giving effect to the effectiveness of this Second Amendment, the representations and warranties made by the Loan Parties in the Loan Documents are true and correct in all material respects on and as of the Second Amendment Effective Date (unless such representations or warranties are stated to refer to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) as if made on and as of the Second Amendment Effective Date and no Default or Event of Default will have occurred and be continuing.

(b) Payment of Expenses. The Borrower agrees to pay or reimburse the Administrative Agent for all of its out-of-pocket costs and reasonable expenses incurred in connection with this Second Amendment, any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable fees and disbursements of counsel to the Administrative Agent.

(c) No Other Amendments; Confirmation. Except as expressly amended, modified and supplemented hereby, the provisions of the Credit Agreement and the other Loan Documents are and shall remain in full force and effect.

(d) Governing Law. THIS SECOND AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(e) Counterparts. This Second Amendment may be executed by one or more of the parties to this Second Amendment on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(f) Redesignation of Argo and Argo I. The Borrower hereby designates Argo and Argo I, which are Unrestricted Subsidiaries of the Borrower, as Restricted Subsidiaries as of April 2, 2002. The Borrower hereby represents to the Administrative Agent and the Lenders that after giving effect to such redesignation, no Default or Event of Default shall have occurred and be continuing and the Borrower would be in pro forma compliance with the covenants set forth in Section 8.1 after giving effect thereto. The Administrative Agent and the Lenders hereby consent to the redesignation of Argo and Argo I as Restricted Subsidiaries.

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IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed and delivered as of the day and year first above written.

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

JPMORGAN CHASE BANK, formerly known as  
The Chase Manhattan Bank,  
as Administrative Agent and as a Lender

By: /s/ Steven Wood  
Name: Steven Wood  
Title: Vice President

CREDIT LYONNAIS NEW YORK BRANCH

By: /s/ Bernard Weymutter  
Name: Bernard Weymutter  
Title: Senior Vice President

FIRST UNION NATIONAL BANK

By: /s/ Philip Trinder  
Name: Philip Trinder  
Title: Vice President

FLEET NATIONAL BANK

By: /s/ Daniel S. Schookling  
Name: Daniel S. Schookling  
Title: Director

ARAB BANKING CORPORATION (B.S.C.)

By: /s/ Robert J. Ivosevich  
Name: Robert J. Ivosevich  
Title: Deputy General Manager

THE BANK OF NOVA SCOTIA

By: /s/ N. Bell  
Name: N. Bell  
Title: Assistant Agent

BANK ONE, NA (MAIN OFFICE CHICAGO)

By: /s/ Dianne L. Russell  
Name: Dianne L. Russell  
Title: Director

BANK OF AMERICA, N.A.

By: /s/ Ronald E. Mckaig  
Name: Ronald E. Mckaig  
Title: Managing Director

CREDIT SUISSE FIRST BOSTON

By: /s/ Paul L. Colon  
Name: Paul L. Colon  
Title: Vice President

By: /s/ Vanessa Gomez  
Name: Vanessa Gomez  
Title: Associate

FORTIS CAPITAL CORP.

By: /s/ Darrell W. Holley  
Name: Darrell W. Holley  
Title: Managing Director

By: /s/ Deirdre Sanborn  
Name: Deirdre Sanborn  
Title: Vice President

BNP PARIBAS

By: /s/ Mark A. Cox  
Name: Mark A. Cox  
Title: Director

By: /s/ Greg Smothers  
Name: Greg Smothers  
Title: Vice President

SUNTRUST BANK

By: /s/ Joseph M. McCreery  
Name: Joseph M. McCreery  
Title: Vice President

RZB FINANCE LLC

By: /s/ Frank J. Yautz  
Name: Frank J. Yautz  
Title: First Vice President

By: /s/ John A. Valiska  
Name: John A. Valiska  
Title: Vice President

BAYERISCHE HYPO-UND VEREINSBANK, AG  
(New York Branch)

By: /s/ Shannon Batchman  
Name: Shannon Batchman  
Title: Director

By: /s/ Marianne Weinzinger  
Name: Marianne Weinzinger  
Title: Director

THE ROYAL BANK OF SCOTLAND plc,  
New York Branch

By: /s/ Patricia J. Dundee  
Name: Patricia J. Dundee  
Title: Senior Vice President

CITICORP USA

By: /s/ David Harris  
Name: David Harris  
Title: Vice President

NATEXIS BANQUES POPULAIRES

By: /s/ Daniel Payer  
Name: Daniel Payer  
Title: Vice President

By: /s/ Louis P. Laville, III  
Name: Louis P. Laville, III  
Title: Vice President and Group Manager

ROYAL BANK OF CANADA

By: /s/ Tom J. Oberaigner  
Name: Tom J. Oberaigner  
Title: Senior Manager

