

EL PASO CORP/DE  
Form S-4/A  
March 04, 2011

**Table of Contents**

**As filed with the Securities and Exchange Commission on March 4, 2011**

**Registration No. 333-172574**

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

**Amendment No. 1 to  
Form S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**El Paso Corporation**  
*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**4922**  
*(Primary Standard Industrial  
Classification Code Number)*

**76-0568816**  
*(I.R.S. Employer  
Identification Number)*

**El Paso Building  
1001 Louisiana Street  
Houston, Texas 77002  
(713) 420-2600**  
*(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive  
offices)*

**Marguerite Woung-Chapman  
El Paso Building  
1001 Louisiana Street  
Houston, Texas 77002  
(713) 420-2600**  
*(Name, address, including zip code, and telephone  
number, including area code, of agent for service)*

***Copies to:***

**J. Eric Johnson  
Locke Lord Bissell & Liddell LLP  
600 Travis Street, Suite 2800  
Houston, Texas 77002  
(713) 226-1200**

**Lara Mason  
El Paso Building  
1001 Louisiana Street  
Houston, Texas 77002  
(713) 420-2600**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
 (Do not check if a smaller reporting company)

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price per Unit(1)</b>	<b>Proposed Maximum Aggregate Offering Price(1)</b>	<b>Amount of Registration Fee(1)</b>
6.50% Senior Notes due 2020	\$348,673,000	100%	\$348,673,000	\$40,481(2)

(1) The registration fee was calculated pursuant to Rule 457(f) under the Securities Act of 1933. For purposes of this calculation, the Offering Price per Note was assumed to be the stated principal amount of each original note that may be received by the Registrant in the exchange transaction in which the notes will be offered.

(2) \$40,481 was previously paid in connection with the initial filing of this registration statement.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

**Table of Contents**

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**SUBJECT TO COMPLETION, DATED MARCH 4, 2011**

**PROSPECTUS**

**El Paso Corporation**

**Offer to Exchange**

**\$348,673,000 Registered 6.50% Senior Notes due 2020  
for  
All Outstanding 6.50% Senior Notes due 2020**

**THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK  
CITY TIME, ON \_\_\_\_\_, 2011, UNLESS EXTENDED**

**The Notes**

We are offering to exchange registered 6.50% Senior Notes due 2020 for all of our outstanding 6.50% Notes due 2020. In this prospectus, we call the original notes the Old Notes and the registered notes the New Notes. The Old Notes and New Notes are collectively referred to in this prospectus as the notes.

**TERMS OF THE EXCHANGE OFFER:**

The terms of the New Notes will be substantially identical to those of the Old Notes, except that the New Notes will not be subject to the transfer restrictions or registration rights relating to the Old Notes. The New Notes will represent the same debt as the Old Notes, and will be issued under the same indenture as the Old Notes.

The exchange offer is not conditioned upon a minimum aggregate principal amount of Old Notes being tendered.

Interest on the New Notes will accrue from September 24, 2010 at the rate of 6.50% per annum, payable semi-annually in arrears on each March 15 and September 15, beginning March 15, 2011.

Each New Note issued in exchange for an Old Note will have the same principal amount, optional redemption terms, interest payment dates and maturity as the Old Note for which it is exchanged.

You may withdraw tenders of Old Notes at any time prior to the expiration of the exchange offer. We do not currently intend to extend the exchange offer.

The exchange of Old Notes for New Notes will not be a taxable event for United States federal income tax purposes.

We will not receive any proceeds from this exchange offer.

The New Notes will not be listed on any securities exchange nor do we intend to arrange for quotation of the New Notes on any automated dealer quotation system.

See the section entitled "Description of the New Notes" that begins on page 13 for more information about the New Notes issued in this exchange offer and the Old Notes.

