HOUSTON EXPLORATION CO

Form SC 13G November 22, 2004

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

SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT	_)(1)				
THE HOUSTON EXPLORATION	COMPANY				
(Name of Issuer)				
COMMON STOCK					
(Title of Class of Sec	urities)				
442120101					
(CUSIP Number)					
November 19, 200	4				
(Date of Event Which Requires Filing	of this Stat	 tement)		
Check the appropriate box to designate the ru Schedule is filed:	le pursuant	to wh	ich t	his	
_ Rule 13d-1(b) X Rule 13d-1(c) _ Rule 13d-1(d)					
(1) The remainder of this cover page shall be person's initial filing on this form with ressecurities, and for any subsequent amendment would alter the disclosures provided in a pri	pect to the containing	subje inform	ct cl	ass o	£
The information required in the remainder of deemed to be "filed" for the purpose of Secti Exchange Act of 1934, as amended (the "Act") liabilities of that section of the Act but sh provisions of the Act (however, see the Notes	on 18 of the or otherwise all be subje	e Secu e subj	ritie ect t	s o the	e
SCHEDULE 13G					
CUSIP NO. 442120101	PAGE	2 	OF	11 	PAGES
1 NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PE	RSON				
APPALOOSA INVESTMENT LIMITED PART	NERSHIP I				
2 CHECK THE APPROPRIATE BOX IF A MEMBER	OF A GROUP	*		(a) (b)	_ _

3	SEC USE (ONLY									
4	CITIZENS	HIP OR	PLACE	OF ORGA	NIZATIC	N					
	DELA	WARE									
NUME	BER OF	5		VOTING	POWER						
	IARES	6		ED VOTIN	G POWER	3					
	TICIALLY			1,066,00	0						
Е	CACH	7	SOLE	DISPOSI	TIVE PC	WER					
	DRTING ERSON			-0-							
V	/ITH	8		ED DISPO		POWER					
9	AGGREGATI	E AMOUN				BY E	ACH REPO	ORTING	PERSO	N	
	1,06	6,000									
10	CHECK BOX	X IF TH	IE AGG	REGATE A	MOUNT I	N ROW	(9) EXC	CLUDES	CERTA	IN SH	ARES*
11	PERCENT (OF CLAS	SS REP	RESENTED	BY AMC	OUNT I	N ROW (9)			
12	3.8% TYPE OF 1 PN	REPORTI	ING PE	RSON*							
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CUSIP N		442120)101 				PAGE	3	OF	11	PAGES
1	NAME OF I				ABOVE	PERSO	N				
	PALO	MINO FU	JND LT	D.							
2	CHECK THI	E APPRO	PRIAT	E BOX IF	A MEME	BER OF	A GROUI	*		(a) (b)	
3	SEC USE (ONLY									
4	CITIZENS	HIP OR	PLACE	OF ORGA	NIZATIC	N					

BRITISH VIRGIN ISLANDS

		5	SOLE VOTING PO	OWER					
NUMB	ER OF		-0-						
_	ARES	6	SHARED VOTING	POWER					
	ED BY		934,000						
E	ACH	7	SOLE DISPOSIT	IVE POWER					
REPO	RTING		-0-						
PE	RSON	8	SHARED DISPOSE	ITIVE POWER					
W	ITH		934,000						
9	AGGREGATE	AMOUN	T BENEFICIALLY	OWNED BY E	ACH REPOR	TING I	PERSON	1	
	934,00	00							
10	CHECK BOX	IF TH	E AGGREGATE AMO	OUNT IN ROW	(9) EXCL	UDES (CERTAI	IN SHA	ARES*
11	PERCENT OF	F CLAS	S REPRESENTED I	BY AMOUNT I	N ROW (9)				
	3.3%								
12	TYPE OF RE	EPORTI:	NG PERSON*						
			SCHED	ULE 13G					
CUSIP N		442120	 101 		PAGE		OF		PAGES
1	NAME OF RE	EPORTI:							
	APPALO	OOSA M	ANAGEMENT L.P.						
2	CHECK THE	APPRO:	PRIATE BOX IF A	A MEMBER OF	A GROUP*			(a) (b)	_ _
3	SEC USE ON	NLY							
4	CITIZENSHI	IP OR	PLACE OF ORGAN	IZATION					
	DELAWA	ARE							

