PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) (1) Financial Statements

See “Index to the Consolidated Financial Statements” set forth on Page F-1.

(2) Financial Statement Schedules

All schedules are omitted because they are not applicable, or the required information is shown in the consolidated financial statements or notes thereto.

(3) Exhibits

3 .1	—	Third Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P., dated as of June 27, 2001 (incorporated by reference to Exhibit 3.1 to Form 8-K filed August 27, 2001).
3 .2	—	Amendment No. 1 dated April 15, 2004 to the Third Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P. (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).
3 .3	—	Third Amended and Restated Agreement of Limited Partnership of Plains Marketing, L.P. dated as of April 1, 2004 (incorporated by reference to Exhibit 3.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).
3 .4	—	Third Amended and Restated Agreement of Limited Partnership of Plains Pipeline, L.P. dated as of April 1, 2004 (incorporated by reference to Exhibit 3.3 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).
3 .5	—	Certificate of Incorporation of PAA Finance Corp. (incorporated by reference to Exhibit 3.6 to the Registration Statement on Form S-3 filed August 27, 2001).

3 .6	—	Bylaws of PAA Finance Corp. (incorporated by reference to Exhibit 3.7 to the Registration Statement on Form S-3 filed August 27, 2001).
3 .7	—	Second Amended and Restated Limited Liability Company Agreement of Plains All American GP LLC, dated September 12, 2005 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed September 16, 2005).
3 .8	—	Second Amended and Restated Limited Partnership Agreement of Plains AAP, L.P., dated September 12, 2005 (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed September 16, 2005).
3 .9	—	Amendment No. 2 dated November 15, 2006 to Third Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed November 21, 2006).
3 .10†	—	Certificate of Incorporation of Pacific Energy Finance Corporation.
3 .11†	—	Bylaws of Pacific Energy Finance Corporation.
4 .1	—	Indenture dated September 25, 2002 among Plains All American Pipeline, L.P., PAA Finance Corp. and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2002).
4 .2	—	First Supplemental Indenture (Series A and Series B 7.75% Senior Notes due 2012) dated as of September 25, 2002 among Plains All American Pipeline, L.P., PAA Finance Corp., the Subsidiary Guarantors named therein and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2002).
4 .3	—	Second Supplemental Indenture (Series A and Series B 5.625% Senior Notes due 2013) dated as of December 10, 2003 among Plains All American Pipeline, L.P., PAA Finance Corp., the Subsidiary Guarantors named therein and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.4 to the Annual Report on Form 10-K for the year ended December 31, 2003).
4 .4	—	Third Supplemental Indenture (Series A and Series B 4.75% Senior Notes due 2009) dated August 12, 2004 among Plains All American Pipeline, L.P., PAA Finance Corp., the Subsidiary Guarantors named therein and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-4, File No. 333-121168).
4 .5	—	Fourth Supplemental Indenture (Series A and Series B 5.875% Senior Notes due 2016) dated August 12, 2004 among Plains All American Pipeline, L.P., PAA Finance Corp., the Subsidiary Guarantors named therein and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.5 to the Registration Statement on Form S-4, File No. 333-121168).
4 .6	—	Class C Common Unit Purchase Agreement by and among Plains All American Pipeline, L.P., Kayne Anderson Energy Fund II, L.P., KAFU Holdings, L.P., Kayne Anderson Capital Income Partners, L.P., Kayne Anderson MLP Fund, L.L.P., Tortoise Energy Infrastructure Corporation and Vulcan Energy II Inc. dated March 31, 2004 (incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).

4 .7	—	Registration Rights Agreement by and among Plains All American Pipeline, L.P., Kayne Anderson Energy Fund II, L.P., KAFU Holdings, L.P., Kayne Anderson Capital Income Partners (QP), L.P., Kayne Anderson MLP Fund, L.P., Tortoise Energy Infrastructure Corporation and Vulcan Energy II Inc. dated April 15, 2004 (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).
4 .8	—	Fifth Supplemental Indenture (Series A and Series B 5.25% Senior Notes due 2015) dated May 27, 2005 among Plains All American Pipeline, L.P., PAA Finance Corp., the Subsidiary Guarantors named therein and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed May 31, 2005).
4 .9	—	Sixth Supplemental Indenture (Series A and Series B 6.70% Senior Notes due 2036) dated as of May 12, 2006, to Indenture, dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp. and subsidiary guarantors signatory thereto and Wachovia Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed May 12, 2006).

4 .10	—	Seventh Supplemental Indenture, dated as of May 12, 2006, to Indenture, dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp., Plains LPG Services GP LLC, Plains LPG Services, L.P. and Lone Star Trucking, LLC and Wachovia Bank, National Association, as trustee (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K filed May 12, 2006).
4 .11	—	Eighth Supplemental Indenture, dated as of August 25, 2006, to Indenture, dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp., Plains Marketing International GP LLC, Plains Marketing International, L.P. and Plains LPG Marketing, L.P. and Wachovia Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed August 25, 2006).
4 .12	—	Ninth Supplemental Indenture (Series A and Series B 6.125% Senior Notes due 2017), dated as of October 30, 2006, to Indenture, dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp. and subsidiary guarantors signatory thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed October 30, 2006).
4 .13	—	Tenth Supplemental Indenture (Series A and Series B 6.650% Senior Notes due 2037), dated as of October 30, 2006, to Indenture, dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp. and subsidiary guarantors signatory thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed October 30, 2006).
4 .14	—	Eleventh Supplemental Indenture dated November 15, 2006 to Indenture dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp., PEG Canada GP LLC, Pacific Energy Group LLC, PEG Canada, L.P., Pacific Marketing and Transportation LLC, Rocky Mountain Pipeline System LLC, Ranch Pipeline LLC, Pacific Atlantic Terminals LLC, Pacific L.A. Marine Terminal LLC, Rangeland Pipeline Company, Aurora Pipeline Company Ltd., Rangeland Pipeline Partnership, Rangeland Northern Pipeline Company, Pacific Energy Finance Corporation, Rangeland Marketing Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed November 21, 2006).
4 .15	—	Indenture dated June 16, 2004 among Pacific Energy Partners, L.P. and Pacific Energy Finance Corporation, the guarantors named therein, and Wells Fargo Bank, National Association, as trustee of the 71/8% senior notes due 2014 (incorporated by reference to Exhibit 4.21 to Pacific’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
4 .16	—	First Supplemental Indenture dated March 3, 2005 among Pacific Energy Partners, L.P. and Pacific Energy Finance Corporation, the guarantors named therein, and Wells Fargo Bank, National Association, as trustee of the 71/8% senior notes due 2014 (incorporated by reference to Exhibit 4.1 to Pacific’s Current Report on Form 8-K filed March 9, 2005).
4 .17†	—	Second Supplemental Indenture dated September 23, 2005 among Pacific Energy Partners, L.P. and Pacific Energy Finance Corporation, the guarantors named therein, and Wells Fargo Bank, National Association, as trustee of the 71/8% senior notes due 2014.
4 .18	—	Third Supplemental Indenture dated November 15, 2006 to Indenture dated as of June 16, 2004, among Plains All American Pipeline, L.P., Pacific Energy Finance Corporation, PEG Canada GP LLC, Pacific Energy Group LLC, PEG

Canada, L.P., Pacific Marketing and Transportation LLC, Rocky Mountain Pipeline System LLC, Ranch Pipeline LLC, Pacific Atlantic Terminals LLC, Pacific L.A. Marine Terminal LLC, Rangeland Pipeline Company, Aurora Pipeline Company Ltd., Rangeland Pipeline Partnership, Rangeland Northern Pipeline Company, Rangeland Marketing Company, Plains Marketing, L.P., Plains Pipeline, L.P., Plains Marketing GP Inc., Plains Marketing Canada LLC, Plains Marketing Canada, L.P., PMC (Nova Scotia) Company, Basin Holdings GP LLC, Basin Pipeline Holdings, L.P., Rancho Holdings GP LLC, Rancho Pipeline Holdings, L.P., Plains LPG Services GP LLC, Plains LPG Services, L.P., Lone Star Trucking, LLC, Plains Marketing International GP LLC, Plains Marketing International L.P., Plains LPG Marketing, L.P., PAA Finance Corp. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed November 21, 2006).