**PARTICIPATING IN THE EXCHANGE OFFER INVOLVES RISKS. SEE THE SECTION ENTITLED "RISK FACTORS" THAT BEGINS ON PAGE 6 FOR A DISCUSSION OF THE RISKS THAT YOU SHOULD CONSIDER BEFORE PARTICIPATING IN THE EXCHANGE OFFER.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

Each broker-dealer that receives New Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act of 1933, as amended. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Old Notes where such Old Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the Expiration Date (as defined herein), we will make this Prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

The date of this prospectus is \_\_\_\_\_, 2011.

---

We have not authorized anyone to give any information or make any representation that differs from, or adds to, the information in this document or in our documents that are publicly filed with the SEC. Therefore, if anyone does give you different or additional information, you should not rely on it.

If you are in a jurisdiction where it is unlawful to offer to exchange or sell, or to ask for offers to exchange or buy, the securities offered by this document, or if you are a person to whom it is unlawful to direct these activities, then the offer presented by this document does not extend to you.

## TABLE OF CONTENTS

	<b>Page</b>
<u>Where You Can Find More Information</u>	ii
<u>Cautionary Statement For Purposes of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995</u>	ii
<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	6
<u>Use of Proceeds</u>	8
<u>Ratio of Earnings to Fixed Charges</u>	8
<u>The Exchange Offer</u>	8
<u>Description of the New Notes</u>	13
<u>Book-Entry and Settlement; Depository Procedures</u>	22
<u>Plan of Distribution</u>	25
<u>Material United States Federal Income Tax Considerations</u>	26
<u>Legal Matters</u>	31
<u>Experts</u>	31

---

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document that we file at the SEC's public reference room at 100 F. Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on the public reference room and its copy charges.

We incorporate by reference information into this prospectus, which means that we disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information contained expressly in this prospectus, and the information we file later with the SEC will automatically supersede this information. You should not assume that the information in this prospectus is current as of any date other than the date on the front page of this prospectus.

We incorporate by reference the documents listed below:

Annual Report on Form 10-K, for the year ended December 31, 2010 (including the portions of our definitive Proxy Statement on Schedule 14A incorporated therein by reference), which we refer to as our 2010 Form 10-K; and

Current Report on Form 8-K filed January 4, 2011.

Until the termination of the exchange offer described in this prospectus, we will also incorporate by reference all documents that we may file in the future under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, excluding any information therein that was furnished to (and not filed with) the SEC. In addition, any document filed by us pursuant to the Exchange Act after the date of the initial registration statement and prior to the effectiveness of the registration statement, and that is deemed filed with the SEC, shall be deemed to be incorporated by reference into this prospectus.

You may request a copy of any document incorporated by reference in this prospectus and any exhibit specifically incorporated by reference in those documents, at no cost, by writing or telephoning us at the following address or phone number:

El Paso Corporation  
Office of Investor Relations  
El Paso Building  
1001 Louisiana Street  
Houston, Texas 77002  
Telephone No.: (713) 420-2600

We also make available free of charge on our internet website at <http://www.elpaso.com> our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our web site is not incorporated by reference into this prospectus and you should not consider information on our website as part of this prospectus.

**CAUTIONARY STATEMENTS FOR PURPOSES OF THE SAFE HARBOR PROVISIONS  
OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

We have made statements in, and incorporated by reference in, this document that constitute forward-looking statements. Forward-looking statements include information concerning possible or assumed future results of operations. The words believe, expect, estimate, anticipate and similar expressions will generally identify forward-looking statements. These statements may relate to information or assumptions about:

earnings per share;

capital and other expenditures;



**Table of Contents**

dividends;

financing plans;

capital structure;

liquidity and cash flow;

pending legal proceedings, claims and governmental proceedings, including environmental matters;

future economic and operating performance;

operating income;

management's plans; and

goals and objectives for future operations.

