

EL PASO CORP/DE  
Form 10-K/A  
April 30, 2012

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

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**Form 10-K/A  
(Amendment No. 1)**

(Mark One)

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

For the fiscal year ended December 31, 2011

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 Number 1-14365

**El Paso Corporation**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**45-3953911**  
(I.R.S. Employer  
Identification No.)

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

**77002**  
(Zip Code)

**Telephone Number: (713) 420-2600**

**Internet Website: www.elpaso.com**

**Securities registered pursuant to Section 12(b) of the Act:**

<b>Title of Each Class</b>	<b>Name of Each Exchange on which Registered</b>
Common Stock, par value \$3 per share	New York Stock Exchange
<b>Securities registered pursuant to Section 12(g) of the Act: None</b>	

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No .

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Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No .

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 .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No .

**State the aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant.**

Aggregate market value of the voting stock (which consists solely of shares of common stock) held by non-affiliates of the registrant as of June 30, 2011, the last business day of the registrant's most recently completed second fiscal quarter, computed by reference to the closing sale price of the registrant's common stock on the New York Stock Exchange on such date: \$15,556,156,330.

**Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.**

Common Stock, par value \$3 per share. Shares outstanding on February 20, 2012: 704,754,155

**Documents Incorporated by Reference**

None

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**EXPLANATORY NOTE**

As previously announced, on October 16, 2011 we entered into a definitive merger agreement with Kinder Morgan, Inc. (KMI) whereby KMI will acquire El Paso Corporation (El Paso) in a transaction that valued El Paso at approximately \$38 billion (based on the KMI stock price at that date), including the assumption of debt. The merger agreement has been approved by each of our and KMI's board of directors and stockholders. In light of the proposed merger, we do not anticipate holding an annual meeting of stockholders in 2012.

This Amendment No. 1 on Form 10-K/A (the "Amendment") amends our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, originally filed with the Securities and Exchange Commission ("SEC") on February 27, 2012 (the "Original Filing"). We are filing this Amendment to amend Part III of the Original Filing to include the information required by and not included in Part III of the Original Filing because we no longer intend to file our definitive proxy statement within 120 days of the end of our fiscal year ended December 31, 2011. Part IV is being amended solely to add as exhibits certain new certifications in accordance with Rule 13a-14(a) promulgated by the SEC under the Securities Exchange Act of 1934. Because no financial statements have been included in this Amendment and this Amendment does not contain or amend any disclosure with respect to Items 307 and 308 of Regulation S-K, paragraphs 3, 4 and 5 of the certifications have been omitted.

Except as described above, no other changes have been made to the Original Filing. The Original Filing continues to speak as of the date of the Original Filing, and we have not updated the disclosures contained therein to reflect any events which occurred at a date subsequent to the filing of the Original Filing other than as expressly indicated in this Amendment. Accordingly, this Amendment should be read in conjunction with the Original Filing and our other filings made with the SEC on or subsequent to February 27, 2012.

As used in this Amendment, when we refer to "us", "we", "our", "ours", "the Company", or "El Paso", we are describing El Paso Corporation and/or our subsidiaries.

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The members of our Board of Directors (with their ages as of April 13, 2012), are included in the chart below. The biographies of each of the directors follow the list and contain information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Governance & Nominating Committee and the Board to determine that the person should serve as a director. Each of our directors is elected on an annual basis and serves a one-year term or until his or her successor has been duly elected and shall qualify.

*Directors*

<b>Name</b>	<b>Age</b>
Juan Carlos Braniff	55
David W. Crane	53
Douglas L. Foshee	52
Robert W. Goldman	69
Anthony W. Hall, Jr.	67
Thomas R. Hix	64
Ferrell P. McClean	65
Timothy J. Probert	60
Steven J. Shapiro	60
J. Michael Talbert	65
Robert F. Vagt	65
John L. Whitmire	71

*Juan Carlos Braniff.* Mr. Braniff has served as a director since 1997. Mr. Braniff has been Chairman of Capital I Ltd. Partners and a partner in Alpha Patrimonial S.A. de C.V. in Mexico City since August 2005. Mr. Braniff was a business consultant from January 2004 to August 2005. Mr. Braniff served Grupo Financiero BBVA Bancomer as Vice Chairman from October 1999 to January 2004, as Deputy Chief Executive Officer of Retail Banking from September 1994 to October 1999 and as Executive Vice President of Capital Investments, Mortgage Banking and Tourism from December 1991 to September 1994. Mr. Braniff previously served as a director of Fomento Economico Mexicano (FEMSA, NYSE: FMX) from 1988 to 2003, as a director of Coca-Cola (FEMSA, NYSE: KOF) from 1991 to 2003 and as a director of Grupo Financiero BBVA Bancomer from 1991 to 2003. Mr. Braniff is currently a member of the board of directors of Ixe Grupo Financiero S.A. de C.V. and Grupo Financiero Banorte S.A.B., de C.V. (GFNORTE:MM).

Mr. Braniff brings many years of global business experience to our Board. As highlighted by his various roles at Grupo Financiero BBVA Bancomer, Mr. Braniff has substantial knowledge and experience with complex financial transactions, capital management, credit and financial risk management. As our sole Hispanic board member, Mr. Braniff also provides a diversity of perspective that is welcomed by our Board.