4 .19	—	Indenture dated September 23, 2005 among Pacific Energy Partners, L.P. and Pacific Energy Finance Corporation, the guarantors named therein, and Wells Fargo Bank, National Association, as trustee of the 61/4% senior notes due 2015 (incorporated by reference to Exhibit 4.1 to Pacific's Current Report on Form 8-K filed September 28, 2005).
4 .20	—	First Supplemental Indenture dated November 15, 2006 to Indenture dated as of September 23, 2005, among Plains All American Pipeline, L.P., Pacific Energy Finance Corporation, PEG Canada GP LLC, Pacific Energy Group LLC, PEG Canada, L.P., Pacific Marketing and Transportation LLC, Rocky Mountain Pipeline System LLC, Ranch Pipeline LLC, Pacific Atlantic Terminals LLC, Pacific L.A. Marine Terminal LLC, Rangeland Pipeline Company, Aurora Pipeline Company Ltd., Rangeland Pipeline Partnership, Rangeland Northern Pipeline Company, Rangeland Marketing Company, Plains Marketing, L.P., Plains Pipeline, L.P., Plains Marketing GP Inc., Plains Marketing Canada LLC, Plains Marketing Canada, L.P., PMC (Nova Scotia) Company, Basin Holdings GP LLC, Basin Pipeline Holdings, L.P., Rancho Holdings GP LLC, Rancho Pipeline Holdings, L.P., Plains LPG Services GP LLC, Plains LPG Services, L.P., Lone Star Trucking, LLC, Plains Marketing International GP LLC, Plains Marketing International L.P., Plains LPG Marketing, L.P., PAA Finance Corp. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K filed November 21, 2006).
4 .21	—	Registration Rights Agreement dated as of July 26, 2006 among Plains All American Pipeline, L.P., Vulcan Capital Private Equity I LLC, Kayne Anderson MLP Investment Company and Kayne Anderson Energy Total Return Fund, Inc. (incorporated by reference to Exhibit 4.13 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2006).
4 .22	—	Registration Rights Agreement dated as of December 19, 2006 among Plains All American Pipeline, L.P., E-Holdings III, L.P., E-Holdings V, L.P., Kayne Anderson MLP Investment Company and Kayne Anderson Energy Development Company (incorporated by reference to Exhibit 4.6 to the Registration Statement on Form S-3/A, File No, 333-138888).
4 .23	—	Exchange and Registration Rights Agreement dated as of October 30, 2006, among Plains All American Pipeline, L.P., PAA Finance Corp., Plains Marketing, L.P., Plains Pipeline, L.P., Plains Marketing GP Inc., Plains Marketing Canada LLC, PMC (Nova Scotia) Company, Plains Marketing Canada, L.P., Basin Holdings GP LLC, Basin Pipeline Holdings, L.P., Rancho Holdings GP LLC, Rancho Pipeline Holdings, L.P., Plains LPG Services GP LLC, Plains LPG Services, L.P., Lone Star Trucking, LLC, Plains Marketing International GP LLC, Plains LPG Marketing, L.P., Plains Marketing International, L.P., Citigroup Global Markets Inc., UBS Securities LLC, Banc of America Securities LLC, J.P. Morgan Securities Inc., Wachovia Capital Markets, LLC, BNP Paribas Securities Corp., SunTrust Capital Markets, Inc., Fortis Securities LLC, Scotia Capital (USA) Inc., Comerica Securities, Inc., Commerzbank Capital Markets Corp., Daiwa Securities America Inc., DnB NOR Markets, Inc., HSBC Securities (USA) Inc., ING Financial Markets LLC, Mitsubishi UFJ Securities International plc, Piper Jaffray & Co., RBC Capital Markets Corporation, SG Americas Securities, LLC, Wedbush Morgan Securities Inc. and Wells Fargo Securities, LLC relating to the 2017 Notes (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K filed October 30, 2006).
4 .24	—	Exchange and Registration Rights Agreement dated as of October 30, 2006, among Plains All American Pipeline, L.P., PAA Finance Corp., Plains Marketing, L.P., Plains Pipeline, L.P., Plains Marketing GP Inc., Plains Marketing Canada LLC, PMC (Nova Scotia) Company, Plains Marketing Canada, L.P., Basin Holdings GP LLC,

Basin Pipeline Holdings, L.P., Rancho Holdings GP LLC, Rancho Pipeline Holdings, L.P., Plains LPG Services GP LLC, Plains LPG Services, L.P., Lone Star Trucking, LLC, Plains Marketing International GP LLC, Plains LPG Marketing, L.P., Plains Marketing International, L.P., Citigroup Global Markets Inc., UBS Securities LLC, Banc of America Securities LLC, J.P. Morgan Securities Inc., Wachovia Capital Markets, LLC, BNP Paribas Securities Corp., SunTrust Capital Markets, Inc., Fortis Securities LLC, Scotia Capital (USA) Inc., Comerica Securities, Inc., Commerzbank Capital Markets Corp., Daiwa Securities America Inc., DnB NOR Markets, Inc., HSBC Securities (USA) Inc., ING Financial Markets LLC, Mitsubishi UFJ Securities International plc, Piper Jaffray & Co., RBC Capital Markets Corporation, SG Americas Securities Inc. and Wells Fargo Securities, LLC relating to the 2037 Notes (incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K filed October 30, 2006).

10 .1	—	Second Amended and Restated Credit Agreement dated as of July 31, 2006 by and among Plains All American Pipeline, L.P., as US Borrower; PMC (Nova Scotia) Company and Plains Marketing Canada, L.P., as Canadian Borrowers; Bank of America, N.A., as Administrative Agent; Bank of America, N.A., acting through its Canada Branch, as Canadian Administrative Agent; Wachovia Bank, National Association and JPMorgan Chase Bank, N.A., as Co-Syndication Agents; Fortis Capital Corp., Citibank, N.A., BNP Paribas, UBS Securities LLC, SunTrust Bank, and The Bank of Nova Scotia, as Co-Documentation Agents; the Lenders party thereto; and Banc of America Securities LLC and Wachovia Capital Markets, LLC , as Joint Lead Arrangers and Joint Book Managers (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed August 4, 2006).
10 .2	—	Restated Credit Facility (Uncommitted Senior Secured Discretionary Contango Facility) dated November 19, 2004 among Plains Marketing, L.P., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed November 24, 2004).
10 .3	—	Amended and Restated Crude Oil Marketing Agreement, dated as of July 23, 2004, among Plains Resources Inc., Calumet Florida Inc. and Plains Marketing, L.P. (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
10 .4	—	Amended and Restated Omnibus Agreement, dated as of July 23, 2004, among Plains Resources Inc., Plains All American Pipeline, L.P., Plains Marketing, L.P., Plains Pipeline, L.P. and Plains All American GP LLC (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
10 .5	—	Contribution, Assignment and Amendment Agreement, dated as of June 27, 2001, among Plains All American Pipeline, L.P., Plains Marketing, L.P., All American Pipeline, L.P., Plains AAP, L.P., Plains All American GP LLC and Plains Marketing GP Inc. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed June 27, 2001).
10 .6	—	Contribution, Assignment and Amendment Agreement, dated as of June 8, 2001, among Plains All American Inc., Plains AAP, L.P. and Plains All American GP LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed June 11, 2001).
10 .7	—	Separation Agreement, dated as of June 8, 2001 among Plains Resources Inc., Plains All American Inc., Plains All American GP LLC, Plains AAP, L.P. and Plains All American Pipeline, L.P. (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed June 11, 2001).
10 .8**	—	Pension and Employee Benefits Assumption and Transition Agreement, dated as of June 8, 2001 among Plains Resources Inc., Plains All American Inc. and Plains All American GP LLC (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed June 11, 2001).
10 .9**	—	Plains All American GP LLC 2005 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed January 26, 2005).
10 .10**	—	Plains All American GP LLC 1998 Long-Term Incentive Plan (incorporated by reference to Exhibit 99.1 to Registration Statement on Form S-8, File No. 333-74920) as amended June 27, 2003 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).

