UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: November 7, 2001
(Date of Earliest Event Reported: August 30, 2000)

Commission File Number 1-11680

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

Delaware	76-0396023
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

El Paso Building
1001 Louisiana Street
Houston, Texas 77002
(Address of Principal Executive Offices)
(Zip Code)

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

Item 2. ACQUISITION OR DISPOSTION OF ASSETS

On October 18, 2001, we acquired title to and other interests in the Chaco cryogenic natural gas processing plant in northern New Mexico's San Juan Basin for approximately $198.5 million. The total purchase price was composed of a payment of $77 million to a bank group that provided the financing for the facility and $121.5 million to El Paso Field Services, L.P., an El Paso Corporation affiliate, in connection with the execution of a 20-year processing agreement.

On October 18, 2001, we acquired for approximately $85 million from a subsidiary of El Paso Corporation, the remaining 50% indirect interest that we did not already own in Deepwater Holdings, L.L.C., through which the High Island Offshore System and East Breaks natural gas gathering system became indirectly wholly-owned assets.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial statements of business acquired.

The audited Deepwater Holdings, L.L.C. financial statements as of and for the period ended December 31, 2000 are included in our Annual Report on Form 10-K which is incorporated herein by reference.

We are providing the unaudited Deepwater Holdings, L.L.C. financial statements as of and for the periods ended June 30, 2001 and 2000.

Deepwater Holdings, L.L.C. and Subsidiaries

Condensed Consolidated Financial Statements

As of June 30, 2001 and December 31, 2000 and

For the Six Months Ended June 30, 2001 and 2000

DEEPWATER HOLDINGS, L.L.C. AND SUBSIDIARIES
(A LIMITED LIABILITY COMPANY)

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)
(Unaudited)

	June 30, 2001	December 31, 2000
ASSETS		
Current assets		
Cash and cash equivalents	$ 749	$ 11,481
Accounts receivable, net	8,093	23,650
Other current assets	2	10,997
Total current assets	8,844	46,128
Property, plant and equipment, net	156,969	233,235
Other noncurrent assets	2,388	4,181
Total assets	$168,201	$283,544
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable, net	$ 6,791	$ 13,496
Current obligation under capital lease	--	1,073
Other current liabilities	--	25,393
Total current liabilities	6,791	39,962
Long-term debt	110,000	157,000
Obligations under capital lease, less current portion	--	8,302
Other noncurrent liabilities	--	1,215
Total liabilities	116,791	206,479
Commitments and contingencies	--	--
Members' equity	51,410	77,065
Total liabilities and members' equity	$168,201	$283,544

See accompanying notes.

DEEPWATER HOLDINGS, L.L.C. AND SUBSIDIARIES
(A LIMITED LIABILITY COMPANY)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands)
(Unaudited)

	Six Months ended June 30, 2001	2000
Revenues		
Transportation services	$ 27,109	$ 27,931
Liquid transportation services and other	693	1,253
Dehydration services	238	1,129
	28,040	30,313
Expenses		
Operations and maintenance	8,640	13,926
Depreciation and amortization	5,632	8,430
Taxes, other than income taxes	--	159
	14,272	22,515
Operating income	13,768	7,798
Other income (expense)		
Interest income	28	153
Interest expense and other financing costs	(4,807)	(3,523)
Net loss on sales of assets	(21,044)	--
Net income (loss)	$(12,055)	$ 4,428

See accompanying notes.

DEEPWATER HOLDINGS, L.L.C. AND SUBSIDIARIES
(A LIMITED LIABILITY COMPANY)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

	Six Months ended June 30, 2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$(12,055)	$ 4,428
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,632	8,430
Net loss on sales of assets	21,044	--
Working capital changes, net of effects of dispositions	(6,730)	(468)
Other	1,109	1,372
Net cash provided by operating activities	9,000	13,762
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(5,091)	(29,846)
Proceeds from sales of assets, net of cash sold	45,959	--
Net cash provided by (used in) investing activities	40,868	(29,846)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	4,000	29,000
Payments on long-term debt	(51,000)	--
Capital contributions from members	100	63
Distributions to members	(13,700)	(15,200)
Net cash provided by (used in) financing activities	(60,600)	13,863
Decrease in cash and cash equivalents:	(10,732)	(2,221)
Cash and cash equivalents:		
Beginning of period	11,481	9,166
End of period	$ 749	$ 6,945