Forward-looking statements are subject to risks and uncertainties. While we believe the assumptions or bases underlying the forward-looking statements are reasonable and are made in good faith, we caution that assumed facts or bases almost always vary from actual results, and these variances can be material, depending upon the circumstances. We cannot assure you that the statements of expectation or belief contained in our forward-looking statements will result or be achieved or accomplished. Important factors that could cause actual results to differ materially from estimates or projections contained in our forward-looking statements are described in our 2010 Annual Report on Form 10-K under Part I, Item 1A, Risk Factors and in our other filings with the SEC.

**Table of Contents**

**PROSPECTUS SUMMARY**

*This summary highlights some basic information appearing in other sections of this prospectus to help you understand our business and the exchange offer. This summary does not contain all the information that you should consider before exchanging Old Notes for New Notes. You should carefully read this prospectus to understand fully the terms of the exchange offer and the New Notes, as well as the tax and other considerations that may be important to you. You should pay special attention to the Risk Factors section beginning on page 6 of this prospectus and the section entitled Cautionary Statement For Purposes of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995 on page ii. You should rely only on the information contained in this document. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document. For purposes of this prospectus, unless the context otherwise indicates, when we refer to Company, us, we, our, ours, or El Paso describing El Paso Corporation, together with its subsidiaries.*

**Our Company**

We are an energy company, originally founded in 1928 in El Paso, Texas, that primarily operates in the natural gas transmission and exploration and production sectors of the energy industry. Our purpose is to provide natural gas and related energy products in a safe, efficient and dependable manner.

*Pipelines Segment.* Our Pipelines segment includes our interstate natural gas transmission systems and related operations conducted through eight wholly or majority owned pipeline systems and two partially owned systems. These systems consist of approximately 43,100 miles of pipe that connect the nation's principal natural gas supply regions to five major consuming regions in the United States (the Gulf Coast, California, the northeast, the southwest and the southeast). We also have access to systems in Canada. Our Pipelines segment also includes storage and LNG terminalling related facilities including our ownership of storage capacity through our transmission systems, three underground natural gas storage facilities, and two LNG terminalling facilities, one of which is under construction and the other which is located in Elba Island, Georgia. We provide approximately 240 Bcf of storage capacity and our LNG receiving terminal has a peak sendout capacity of 1.8 Bcf/d. The size, connectivity and diversity of our U.S. pipeline systems provide growth opportunities through infrastructure development or large scale expansion projects and gives us the ability to adapt to shifting supply and demand. Our focus is to enhance the value of our transmission business by successfully executing on our backlog of committed expansion projects in the United States and developing growth projects in our market and supply areas.

*Exploration and Production Segment.* Our Exploration and Production segment's business strategy focuses on the exploration for and the acquisition, development and production of natural gas, oil and NGL in the U.S., Brazil and Egypt. We currently operate through three divisions in the U.S.: Central, Western and Gulf Coast. During 2010, in the U.S., we focused on several core programs: the Haynesville Shale in northwest Louisiana and east Texas, the Eagle Ford Shale in south Texas and the Altamont fractured tight sands in Utah. We also established a new core oil program in the Wolfcamp Shale, which is located in the Permian Basin of West Texas. Over the past few years, we have high-graded our inventory of future drilling opportunities through producing property acquisitions, acreage acquisitions and the sale of producing properties that tended to be late in life and without meaningful future drilling opportunities. As a result, our drilling inventory has become more domestic, lower-risk and with an increased weighting toward oil-focused opportunities. As of December 31, 2010, we controlled approximately 3.7 million net leasehold acres and had proved natural gas and oil reserves of approximately 3.4 Tcfe, including 0.2 Tcfe of proved natural gas and oil reserves related to Four Star, our unconsolidated affiliate. During 2010, daily equivalent natural gas production averaged approximately 782 MMcfe/d, including 62 MMcfe/d from our equity interest in Four Star.

We are a Delaware corporation with principal executive offices in the El Paso Building, located at 1001 Louisiana Street, Houston, Texas 77002, and our telephone number at that address is (713) 420-2600.