10 .11**	—	Plains All American 2001 Performance Option Plan (incorporated by reference to Exhibit 99.2 to the Registration Statement on Form S-8, File No. 333-74920).
10 .12**	—	Amended and Restated Employment Agreement between Plains All American GP LLC and Greg L. Armstrong dated as of June 30, 2001 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
10 .13**	—	Amended and Restated Employment Agreement between Plains All American GP LLC and Harry N. Pefanis dated as of June 30, 2001 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
10 .14	—	Asset Purchase and Sale Agreement dated February 28, 2001 between Murphy Oil Company Ltd. and Plains Marketing Canada, L.P. (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed May 10, 2001).
10 .15	—	Transportation Agreement dated July 30, 1993, between All American Pipeline Company and Exxon Company, U.S.A. (incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-1, File No. 333-64107).

10 .16	—	Transportation Agreement dated August 2, 1993, among All American Pipeline Company, Texaco Trading and Transportation Inc., Chevron U.S.A. and Sun Operating Limited Partnership (incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-1, File No. 333-64107).
10 .17	—	First Amendment to Contribution, Conveyance and Assumption Agreement dated as of December 15, 1998 (incorporated by reference to Exhibit 10.13 to the Annual Report on Form 10-K for the year ended December 31, 1998).
10 .18	—	Agreement for Purchase and Sale of Membership Interest in Scurlock Permian LLC between Marathon Ashland LLC and Plains Marketing, L.P. dated as of March 17, 1999 (incorporated by reference to Exhibit 10.16 to the Annual Report on Form 10-K for the year ended December 31, 1998).
10 .19**	—	Plains All American Inc. 1998 Management Incentive Plan (incorporated by reference to Exhibit 10.5 to the Annual Report on Form 10-K for the year ended December 31, 1998).
10 .20**	—	PMC (Nova Scotia) Company Bonus Program (incorporated by reference to Exhibit 10.20 to the Annual Report on Form 10-K for the year ended December 31, 2004).
10 .21**	—	Quarterly Bonus Summary (incorporated by reference to Exhibit 10.21 to the Annual Report on Form 10-K for the year ended December 31, 2005).
10 .22**†	—	Directors' Compensation Summary.
10 .23	—	Master Railcar Leasing Agreement dated as of May 25, 1998 (effective June 1, 1998), between Pivotal Enterprises Corporation and CANPET Energy Group, Inc., (incorporated by reference to Exhibit 10.16 to the Annual Report on Form 10-K for the year ended December 31, 2001).
10 .24**	—	Form of LTIP Grant Letter (Armstrong/Pefanis) (incorporated by reference to Exhibit 10.24 to the Annual Report on Form 10-K for the year ended December 31, 2005).
10 .25**	—	Form of LTIP Grant Letter (executive officers) (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed April 1, 2005).
10 .26**	—	Form of LTIP Grant Letter (independent directors) (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed February 23, 2005).
10 .27**	—	Form of LTIP Grant Letter (designated directors) (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed February 23, 2005).
10 .28**	—	Form of LTIP Grant Letter (payment to entity) (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed February 23, 2005).
10 .29**	—	Form of Option Grant Letter (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed April 1, 2005).
10 .30	—	Administrative Services Agreement between Plains All American Pipeline Company and Vulcan Energy Corporation, dated October 14, 2005 (incorporated by reference to Exhibit 1.1 to the Current Report on Form 8-K filed October 19, 2005).
10 .31	—	Amended and Restated Limited Liability Company Agreement of PAA/Vulcan Gas Storage, LLC, dated September 13, 2005 (incorporated by reference to Exhibit 1.1 to the Current Report on Form 8-K filed September 19, 2005).

10 .32	—	Membership Interest Purchase Agreement by and between Sempra Energy Trading Corp. and PAA/Vulcan Gas Storage, LLC, dated August 19, 2005 (incorporated by reference to Exhibit 1.2 to the Current Report on Form 8-K filed September 19, 2005).
10 .33**	—	Waiver Agreement dated as of August 12, 2005 between Plains All American GP LLC and Greg L. Armstrong (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed August 16, 2005).
10 .34**	—	Waiver Agreement dated as of August 12, 2005 between Plains All American GP LLC and Harry N. Pefanis (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed August 16, 2005).
10 .35	—	Excess Voting Rights Agreement dated as of August 12, 2005 between Vulcan Energy GP Holdings Inc. and Plains All American GP LLC (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed August 16, 2005).

10 .36	—	Excess Voting Rights Agreement dated as of August 12, 2005 between Lynx Holdings I, LLC and Plains All American GP LLC (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed August 16, 2005).
10 .37	—	First Amendment dated as of April 20, 2005 to Restated Credit Agreement, by and among Plains Marketing, L.P., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed April 21, 2005).
10 .38	—	Second Amendment dated as of May 20, 2005 to Restated Credit Agreement, by and among Plains Marketing, L.P., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed May 12, 2005).
10 .39**	—	Form of LTIP Grant Letter (executive officers) (incorporated by reference to Exhibit 10.39 to the Annual Report on Form 10-K for the year ended December 31, 2005).
10 .40**	—	Employment Agreement between Plains All American GP LLC and John vonBerg dated December 18, 2001 (incorporated by reference to Exhibit 10.40 to the Annual Report on Form 10-K for the year ended December 31, 2005).
10 .41	—	Third Amendment dated as of November 4, 2005 to Restated Credit Agreement, by and among Plains Marketing, L.P., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.41 to the Annual Report on Form 10-K for the year ended December 31, 2005).
10 .42†	—	Fourth Amendment dated as of November 16, 2006 to Restated Credit Agreement, by and among Plains Marketing, L.P., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto.
10 .43	—	First Amendment dated May 9, 2006 to the Amended and Restated Limited Liability Company Agreement of PAA/Vulcan Gas Storage, LLC dated September 13, 2005 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed May 15, 2006).
10 .44**	—	Form of LTIP Grant Letter (audit committee members) (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed August 23, 2006).
10 .45†**	—	Plains All American PPX Successor Long-Term Incentive Plan.
10 .46	—	Interim 364-Day Credit Agreement dated as of July 31, 2006 by and among Plains All American Pipeline, L.P., as Borrower; JPMorgan Chase Bank, N.A., as Administrative Agent; Bank of America, N.A. and Citibank, N.A., as Co-Syndication Agents; Wachovia Bank, National Association and UBS Securities LLC, as Co-Documentation Agents; the Lenders party thereto; and JPMorgan Securities Inc. and Citigroup Global Markets Inc., as Joint Bookrunners and Co-Lead Arrangers (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed August 4, 2006).
10 .47**	—	Forms of LTIP Grant Letters (executive officers) - February 2007 awards (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed February 28, 2007).
21 .1†	—	List of Subsidiaries of Plains All American Pipeline, L.P.
23 .1†	—	Consent of PricewaterhouseCoopers LLP.
31 .1†	—	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a).

31 .2†	—	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a).
32 .1†	—	Certification of Principal Executive Officer pursuant to 18 USC 1350.
32 .2†	—	Certification of Principal Financial Officer pursuant to 18 USC 1350.

† Filed herewith

** Management compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Plains All American Pipeline, L.P.

By: Plains AAP, L.P.,

its general partner

By: Plains All American GP LLC,

its general partner

By: /s/ Greg L. Armstrong

Greg L. Armstrong,

Chairman of the Board, Chief Executive Officer and Director of Plains All American GP LLC (Principal Executive Officer)

March 1, 2007

By: /s/ Phillip D. Kramer

Phillip D. Kramer,

Executive Vice President and Chief Financial Officer of Plains All American GP LLC (Principal Financial Officer)

March 1, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Greg L. Armstrong **Greg L. Armstrong**	Chairman of the Board, Chief Executive Officer and Director of Plains All American GP LLC (Principal Executive Officer)	March 1, 2007
/s/ Harry N. Pefanis **Harry N. Pefanis**	President and Chief Operating Officer of Plains All American GP LLC	March 1, 2007
/s/ Phillip D. Kramer **Phillip D. Kramer**	Executive Vice President and Chief Financial Officer of Plains All American GP LLC (Principal Financial Officer)	March 1, 2007
/s/ Tina L. Val **Tina L. Val**	Vice President — Accounting and Chief Accounting Officer of Plains All American GP LLC (Principal Accounting Officer)	March 1, 2007