See accompanying notes.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

Our December 31, 2000, audited consolidated financial statements, as presented in the El Paso Energy Partners, L.P. 2000 Annual Report on Form 10-K, include a summary of our significant accounting policies and other disclosures. You should read it in conjunction with these financial statements. The condensed consolidated financial statements at June 30, 2001, and for the six months ended June 30, 2001 and 2000, are unaudited. The balance sheet at December 31, 2000, is derived from the audited balance sheet. These financial statements do not include all disclosures required by accounting principles generally accepted in the United States, but have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission (SEC). 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 any interim period may not necessarily indicate the results of operations for the entire year due to the seasonal nature of our businesses. The prior period information includes reclassifications, which were made to conform to the current presentation. These reclassifications have no effect on our reported net income or partners' capital.

Our accounting policies are consistent with those discussed in our 2000 audited financial statements, except as discussed below. You should refer to our 2000 audited financial statements for further discussion of those policies.

Adoption of SFAS No. 133

We adopted Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities, on January 1, 2001. We did not enter into any derivative contracts on or subsequent to our adoption date.

During the normal course of our business, we may enter into contracts that qualify as derivatives according to SFAS No. 133's definition of a derivative. Accordingly, we evaluate our contracts to determine whether derivative accounting is necessary. Contracts that meet the criteria of a derivative are then evaluated for the normal purchases and normal sales exception. Contracts qualifying as normal purchases and normal sales are documented in order to be excluded from accounting under SFAS No. 133.

For those instruments entered into to hedge risk, and which qualify as hedges under the provisions of SFAS No. 133, the accounting treatment depends on each instruments intended use and how it is designated. In addition to its designation, a hedge must be effective. To be effective, changes in the value of the derivative or its resulting cash flows must substantially offset changes in the value or cash flows of the item being hedged.

NOTE 2 - DISPOSITIONS

In accordance with a Federal Trade Commission (FTC) order related to El Paso Corporation's merger with The Coastal Corporation in January 2001, we agreed to sell Stingray, UTOS, and our West Cameron dehydration facility to several third parties. We sold Stingray and our West Cameron dehydration facility in

NOTE 2 - DISPOSITIONS (CONTINUED)

January 2001, and UTOS in April 2001. From these sales, we received cash of approximately $54 million and used the net proceeds to pay down our credit facility. We recognized losses of approximately $21 million as a result of these sales.

The following selected unaudited pro forma information represents our consolidated results of operations on a pro forma basis for the six months ended June 30, 2001 and 2000, as if we sold these assets on January 1, 2000. The pro forma information does not give effect to the losses we incurred on the sales of our assets since these are non-recurring items.

	June 30, 2001	June 30, 2000
	(In thousands)	
Operating revenues	$25,314	$ 18,205
Operating income	$12,011	$ 6,297
Net income	$ 9,231	$ 3,180

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	June 30, 2001	December 31, 2000
	(In thousands)	
Property, plant, and equipment at cost		
Pipelines and equipment	$ 536,813	$ 919,193
Pipelines under construction	3,444	240
Pipeline under capital lease	-	9,778
	540,257	929,211
Less accumulated depreciation and amortization	(383,288)	(695,976)
Property, plant and equipment, net	$ 156,969	$

233,235 ========= ========= NOTE 4 - INDEBTEDNESS We are a party to credit agreements under which we have outstanding obligations that may restrict our ability to pay distributions to our respective owners. We have a revolving credit facility with a syndicate of commercial banks to provide up to $175 million of available credit, subject to incurrence limitations. At our election, interest under our credit facility is determined by reference to the reserve-adjusted London interbank offer rate, the prime rate or the 90-day average certificate of deposit. As of June 30, 2001, we had approximately $110 million outstanding under our credit facility 7

 NOTE 4 - INDEBTEDNESS (CONTINUED) bearing interest at approximately 5.39% per year, and as of December 31, 2000, we had $157 million outstanding under our credit facility bearing interest at approximately 8.15% per year. A commitment fee is charged on the unused and available to be borrowed portion of our credit facility. This fee was 0.5 percent and 0.475 percent per year at June 30, 2001 and December 31, 2000, respectively. Amounts remaining under our credit facility are available to us for general corporate purposes, including financing capital expenditures and for working capital. Our credit facility can also be utilized to issue letters of credit as may be required from time to time; however, no letters of credit are currently outstanding. The Credit Facility matures in February 2004; is guaranteed by us and is collateralized by substantially all of our assets. Interest and other financing costs totaled approximately $4.8 million for the six months ended June 30, 2001 and $3.2 million for the six months ended June 30, 2000, net of capitalized interest of $2.1 million for the six months ended June 30, 2000. The unamortized portion of debt issue costs totaled $0.5 million and $0.6 million for the six months ended June 30, 2001 and June 30, 2000, respectively.