*David W. Crane.* Mr. Crane has served as a director since December 2009. Mr. Crane has been President, Chief Executive Officer and a director of NRG Energy, Inc. since December 2003. Prior to joining NRG, Mr. Crane served as Chief Executive Officer of International Power plc, a UK-domiciled wholesale power generation company, from January 2003 to November 2003, and as Chief Operating Officer from March 2000 through December 2002. Mr. Crane was Senior Vice President Global Power

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New York at Lehman Brothers Inc. from January 1999 to February 2000, and was Senior Vice President Global Power Group, Asia (Hong Kong) at Lehman Brothers from June 1996 to January 1999.

Mr. Crane's proven success as the sitting chief executive officer of a Fortune 500 company demonstrates his leadership capability and extensive knowledge of the complex financial and operational issues that public companies face. Mr. Crane's executive management experience provides the Board with valuable insight on public company governance practices, as well as insight from a customer perspective. In addition, Mr. Crane's background provides risk management experience that is important to our Board.

*Douglas L. Foshee.* Mr. Foshee has been Chairman of the Board of Directors of El Paso Corporation since May 2009 and President, Chief Executive Officer and a director of El Paso since September 2003. Prior to joining El Paso, Mr. Foshee served as Executive Vice President and Chief Operating Officer of Halliburton Company having joined that company in 2001 as Executive Vice President and Chief Financial Officer. Several subsidiaries of Halliburton, including DII Industries and Kellogg Brown & Root, commenced prepackaged Chapter 11 proceedings to discharge current and future asbestos and silica personal injury claims in December 2003 and an order confirming a plan of reorganization became final effective December 31, 2004. Prior to assuming his position at Halliburton, Mr. Foshee served as President, Chief Executive Officer and Chairman of the Board of Nuevo Energy Company. From 1993 to 1997, Mr. Foshee served at Torch Energy Advisors Incorporated in various capacities, including President and Chief Executive Officer. Mr. Foshee presently serves as a director of Cameron International Corporation, and from January 2009 until February 2010 served as a trustee of AIG Credit Facility Trust. Mr. Foshee serves on the Board of Trustees of Rice University and serves as a member of the Council of Overseers for the Jesse H. Jones Graduate School of Management. He is a member of various other civic and community organizations. Mr. Foshee also serves on the board of directors of El Paso Pipeline GP Company, L.L.C., general partner of El Paso Pipeline Partners, L.P.

As President and Chief Executive Officer of El Paso, Mr. Foshee is the only officer of the company to sit on our Board. With over 28 years of energy industry experience, Mr. Foshee has a comprehensive knowledge and understanding of our business, provides superb leadership to our management team, and provides the Board with essential insight and guidance from an inside perspective on the day-to-day operations of our company.

*Robert W. Goldman.* Mr. Goldman has served as a director since 2003. Mr. Goldman's primary occupation has been as a financial consultant since October 2002. Prior to that time, Mr. Goldman served as Senior Vice President, Finance and Chief Financial Officer of Conoco, Inc. from 1998 to 2002 and Vice President, Finance from 1991 to 1998. For more than five years prior to that date, Mr. Goldman held various executive positions with Conoco, Inc. and E.I. Du Pont de Nemours & Co., Inc. From 2002 until July 2008, Mr. Goldman served as the elected Vice President, Finance of the World Petroleum Council. He is a member of the Financial Executives Institute and the Outside Advisory Council of Global Infrastructure Partners, a private equity firm. Mr. Goldman serves on the board of trustees of Kenyon College, Gambier, Ohio. Mr. Goldman currently serves on the boards of directors of Parker Drilling Company, Tesoro Corporation and The Babcock & Wilcox Company. Mr. Goldman previously served on the boards of directors of McDermott International, Inc. and Gulf Indonesia Resources.

As former chief financial officer of a large, publicly-traded energy company, Mr. Goldman brings significant financial and operations experience to our Board. Mr. Goldman has extensive knowledge of the energy industry, financial risk management and an understanding of capital markets. His experience on the boards of directors of other publicly-traded energy companies further augments his knowledge and experience.

*Anthony W. Hall, Jr.* Mr. Hall has served as a director since 2001. Mr. Hall has been engaged in the private practice of law since February 2010. He previously served as Chief Administrative Officer of the City of Houston from January 2004 to February 2010. Mr. Hall served as the City Attorney for the City of Houston from March 1998 to January 2004. Prior to March 1998, Mr. Hall was a partner in the Houston

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law firm of Jackson Walker, LLP. Mr. Hall is Chairman of the Houston Endowment Inc. and Chairman of the Boulé Foundation.

Mr. Hall's extensive experience in both the public and private sectors, and his affiliations with many different business and philanthropic organizations provide our Board with important insight from many perspectives. Mr. Hall's 30 years of legal experience provides the Board with valuable guidance on governance issues and initiatives. As an African American, Mr. Hall also brings a diversity of experience and perspective that is welcomed by our Board.

*Thomas R. Hix.* Mr. Hix has served as a director since 2004. Mr. Hix has been a business consultant since January 2003. He served as Senior Vice President of Finance and Chief Financial Officer of Cooper Cameron Corporation from January 1995 to January 2003. From September 1993 to April 1995, Mr. Hix served as Senior Vice President of Finance, Treasurer and Chief Financial Officer of The Western Company of North America. Mr. Hix serves on the boards of directors of Health Care Service Corporation and Rowan Companies, Inc. Mr. Hix previously served as a member of the board of directors of The Offshore Drilling Company from May 2004 to July 2007.