5 SOLE VOTING POWER

NUM	BER OF							
S	HARES		-0-					
BENE	FICIALLY	6	SHARED VOTING	POWER				
			2,000,000					
OW.	NED BY							
	EACH	7	SOLE DISPOSITI	VE POWER				
REP	ORTING		-0-					
P	ERSON	0	SHARED DISPOSI	TIVE DOMED				
,	WITH	0	2,000,000	IIVE FOWER				
9	AGGREGATE	AMOUI	NT BENEFICIALLY	OWNED BY EACH REPOR	TING	PERSO:	N	
	2,000,	000						
10	CHECK BOX	IF TH	HE AGGREGATE AMO	UNT IN ROW (9) EXCI	UDES	CERTA	IN SHA	ARES*
11	PERCENT OF	CLAS	SS REPRESENTED B	Y AMOUNT IN ROW (9)				
	7.1%							
12	TYPE OF RE	EPORT	ING PERSON*					
			SCHEDU	LE 13G				
CUSIP :	NO. 4	442120	0101	PAGE	5	OF	11	PAGES
1	NAME OF RE		INC DEDCON					
		ENTIF	ICATION NO. OF A	BOVE PERSON				
	APPALO			BOVE PERSON				
2		DOSA I	ICATION NO. OF A	BOVE PERSON MEMBER OF A GROUP*			(a) (b)	_ _
2		OOSA I	ICATION NO. OF A					
	CHECK THE	DOSA I	ICATION NO. OF A	MEMBER OF A GROUP*				
3	CHECK THE	APPRONLY	ICATION NO. OF A PARTNERS INC. OPRIATE BOX IF A	MEMBER OF A GROUP*				
3	CHECK THE SEC USE ON	DOSA I APPRO NLY IP OR	ICATION NO. OF A PARTNERS INC. OPRIATE BOX IF A	MEMBER OF A GROUP*				
3	CHECK THE SEC USE ON	DOSA I APPRO NLY IP OR	ICATION NO. OF A PARTNERS INC. OPRIATE BOX IF A PLACE OF ORGANI	MEMBER OF A GROUP*				

6 SHARED VOTING POWER BENEFICIALLY 2,000,000 OWNED BY EACH 7 SOLE DISPOSITIVE POWER REPORTING -0-PERSON 8 SHARED DISPOSITIVE POWER WITH 2,000,000 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,000,000 10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 11 7.1% 12 TYPE OF REPORTING PERSON* CO SCHEDULE 13G CUSIP NO. 442120101 PAGE 6 OF 11 PAGES NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO. OF ABOVE PERSON DAVID A. TEPPER CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) |_| (b) |_| 3 SEC USE ONLY CITIZENSHIP OR PLACE OF ORGANIZATION UNITED STATES 5 SOLE VOTING POWER NUMBER OF -0-SHARES 6 SHARED VOTING POWER BENEFICIALLY 2,000,000 OWNED BY

EACH 7 SOLE DISPOSITIVE POWER

REPORTING

-0-

PERSON

8 SHARED DISPOSITIVE POWER

WITH

2,000,000

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,000,000

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

1_

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

7.1%

12 TYPE OF REPORTING PERSON*
IN

SCHEDULE 13G

CUSIP NO. 442120101 PAGE 7 OF 11 PAGES

Item 1.

(a) NAME OF ISSUER:

The Houston Exploration Company

(b) ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

1100 Louisiana Street, Suite 2000 Houston, Texas 77002-5215

Item 2.

(a) NAME OF PERSON FILING:

This Statement is being filed by and on behalf of Appaloosa Investment Limited Partnership I ("AILP"), Palomino Fund Ltd. ("Palomino"), Appaloosa Management L.P. ("AMLP"), Appaloosa Partners Inc. ("API") and David A. Tepper ("Mr. Tepper" and, together with AILP, Palomino, AMLP and API, the "Reporting Persons"). Mr. Tepper is the sole stockholder and the President of API. API is the general partner of, and Mr. Tepper owns a majority of the limited partnership interests in, AMLP. AMLP is the general partner of AILP and acts as investment adviser to Palomino.

(b) ADDRESS OF PRINCIPAL BUSINESS OFFICE:

The business address of each of the Reporting Persons is c/o Appaloosa Management L.P., 26 Main Street, Chatham, NJ 07928.

(c) CITIZENSHIP:

Item 4.

OWNERSHIP:

AILP is a Delaware limited partnership. Palomino is a British Virgin Islands corporation. AMLP is a Delaware limited partnership. API is a Delaware corporation. Mr. Tepper is a citizen of the United States.