NOTE 5 - RELATED PARTY TRANSACTIONS

Transportation and dehydration revenues derived from affiliated companies were $3.5 million for the six months ended June 30, 2001 and $0.5 million for the six months ended June 30, 2000. In addition, several of the operating companies have entered into operations agreements with affiliates for various operational, financial, accounting and administrative services. Total fees billed to the operating companies under these agreements were approximately $6 million and $9 million for the six months ended June 30, 2001 and 2000, respectively.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

We are party to a credit agreement under which we may be restricted from paying distributions to our members. We are involved from time to time in various claims, actions, lawsuits, and regulatory matters that have arisen in the ordinary course of business, including various rate cases and other proceedings before the Federal Energy Regulatory Commission (FERC). We, along with several subsidiaries of El Paso Corporation, have been 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). In May 2001, the court denied the defendants' motion to dismiss. 8

DEEPWATER HOLDINGS, L.L.C. AND SUBSIDIARIES (A LIMITED LIABILITY COMPANY) NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED) 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 the Kansas State Court for further proceedings. A motion to dismiss this case is pending. We are also a named defendant in numerous lawsuits and a named party in numerous governmental proceedings arising in the ordinary course of our business. In September 2001, FERC issued a Notice of Proposed Rulemaking, or NOPR, in which FERC proposes to modify its standards of conduct governing the relationship between interstate pipelines and marketing affiliates of interstate pipelines. In the NOPR, FERC proposed modifications, including that the standards of conduct apply to the pipelines' relationship with all energy affiliates, not just marketing affiliates. Since HIOS is an interstate pipeline as defined by the Natural Gas Act, the proposed regulations, if adopted by FERC, would dictate how HIOS conducts business and interacts with all energy affiliates of El Paso Corporation and us. 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. While the outcome of the matters discussed above cannot be predicted with certainty, we do not expect the ultimate resolution of these matters to have a material adverse effect on our financial position, results of operations, or cash flows. NOTE 7 - NEW ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED Business Combinations In July 2001, the

Financial Accounting Standards Board (FASB) issued SFAS No. 141, Business Combinations. This statement requires that all transactions that fit the definition of a business combination be accounted for using the purchase method and prohibits the use of the pooling of interests method for all business combinations initiated after June 30, 2001. This statement also established specific criteria for the recognition of intangible assets separately from goodwill and requires unallocated negative goodwill to be written off immediately as an extraordinary item. This standard will have an impact on any business combination we undertake in the future. We are currently evaluating the effects of this pronouncement on our historical financial statements. Goodwill and Other Intangible Assets In July 2001, the FASB issued SFAS No. 142, Goodwill and Other Intangible Assets. This statement requires that goodwill no longer be amortized but should be intermittently tested for impairment at least on an annual basis. Other intangible assets are to be amortized over their useful life and reviewed for impairment in accordance with the provisions of SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of. An intangible asset with an indefinite useful life can no longer be amortized until its useful life becomes determinable. This statement has various effective dates. The most significant of which is January 1, 2002. We are currently evaluating the effects of this pronouncement. Accounting for Asset Retirement Obligations In July 2001, the FASB approved for issuance SFAS No. 143, Accounting for Asset Retirement Obligations. This statement requires companies to record a liability relating 9

DEEPWATER HOLDINGS, L.L.C. AND SUBSIDIARIES (A LIMITED LIABILITY COMPANY) NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) NOTE 7 - NEW ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED (CONTINUED) to the retirement and removal 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. The provisions of this statement are effective for fiscal years beginning after June 15, 2002. We are currently evaluating the effects of this pronouncement. Accounting for the Impairment or Disposal of Long-Lived Assets In October 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. This statement requires that long-lived assets that are to be disposed of by sale be measured at the lower of book value or fair value less cost to sell. The standard also expanded the scope of discontinued operations that can be distinguished from the rest of the entity and will be eliminated from the ongoing operations of the entity in a disposal transaction. The provisions of this statement are effective for fiscal years beginning after December 15, 2001. We are currently evaluating the effects of this pronouncement.