Mr. Hix brings many years of financial business experience to our Board. As a former chief financial officer of a large, publicly-traded energy company, Mr. Hix has significant expertise in finance and accounting, as well as experience in mergers and acquisitions. Mr. Hix also provides the Board with valuable public company operating and management experience.

*Ferrell P. McClean.* Ms. McClean has served as a director since 2006. Ms. McClean has been a business consultant since 2002. Ms. McClean served as Managing Director and Senior Advisor of J.P. Morgan Chase & Co.'s energy/power investment banking group from 2000 to 2002. From 1991 until 2000, Ms. McClean served as Managing Director and headed the investment banking and global energy group at J.P.Morgan & Co. Prior to 1991, Ms. McClean held various positions with J.P. Morgan & Co. Ms. McClean served as a member of the board of directors of Unocal Corporation until 2005 and is currently on the board of directors of GrafTech International Ltd. (formerly UCAR International, Inc.).

Ms. McClean brings to the Board extensive experience in investment banking and capital markets, as highlighted by her years of service at J.P. Morgan Chase & Co. Her current and prior service on the boards of other publicly-traded companies further augments her range of knowledge, providing valuable experience from which she can draw while serving on our Board. As our only female director, Ms. McClean also provides a diversity of perspective that is important to our Board.

*Timothy J. Probert.* Mr. Probert has served as a director since December 2009. Mr. Probert was appointed as President of Halliburton Company's Strategy and Corporate Development in January 2011. Mr. Probert previously served as President of Halliburton Company's Global Business Lines and Corporate Development from January 2010 to December 2010. Mr. Probert previously served as President of Halliburton Company's Drilling and Evaluation Division and Corporate Development from March 2009 to December 2009. Mr. Probert served as Executive Vice President of Strategy and Corporate Development for Halliburton from January 2008 to March 2009, as Senior Vice President, Drilling and Evaluation from July 2007 to December 2007, and as Senior Vice President, Drilling and Evaluation and Digital Solutions from May 2006 to July 2007. He also served as Vice President, Drilling and Formation Evaluation for Halliburton from January 2003 to May 2006. Mr. Probert is a member of Halliburton's Executive Committee and is also the company's Chief Health, Safety and Environment Officer. Before joining Halliburton in 2003, Mr. Probert was President and Chief Executive Officer of Input/Output Inc. He also served as President of Baker Hughes INTEQ, Eastman Teleco and Milpark Drilling Fluids and was Vice President of Marketing for Baker Sand Control.

With his years of experience as an executive officer at a Fortune 500 company, Mr. Probert brings substantial management and operations expertise to our Board. Mr. Probert has a comprehensive background in oilfield service and equipment, as well as technical expertise in the upstream oil sector. In addition, Mr. Probert's background in geology and experience as the Chief Health, Safety and

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Environment Officer for Halliburton provides our Board with valuable experience in health, safety and environmental-related issues.

*Steven J. Shapiro.* Mr. Shapiro has served as a director since 2006. Mr. Shapiro served as Executive Vice President and Chief Financial Officer of Burlington Resources Inc. from October 2000 to April 2006. During his five-year tenure at Burlington Resources Inc., Mr. Shapiro served as a member of the board of directors and the office of the Chairman. Prior to that time, he served as Senior Vice President, Chief Financial Officer and Director at Vastar Resources, Inc. and spent 16 years in various roles of increasing responsibility with Atlantic Richfield Company. Mr. Shapiro is a trustee of the Houston Museum of Natural Science. Mr. Shapiro is a member of the boards of directors of Barrick Gold Corporation and Bumi PLC.

Mr. Shapiro brings extensive industry experience to our Board. As the former chief financial officer of Burlington Resources, Mr. Shapiro has significant operating experience and knowledge of the complex financial issues companies face. He has extensive knowledge of the energy industry and an understanding of capital markets. Mr. Shapiro also provides our Board with valuable strategic insight. His experience on the board of directors of other publicly-traded companies further augments his knowledge and experience.

*J. Michael Talbert.* Mr. Talbert has been Lead Director of the Board of Directors of El Paso since May 2009 and a director since 2003. Mr. Talbert served as Executive Chairman of the Board of Transocean Ltd. from October 2002 to October 2004 and as non-executive Chairman from October 2004 to November 2007. Previously, Mr. Talbert served as Chief Executive Officer of Transocean Ltd. and its predecessor companies from August 1994 until October 2002, Chairman of the Board from August 1994 to September 1999, and as President from December 1999 to December 2001. Mr. Talbert served as Chairman of the Board of The Offshore Drilling Company from February 2004 to October 2005. He served as President and Chief Executive Officer of Lone Star Gas Company from 1990 to 1994, and as President of Texas Oil & Gas Company from 1987 to 1990. Mr. Talbert is a past Chairman of the National Ocean Industries Association and a member of the University of Akron's College of Engineering Advancement Council. Mr. Talbert is a member of the board of directors of Transocean Ltd. and currently serves as its non-executive Chairman.