Table of Contents

Name	Title	Date
/s/ David N. Capobianco **David N. Capobianco**	Director of Plains All American GP LLC	March 1, 2007
/s/ Everardo Goyanes **Everardo Goyanes**	Director of Plains All American GP LLC	March 1, 2007
/s/ Gary R. Petersen **Gary R. Petersen**	Director of Plains All American GP LLC	March 1, 2007
/s/ Robert V. Sinnott **Robert V. Sinnott**	Director of Plains All American GP LLC	March 1, 2007
/s/ Arthur L. Smith **Arthur L. Smith**	Director of Plains All American GP LLC	March 1, 2007
/s/ J. Taft Symonds **J. Taft Symonds**	Director of Plains All American GP LLC	March 1, 2007

Table of Contents

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Plains All American Pipeline, L.P.'s management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management has used the framework set forth in the report entitled "Internal Control — Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate the effectiveness of the Partnership's internal control over financial reporting. Based on that evaluation, management has concluded that the Partnership's internal control over financial reporting was effective as of December 31, 2006. This evaluation did not include the internal control over financial reporting related to the purchase business combination of the operations acquired in conjunction with the Pacific merger on November 15, 2006 (the "Pacific Acquisition"). The revenues for the year ended December 31, 2006 and the total assets as of December 31, 2006 recorded for the Pacific Acquisition operations as a percentage of the Partnership's revenues and total assets represent approximately 1% and 29%, respectively. Management's assessment of the effectiveness of the Partnership's internal control over financial reporting as of December 31, 2006 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

/s/ Greg L. Armstrong

Greg L. Armstrong

Chairman of the Board, Chief Executive Officer and Director of Plains All American GP LLC

(Principal Executive Officer)

/s/ Phillip D. Kramer

Phillip D. Kramer

Executive Vice President and Chief Financial Officer of Plains All American GP LLC

(Principal Financial Officer)

March 1, 2007

Report of Independent Registered Public Accounting Firm

To the Board of Directors of the General Partner and Unitholders of
Plains All American Pipeline, L.P.:

We have completed integrated audits of Plains All American Pipeline, L.P.'s consolidated financial statements and of its internal control over financial reporting as of December 31, 2006, in accordance with the standards of the Public Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of cash flows, of changes in partners' capital, of comprehensive income and of changes in accumulated other comprehensive income present fairly, in all material respects, the financial position of Plains All American Pipeline, L.P. and its subsidiaries at December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Notes 1 and 2 to the consolidated financial statements, the Partnership changed the manner in which it accounts for pipeline linefill in 2004 and the manner in which it accounts for equity-based compensation and purchases and sales with the same counterparty in 2006.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that the Partnership maintained effective internal control over financial reporting as of December 31, 2006 based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control — Integrated Framework* issued by the COSO. The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Partnership's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

As described in Management's Report on Internal Control Over Financial Reporting, management has excluded the businesses acquired in the acquisition of Pacific Energy Partners, L.P. (the "Pacific Acquisition") from its assessment of internal control over financial reporting as of December 31, 2006 because these businesses were acquired by the Partnership in a purchase business combination during 2006. We have also excluded the Pacific Acquisition from our audit of internal control over financial reporting. Pacific Acquisition are wholly-owned businesses whose total assets and total revenues represent 29% and 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2006.

PricewaterhouseCoopers LLP

Houston, Texas
March 1, 2007

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2006	2005
	(In millions, except units)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 11.3	$ 9.6
Trade accounts receivable and other receivables, net	1,725.4	781.0
Inventory	1,290.0	910.3
Other current assets	130.9	104.3
Total current assets	3,157.6	1,805.2
PROPERTY AND EQUIPMENT	4,190.1	2,116.1
Accumulated depreciation	(348.1)	(258.9)
	3,842.0	1,857.2
OTHER ASSETS		
Pipeline linefill in owned assets	265.5	180.2
Inventory in third-party assets	75.7	71.5
Investment in unconsolidated entities	183.0	121.7
Goodwill	1,026.2	47.4
Other, net	164.9	37.1
Total assets	$ 8,714.9	$ 4,120.3
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 1,846.6	$ 1,300.4
Short-term debt	1,001.2	378.4
Other current liabilities	176.9	114.5
Total current liabilities	3,024.7	1,793.3
LONG-TERM LIABILITIES		
Long-term debt under credit facilities and other	3.1	4.7
Senior notes, net of unamortized net discount of $1.8 and $3.0, respectively	2,623.2	947.0
Other long-term liabilities and deferred credits	87.1	44.6
Total liabilities	5,738.1	2,789.6
COMMITMENTS AND CONTINGENCIES (NOTE 11)		
PARTNERS' CAPITAL		
Common unitholders (109,405,178 and 73,768,576 units outstanding at December 31, 2006 and 2005, respectively)	2,906.1	1,294.1
General partner	70.7	36.6
Total partners' capital	2,976.8	1,330.7
	$ 8,714.9	$ 4,120.3

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Twelve Months Ended December 31,		
	2006	2005	2004
	(In millions, except per unit data)		
REVENUES			
Crude oil and LPG sales (includes buy/sell transactions of $4,717.7, $16,077.8, and $11,247.0, respectively)	$ 21,406.9	$ 30,139.7	$ 20,184.3
Pipeline margin activities revenues (includes buy/sell transactions of $44.2, $197.1, and $149.8, respectively)	694.3	772.7	575.2
Pipeline tariff activities revenues	263.3	218.1	177.6
Other revenues	79.9	46.0	37.9
Total revenues	22,444.4	31,176.5	20,975.0
COSTS AND EXPENSES			
Crude oil and LPG purchases and related costs (includes buy/sell transactions of $4,749.4, $15,910.3, and $11,137.7, respectively)	20,819.7	29,691.9	19,870.9
Pipeline margin activities purchases (includes buy/sell transactions of $45.7, $196.2, and $142.5, respectively	665.9	750.6	553.7
Field operating costs	369.8	272.5	219.5
General and administrative expenses	133.9	103.2	82.7
Depreciation and amortization	100.4	83.5	68.7
Total costs and expenses	22,089.7	30,901.7	20,795.5
OPERATING INCOME	354.7	274.8	179.5
OTHER INCOME/(EXPENSE)			
Equity earnings in unconsolidated entities	7.7	1.8	0.5
Interest expense (net of capitalized interest of $6.0, $1.8, and $0.5)	(85.6)	(59.4)	(46.7)
Interest income and other income (expense), net	2.3	0.6	(0.2)
Income tax expense	(0.3)	—	—
Income before cumulative effect of change in accounting principle	278.8	217.8	133.1
Cumulative effect of change in accounting principle	6.3	—	(3.1)
NET INCOME	$ 285.1	$ 217.8	$ 130.0
NET INCOME-LIMITED PARTNERS	$ 246.9	$ 198.8	$ 119.3
NET INCOME-GENERAL PARTNER	$ 38.2	$ 19.0	$ 10.7
BASIC NET INCOME PER LIMITED PARTNER UNIT			
Income before cumulative effect of change in accounting principle	$ 2.84	$ 2.77	$ 1.94
Cumulative effect of change in accounting principle	0.07	—	(0.05)
Net income	$ 2.91	$ 2.77	$ 1.89
DILUTED NET INCOME PER LIMITED PARTNER UNIT			
Income before cumulative effect of change in accounting principle	$ 2.81	$ 2.72	$ 1.94
Cumulative effect of change in accounting principle	0.07	—	(0.05)
Net income	$ 2.88	$ 2.72	$ 1.89
BASIC WEIGHTED AVERAGE UNITS OUTSTANDING	81.1	69.3	63.3