NOTE 8 - SUBSEQUENT EVENTS

Imbalance Receivables

In August 2001, we wrote off approximately $2.7 million of natural gas imbalances on HIOS, which are reflected in accounts receivable, net in the accompanying condensed consolidated balance sheets, due to uncollectibility.

El Paso Energy Partners, L.P. Acquisition of Deepwater Holdings, L.L.C.

In October 2001, El Paso Energy Partners, L.P. acquired the remaining 50% in us for approximately $85 million, consisting of $30 million cash and $55 million of assumed indebtedness. In conjunction with this transaction, El Paso Energy Partners repaid and terminated our revolving credit facility, which had a balance outstanding of $110 million in October 2001.

(b) Pro forma financial statements We are providing the accompanying unaudited pro forma condensed consolidated and combined financial statements to reflect the following transactions as if we completed them as of January 1, 2000: o our acquisition of the remaining 50% interest in Deepwater Holdings, L.L.C., and our acquisition of the Chaco cryogenic natural gas processing plant; o our acquisition of the Crystal natural gas storage business and the natural gas liquids transportation and fractionation assets; and o our sale of several Gulf of Mexico assets The following unaudited pro forma condensed consolidated and combined financial statements as of and for the six months ended June 30, 2001, and for the year ended December 31, 2000, have been prepared based on the historical consolidated balance sheet and the historical consolidated statements of operations of El Paso Energy Partners, L.P. and subsidiaries. The Unaudited Pro Forma Condensed Consolidated and Combined Statements of Operations give effect to the transactions identified below as if they had occurred on January 1, 2000. The Unaudited Pro Forma Condensed Consolidated and Combined Balance Sheet gives effect to the transactions as if they occurred on June 30, 2001. The unaudited pro forma condensed consolidated and combined financial statements are not necessarily indicative of our consolidated financial position or results of operations that might have occurred had the transactions been completed at the beginning of the earliest period presented, nor do they necessarily indicate our consolidated operating results and financial position for any future period. The accompanying Notes to the Unaudited Pro Forma Condensed Consolidated and Combined Financial Statements explain the assumptions used in preparing the financial information. Accounting policy differences were not material and, accordingly, adjustments have not been included in these statements. The unaudited pro forma financial information gives effect to the following transactions:

(1) The acquisition in October 2001 of the remaining 50% equity interest that we did not already

own in Deepwater Holdings. High Island Offshore System and the East Breaks natural gas gathering system became indirect wholly-owned assets through this transaction. The total purchase price was approximately $85 million, consisting of $30 million cash and $55 million of assumed indebtedness. (2) The acquisition in October 2001 of title to and other interests in the Chaco cryogenic natural gas processing plant for approximately $198.5 million. The total purchase price was composed of: o A payment of $77.0 million to acquire the Chaco plant from the bank group that provided the financing for the facility; and o A payment of $121.5 million to El Paso Field Services, L.P., an El Paso Corporation affiliate, in connection with the execution of a 20-year agreement relating to the processing capacity of the Chaco plant and dedication of natural gas gathered by El Paso Field Services. (3) The acquisition in August 2000 of the salt dome natural gas storage business of Crystal Gas Storage, Inc., from a subsidiary of El Paso Corporation, in exchange for $170 million of Series B 10% Cumulative Redeemable

Preference Units. Our historical consolidated financial statements include the accounts and results of operations of Crystal from the purchase date. (4) The $133 million acquisition in February 2001 of the South Texas natural gas liquids transportation and fractionation (T&F) assets from a subsidiary of El Paso Corporation. Our historical consolidated financial statements include the accounts and results of operations of the T&F assets from the purchase date. (5) The exclusion of the (i) results of operations of, and losses on the disposition of Deepwater Holdings' interests in the Stingray and UTOS systems, and the West Cameron Dehydration facility; (ii) results of operations and losses on disposition of our interests in Nautilus, Manta Ray Offshore, Nemo, Green Canyon and Tarpon as well as interests in two offshore platforms; and (iii) income we recognized from the payments from El Paso Corporation.