Mr. Talbert is an experienced business leader with the skills necessary to be our Lead Director. As a former chief executive officer of a large, publicly-traded energy company, Mr. Talbert has extensive industry expertise, as well as knowledge of the complex operational and governance issues that public companies face. Since joining the Board in 2003, he has played an integral role in promoting robustness and confidence in the Board's execution of its responsibilities. In addition, his service on the board of Transocean Ltd., including as its chairman, provides valuable experience from which he can draw as a member of our Board.

*Robert F. Vagt.* Mr. Vagt has served as a director since 2005. Mr. Vagt has served as President of The Heinz Endowments since January 2008. Prior to that time, he served as President of Davidson College from July 1997 to August 2007. Mr. Vagt served as President and Chief Operating Officer of Seagull Energy Corporation from 1996 to 1997. From 1992 to 1996, he served as President, Chairman and Chief Executive Officer of Global Natural Resources. Mr. Vagt served as President and Chief Operating Officer of Adobe Resources Corporation from 1989 to 1992. Prior to 1989, he served in various positions with Adobe Resources Corporation and its predecessor entities. Mr. Vagt serves as the non-executive chairman of Solergy Power Ltd, a private, London-based entity.

Mr. Vagt's professional background in both the public and private sectors make him an important advisor and member of our Board. Mr. Vagt brings to the Board operations and management expertise in both the public and private sectors. In addition, Mr. Vagt provides the Board with a welcomed diversity of perspective gained from service as President of The Heinz Endowments, as well as from service as the president of an independent liberal arts college.



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*John L. Whitmire.* Mr. Whitmire has served as a director since 2003. Mr. Whitmire has been Vice-Chairman of CONSOL Energy, Inc. since 1999. He served as Chairman and Chief Executive Officer of Union Texas Petroleum Holdings, Inc. from 1996 to 1998, and spent over 30 years serving Phillips Petroleum Company in various positions including Executive Vice President of Worldwide Exploration and Production from 1992 to 1996 and Vice President of North American Exploration and Production from 1988 to 1992. Mr. Whitmire previously served as a member of the board of directors of Transocean Ltd. until June 2010. Mr. Whitmire previously served as a member of the board of directors of GlobalSantaFe Corporation until November 2007.

Mr. Whitmire brings many years of industry experience to our Board. As a former chief executive officer of a large, publicly-traded energy company, Mr. Whitmire has extensive operating and management experience, as well as industry knowledge and experience with competitive energy sources. In addition, his current and prior service on the boards of other publicly-traded companies in our industry provides valuable experience and insight.

**Executive Officers**

Our executive officers (with their ages as of April 13, 2012), are included in the chart below. The present principal occupation or employment and five-year employment history of each individual follows the list below.

*Executive Officers*

<b>Name</b>	<b>Age</b>	<b>Position</b>
Douglas L. Foshee	52	Chairman, President and Chief Executive Officer
John R. Sult	52	Executive Vice President and Chief Financial Officer
Brent J. Smolik	51	Executive Vice President and President of EP Energy
James C. Yardley	60	Executive Vice President and President Pipeline Group
D. Mark Leland	50	Executive Vice President and President of Midstream
Robert W. Baker	55	Executive Vice President and General Counsel
James J. Cleary	57	President of Western Pipeline Group
Susan B. Ortenstone	55	Executive Vice President and Chief Administrative Officer
Dane E. Whitehead	50	Senior Vice President of Strategy and Enterprise Business Development

*Douglas L. Foshee.* See "Directors" for a biography of Mr. Foshee.

*John R. Sult.* Mr. Sult has been Executive Vice President and Chief Financial Officer of El Paso Corporation since March 2010 and Senior Vice President and Chief Financial Officer from November 2009 to March 2010. Mr. Sult previously served as Senior Vice President and Controller of El Paso from November 2005 to November 2009. He has served as Executive Vice President and Chief Financial Officer of El Paso Pipeline GP Company, L.L.C. since July 2010, Senior Vice President and Chief Financial Officer from November 2009 to July 2010, and Senior Vice President, Chief Financial Officer and Controller from August 2007 to November 2009. Mr. Sult served as Senior Vice President, Chief Financial Officer and Controller of El Paso's Pipeline Group from November 2005 to November 2009. Mr. Sult was Vice President and Controller for Halliburton Energy Services from August 2004 to October 2005. Mr. Sult also serves on the board of directors of El Paso Pipeline GP Company, L.L.C., general partner of El Paso Pipeline Partners, L.P.

*Brent J. Smolik.* Mr. Smolik has been Executive Vice President of El Paso Corporation and President of EP Energy Corporation since November 2006. Mr. Smolik was President of ConocoPhillips Canada from April 2006 to October 2006. Prior to the Burlington Resources merger with ConocoPhillips, he was President of Burlington Resources Canada from September 2004 to March 2006. From 1990 to 2004, Mr. Smolik worked in various engineering and asset management capacities for Burlington Resources Inc., including the Chief Engineering role from 2000 to 2004. He was a member of the Burlington Executive

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Committee from 2001 to 2006. Mr. Smolik also serves on the boards of the American Exploration and Production Council, America's Natural Gas Alliance and the Independent Petroleum Association of America.