(d) TITLE OF CLASS OF SECURITIES:

Common Stock, par value \$.01 per share.

(e) CUSIP NUMBER: 442120101

SCHEDIILE 13G

				SCHEDULE 13G					
CUSI	P NO	 •		442120101	PAGE	 8 	OF	 11 	PAGES
Item	3.			F THIS STATEMENT IS FILED PURSUANT 3-2(b), CHECK WHETHER THE PERSON F			(b),	OR	
	(a)	[]	Broker or Dealer registered under (15 U.S.C. 780);	Section :	15 of	the A	ct	
	(b)	[]	Bank as defined in Section 3(a)(6) of the λ	Act (1	5 U.S	.c. 78	Bc);
	(c)	[]	<pre>Insurance Company as defined in S (15 U.S.C. 78c);</pre>	ection 3(a	a) (19)	of t	ne Act	Ē
	(d)	[]	<pre>Investment Company registered und Company Act (15 U.S.C. 80a-8);</pre>	er Section	n 8 of	the	Invest	ment
	(e)	[]	An investment advisor in accordan 240.13d-1(b)(1)(ii)(E);	ce with Se	ection			
	(f)	[]	An employee benefit plan or endow with Section 240.13d-1(b)(1)(ii)(in ac	corda	nce	
	(g)	[]	A parent holding company or contr with Section 240.13d-1(b)(1)(ii)(-	, in a	ccord	ance	
	(h)	[]	A savings association as defined Federal Deposit Insurance Act (12			of t	ne	
	(i)	[]	A church plan that is excluded fr investment company under Section Company Act of 1940 (15 U.S.C. 80	3(c)(14)				Ē
	(j)	[]	Group, in accordance with Section	240.13d-	1(b)(1) (ii)	(H)	

The percentages set forth in this Item 4 are based on there being 28,229,624 shares of Common Stock outstanding as of November 4, 2004 as disclosed in The Houston Exploration Company's Form 10-Q

If this statement is filed pursuant to ss. 240.13d-1(c), check this box. |X|

filed on November 4, 2004 for the quarterly period ended

September 30, 2004.

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CUSIP	NO.	442120101	PAGE	9	OF	11	PAGES
AILP							
(a)	AMOUN	F BENEFICIALLY OWNED: 1,066,00	0				
(b)	PERCE	NT OF CLASS: 3.8%					
c)	NUMBE	R OF SHARES AS TO WHICH SUCH PE	RSON HAS:				
	(i)	sole power to vote or to direc	t the vote: -0-	-			
	(ii)	shared power to vote or to dir	ect the vote:	1,066	,000		
	(iii)	sole power to dispose or to di	rect the disposi	ition	of:	-0-	
	(iv)	shared power to dispose or to	direct the dispo	ositi	on of	: 1,	066,000
Palom:	ino						
(a)	AMOUN	I BENEFICIALLY OWNED: 934,000					
(b)	PERCE	NT OF CLASS: 3.3%					
(c)	NUMBE	R OF SHARES AS TO WHICH SUCH PE	RSON HAS:				
	(i)	sole power to vote or to direc	t the vote: -0-	_			
	(ii)	shared power to vote or to dir	ect the vote:	934,0	00		
	(iii)	sole power to dispose or to di	rect the disposi	ition	of:	-0-	
	(iv)	shared power to dispose or to	direct the dispo	ositi	on of	: 93	4,000
AMLP							
(a)	AMOUN	F BENEFICIALLY OWNED: 2,000,00	0				
(b)	PERCE	NT OF CLASS: 7.1%					
(c)	NUMBE	R OF SHARES AS TO WHICH SUCH PE	RSON HAS:				
	(i)	sole power to vote or to direc	t the vote: -0-	-			