DILUTED WEIGHTED AVERAGE UNITS OUTSTANDING	81.9	70.5	63.3

The accompanying notes are an integral part of these consolidated financial statements.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2006	2005	2004
		(In millions)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 285.1	$ 217.8	$ 130.0
Adjustments to reconcile to cash flows from operating activities:			
Depreciation and amortization	100.4	83.5	68.7
Cumulative effect of change in accounting principle	(6.3)	—	3.1
Inventory valuation adjustment	5.9	—	2.0
SFAS 133 mark-to-market adjustment	4.4	18.9	(1.0)
Long-Term Incentive Plan charge	42.7	26.1	7.9
Noncash amortization of terminated interest rate hedging instruments	1.5	1.6	1.5
(Gain)/loss on foreign currency revaluation	4.1	2.1	(5.0)
Net cash paid for terminated interest rate hedging instruments	(2.4)	(0.9)	(1.5)
Equity earnings in unconsolidated entities	(7.7)	(1.8)	(0.5)
Changes in assets and liabilities, net of acquisitions:			
Trade accounts receivable and other	(729.0)	(298.4)	(28.7)
Inventory	(324.5)	(425.1)	(398.7)
Accounts payable and other current liabilities	356.7	427.8	327.5
Inventory in third party assets	(0.2)	—	(7.2)
Due to related parties	(6.0)	(27.5)	5.9
Net cash provided by (used in) operating activities	(275.3)	24.1	104.0
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid in connection with acquisitions, net of $20.0 cash acquired from acquisitions (Note 3)	(1,263.9)	(30.0)	(535.3)
Additions to property and equipment	(341.0)	(164.1)	(116.9)
Investment in unconsolidated entities	(45.9)	(112.5)	—
Cash paid for linefill in assets owned	(4.6)	—	(2.0)
Proceeds from sales of assets	4.4	9.4	3.0
Net cash used in investing activities	(1,651.0)	(297.2)	(651.2)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net borrowings/(repayments) on long-term revolving credit facility	(298.5)	(143.7)	64.9
Net borrowings on working capital revolving credit facility	2.8	67.2	62.9
Net borrowings/(repayments) on short-term letter of credit and hedged inventory facility	616.0	138.9	(20.1)
Proceeds from the issuance of senior notes	1,242.8	149.3	348.1
Net proceeds from the issuance of common units (Note 5)	642.8	264.2	262.1
Distributions paid to unitholders and general partner (Note 5)	(262.6)	(197.0)	(158.4)
Other financing activities	(16.3)	(8.3)	(5.0)
Net cash provided by financing activities	1,927.0	270.6	554.5
Effect of translation adjustment on cash	1.0	(0.9)	1.6
Net increase (decrease) in cash and cash equivalents	1.7	(3.4)	8.9
Cash and cash equivalents, beginning of period	9.6	13.0	4.1
Cash and cash equivalents, end of period	$ 11.3	$ 9.6	$ 13.0
Supplemental Cash Flow Formation:			
Cash paid for interest, net of amounts capitalized	$ 122.3	$ 80.4	$ 40.8
Non-cash investing and financing transactions (all items are in connection with the Pacific acquisition):			
Issuance of common units	$ 1,001.6	$ —	$ —
Assumption of senior notes	433.1	—	—
Assumption of property, plant and equipment	1,411.7	—	—
Assumption of intangible assets	72.3	—	—

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

	Common Units		Class B Common Units		Class C Common Units		Subordinated Units		General Partner	Total	Partners' Capital
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Amount	Units	Amount
						(In millions)					
Balance at December 31, 2003	49.5	$ 744.1	1.3	$ 18.0	—	$ —	7.5	$ (39.9)	$ 24.5	58.3	$ 746.7
Net income	—	111.1	—	2.5	—	4.2	—	1.5	10.7	—	130.0
Distributions	—	(134.2)	—	(3.0)	—	(5.7)	—	(4.2)	(11.3)	—	(158.4)
Issuance of common units	5.0	157.5	—	—	—	—	—	—	3.4	5.0	160.9
Issuance of common units under LTIP	0.4	11.8	—	—	—	—	—	—	0.2	0.4	12.0
Issuance of units for acquisition contingent consideration	0.4	13.1	—	—	—	—	—	—	0.3	0.4	13.4
Private placement of Class C common units	—	—	—	—	3.2	98.8	—	—	2.1	3.2	100.9
Other comprehensive income	—	59.9	—	1.3	—	3.1	—	(0.9)	1.3	—	64.7
Conversion of subordinated units	7.5	(43.5)	—	—	—	—	(7.5)	43.5	—	—	—
Balance at December 31, 2004	62.8	$ 919.8	1.3	$ 18.8	3.2	$ 100.4	—	$ —	$ 31.2	67.3	$ 1,070.2
Net income	—	196.9	—	0.5	—	1.4	—	—	19.0	—	217.8
Distributions	—	(175.6)	—	(0.8)	—	(2.0)	—	—	(18.6)	—	(197.0)
Issuance of common units	6.5	258.7	—	—	—	—	—	—	5.5	6.5	264.2
Issuance of common units under LTIP	—	1.9	—	—	—	—	—	—	—	—	1.9
Conversion of Class B Units	1.3	18.3	(1.3)	(18.3)	—	—	—	—	—	—	—
Conversion of Class C Units	3.2	99.3	—	—	(3.2)	(99.3)	—	—	—	—	—
Other Comprehensive loss	—	(25.2)	—	(0.2)	—	(0.5)	—	—	(0.5)	—	(26.4)
Balance at December 31, 2005	73.8	$ 1,294.1	—	$ —	—	$ —	—	$ —	$ 36.6	73.8	$ 1,330.7
Net income	—	246.9	—	—	—	—	—	—	38.2	—	285.1
Distributions	—	(224.9)	—	—	—	—	—	—	(37.7)	—	(262.6)
Issuance of common units in connection with Pacific acquisition	22.2	1,001.6	—	—	—	—	—	—	21.6	22.2	1,023.2
Issuance of common units	13.4	608.8	—	—	—	—	—	—	12.4	13.4	621.2
Other Comprehensive loss	—	(20.4)	—	—	—	—	—	—	(0.4)	—	(20.8)
Balance at December 31, 2006	109.4	$ 2,906.1	—	$ —	—	$ —	—	$ —	$ 70.7	109.4	$ 2,976.8

The accompanying notes are an integral part of these consolidated financial statements.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Twelve Months Ended December 31,		
	2006	2005	2004
		(In millions)	
Net income	$ 285.1	$ 217.8	$ 130.0
Other comprehensive income/(loss)	(20.8)	(26.4)	64.7
Comprehensive income	$ 264.3	$ 191.4	$ 194.7

The accompanying notes are an integral part of these consolidated financial statements.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME

	Net Deferred Gain/(Loss) on Derivative Instruments	Currency Translation Adjustments	Total
	(In millions)		
Balance at December 31, 2003	$ (7.7)	$ 39.9	$ 32.2
Reclassification adjustments for settled contracts	13.2	—	13.2
Changes in fair value of outstanding hedge positions	20.4	—	20.4
Currency translation adjustment	—	31.1	31.1
2004 Activity	33.6	31.1	64.7
Balance at December 31, 2004	$ 25.9	$ 71.0	$ 96.9
Reclassification adjustments for settled contracts	117.4	—	117.4
Changes in fair value of outstanding hedge positions	(159.9)	—	(159.9)
Currency translation adjustment	—	16.1	16.1
2005 Activity	(42.5)	16.1	(26.4)
Balance at December 31, 2005	$ (16.6)	$ 87.1	$ 70.5
Reclassification adjustments for settled contracts	(145.3)	—	(145.3)
Changes in fair value of outstanding hedge positions	142.1	—	142.1
Currency translation adjustment	—	(17.6)	(17.6)
2006 Activity	(3.2)	(17.6)	(20.8)
Balance at December 31, 2006	$ (19.8)	$ 69.5	$ 49.7

The accompanying notes are an integral part of these consolidated financial statements.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Organization and Basis of Presentation

Organization

Plains All American Pipeline, L.P. is a Delaware limited partnership formed in September 1998. Our operations are conducted directly and indirectly through our primary operating subsidiaries. As used in this Form 10-K, the terms "Partnership," "Plains," "we," "us," "our," "ours" and similar terms refer to Plains All American Pipeline, L.P. and its subsidiaries, unless the context indicates otherwise.

We are engaged in the transportation, storage, terminalling and marketing of crude oil, refined products and liquefied petroleum gas and other natural gas-related petroleum products. We refer to liquefied petroleum gas and other natural gas related petroleum products collectively as "LPG." Through our 50% equity ownership in PAA/Vulcan Gas Storage, LLC ("PAA/Vulcan"), we develop and operate natural gas storage facilities. Prior to the fourth quarter of 2006, we managed our operations through two segments. Due to our growth, especially in the facilities portion of our business (most notably in conjunction with the Pacific acquisition), we have revised the manner in which we internally evaluate our segment performance and decide how to allocate resources to our segments. As a result, we now manage our operations through three operating segments: (i) Transportation, (ii) Facilities, and (iii) Marketing.