*James C. Yardley.* Mr. Yardley has been Executive Vice President of El Paso Corporation with responsibility for the regulated pipeline business unit since August 2006. Mr. Yardley has been Chairman of the Board of El Paso Natural Gas Company since 2006. He previously served as President and Chairman of the Board of Tennessee Gas Pipeline Company from February 2007 to August 2010, and served as Chairman of the Board from August 2010 to October 2011. Mr. Yardley served as President of Southern Natural Gas Company from May 1998 to August 2010. He was a member of the Management Committees of both Colorado Interstate Gas Company and Southern Natural Gas Company until their conversion to limited liability companies in August 2011. Upon a change in management structure in February 2012, he was again named as a member of the Management Committees of both Colorado Interstate Gas Company, L.L.C. and Southern Natural Gas Company, L.L.C. Mr. Yardley serves on the board of Interstate Natural Gas Association of America and previously served as its Chairman. He also serves as Director, President and Chief Executive Officer of El Paso Pipeline GP Company, L.L.C., general partner of El Paso Pipeline Partners, L.P.

*D. Mark Leland.* Mr. Leland has been Executive Vice President of El Paso Corporation and President of El Paso's Midstream business unit since October 2009. Mr. Leland previously served as Executive Vice President and Chief Financial Officer of El Paso from August 2005 to November 2009. He served as Executive Vice President of El Paso Exploration & Production Company from January 2004 to August 2005, and as Chief Financial Officer and a director from April 2004 to August 2005. Mr. Leland served as Senior Vice President and Chief Operating Officer of GulfTerra Energy Partners, L.P. and its general partner from January 2003 to December 2003 and as Senior Vice President and Controller from July 2000 to January 2003. Mr. Leland also serves on the board of directors of El Paso Pipeline GP Company, L.L.C., general partner of El Paso Pipeline Partners, L.P.

*Robert W. Baker.* Mr. Baker has been Executive Vice President and General Counsel of El Paso Corporation since January 2004. From February 2003 to December 2003, he served as Executive Vice President of El Paso and President of El Paso Merchant Energy. Mr. Baker previously served as Senior Vice President and Deputy General Counsel of El Paso from January 2002 to February 2003. Prior to that time, he held various legal positions with El Paso and its subsidiaries, including managing the legal matters associated with telecommunication services, domestic power plant development, and the international energy infrastructure projects. Mr. Baker also serves as Executive Vice President and General Counsel of El Paso Pipeline GP Company, L.L.C., general partner of El Paso Pipeline Partners, L.P.

*James J. Cleary.* Mr. Cleary has been a director and President of El Paso Natural Gas Company since January 2004. Mr. Cleary has also been President of Colorado Interstate Gas Company, L.L.C. since January 2004 and is a member of its Management Committee. He previously served as Chairman of the Board of both El Paso Natural Gas Company and Colorado Interstate Gas Company from May 2005 to August 2006. From January 2001 to December 2003, he served as President of ANR Pipeline Company. Mr. Cleary serves as Senior Vice President of El Paso Pipeline GP Company, L.L.C., general partner of El Paso Pipeline Partners, L.P. He also serves as a member of the Management Committee of Ruby Pipeline Holding Company, L.L.C.

*Susan B. Ortenstone.* Ms. Ortenstone has been Executive Vice President and Chief Administrative Officer of El Paso Corporation since March 2010 and Senior Vice President and Chief Administrative Officer from October 2007 to March 2010. Ms. Ortenstone previously served as Senior Vice President from October 2003 to October 2009. Ms. Ortenstone was Chief Executive Officer for Epic Energy Pty Ltd. from January 2001 to June 2003. Ms. Ortenstone serves as Executive Vice President of El Paso Pipeline GP Company, L.L.C., general partner of El Paso Pipeline Partners, L.P.

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*Dane E. Whitehead.* Mr. Whitehead has been Senior Vice President of Strategy and Enterprise Business Development of El Paso Corporation since October 2009. Mr. Whitehead previously served as Senior Vice President and Chief Financial Officer for El Paso Exploration & Production Company from May 2006 to October 2009. From October 1993 to April 2006, Mr. Whitehead held various positions at Burlington Resources Inc. including serving as Vice President, Controller and Chief Accounting Officer.

### **Board Committees**

The Board of Directors has established five standing committees to assist the Board in carrying out its duties: the Audit Committee, the Compensation Committee, the Governance & Nominating Committee, the Finance Committee and the Health, Safety & Environmental Committee. Current composition of the Board committees is set forth below.

Name	Board	Audit	Compensation	Governance & Nominating	Finance	Health, Safety & Environmental
Juan Carlos Braniff	Member		Member		Member	
David W. Crane	Member			Member	Member	
Douglas L. Foshee	Chairman					
Robert W. Goldman	Member	Member		Member		
Anthony W. Hall, Jr.	Member	Member				Member
Thomas R. Hix	Member	Chair	Member			
Ferrell P. McClean	Member		Member		Chair	
Timothy J. Probert	Member				Member	Member
Steven J. Shapiro	Member	Member	Chair			
J. Michael Talbert	Lead			Chair		
Robert F. Vagt	Member		Member			Chair
John L. Whitmire	Member			Member		Member
Number of 2011 Meetings	10	11	6	5	5	4

The Board of Directors has adopted charters for the Audit Committee, the Compensation Committee and the Governance & Nominating Committee that comply with the corporate governance rules adopted by the SEC pursuant to the Sarbanes-Oxley Act of 2002 and the NYSE listing standards. The Audit Committee, the Compensation Committee, the Governance & Nominating Committee, the Finance Committee and the Health, Safety & Environmental Committee charters may be found on our website at [www.elpaso.com](http://www.elpaso.com).