**Table of Contents**

**Summary of the Terms of the Exchange Offer**

**Initial Offering of Old Notes**

On September 24, 2010, and October 8, 2010, we issued in a private placement \$348,673,000 aggregate principal amount of 6.50% Senior Notes due 2020. We refer to these notes as the Old Notes in this prospectus.

**Registration Rights Agreement**

Pursuant to the registration rights agreement between us and certain dealer managers entered into in connection with the private placement of the Old Notes, we agreed to offer to exchange the Old Notes for up to \$348,673,000 aggregate principal amount of 6.50% Senior Notes due 2020 that are being offered hereby. We refer to the notes issued in exchange for the Old Notes in this exchange offer as the New Notes. We have filed the registration statement of which this prospectus is a part to meet our obligations under the registration rights agreement. If we fail to satisfy our obligations under the registration rights agreement, we will be required to pay additional interest to holders of the Old Notes under specified circumstances.

**The Exchange Offer**

We are offering to exchange all Old Notes for the same aggregate principal amount of the New Notes, which have been registered under the Securities Act of 1933, as amended, or the Securities Act. The Old Notes may be tendered only in \$1,000 increments. We will exchange New Notes for all Old Notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer. We will cause the exchange to be effected promptly after the expiration date of the exchange offer. The New Notes will evidence the same debt as the Old Notes and will be issued under and entitled to the benefits of the same indenture that governs the Old Notes. Because we have registered the New Notes, the New Notes will not be subject to transfer restrictions, and holders of Old Notes that have tendered and had their outstanding notes accepted in the exchange offer will have no registration rights.

**If You Fail to Exchange Your Old Notes**

If you do not exchange your Old Notes for New Notes in the exchange offer, you will continue to be subject to the restrictions on transfer provided in the Old Notes and the indenture governing those notes. In general, you may not offer or sell your Old Notes unless they are registered under the federal securities laws or are sold in a transaction exempt from or not subject to the registration requirements of the federal securities laws and applicable state securities laws.

**Procedures for Tendering Your Old Notes**

All of the outstanding Old Notes are held in book-entry form through the facilities of The Depository Trust Company, or DTC. To participate in the exchange offer, you must follow the automatic tender offer program, or ATOP, procedures established by DTC for tendering outstanding Old Notes held in book-entry form. The ATOP procedures require that the exchange agent receive, prior to the expiration date of the exchange offer, a computer-generated



**Table of Contents**

message known as an agent's message that is transmitted through ATOP and that DTC confirm that:

DTC has received instructions to exchange your outstanding Old Notes; and

you agree to be bound by the terms of the letter of transmittal in Annex A hereto.

For more details, please read Exchange Offer Exchange Terms and Exchange Offer Procedures for Tendering.

**Resale of the New Notes**

Except as provided below, we believe that the New Notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act provided that:

the New Notes acquired pursuant to the exchange offer are being acquired in the ordinary course of your business;

neither you nor any such other person is engaging in or intends to engage in a distribution of such New Notes;

neither you nor any such other person has an arrangement or understanding with any person to participate in a distribution of such New Notes;

neither you nor such other person is an affiliate, as such term is defined under Rule 405 promulgated under the Securities Act, of El Paso; and

if you are a broker-dealer that will receive New Notes for your own account in exchange for Old Notes, you acquired those Old Notes as a result of market-making activities or other trading activities and you will deliver the prospectus, as required by law, in connection with any resale of the New Notes.

Our belief is based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties that are not related to us. The SEC has not considered this exchange offer in the context of a no-action letter, and we cannot assure you that the SEC would make similar determinations with respect to this exchange offer. If any of these conditions are not satisfied, or if our belief is not accurate, and you transfer any New Notes issued to you in the exchange offer without delivering a resale prospectus meeting the requirements of the Securities Act or without an exemption from registration of your New Notes from those requirements, you may incur liability under the Securities Act. We will not assume, nor will we indemnify you against, any such liability. Each broker-dealer that receives New Notes for its own account in exchange for Old Notes, where the Old Notes were acquired by such

broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such New Notes. See Plan of Distribution.