Our 2% general partner interest is held by Plains AAP, L.P., a Delaware limited partnership. Plains All American GP LLC, a Delaware limited liability company, is Plains AAP, L.P.'s general partner. Plains All American GP LLC manages our operations and activities and employs our domestic officers and personnel. Our Canadian officers and employees are employed by our subsidiary PMC (Nova Scotia) Company, the general partner of Plains Marketing Canada, L.P. Unless the context otherwise requires, we use the term "general partner" to refer to both Plains AAP, L.P. and Plains All American GP LLC. Plains AAP, L.P. and Plains All American GP LLC are essentially held by seven owners with interests ranging from 54.3% to 1.2%.

Basis of Consolidation and Presentation

The accompanying financial statements and related notes present our consolidated financial position as of December 31, 2006 and 2005, and the consolidated results of our operations, cash flows, changes in partners' capital, comprehensive income and changes in accumulated other comprehensive income for the years ended December 31, 2006, 2005 and 2004. All significant intercompany transactions have been eliminated. Certain reclassifications have been made to the previous years to conform to the 2006 presentation of the financial statements. These reclassifications do not affect net income. The accompanying consolidated financial statements of PAA include PAA and all of its wholly owned subsidiaries. Investments in 50% or less owned entities over which we have significant influence but not control are accounted for by the equity method. We evaluate our equity investments for impairment in accordance with APB 18: *The Equity Method of Accounting for Investments in Common Stock.* An impairment of an equity investment results when factors indicate that the investment's fair value is less than its carrying value and the reduction in value is other than temporary in nature.

Changes in Accounting Principle

Stock-Based Compensation

In December 2004, SFAS 123(R) was issued, which amends SFAS No. 123, "Accounting for Stock-Based Compensation," and establishes accounting for transactions in which an entity exchanges its equity instruments for goods or services. This statement requires that the cost resulting from such share-based payment transactions be recognized in the financial statements at fair value. Following our general partner's adoption of Emerging Issues Task Force Issue No. 04-05, "Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights," we are now part of the same consolidated group and thus SFAS 123(R) is applicable to our general partner's long-term incentive plan. We adopted SFAS 123(R) on January 1, 2006 under the modified prospective transition method, as defined in

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

SFAS 123(R), and recognized a cumulative effect of change in accounting principle of approximately $6 million. The cumulative effect adjustment represents a decrease to our LTIP life-to-date accrued expense and related liability under our previous cash-plan, probability-based accounting model and adjusts our aggregate liability to the appropriate fair-value based liability as calculated under a SFAS 123(R) methodology. Our LTIPs are administered by our general partner. We are required to reimburse all costs incurred by our general partner related to LTIP settlements. Our LTIP awards are classified as liabilities under SFAS 123(R) as the awards are primarily paid in cash. Under the modified prospective transition method, we are not required to adjust our prior period financial statements for this change in accounting principle.

Linefill

During the second quarter of 2004, we changed our method of accounting for pipeline linefill in third-party assets. Historically, we viewed pipeline linefill, whether in our assets or third-party assets, as having long-term characteristics rather than characteristics typically associated with the short-term classification of operating inventory. Therefore, previously we did not include linefill barrels in the same average costing calculation as our operating inventory, but instead carried linefill at historical cost. Following this change in accounting principle, the linefill in third-party assets that we historically classified as a portion of Pipeline Linefill on the face of the balance sheet (a long-term asset) and carried at historical cost, is included in Inventory (a current asset) in determining the average cost of operating inventory and applying the lower of cost or market analysis. At the end of each period, we reclassify the linefill in third-party assets not expected to be liquidated within the succeeding twelve months out of Inventory (a current asset), at average cost, and into Inventory in Third-Party Assets (a long-term asset), which is now reflected as a separate line item on the consolidated balance sheet.

This change in accounting principle was effective January 1, 2004 and is reflected as a cumulative change in our consolidated statement of operations for the year ended December 31, 2004. The cumulative effect of this change in accounting principle as of January 1, 2004, is a charge of approximately $3.1 million, representing a reduction in Inventory of approximately $1.7 million, a reduction in Pipeline Linefill of approximately $30.3 million and an increase in Inventory in Third-Party Assets of $28.9 million.

Note 2 — Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates we make include: (i) accruals related to purchases and sales, (ii) mark-to-market estimates pursuant to Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting For Derivative Instruments and Hedging Activities," as amended ("SFAS 133"), (iii) contingent liability accruals, (iv) estimated fair value of assets and liabilities acquired and identification of associated goodwill and intangible assets, (v) accruals related to our Long-Term Incentive Plans, (vi) property, plant, and equipment and depreciation expense, and (vii) accruals related to deferred tax assets, valuation allowances and tax liabilities. Although we believe these estimates are reasonable, actual results could differ from these estimates.

Revenue Recognition

Transportation Segment Revenues. Revenues from pipeline tariffs and fees are associated with the transportation of crude oil at a published tariff as well as revenues associated with line leases for committed space on a particular system that may or may not be utilized. Tariff revenues are recognized either at the point of delivery or at the point of receipt pursuant to specifications outlined in the regulated and non-regulated tariffs. Revenues associated with line-lease fees are recognized in the month to which the lease applies, whether or not the space is actually utilized. All pipeline tariff and fee revenues are based on actual volumes and rates. Pipeline margin activities primarily consist of the purchase and sale of crude oil shipped on our San Joaquin Valley system using barrel exchanges and buy/sell arrangements. Revenues associated with these activities are recognized at the time title to the product sold transfers to the purchaser, which occurs upon delivery of the product to the purchaser or its designee. All of our pipeline margin activities revenues are based on actual volumes and prices.

Facilities Segment Revenues. Storage and terminalling revenues (which are included within Other Revenues on our Consolidated Statements of Operations) consist of (i) storage fees from actual storage used on a month-to-month basis; (ii) storage fees resulting from short-term and long-term contracts for committed space that may or may not be utilized by the customer in a given month; and (iii) terminal throughput charges to pump to connecting carriers. Revenues on storage are recognized ratably over the term of the contract. Terminal throughput charges are recognized as the crude oil, LPG or refined product exits the terminal and is delivered to the connecting carrier or third-party terminal. Any throughput volumes in transit at the end of a given month are treated as third party inventory and do not incur storage fees. All terminalling and storage revenues are based on actual volumes and rates.

Marketing Segment Revenues. Revenues from sales of crude oil, LPG and other products are recognized at the time title to the product sold transfers to the purchaser, which occurs upon delivery of the product to the purchaser or its designee. Sales of crude oil and LPG consist of outright sales contracts and buy/sell arrangements as well as barrel exchanges. In September 2005, the Emerging Issues Task Force ("EITF") issued Issue No. 04-13 ("EITF 04-13"), "Accounting for Purchases and Sales of Inventory with the Same Counterparty." The EITF concluded that inventory purchases and sales transactions with the same counterparty should be combined for accounting purposes if they were entered into in contemplation of each other. The EITF provided indicators to be considered for purposes of determining whether such transactions are entered into in contemplation of each other. Guidance was also provided on the circumstances under which nonmonetary exchanges of inventory within the same line of business should be recognized at fair value. EITF 04-13 became effective in reporting periods beginning after March 15, 2006.

We adopted EITF 04-13 on April 1, 2006. The adoption of EITF 04-13 resulted in inventory purchases and sales under buy/sell transactions, which historically would have been recorded gross as purchases and sales, to be treated as inventory exchanges in our consolidated statement of operations. In conformity with EITF 04-13, prior periods are not affected, although we have parenthetically disclosed prior period buy/sell transactions in our consolidated statements of operations. The treatment of buy/sell transactions under EITF 04-13 reduces both revenues and purchases on our income statement but does not impact our financial position, net income, or liquidity.