### **Audit Committee Financial Expert**

The Audit Committee plays an important role in promoting effective accounting, financial reporting, risk management and compliance procedures and controls. All members of our Audit Committee meet the financial literacy standard required by the NYSE rules and at least one member qualifies as having accounting or related financial management expertise under the NYSE rules. In addition, the Board of Directors has affirmatively determined that Messrs. Hix (chairman of our Audit Committee), Goldman and Shapiro are "audit committee financial experts".

### **Corporate Governance Guidelines**

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Our Corporate Governance Guidelines, together with the Board committee charters, provide the framework for the effective governance of El Paso. The Board of Directors has adopted our Corporate Governance Guidelines to address matters including qualifications for directors, standards for independence of directors, election of directors, responsibilities of directors, mandatory retirement for

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directors, limitation on serving on other boards/committees, the composition and responsibility of committees, conduct and minimum frequency of Board and committee meetings, management succession, director access to management and outside advisors, director compensation, stock ownership requirements, prohibition on hedging company stock, director orientation and continuing education, annual self-evaluation of the Board, its committees and directors and our policy on poison pills. The Board of Directors recognizes that effective corporate governance is an on-going process, and the Board, either directly or through the Governance & Nominating Committee, will review and revise as necessary our Corporate Governance Guidelines annually, or more frequently if deemed necessary. Our Corporate Governance Guidelines may be found on our website at [www.elpaso.com](http://www.elpaso.com).

**Voting Standard to Elect Directors**

Our By-laws provide for the election of directors by the majority vote of stockholders in uncontested elections. This means the number of votes cast for a nominee's election must exceed the number of votes cast against such nominee's election in order for him or her to be elected to the Board of Directors. Our By-laws provide for the election of directors by the plurality of votes cast in contested elections. This means that in elections where the number of nominees exceeds the number of directors to be elected, the nominees who receive the highest number of votes will be elected to the Board of Directors. In addition, our Corporate Governance Guidelines provide that the Board will nominate for election or appoint to Board vacancies only candidates who irrevocably agree to resign if they fail to receive the required majority vote in uncontested elections. In the event a director fails to receive a majority of votes cast and the Board accepts the resignation tendered, then that director would cease to be a director of El Paso. In accordance with our Corporate Governance Guidelines, our By-laws require as a part of a stockholder's written notice in connection with the nomination of a director, a statement whether the nominated individual intends to tender an irrevocable resignation effective upon such person's failure to receive the required vote for re-election at the next meeting at which such person would face re-election. Each of our directors has submitted an irrevocable letter of resignation that becomes effective in the event he or she does not receive a majority of votes cast for his or her election.

**Executive Sessions of the Board of Directors and Communications by Interested Parties**

The Board of Directors holds regular executive sessions in which non-management Board members meet without any members of management present. Currently, Mr. Talbert presides over the executive sessions of the Board. During 2011, non-management members of the Board met in executive session six times and several Committees of the Board met in executive session without members of management present. The purpose of these executive sessions is to promote open and candid discussion among the non-management directors.

The Board of Directors has established a process for interested parties to communicate with the Board. Such communications should be in writing, addressed to the Board or an individual director, c/o Ms. Marguerite N. Woung-Chapman, Corporate Secretary, El Paso Corporation, P.O. Box 2511, Houston, Texas 77252-2511. The Corporate Secretary will forward all communications to the addressee.

**Code of Ethics**

We have adopted a code of ethics, referred to as our "Code of Conduct," that applies to all of our directors and employees, including our CEO, CFO and senior financial and accounting officers. Our Code of Conduct is a value-based code that is built on our five core values: stewardship, integrity, safety, accountability and excellence. In addition to other matters, our Code of Conduct establishes policies to deter wrongdoing and to promote honest and ethical conduct, including ethical handling of actual or apparent conflicts of interest, compliance with applicable laws, rules and regulations, full, fair, accurate, timely and understandable disclosure in public communications and prompt internal reporting of violations of our Code of Conduct. We also have an Ethics & Compliance Office and Ethics & Compliance Committee, which is composed of members of senior management, that administers our ethics and

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compliance program and reports to the Audit Committee of our Board of Directors. A copy of our Code of Conduct is available on our website at [www.elpaso.com](http://www.elpaso.com). We will post on our internet website all waivers to or amendments of our Code of Conduct, which are required to be disclosed by applicable law and the NYSE listing standards. Currently, we do not have nor do we anticipate any waivers of or amendments to our Code of Conduct. We believe our Code of Conduct exceeds the requirements set forth in the applicable SEC regulations and the corporate governance rules of the NYSE.

**Web Access**

We provide access through our website to current information relating to corporate governance, including a copy of each of the Board's standing committee charters, our Corporate Governance Guidelines, our Code of Conduct, our Restated Certificate of Incorporation and By-laws, our policy for approval of related person transactions, biographical information concerning each director, and other matters regarding our corporate governance principles. We also provide access through our website to all filings submitted by El Paso to the SEC. Our website is [www.elpaso.com](http://www.elpaso.com), and access to this information is free of any charge to the user. Information contained on our website is not part of this report.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, certain officers and beneficial owners of more than 10 percent of a registered class of our equity securities to file reports of ownership and reports of changes in ownership with the SEC and the NYSE. Directors, officers and beneficial owners of more than 10 percent of our equity securities are also required by SEC regulations to furnish us with copies of all such reports that they file. Based on our review of copies of such forms and amendments provided to us, we believe that all filing requirements were timely complied with during the fiscal year ended December 31, 2011.