**Table of Contents**

<b>Expiration Date</b>	The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2011, unless we decide to extend the expiration date. We do not currently intend to extend the exchange offer.
<b>Conditions to the Exchange Offer</b>	The exchange offer is not subject to any conditions other than that it does not violate applicable law or any applicable interpretation of the staff of the SEC.
<b>Exchange Agent</b>	We have appointed HSBC Bank USA, National Association as exchange agent for the exchange offer. You can reach the exchange agent at the address and phone numbers set forth on the back cover of this prospectus.
<b>Withdrawal Rights</b>	You may withdraw the tender of your Old Notes at any time before the expiration date of the exchange offer. You must follow the withdrawal procedures as described under the heading <b>The Exchange Offer - Withdrawal of Tenders</b> .
<b>Federal Income Tax Considerations</b>	The exchange of Old Notes for the New Notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. See <b>Material United States Federal Income Tax Considerations</b> .
<b>Acceptance of Old Notes and Delivery of New Notes</b>	We will accept for exchange any and all Old Notes that are properly tendered in the exchange offer prior to the expiration date. See <b>The Exchange Offer - Procedures for Tendering</b> . The New Notes issued pursuant to the exchange offer will be delivered promptly following the expiration date.

**Summary of the New Notes**

Issuer	El Paso Corporation
Principal Amount Offered	\$348,673,000 aggregate principal amount.
Maturity Date	September 15, 2020.
Interest	Interest will accrue from September 24, 2010, and will be payable semiannually on March 15 and September 15 of each year, beginning on March 15, 2011.
Interest Rate	The New Notes will bear interest at a rate per annum of 6.50%.
Ranking	The New Notes will be our senior unsecured indebtedness and will rank equally in right of payment with all of our other existing and future senior unsecured indebtedness. The New Notes will be effectively subordinated to existing and future indebtedness and other liabilities of our subsidiaries and to any of our existing and future secured indebtedness.
Optional Redemption	



We may redeem the New Notes at any time at our option, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium. See Description of the New Notes Optional Redemption .

Change of Control Repurchase Event

Upon a change of control repurchase event, we will be required to make an offer to repurchase each holder's New Notes at a repurchase price in cash equal to 101% of the principal amount thereof,

**Table of Contents**

	plus accrued and unpaid interest, if any, to the date of repurchase. See Description of the New Notes Repurchase of New Notes at the Option of the Holder upon a Change of Control .
Form and Denomination	Interests in the form of one or more global notes will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.
Covenants	The covenants for the New Notes will be substantially the same as the covenants applicable to the Old Notes. See Description of New Notes Covenants .
Events of Default	For a discussion of events that will permit acceleration of the payment of the principal of and accrued interest on the New Notes, see Description of the New Notes Events of Default .
Listing	We do not intend to list the New Notes on any securities exchange.
Governing Law	The New Notes and the Indenture will be governed by, and construed in accordance with, the laws of the State of New York.
Book-Entry Depository	DTC.
Trustee	HSBC Bank USA, National Association.
Risk Factors	See Risk Factors beginning on the next page for a discussion of factors that should be considered by holders of Old Notes before tendering their Old Notes in the exchange offer.

**Table of Contents**

**RISK FACTORS**

Before deciding to participate in the exchange offer, you should consider carefully the risks and uncertainties described below and in Item 1A Risk Factors in our annual report on Form 10-K for the year ended December 31, 2010, as updated by annual, quarterly and other reports and documents we file with the SEC after the date of this prospectus, together with all of the other information included or incorporated by reference in this prospectus. While these are the risks and uncertainties we believe are most important for you to consider, you should know that they are not the only risks or uncertainties facing us or which may adversely affect our business. If any of these risks or uncertainties actually were to occur, our business, financial condition or results of operations could be affected materially and adversely.