EL PASO ENERGY
PARTNERS, L.P.
UNAUDITED PRO
FORMA CONDENSED
CONSOLIDATED AND
COMBINED BALANCE
SHEET AS OF JUNE
30, 2001 (IN
THOUSANDS)
Pro Forma
Acquisition
Adjustments
El Paso
Energy
Deepwater ---

Partners,
L.P.
Holdings,
L.L.C.
Deepwater
Chaco
Combined
Historical
Historical(A)
Holdings,
L.L.C. Plant
Pro Forma ---
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-- ----------
------ ------
---- --------
-- ASSETS
Current
assets Cash
and cash
equivalents $
32,385 $ 749
$ 30,000 (B)
$ (77,000)(E)
$ 33,134
(30,000)(B)
77,000 (E)
110,000 (C)
(121,500)(F)
(110,000)(C)
121,500 (F)
Accounts
receivable,
net 30,526
8,093 38,619
Other current
assets 10,752
2 10,754 ----
------ ------
---- --------
-- ----------

Total current
assets 73,663
8,844 -- --
82,507
Property,
plant and
equipment,
net 798,026
156,969
14,850 (D)
77,000 (E)
1,046,845
Intangible
assets
121,500 (F)
121,500
Investments
in
unconsolidated

affiliates
73,796 30,000
(B) 37,536
(66,260)(D)
Other
noncurrent
assets 32,699
2,388 35,087
---------- --
-------- ----
------ ------
---- --------
-- Total
assets $
978,184 $
168,201 $
(21,410) $
198,500
$1,323,475
==========
==========
==========
==========
==========
LIABILITIES
AND PARTNERS'
CAPITAL
Current
liabilities
Accounts
payable $
10,590 $
6,791 $ -- $
-- $ 17,381
Other current
liabilities
11,206 --
11,206 ------
---- --------
-- ----------
---------- --

Total current
liabilities
21,796 6,791
-- -- 28,587
Revolving
credit
facility
60,000
110,000
30,000 (B)
77,000 (E)
398,500
110,000 (C)
121,500 (F)
(110,000)(C)
Project
finance loan
95,000 95,000
Long-term
debt 425,000
425,000 Other
noncurrent
liabilities
12,121 12,121
---------- --
-------- ----
------ ------
---- --------
-- Total
liabilities
613,917
116,791
30,000
198,500
959,208 -----
----- -------
--- ---------
- ----------

Total
partners'
capital
364,267
51,410
(51,410)(D)
364,267 -----
----- -------
--- ---------
- ----------

Total
liabilities
and partners'
capital $
978,184 $
168,201 $
(21,410) $
198,500
$1,323,475
==========
==========
==========
==========
==========

EL PASO ENERGY PARTNERS, L.P. UNAUDITED PRO FORMA CONDENSED CONSOLIDATED AND COMBINED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2000 (IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)

Pro Forma Acquisition Deepwater Adjustments El Paso Energy Deepwater Holdings, L.L.C. ------ ------------- ---------
Partners, L.P. Holdings, L.L.C. Divestitures Deepwater Chaco Historical Historical(A) Adjustments Holdings, L.L.C. Plant ------------- - ----------- ---- -------- -------- ---- ------------ ----------

Operating revenues $ 112,415 $ 67,122 $ (27,252)(G) $ -- $ 35,569(L) ---------- ---------- ---------- ---------- - ----------

Operating expenses

Purchased natural gas costs 28,842

Operations and maintenance, net 13,779 25,279 (7,774)(G) 7,300(L)

Depreciation, depletion and amortization 27,743 18,138 (9,312)(G) 491 (I) 9,925(L) ---------- ---------- ---------- -- ---------- ----------

70,364 43,417 (17,086) 491 17,225 ------

---- --------
-- ----------
---------- --

Operating
income (loss)
42,051 23,705
(10,166)
(491) 18,344
---------- --
-------- ----
------ ------
---- --------
-- Other
income
Earnings
(loss) from
unconsolidated
affiliates
22,931
(5,049)(G)
(2,221)(J)
Other income
(loss) 2,377
532 (146)(G)
---------- --
-------- ----
------ ------
---- --------
-- 25,308 532
(5,195)
(2,221) -- --
-------- ----
------ ------
---- --------
-- ----------
Income before
interest,
income taxes
and other
charges
67,359 24,237
(15,361)
(2,712)
18,344 ------
---- --------
-- ----------
---------- --