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**ITEM 11. EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

The following compensation discussion and analysis, or *CD&A*, provides an explanation of our compensation programs, including the objectives of such programs and the rationale for each element of compensation, for our Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers (the "named executive officers"). This section also describes the actions and decisions of the Compensation Committee of our Board of Directors as it relates to 2011 compensation decisions. The discussion is divided into the following sections:

- I. Executive Summary
- II. Role of Compensation Committee, Compensation Consultant and Management
- III. Elements of Total Compensation
- IV. Factors Considered When Determining Total Compensation
- V. 2011 Compensation Decisions
- VI. Other Compensation and Tax Matters

**I. Executive Summary**

*Compensation Program Philosophy and Design.* The core of our executive compensation program continues to be pay for performance. A significant portion of each executive's total annual compensation is at risk and dependent upon our company's achievement of specific, measurable performance goals. Our performance-based pay is designed to align our executive officers' interests with those of our stockholders and to promote the creation of stockholder value, without encouraging excessive risk-taking. In addition, our equity program rewards long-term stock performance. The framework of our executive compensation program, which incorporates what we believe to be top compensation and governance practices, is set forth below:

we provide our named executive officers with total annual compensation that includes three principal elements: base salary, performance-based annual cash incentive awards, and long-term equity-based incentives;

our cash-based annual incentives are tied to specific pre-established financial, operational and safety performance goals, as well as qualitative considerations including strategic and operational initiatives, stockholder value creation and execution measures;

our 2011 long-term incentive grants included stock options, time-vested restricted stock awards, and performance shares;

we do not have employment agreements or guaranteed bonus arrangements with our executives;

we do not provide tax gross-ups on executive perquisites (other than in limited circumstances involving spousal travel to business events);

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our executives officers and non-employee directors are subject to stock ownership requirements;

executives and non-employee directors are prohibited from hedging their ownership of company stock;

the Compensation Committee reviews our compensation program to ensure that it does not incentivize excessive risk-taking;



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we have a compensation recoupment ("clawback") policy that applies to all employees, including our named executive officers; and

our change in control severance plan is double trigger, meaning both a change in control and an involuntary/good reason termination of employment must occur.

*El Paso's 2011 Performance.* El Paso created significant value for stockholders during 2011, with total shareholder return (TSR) for the year of 90.88%, the single best fiscal year return in El Paso's history. El Paso's 2011 TSR outperformed 99% of the S&P 500 (finishing second out of S&P 500 companies), and finished first among our peer group. Stockholder performance was only part of the story, however. During 2011, we continued to deliver solid operational performance and a strong base of earnings and cash flows from operations in both our pipeline and exploration and production businesses. In 2011 we completed the remainder of our \$8 billion backlog of pipeline expansion projects, including the Ruby Pipeline, the Gulf LNG terminal, and major expansions on Tennessee Gas Pipeline and Southern Natural Gas Pipeline. In our exploration and production business, we have continued executing, with increased production volumes, proved reserves, lower per unit cash operating costs, and a hedging program designed to support our balance sheet and cash flows. We also continued with our capital program to provide us more exposure to oil opportunities, particularly in the Eagle Ford, Wolfcamp and Altamont areas. In addition to the above accomplishments, during 2011 we pursued a number of strategic initiatives designed to significantly increase and accelerate stockholder value that required maximum performance on behalf of our business units and employees, including the proposed spin-off of our exploration and production business unit, and the subsequent decision to merge with Kinder Morgan, Inc., described further below. In addition to these strategic initiatives, we continued to achieve execution goals, maintain safe and reliable operations and ultimately delivered a significant increase and acceleration of stockholder value. The Compensation Committee considered these accomplishments, together with the satisfaction of our 2011 performance goals, in authorizing the payouts of cash incentives for 2011 performance, as described below and in detail later in this CD&A.

*Cash Incentives for 2011 Performance.* For 2011, payments under our annual incentive award program reflect our company's performance and the achievement of our 2011 performance goals. As discussed further under the heading "Annual Cash Incentive Awards for 2011 Performance" later in this CD&A, we achieved our corporate financial goals for 2011, including our goals relating to earnings per share, segment EBITDA, return on total capital, and debt (net of cash). Specifically, after applying certain pre-approved adjustments described later in this discussion, earnings per share were \$0.94, which was above the threshold goal of \$0.84; segment EBITDA was \$3,363 million, which was above the target goal of \$3,361 million; return on total capital was 7.1%, which was equal to the target goal of 7.1%; and our outstanding debt (net of cash) was \$12,381 million, which was approximately \$392 million lower than the maximum target (with maximum target representing the lowest amount in the range of 2011 debt goals). After considering the results of our performance goals, as well as the successful execution of our operational and strategic initiatives and resulting stockholder value creation during 2011, the Compensation Committee approved above-target cash bonuses for our named executive officers.