Purchases and Related Costs

Purchases and related costs include: (i) the cost of crude oil and LPG purchased in outright purchases as well as buy/sell arrangements prior to the adoption of EITF 04-13; (ii) third-party transportation and storage, whether by pipeline, truck or barge; (iii) interest cost attributable to borrowings for inventory stored in a contango market; (iv) performance related bonus accruals; and (v) expenses of issuing letters of credit to support these purchases. These purchases are accrued at the time title transfers to us.

Operating Expenses and General and Administrative Expenses

Operating expenses consist of various field and pipeline operating expenses including fuel and power costs, telecommunications, payroll and benefit costs for truck drivers and pipeline field personnel, maintenance costs, regulatory compliance, environmental remediation, insurance, vehicle leases, and property taxes. General and administrative expenses consist primarily of payroll and benefit costs, certain information system and legal costs, office rent, contract and consultant costs, and audit and tax fees.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Foreign Currency Transactions

Assets and liabilities of subsidiaries with a functional currency other than the U.S. Dollar are translated at period-end rates of exchange, and revenues and expenses are translated at average exchange rates prevailing for each month. The resulting translation adjustments are made directly to a separate component of other comprehensive income in partners' capital. Gains and losses from foreign currency transactions (transactions denominated in a currency other than the entity's functional currency) are included in the consolidated statement of operations. The foreign currency transactions resulted in a loss of approximately $4.1 million, a loss of approximately $2.1 million, and a gain of approximately $5.0 million for the years ended December 31, 2006, 2005, and 2004, respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of all demand deposits and funds invested in highly liquid instruments with original maturities of three months or less and typically exceed federally insured limits. We periodically assess the financial condition of the institutions where these funds are held and believe that the credit risk is minimal.

Accounts Receivable

Our accounts receivable are primarily from purchasers and shippers of crude oil and, to a lesser extent, purchasers of LPG. The majority of our accounts receivable relate to our marketing activities that can generally be described as high volume and low margin activities, in many cases involving exchanges of crude oil volumes. We make a determination of the amount, if any, of the line of credit to be extended to any given customer and the form and amount of financial performance assurances we require. Such financial assurances are commonly provided to us in the form of standby letters of credit, advance cash payments or "parental" guarantees. At December 31, 2006 and 2005, we had received approximately $28.3 million and $52.5 million, respectively, of advance cash payments and prepayments from third parties to mitigate credit risk. In addition, we enter into netting arrangements with our counterparties. These arrangements cover a significant part of our transactions and also serve to mitigate credit risk.

We review all outstanding accounts receivable balances on a monthly basis and record a reserve for amounts that we expect will not be fully recovered. Actual balances are not applied against the reserve until substantially all collection efforts have been exhausted. At December 31, 2006 and 2005, substantially all of our net accounts receivable classified as current were less than 60 days past their scheduled invoice date, and our allowance for doubtful accounts receivable (the entire balance of which is classified as current) totaled $0.7 million and $0.8 million, respectively. Although we consider our allowance for doubtful trade accounts receivable to be adequate, there is no assurance that actual amounts will not vary significantly from estimated amounts. Following is a reconciliation of the changes in our allowance for doubtful accounts balances (in millions):

	December 31,		
	2006	2005	2004
Balance at beginning of year	$ 0.8	$ 0.6	$ 0.2
Applied to accounts receivable balances	(0.3)	(0.7)	—
Charged to expense	0.2	0.9	0.4
Balance at end of year	$ 0.7	$ 0.8	$ 0.6

Inventory and Pipeline Linefill

Inventory primarily consists of crude oil, refined products and LPG in pipelines, storage tanks and rail cars that is valued at the lower of cost or market, with cost determined using an average cost method. During 2006, we recorded a $5.9 million noncash charge related to the writedown of our crude oil and LPG inventory due to declines in oil prices during the third and fourth quarters of 2006. During the fourth quarter of 2004, we recorded a

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

$2.0 million noncash charge related to the writedown of our LPG inventory. There was no such charge in 2005. Linefill and minimum working inventory requirements in assets we own are recorded at historical cost and consist of crude oil and LPG used to pack the pipeline such that when an incremental barrel enters a pipeline it forces a barrel out at another location, as well as the minimum amount of crude oil necessary to operate our storage and terminalling facilities.

Minimum working inventory requirements in third-party assets are included in Inventory (a current asset) in determining the average cost of operating inventory and applying the lower of cost or market analysis. At the end of each period, we reclassify the inventory in third party assets not expected to be liquidated within the succeeding twelve months out of Inventory, at average cost, and into Inventory in Third-Party Assets (a long-term asset), which is reflected as a separate line item within other assets on the consolidated balance sheet.

At December 31, 2006 and 2005, inventory and linefill consisted of:

	December 31, 2006			December 31, 2005		
	Barrels	Dollars	Dollar/ barrel	Barrels	Dollars	Dollar/ barrel
	(Barrels in thousands and dollars in millions)					
Inventory(1)						
Crude oil	18,331	$ 1,029.1	$ 56.14	13,887	$ 755.7	$ 54.42
LPG	5,818	250.7	$ 43.09	3,649	149.0	$ 40.83
Refined Products	81	3.8	$ 46.91	—	—	N/A
Parts and supplies	N/A	6.4	N/A	N/A	5.6	N/A
Inventory subtotal	24,230	1,290.0		17,536	910.3	
Inventory in third-party assets(1)						
Crude oil	1,212	62.5	$ 51.57	1,248	58.6	$ 46.96
LPG	318	13.2	$ 41.51	318	12.9	$ 40.57
Inventory in third-party assets subtotal	1,530	75.7		1,566	71.5	
Linefill in owned assets						
Crude oil	7,831	264.4	$ 33.76	6,207	179.3	$ 28.89
LPG	31	1.1	$ 35.48	27	0.9	$ 33.33
Linefill in owned assets subtotal	7,862	265.5		6,234	180.2	
Total	33,622	$ 1,631.2		25,336	$ 1,162.0	

(1) Includes the impact of inventory hedges on a portion of our volumes.

Property and equipment

Property and equipment, net is stated at cost and consisted of the following:

	Estimated Useful Lives (Years)	December 31, 2006	2005
		(In millions)	
Crude oil pipelines and facilities	30 - 40	$ 3,484.3	$ 1,739.5
Crude oil and LPG storage and terminal facilities	30 - 40	456.1	214.6
Trucking equipment and other	5 - 15	211.6	137.1
Office property and equipment	3 - 5	38.1	24.9
		4,190.1	2,116.1
Less accumulated depreciation		(348.1)	(258.9)
Property and equipment, net		$ 3,842.0	$ 1,857.2

Depreciation expense for each of the three years in the period ended December 31, 2006 was $91.3 million, $79.2 million and $64.8 million, respectively.

We calculate our depreciation using the straight-line method, based on estimated useful lives and salvage values of our assets. These estimates are based on various factors including age (in the case of acquired assets), manufacturing specifications, technological advances and historical data concerning useful lives of similar assets. Uncertainties that impact these estimates include changes in laws and regulations relating to restoration and abandonment requirements, economic conditions, and supply and demand in the area. When assets are put into service, we make estimates with respect to useful lives and salvage values that we believe are reasonable. However, subsequent events could cause us to change our estimates, thus impacting the future calculation of depreciation and amortization. Historically, adjustments to useful lives have not had a material impact on our aggregate depreciation levels from year to year. Also, gains/losses on sales of assets and asset impairments are included as a component of depreciation and amortization in the consolidated statements of operations.

In accordance with our capitalization policy, costs associated with acquisitions and improvements that expand our existing capacity, including related interest costs, are capitalized. For the years ended December 31, 2006, 2005 and 2004, capitalized interest was $6.0 million, $1.8 million and $0.5 million, respectively. In addition, costs required either to maintain the existing operating capacity of partially or fully depreciated assets or to extend their useful lives are capitalized and classified as maintenance capital. Repair and maintenance expenditures associated with existing assets that do not extend the useful life or expand the operating capacity are charged to expense as incurred.

Equity Method of Accounting

Our investments in PAA/Vulcan, Frontier Pipeline Company (“Frontier”), Settoon Towing, LLC (“Settoon Towing”) and Butte Pipe Line Company (“Butte”) are accounted for under the equity method of accounting. Our ownership interests in PAA/Vulcan, Frontier, Settoon Towing and Butte are 50%, 22%, 50% and 22%, respectively. We do not consolidate any part of the assets or liabilities of our equity investees. Our share of net income or loss is reflected as one line item on the income statement and will increase or decrease, as applicable, the carrying value of our investments on the balance sheet. Distributions to the Partnership will reduce the carrying value of our investments and will be reflected on our cash flow statement.