Interest and
debt expense
47,072 10,711
(3,472)(H)
7,924 (K)
11,235(M)
(5,929)(C)
Income tax
benefit (305)
Minority
interest 95 -
--------- ---
------- -----
----- -------
--- ---------
- 46,862
10,711
(3,472) 1,995
11,235 ------
---- --------
-- ----------
---------- --
-------- Net
income (loss)
20,497 $
13,526 $
(11,889) $
(4,707) $
7,109 -------

==========
==========

==========
==========
Net income (loss) allocated to General Partner 15,578 Net income (loss) allocated to Series B unitholders 5,668 ---------- Net income (loss) allocated to limited partners $ (749)
==========
Basic and diluted net income (loss) per unit $ (0.03)
==========
Weighted average number of units outstanding 29,077
==========
Other Gulf of Pro Forma Pro Forma Mexico Asset Crystal T&F Asset Divestiture Combined Adjustments Adjustments Adjustments Pro Forma ------------- ----------- --------------- ---- ------
Operating revenues $ 10,528 (N) $ 33,550(R) $ (2,954)(T) $ 228,978 ---------- ---------- ---------- ----------
Operating expenses Purchased natural gas costs 28,842 Operations and maintenance, net 4,754 (N) 8,007(R) (1,552)(T) 49,793 Depreciation, depletion and amortization 2,683 (N) 3,465(R) (7,585)(T) 46,461 913 (O) ---------- ---------- ------------ ----------
8,350 11,472

(9,137)
125,096 -----
----- -------
--- ---------
- ----------
Operating
income (loss)
2,178 22,078
6,183 103,882
---------- --
-------- ----
------ ------
---- Other
income
Earnings
(loss) from
unconsolidated
affiliates
(2,922)(T)
12,739 Other
income (loss)
151 (N) (200)
(T) 2,714 ---
------- -----
----- -------
--- ---------
- 151 --
(3,122)
15,453 ------
---- --------
-- ----------

Income before
interest,
income taxes
and other
charges 2,329
22,078 3,061
119,335 -----
----- -------
--- ---------
- ----------
Interest and
debt expense
636 (N)
10,214(S)
(2,890)(T)
66,697 (494)
(P) (8,310)
(U) Income
tax benefit
305 (T) --
Minority
interest 2
(T) 97 ------
---- --------
-- ----------
----
142 10,214
(10,893)
66,794 ------
---- --------
-- ----------

Net income
(loss) $
2,187 $
11,864 $
13,954 52,541
===========
==========
========== --
-------- Net
income (loss)
allocated to
General
Partner
15,899(V) Net
income (loss)
allocated to
Series B

unitholders 17,000(Q) ---------- Net income (loss) allocated to limited partners $ 19,642 ==========
Basic and diluted net income (loss) per unit $ 0.68 ==========
Weighted average number of units outstanding 29,077 ==========

EL PASO ENERGY PARTNERS, L.P. UNAUDITED PRO FORMA CONDENSED CONSOLIDATED AND COMBINED STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2001 (IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)

Pro Forma Acquisition Deepwater Adjustments El Paso Energy Deepwater Holdings, L.L.C. ------ ------------- ----------

Partners, L.P. Holdings, L.L.C. Divestitures Deepwater Chaco Historical Historical(A) Adjustments Holdings, L.L.C. Plant ------------- - ----------- ---- -------- -------- ---- ------------ ----------

Operating revenues $ 99,489 $ 28,040 $ (2,726)(G) $ -- $ 17,785(L) ---------- ----- ----- ------- --- --------- - ----------

Operating expenses

Purchased natural gas costs 33,764

Operations and maintenance, net 15,509 8,640 (658) (G) 3,650(L)

Depreciation, depletion and amortization 20,295 5,632 (323)(G) 246 (I) 4,963(L)

---------- -- -------- ---- ------ ------ ---- -------- -- 69,568 14,272 (981) 246 8,613 ---------- ----- ----- -------