*Impact of El Paso/Kinder Morgan Merger on Equity Awards.* On October 16, 2011, we announced a definitive merger agreement with Kinder Morgan, Inc. (KMI) whereby KMI will acquire El Paso Corporation (El Paso) in a transaction that valued El Paso at approximately \$38 billion (based on the KMI stock price at that date), including the assumption of debt (the "Merger Agreement"). The merger is expected to be completed by the end of May 2012. The Merger Agreement places limitations on our ability to issue, grant, sell or redeem El Paso capital stock. Pursuant to this limitation, we do not currently expect to make annual long-term incentive grants to our named executive officers in 2012.

In addition, pursuant to the terms of the Merger Agreement, at the effective time of the merger with KMI, the vesting of all outstanding El Paso equity awards, including the awards held by our named executive officers, will accelerate. In the case of outstanding performance shares, performance will be

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deemed to be attained at target. At such time, each outstanding stock option, restricted share and performance share will be converted into the right to receive, at the election of the holder (which election will apply to all, but not less than all, of such holder's outstanding equity awards), but subject to pro-rata as set forth in the Merger Agreement, either cash or a mixture of cash and shares of Class P common stock of KMI for all shares subject to such awards (in the case of stock options, less the aggregate exercise price). Such holders will in all cases also receive common stock purchase warrants of KMI as part of the merger consideration. Additional information regarding the treatment of outstanding El Paso equity awards in connection with the proposed merger can be found in the special meeting proxy statement (DEF14A) filed by El Paso with the SEC on February 1, 2012, which can be found on our website at [www.elpaso.com](http://www.elpaso.com).

**II. Role of Compensation Committee, Compensation Consultant and Management**

**Compensation Committee**

The Compensation Committee of the Board of Directors, which is comprised solely of independent directors, has primary responsibility for determining and approving, on an annual basis, the total compensation level of our CEO and other senior officers who are subject to Section 16(a) of the Exchange Act. The Compensation Committee receives information and advice from its compensation consultant as well as from our human resources department and management to assist in compensation determinations. The Compensation Committee uses a variety of analytical tools as part of its annual executive compensation review, including tally sheets, walk-away analysis, as well as a review of internal pay equity (ratio of CEO to executive and non-executive pay).

**Compensation Consultant**

The Compensation Committee has retained Deloitte as its independent compensation consultant. Deloitte advises the Compensation Committee on an ongoing basis with regard to the general competitive landscape and trends in compensation and executive and director compensation matters, including (i) competitive benchmarking, (ii) incentive plan design, (iii) performance metrics testing, (iv) peer group selection, (v) compensation risk-management, and (vi) updates on best-practices and trends in executive and director compensation. Deloitte attends meetings of the Compensation Committee and participates in the Committee's executive sessions, as well. Deloitte is directly accountable to the Compensation Committee and the Committee reviews all fees paid to Deloitte for such compensation advice and ensures that Deloitte is providing independent advice that is not influenced by fees or revenues generated by the provision of non-executive compensation services. In addition, the Compensation Committee reviews, on an annual basis, Deloitte's performance and provides Deloitte with direct feedback on its performance.

**Role of Management and CEO in Determining Executive Compensation**

While the Compensation Committee has the responsibility to approve and monitor all compensation for our named executive officers, we, as management, play an important role in determining executive compensation. At the Compensation Committee's request, we recommend appropriate company-wide and business unit financial and non-financial performance goals. Under the direction of the Compensation Committee, we work with the compensation consultant to analyze competitive market data and to recommend base salary levels, annual incentive awards and long-term incentive awards for our executive officers. We also work with the Compensation Committee to establish the agenda and prepare meeting information for each Compensation Committee meeting. Our CEO likewise assists the Compensation Committee by providing his evaluation of the performance of the executive officers who report directly to him, and recommends compensation levels for such officers.

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**III. Elements of Total Compensation**

The table below summarizes the elements of our compensation program during 2011.

Compensation Element	Objective	Key Features
<i>Base Salary</i>	To provide a minimum, fixed level cash compensation	Reviewed annually with adjustments made based on individual performance, anticipated inflation, pay relative to market, and internal equity considerations
<i>Performance-Based Annual Cash Incentive Awards</i>	To motivate and reward executive officers' contributions to achievement of pre-established financial and operational performance goals, stockholder value creation and strategic initiatives, as well as individual performance	<p>Compensation Committee establishes annual cash incentive bonus opportunity for each named executive officer at beginning of year</p> <p>Paid after year end once the Compensation Committee has determined company performance and each named executive officer's performance relative to pre-established performance goals</p>
<i>Long-Term Equity Awards (stock options, restricted stock and performance shares)</i>	<p>To reward stock price appreciation and encourage retention</p> <p>To motivate and reward achievement of pre-established corporate financial goals and relative TSR, as well as individual performance</p>	<p>Grants made in April 2011:</p> <p><i>Stock options</i></p> <p>granted at target levels</p> <p>value of stock options is realized upon option exercise only if stock price increases</p> <p>vest in three equal annual installments</p> <p><i>Restricted stock</i></p> <p>performance-granted with target levels adjusted at time of grant for corporate, TSR and individual performance</p> <p>amount granted is based on the achievement of pre-established performance goals: 50% on achievement of annual overall corporate financial goals and 50% on our relative TSR compared to our peer group of companies, and is adjusted for individual performance</p>

vest in three equal annual installments

*Performance shares*

granted at target levels with adjustments for individual performance

payout based upon achievement of multi-year TSR results

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<b>Compensation Element</b>	<b>Objective</b>
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