**Risks Associated with the Exchange Offer**

*If you fail to exchange your Old Notes for New Notes, they will continue to be subject to the existing transfer restrictions and you may not be able to sell them.*

We did not register the Old Notes, nor do we intend to do so following the exchange offer. Old Notes that are not tendered will therefore continue to be subject to the existing transfer restrictions and may be transferred only in limited circumstances under the securities laws. As a result, if you hold Old Notes after the exchange offer, you may not be able to sell them. To the extent any Old Notes are tendered and accepted in the exchange offer, the trading market, if any, for the Old Notes that remain outstanding after the exchange offer may be adversely affected due to a reduction in market liquidity.

**Risks Related to the Notes**

*Our substantial indebtedness could impair our financial condition and our ability to fulfill our debt obligations, including our obligations under the New Notes.*

We have substantial indebtedness. As of December 31, 2010, we had total consolidated long-term financial obligations of approximately \$13.5 billion. In addition, as of December 31, 2010, we had outstanding letters of credit of approximately \$1.1 billion.

Our indebtedness could have important consequences to you. For example, it could:

make it more difficult for us to satisfy our obligations with respect to the New Notes and our other indebtedness, which could in turn result in an event of default on such other indebtedness or the New Notes;

impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes;

diminish our ability to withstand a downturn in our business or the economy generally;

require us to dedicate a substantial portion of our cash flow from operations to debt service payments, thereby reducing the availability of cash for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes;

limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and

place us at a competitive disadvantage compared to our competitors that have proportionately less debt.

If we are unable to meet our debt service obligations, we could be forced to restructure or refinance our indebtedness, seek additional equity capital or sell assets. We may be unable to obtain financing or sell assets on satisfactory terms, or at all.

We are not prohibited under the indenture governing the New Notes or our other indentures from incurring additional indebtedness. Although our \$1.5 billion credit agreement requires us to maintain specified ratios of debt to consolidated EBITDA and consolidated EBITDA to interest expense, as of December 31, 2010, we could have incurred substantial additional indebtedness while remaining in compliance with these

**Table of Contents**

ratios. Moreover, the instruments governing indebtedness of our subsidiaries generally do not restrict our subsidiaries from incurring additional indebtedness. Our incurrence of significant additional indebtedness would exacerbate the negative consequences mentioned above, and could adversely affect our ability to repay the New Notes.

***We are a holding company that depends on cash flow from our subsidiaries to meet our debt service obligations.***

As a holding company, we conduct all of our operations exclusively through our subsidiaries, and our only significant assets are our investments in these subsidiaries. This means that we are dependent on dividends or other distributions of funds from our subsidiaries to meet our debt service and other obligations, including the payment of principal and interest on the New Notes. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due on the New Notes or to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. In addition, any payment of dividends, distributions, loans or advances by our subsidiaries to us could be subject to statutory or contractual restrictions. Payments to us by our subsidiaries will also be contingent upon our subsidiaries' earnings and business considerations.

***The New Notes will be effectively subordinated to indebtedness and other liabilities of our subsidiaries and subordinated to our existing and future secured indebtedness to the extent of the assets securing such indebtedness.***

The New Notes are not guaranteed by our subsidiaries. As a result, holders of the New Notes will be effectively subordinated to claims of third party creditors, including holders of indebtedness, of our subsidiaries. Claims of those other creditors, including trade creditors, secured creditors, governmental authorities, and holders of indebtedness or guarantees issued by the subsidiaries, will generally have priority as to the assets of the subsidiaries over claims by the holders of the New Notes. As a result, rights of payment of holders of our indebtedness, including the holders of the New Notes, will be effectively subordinated to all those claims of creditors of our subsidiaries. As of December 31, 2010, our subsidiaries had total indebtedness of approximately \$8.0 billion. Furthermore, the holders of the New Notes will not have a claim against the assets of our unconsolidated affiliates and will be effectively subordinated to the creditors of our unconsolidated affiliates.