SCHEDULE 13G

	NO.	442120101	PAGE	10	OF	11	PAGE:
	(ii)	shared power to vote or to d	lirect the vote:	2,000	, 000		
	(iii)	sole power to dispose or to	direct the dispos	sition	of:	-0-	
	(iv)	shared power to dispose or t	o direct the disp	positi	on of	. 2,	000,00
API							
(a)	AMOUN'	T BENEFICIALLY OWNED: 2,000,	000				
(b)	PERCE	NT OF CLASS: 7.1%					
(c)	NUMBE:	R OF SHARES AS TO WHICH SUCH	PERSON HAS:				
	(i)	sole power to vote or to dir	ect the vote: -	0-			
	(ii)	shared power to vote or to d	lirect the vote:	2,000	,000		
	(iii)	sole power to dispose or to	direct the dispos	sition	of:	-0-	
	(iv)	shared power to dispose or t	o direct the disp	positi	on of	: 2,	000,00
David	A. Te	pper					
			000				
(a)	AMOUN'	T BENEFICIALLY OWNED: 2,000,	000				
(a) (b)		T BENEFICIALLY OWNED: 2,000, NT OF CLASS: 7.1%	000				
(b)	PERCE						
	PERCE	NT OF CLASS: 7.1%	PERSON HAS:	0-			
(b)	PERCE!	NT OF CLASS: 7.1%	PERSON HAS: ect the vote: -		,000		
(b)	PERCEINUMBE	NT OF CLASS: 7.1% R OF SHARES AS TO WHICH SUCH sole power to vote or to dir	PERSON HAS: ect the vote: -	2,000		-0-	
(b)	PERCEINUMBE	NT OF CLASS: 7.1% R OF SHARES AS TO WHICH SUCH sole power to vote or to dir shared power to vote or to d	PERSON HAS: The ect the vote: The direct the dispose	2,000	of:		000,000
(b) (c)	PERCENUMBE: (i) (ii) (iii)	NT OF CLASS: 7.1% R OF SHARES AS TO WHICH SUCH sole power to vote or to dir shared power to vote or to d sole power to dispose or to	PERSON HAS: The ect the vote: The contract the vote: The direct the disposation of the	2,000 sition	of:		000,00
(b) (c)	PERCEINUMBE: (i) (ii) (iii) (iv)	NT OF CLASS: 7.1% R OF SHARES AS TO WHICH SUCH sole power to vote or to dir shared power to vote or to d sole power to dispose or to shared power to dispose or t	PERSON HAS: Tect the vote: - direct the vote: direct the dispose o direct the dispose ELESS OF A CLASS	2,000 sition	of:		000,000

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: $|_|$

Item 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON:

Not applicable.

Item 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY:

Not applicable.

Item 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP:

Not applicable.

Item 9. NOTICES OF DISSOLUTION OF GROUP:

Not applicable.

Item 10. CERTIFICATION:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: November 22, 2004

APPALOOSA INVESTMENT LIMITED PARTNERSHIP I

By: APPALOOSA MANAGEMENT L.P.,
Its General Partner

By: APPALOOSA PARTNERS INC.,
Its General Partner

By: /s/ David A. Tepper

Name: David A. Tepper Title: President

PALOMINO FUND LTD.

By: APPALOOSA MANAGEMENT L.P.,
Its Investment Adviser

By: APPALOOSA PARTNERS INC.,
Its General Partner

By: /s/ David A. Tepper

Name: David A. Tepper

Title: President

APPALOOSA MANAGEMENT L.P.

By: APPALOOSA PARTNERS INC.,
Its General Partner

By: /s/ David A. Tepper

Name: David A. Tepper

Title: President

APPALOOSA PARTNERS INC.

By: /s/ David A. Tepper

Name: David A. Tepper

Title: President

/s/ David A. Tepper

David A. Tepper

Exhibit A

Joint Filing Agreement

The undersigned agree that the foregoing Statement on Schedule 13G (including any and all amendments thereto) is being filed with the Securities and Exchange Commission on behalf of each of the undersigned pursuant to Rule 13d-1(k) under the Act and further agree that this Joint Filing Agreement be included as an Exhibit to such joint filings.

Dated: November 22, 2004

APPALOOSA INVESTMENT LIMITED PARTNERSHIP I

By: APPALOOSA MANAGEMENT L.P.,
Its General Partner

By: APPALOOSA PARTNERS INC.,
Its General Partner

By: /s/ David A. Tepper

Name: David A. Tepper

Title: President

PALOMINO FUND LTD.

By: APPALOOSA MANAGEMENT L.P.,
Its Investment Adviser

By: APPALOOSA PARTNERS INC.,
Its General Partner

By: /s/ David A. Tepper

Name: David A. Tepper Title: President

APPALOOSA MANAGEMENT L.P.

By: APPALOOSA PARTNERS INC.,
Its General Partner

By: /s/ David A. Tepper

Name: David A. Tepper

Title: President

APPALOOSA PARTNERS INC.

By: /s/ David A. Tepper

Name: David A. Tepper

Title: President

/s/ David A. Tepper

David A. Tepper