--- ---------
- ----------
Operating
income (loss)
29,921 13,768
(1,745) (246)
9,172 Other
income
Earnings
(loss) from
unconsolidated
affiliates
(344) 9,933
(J) Net loss
on sales of
assets
(11,251)
(21,044)
21,044 (G)
Other income
(loss) 26,357
28 ----------
---------- --
-------- ----
------ ------
---- 14,762
(21,016)
21,044 9,933
-- ---------
---------- --
-------- ----
------ ------
---- Income
before
interest and
taxes 44,683
(7,248)
19,299 9,687
9,172 -------
--- ---------
- ----------
---------- --

Interest
expense
19,766 4,807
3,962 (K)
5,618(M)
(4,807)(C)
Income tax
expense
(benefit)
Minority
interest 100
---------- --
-------- ----
------ ------
---- --------
-- 19,866
4,807 --
(845) 5,618 -
--------- ---
------- -----
----- -------
--- ---------
- Net income
(loss) 24,817
$ (12,055) $
19,299 $
10,532 $
3,554 -------

==========
==========
==========
==========
Net income
(loss)
allocated to
General
Partner

10,599 Net income (loss) allocated to Series B unitholders 8,786 ---------- Net income (loss) allocated to limited partners $ 5,432 ========== Basic and diluted net income per unit $ 0.16 ========== Weighted average number of units outstanding 33,270 ========== Other Gulf of Pro Forma Mexico Asset T&F Asset Divestiture Combined Adjustments Adjustments Pro Forma ----------- ---- --------- --- ------- Operating revenues $ 5,042(R) $ -- $ 147,630 ---------- ----- ----- ---------- Operating expenses Purchased natural gas costs 33,764 Operations and maintenance, net 1,368(R) 28,509 Depreciation, depletion and amortization 750(R) 31,563 ---------- -- -------- ---- ------ 2,118 -- 93,836 ---------- ----- ----- ---------- Operating income (loss) 2,924 -- 53,794 Other income Earnings (loss) from unconsolidated affiliates 9,589 Net loss on sales of assets 11,251 (T) -- Other income (loss) (25,504)(T) 881 ---------- - ----------

---------- --
(14,253)
10,470 ------
---- --------
-- ----------
Income before
interest and
taxes 2,924
(14,253)
64,264 ------
---- --------
-- ----------
Interest
expense
1,702(S) --
31,048 Income
tax expense
(benefit) --
Minority
interest 100
---------- --
-------- ----
------ 1,702
-- 31,148 ---
------- -----
----- -------
--- Net
income (loss)
$ 1,222 $
(14,253)
33,116
==========
========== --
-------- Net
income (loss)
allocated to
General
Partner
10,791(V) Net
income (loss)
allocated to
Series B
unitholders
8,786 -------
--- Net
income (loss)
allocated to
limited
partners $
13,539
==========
Basic and
diluted net
income per
unit $ 0.41
==========
Weighted
average
number of
units
outstanding
33,270
==========

NOTES TO THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS A This column represents the historical Deepwater Holdings, L.L.C. consolidated balance sheet and statements of operations. B To record the borrowings under our credit facility and our acquisition of the additional interest in Deepwater Holdings. C To record (i) the repayment of Deepwater Holdings' credit facility funded by borrowings under our revolving credit facility (ii) the elimination of the historical interest expense for the 6 months ended June 30, 2001 related to Deepwater Holdings' credit facility and (iii) the reduction of interest expense for the year ended December 31, 2000 based on the credit facility's interest rate at June 30, 2001, which was approximately 5.39%. A change in the rate of 0.125% would impact our annual results of operations by approximately $0.1 million. D To record the eliminating and consolidating entries related to our investment in Deepwater Holdings, as follows: (In thousands) Our investment in Deepwater Holdings at June 30, 2001

$ 36,260 Cash portion of the acquisition of the additional Deepwater Holdings' interest 30,000 -------------- Our total investment balance in Deepwater Holdings eliminated as a result of this acquisition 66,260 Elimination of Deepwater Holdings' equity balance (51,410) -------------- Excess purchase price assigned to property, plant and equipment $ 14,850 ==============

E To record the acquisition of the Chaco plant for approximately $77 million funded by borrowings under our revolving credit facility.

F To record the payment of $121.5 million in connection with the execution of a twenty year agreement with El Paso Field Services, L.P., relating to processing capacity of the Chaco plant and dedication of natural gas gathered by El Paso Field Services. This payment was funded by borrowings under our revolving credit facility.