Our obligations under our \$1.5 billion credit agreement are secured by a pledge of our stock ownership in our subsidiaries El Paso Natural Gas Company and Tennessee Gas Pipeline Company. As of December 31, 2010, we had approximately \$0.2 billion of borrowings and approximately \$0.4 billion in letters of credit outstanding under this credit agreement. As of December 31, 2010, we had approximately \$0.9 billion of available capacity under this facility. The lenders under this credit agreement and the holders of any other secured indebtedness that we may incur in the future would have claims with respect to our assets constituting collateral for such indebtedness that are prior to your claims under the New Notes. In the event of a default on such secured indebtedness or our bankruptcy, liquidation or reorganization, those assets would be available to satisfy obligations with respect to the indebtedness secured thereby before any payment could be made on the New Notes. Accordingly, any such secured indebtedness is or would be effectively senior to the New Notes to the extent of the value of the collateral securing the indebtedness. While the indenture governing the New Notes places some limitations on our ability to create liens, there are significant exceptions to these limitations that will allow us to secure some kinds of indebtedness without equally and ratably securing the New Notes. To the extent the value of the collateral is not sufficient to satisfy the secured indebtedness, the holders of that indebtedness would be entitled to share with the holders of the New Notes and the holders of other claims against us with respect to our other assets.

***Because there is no public market for the New Notes, you may not be able to resell them.***

Although the issuance of the New Notes will be registered under the Securities Act, they will constitute a new issue of securities with no established trading market. We cannot assure you that an active market will exist for the New Notes or that any trading market that does develop will be liquid. We do not intend to apply



**Table of Contents**

to list the New Notes for trading on any securities exchange or to arrange for quotation on any automated dealer quotation system. The trading market for the New Notes may be adversely affected by:

- changes in the overall market for non-investment grade securities;
- changes in our financial performance or prospects;
- the prospects for companies in our industry generally;
- the number of holders of the New Notes;
- the interest of securities dealers in making a market for the New Notes; and
- prevailing interest rates and general economic conditions.

**USE OF PROCEEDS**

This exchange offer is intended to satisfy our obligations under the registration rights agreement relating to the Old Notes. We will not receive any proceeds from the issuance of the New Notes and we have agreed to pay the expenses of this exchange offer. In exchange for issuing New Notes, we will receive a like principal amount of Old Notes. The Old Notes surrendered in exchange for New Notes will be retired and canceled and will not be reissued. Accordingly, issuing New Notes will not result in any increase in our outstanding debt.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table shows our ratio of earnings to fixed charges for each of the periods indicated.

	<b>Year Ended December 31,</b>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Ratio of earnings to fixed charges(1)	1.35x	1.65x			1.97x

(1) Earnings for the years ended December 31, 2008 and 2009 were inadequate to cover fixed charges by \$947 million and \$905 million, respectively.

For purposes of computing these ratios, earnings means income (loss) before income taxes before income or loss from equity investees, adjusted to reflect actual distributions from equity investments and fixed charges less capitalized interest and preferred returns on consolidated subsidiaries. Fixed charges means the sum of interest costs (not including interest on tax liabilities which is included in income tax expense on our income statement), amortization of debt costs, that portion of rental expense which represents an interest factor and preferred returns on consolidated subsidiaries.

**THE EXCHANGE OFFER**

**Exchange Terms**

Old Notes in an aggregate principal amount of \$348,673,000 are currently issued and outstanding. The maximum aggregate principal amount of New Notes that will be issued in exchange for Old Notes is \$348,673,000. The terms of the New Notes and the Old Notes are substantially the same in all material respects, except that the New Notes will not contain terms with respect to transfer restrictions, registration rights and payment of additional interest.

