

Cheyenne Plains Gas Pipeline Company

LANDOWNER NEWSLETTER

APRIL 2003

Helping to Meet the Demand for Natural Gas

El Paso Corporation and its subsidiary Colorado Interstate Gas (CIG) are proud to announce the creation of the newly incorporated Cheyenne Plains Gas Pipeline Company. This new corporation was formed to construct, own, and operate the Cheyenne Plains Pipeline that has been developed by CIG. The Cheyenne Plains Pipeline will be constructed from the Cheyenne Hub (just south of Cheyenne, Wyoming in Weld County, Colorado) to interconnections with mid-continent gas pipelines near Greensburg, Kansas. Cheyenne Plains Gas Pipeline Company will be a part of El Paso Western Pipelines and will be headquartered in Colorado Springs, Colorado. Patricia A. Shelton, president of CIG, will also serve as president of Cheyenne Plains Gas Pipeline Company.

Pre-Filing FERC Docket Number

On January 24, 2003, the Federal Energy Regulatory Commission (FERC) assigned pre-filing Docket No. PF03-1-000 to the Cheyenne Plains Gas Pipeline. Interested parties who wish to correspond with FERC about this project should use this docket number.

Supplemental Open Season

The Cheyenne Plains Pipeline has been developed and marketed as a 540 MDth/day pipeline, but additional design work on the pipeline has determined that a small amount of additional capacity (up to 20 MDth/day) can be made available. As a result, Cheyenne Plains is currently conducting a supplemental Open Season for

the additional capacity. This Open Season will be of a limited duration and will not affect the anticipated filing date of the FERC Certificate Application for the Cheyenne Plains Pipeline.

Meeting or Exceeding Regulations

U.S. Department of Transportation statistics confirm that pipelines are the safest method of transporting energy. Cheyenne Plains will be designed, constructed, tested, operated, and maintained to meet or exceed the requirements of federal pipeline safety regulations. Cheyenne Plains will implement proven inspection procedures to monitor its facilities in order to ensure reliable service.

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Cheyenne Plains
Gas Pipeline
an El Paso company

Easement Acquisition Procedures

An easement is a limited right to use land for specific purposes. Cheyenne Plains Pipeline Company will acquire from landowners a permanent easement, typically 50-feet wide, to operate and maintain the pipeline. During construction, the company also will acquire additional temporary easement, usually adjacent to the permanent easement area. In a very few instances, Cheyenne Plains may purchase some property rather than acquire an easement.

Cheyenne Plains will work with landowners in a fair and responsive manner to minimize the impact and duration of construction. Cheyenne Plains will use the following principles and procedures for land acquisition:

Upfront Information

A Cheyenne Plains representative will personally contact each landowner to discuss all proposed features of the pipeline, including the alignment, underground depth, pipe size, temporary and permanent width of the easement, any additional work spaces, and any above-ground structures, if necessary.

Fair Compensation to Landowners

Cheyenne Plains Gas Pipeline Company will deal fairly with each landowner and pay each landowner for two things:

- A fair value based upon market prices for the privilege of establishing permanent and temporary easements across the land. Compensation will be based on the length of pipe across the landowner's property.

- Damages to crops, grazing lands, fences, or any structures directly caused by construction. Construction damages will be paid on the area affected by the actual construction.

Prompt Payment to Landowners

After the amount of compensation for an easement is reached and the easement agreement is executed, a check will be issued to the landowner.

Advance Notice of Construction Activities

Cheyenne Plains representatives will notify landowners and tenants of the actual timing of construction as far in advance as possible. This allows the landowners or tenants to schedule farming or other activities in ways that minimize problems for both parties.

Limited Rights over Permanent Easements

The permanent easement gives Cheyenne Plains Gas Pipeline Company the rights to construct, maintain, operate, patrol, repair, replace, and remove a single pipeline (with fittings, tie-overs, cathodic protection equipment, and all appliances appurtenant thereto) for the transportation of oil, gas, or any other liquids or substances associated with natural gas.

Cheyenne Plains Gas Pipeline Company shall have the right hereafter to cut and keep clear all trees, brush, and other obstructions that may injure, endanger, or interfere with the construction and use of said pipeline.

For More Information

Cheyenne Plains Gas Pipeline Company hopes that this newsletter provides a better understanding of its proposed project. We sincerely believe that a beneficial working relationship between private landowners and the company is of paramount importance. If you have additional questions, please take the opportunity to call us at 1-877-598-5263.

For more information, visit www.elpaso.com/cheyenne.