G To eliminate the results of operations of Stingray, UTOS, and West Cameron Dehydration facility, our associated equity earnings from these assets, and the effect of the non-recurring loss related to the sales of these assets. These assets were sold pursuant to a Federal Trade Commission order related to El Paso Corporation. H To record the reduction in interest expense as a result of applying net proceeds of $54 million from the sale of Stingray, UTOS, and West Cameron Dehydration to pay down Deepwater Holdings' credit facility. This amount was calculated based on the interest rate on Deepwater Holdings' credit facility at March 31, 2001, which was approximately 6.43%. A change in the rate of 0.125% would impact our annual results of operations by approximately $0.1 million. I To record depreciation expense associated with the allocation of the excess purchase price assigned to Deepwater Holdings' property, plant and equipment relating to our acquisition of the additional interest in Deepwater Holdings. Such property, plant and equipment will be depreciated on a straight line basis over the remaining useful lives of the assets which approximate 30 years. J To eliminate our remaining equity earnings in Deepwater Holdings. K To record the increase in interest expense due to additional borrowings of $140.0 million under our revolving credit facility to fund the acquisition of El Paso Corporation's 50% interest in Deepwater Holdings and to reduce Deepwater Holdings' credit facility. The amount was calculated based on the interest rate on our revolving credit facility at June 30, 2001, which was approximately 5.66%. A change in the rate of 0.125% would impact our annual results of operations by approximately $0.2 million. L To record the results of operations of the Chaco plant. In connection with the acquisition of this asset, we secured a fixed rate processing agreement from El Paso Field Services, an affiliate of our General Partner, to process natural gas for the next twenty years. Our pro forma processing revenues are based on the contract price assuming average historical daily volumes for the respective period. We have also entered into a lease 15 agreement with El Paso Field Services, under which we will receive annual lease payments of $5 million. Also, we will incur operating expenses related to the Chaco plant of $7.3 million per year based on our operating agreement. Our depreciation and amortization estimate is based on the total cost of the plant and processing agreement of $198.5 million assuming a remaining 20 year life. M To record the increase in interest expense due to additional borrowings under our revolving credit facility to fund the acquisition of the Chaco plant for $198.5 million. The amount was calculated based on the interest rate on our revolving credit facility at June 30, 2001, which was approximately 5.66%. A change in the rate of 0.125% would impact our annual results of operations by approximately $0.3 million. N To record the results of operations of the Crystal assets acquired. O To record the additional depreciation expense associated with the allocation of the purchase price to Crystal's natural gas storage facilities. These facilities will be depreciated on a straight-line basis over their remaining useful lives which approximates 30 years. P To record the reduction in interest expense due to the redemption of Crystal's 8.12% secured guaranteed notes that were not assumed by us. Q To record additional income allocated to the Series B unitholders of approximately $11.3 million for the year ended December 31, 2000, as a result of the pro forma Crystal transaction. R To record the results of operations of the transportation and fractionation assets acquired. S To record the increase in interest expense related to our additional borrowings under our revolving credit facility to fund the acquisition of the NGL transportation and fractionation assets for $133 million. This amount was calculated based on the interest rate on our revolving credit facility at March 31, 2001, which was approximately 7.68%. A change in the rate of 0.125% would impact our annual results of operations by approximately $0.2 million. T To eliminate the results of operations of Nautilus, Manta Ray Offshore, Nemo, Green Canyon and Tarpon and the effect of the non-recurring items, related to the losses on the sales of these assets and the $25.5 million additional consideration received from El Paso Corporation. These assets were sold pursuant to a Federal Trade Commission order related to El Paso Corporation. U To record the reduction in interest expense as a result of applying the net proceeds from the equity offering of approximately $108.2 million from the Gulf of Mexico assets sold to paydown our revolving credit facility. The amount was calculated based on the interest rate on our credit facility at March 31, 2001, which was approximately 7.68%. A change in the rate of 0.125% would impact our annual results of operations by approximately $0.1 million. V To record additional income allocated to our General Partner of approximately $0.3 million for the year ended December 31, 2000, and approximately $0.2 million for the six months ended June 30, 2001, as a result of the pro forma transactions. 16

SIGNATURES

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

EL PASO ENERGY PARTNERS, L.P.

By: /s/ D. Mark Leland

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

Date: November 7, 2001