The New Notes will bear interest at a rate of 6.50% per year, payable semi-annually on March 15 and September 15 of each year, beginning on September 24, 2010. Holders of New Notes will receive interest from the date of the original issuance of the Old Notes or from the date of the last payment of interest on the Old Notes, whichever is later. Holders of New Notes will not receive any interest on Old Notes tendered and



**Table of Contents**

accepted for exchange. In order to exchange your Old Notes for transferable New Notes in the exchange offer, you will be required to make the following representations, which are included in the letter of transmittal:

the New Notes acquired pursuant to the exchange offer are being acquired in the ordinary course of your business;

neither you nor any such other person is engaging in or intends to engage in a distribution of such New Notes;

neither you nor any such other person has an arrangement or understanding with any person to participate in a distribution of such New Notes;

neither you nor such other person is an affiliate, as such term is defined under Rule 405 promulgated under the Securities Act, of El Paso; and

if you are a broker-dealer that will receive New Notes for your own account in exchange for Old Notes, you acquired those Old Notes as a result of market-making activities or other trading activities and you will deliver the prospectus, as required by law, in connection with any resale of the New Notes.

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept for exchange any Old Notes properly tendered in the exchange offer, and the exchange agent will deliver the New Notes promptly after the expiration date of the exchange offer.

If you tender your Old Notes, you will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of the Old Notes in connection with the exchange offer. We will pay all charges, expenses and transfer taxes in connection with the exchange offer, other than the taxes described below under Transfer Taxes.

**We make no recommendation to you as to whether you should tender or refrain from tendering all or any portion of your existing Old Notes into this exchange offer. In addition, no one has been authorized to make this recommendation. You must make your own decision whether to tender into this exchange offer and, if so, the aggregate amount of Old Notes to tender after reading this prospectus and the letter of transmittal and consulting with your advisors, if any, based on your financial position and requirements.**

**Expiration Date; Extensions; Termination; Amendments**

The exchange offer expires at 5:00 p.m., New York City time, on \_\_\_\_\_, 2011, unless we extend the exchange offer, in which case the expiration date will be the latest date and time to which we extend the exchange offer.

We expressly reserve the right, so long as applicable law allows:

to delay our acceptance of Old Notes for exchange;

to terminate the exchange offer if any of the conditions set forth under \_\_\_\_\_ Conditions of the Exchange Offer exist;

to waive any condition to the exchange offer;

to amend any of the terms of the exchange offer; and

to extend the expiration date and retain all Old Notes tendered in the exchange offer, subject to your right to withdraw your tendered Old Notes as described under **Withdrawal of Tenders**.

Any waiver or amendment to the exchange offer will apply to all Old Notes tendered, regardless of when or in what order the Old Notes were tendered. If the exchange offer is amended in a manner that we think constitutes a material change, or if we waive a material condition of the exchange offer, we will promptly disclose the amendment or waiver by means of a prospectus supplement that will be distributed to the registered holders of the Old Notes, and we will extend the exchange offer to the extent required by Rule 14e-1 under the Exchange Act.

**Table of Contents**

We will promptly follow any delay in acceptance, termination, extension or amendment by oral or written notice of the event to the exchange agent, followed promptly by oral or written notice to the registered holders. Should we choose to delay, extend, amend or terminate the exchange offer, we will have no obligation to publish, advertise or otherwise communicate this announcement, other than by making a timely release to an appropriate news agency.

In the event we terminate the exchange offer, all Old Notes previously tendered and not accepted for payment will be returned promptly to the tendering holders.

In the event that the exchange offer is withdrawn or otherwise not completed, New Notes will not be given to holders of Old Notes who have validly tendered their Old Notes.

**Resale of New Notes**

Based on existing interpretations of the Securities Act by the staff of the SEC set forth in several no action letters issued to third parties, we believe that New Notes issued under the exchange offer in exchange for Old Notes may be offered for resale, resold and otherwise transferred by you without further compliance with the registration and prospectus delivery requirements of the Securities Act, if:

you are acquiring New Notes in the ordinary course of your business;

you are not participating, and have no arrangement or understanding with any person to participate, in a distribution of the New Notes;

you are not our affiliate within the meaning of Rule 405 under the Securities Act; and

you are not a broker-dealer who purchased Old Notes directly from us for resale pursuant to Rule 144A or any other available exemption under the Securities Act.