Asset Retirement Obligation

We account for asset retirement obligations under SFAS No. 143 “Accounting for Asset Retirement Obligations.” SFAS 143 establishes accounting requirements for retirement obligations associated with tangible long-lived assets, including (1) the time of the liability recognition, (2) initial measurement of the liability, (3) allocation of asset retirement cost to expense, (4) subsequent measurement of the liability and (5) financial statement disclosures. SFAS 143 requires that the cost for asset retirement should be capitalized as part of the cost of the related long-lived asset and subsequently allocated to expense using a systematic and rational method.

Some of our assets, primarily related to our transportation segment, have contractual or regulatory obligations to perform remediation and, in some instances, dismantlement and removal activities when the assets are abandoned. These obligations include varying levels of activity including disconnecting inactive assets from active assets, cleaning and purging assets, and in some cases, completely removing the assets and returning the land to its original state. The timing of the obligations is determined relative to the date on which the asset is abandoned. Many of our pipelines are trunk and interstate systems that transport crude oil. The pipelines with indeterminate settlement dates have been in existence for many years and with regular maintenance will continue to be in service for many years to come. Also, it is not possible to predict when demands for this transportation will cease and we do not believe that such demand will cease for the foreseeable future. Accordingly, we believe the date when these assets will be abandoned is indeterminate. With no reasonably determinable abandonment date, we cannot reasonably estimate the fair value of the associated asset retirement obligations. We will record asset retirement obligations for these assets in the period in which sufficient information becomes available for us to reasonably determine the settlement dates. A small portion of our contractual or regulatory obligations are related to assets that are inactive or that we plan to take out of service and although the ultimate timing and costs to settle these obligations are not known with certainty, we can reasonably estimate the obligation. We have estimated that the fair value of these obligations is approximately $4.7 million and $4.6 million at December 31, 2006 and 2005, respectively.

Impairment of Long-Lived Assets

Long-lived assets with recorded values that are not expected to be recovered through future cash flows are written-down to estimated fair value in accordance with SFAS No. 144 “Accounting for the Impairment or Disposal of Long-Lived Assets,” as amended. Under SFAS 144, a long-lived asset is tested for impairment when events or circumstances indicate that its carrying value may not be recoverable. The carrying value of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying value exceeds the sum of the undiscounted cash flows, an impairment loss equal to the amount by which the carrying value exceeds the fair value of the asset is recognized. Fair value is generally determined from estimated discounted future net cash flows. Impairments were not material in 2006 and 2005. In 2004, we recognized a charge of approximately $2.0 million associated with taking our pipeline in the Illinois Basin out of service. The impairments, which were predominantly related to assets that will be taken out of service, are included as a component of depreciation and amortization in the consolidated statements of operations. These assets did not support spending the capital necessary to continue service and we utilized other assets to handle these activities.

We periodically evaluate property, plant and equipment for impairment when events or circumstances indicate that the carrying value of these assets may not be recoverable. The evaluation is highly dependent on the underlying assumptions of related cash flows. We consider the fair value estimate used to calculate impairment of property, plant and equipment a critical accounting estimate. In determining the existence of an impairment in carrying value, we make a number of subjective assumptions as to:

- whether there is an indication of impairment;
- the grouping of assets;
- the intention of “holding” versus “selling” an asset;

- the forecast of undiscounted expected future cash flow over the asset's estimated useful life; and
- if an impairment exists, the fair value of the asset or asset group.

Goodwill and Other Intangible Assets

In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets," we test goodwill at least annually (on June 30) to determine whether an impairment has occurred. Goodwill is tested for impairment at a level of reporting referred to as a reporting unit. Pursuant to SFAS 142, a reporting unit is an operating segment or one level below an operating segment for which discrete financial information is available and regularly reviewed by segment management. Our reporting units are one level below our operating segments. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. Fair value is assessed based on multiples of earnings or revenue. An impairment loss is recognized if the carrying amount is not recoverable and its carrying amount exceeds its fair value. Since adoption of SFAS 142, we have not recognized any impairment of goodwill.

The table below reflects our changes in goodwill:

		Facilities	Marketing	Total
		(In millions)		
Balance at December 31, 2004	$ —	$ 0.4	$ 47.0	$ 47.4
Balance at December 31, 2005	$ —	$ 0.4	$ 47.0	$ 47.4
2006 Additions				
Pacific(1)	393.0	190.2	260.0	843.2
Andrews	5.9	58.4	6.0	70.3
SemCrude	—	—	62.8	62.8
Other	—	—	2.5	2.5
Balance at December 31, 2006	$ 398.9	$ 249.0	$ 378.3	$ 1,026.2

(1) The purchase price allocation related to the Pacific acquisition is preliminary and subject to change, pending finalization of the valuation of the assets and liabilities acquired.

Intangible assets are tested for impairment when events or circumstances indicate that the carrying value may not be recoverable. Our intangible assets consist of the following:

	Estimated Useful Lives (Years)	December 31, 2006			December 31, 2005		
		(In millions)					
		Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Customer contracts	5-17	$ 82.3	$ (5.4)	$ 76.9	$ 2.8	$ (1.1)	$ 1.7
Emission reduction credits	n/a	33.3	—	33.3	—	—	—
Environmental permits	2	7.9	(0.5)	7.4	—	—	—
		$ 123.5	$ (5.9)	$ 117.6	$ 2.8	$ (1.1)	$ 1.7

Our amortization expense for finite-lived intangible assets for the years ended December 31, 2006, 2005 and 2004 was $4.8 million, $0.3 million and $0.3, respectively.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

We estimate that our amortization expense related to finite-lived intangible assets for the next five years will be as follows (in millions):

2007	$ 10.7
2008	$ 10.0
2009	$ 6.6
2010	$ 6.6
2011	$ 5.6

Other assets, net

Other assets, net of accumulated amortization consist of the following:

	December 31, 2006	December 31, 2005
	(In millions)	
Debt issue costs	$ 29.3	$ 17.4
Fair value of derivative instruments	9.1	5.5
Intangible assets(1)	123.5	2.8
Other	17.9	18.5
	179.8	44.2
Less accumulated amortization	(14.9)	(7.1)
	$ 164.9	$ 37.1

(1) The majority of the increase in 2006 relates to acquisitions. See the table above and Note 3.

Costs incurred in connection with the issuance of long-term debt and amendments to our credit facilities are capitalized and amortized using the straight-line method over the term of the related debt. Use of the straight-line method does not differ materially from the "effective interest" method of amortization. Fully amortized debt issue costs and the related accumulated amortization are written off in conjunction with the refinancing or termination of the applicable debt arrangement. We capitalized debt issue costs of approximately $13.2 million, $3.3 million and $5.9 million in 2006, 2005 and 2004, respectively. In addition, during 2006 we wrote off approximately $1.4 million of fully amortized costs and the related accumulated amortization. During 2006, 2005 and 2004, we wrote off unamortized costs totaling $0, $1.4 million and $0.7 million, respectively.

Amortization expense related to other assets (including finite-lived intangible assets) for each of the three years in the period ended December 31, 2006, was $9.1 million, $4.3 million and $3.9 million, respectively.

Environmental Matters

We record environmental liabilities when environmental assessments and/or remedial efforts are probable and we can reasonably estimate the costs. Generally, our recording of these accruals coincides with our completion of a feasibility study or our commitment to a formal plan of action. We also record receivables for amounts recoverable from insurance or from third parties under indemnification agreements in the period that we determine the costs are probable of recovery.

We expense expenditures that relate to an existing condition caused by past operations, which do not contribute to current or future revenue generation. We record environmental liabilities assumed in business combinations based on the estimated fair value of the environmental obligations caused by past operations of the acquired company. See Note 13.

Income and Other Taxes

No provision for U.S. federal income taxes related to our operations is included in the accompanying consolidated financial statements. As a partnership we are not subject to federal or state income tax and the tax effect of our activities accrues to the unitholders. Except for the Canadian operations acquired in the Pacific acquisition, the Partnership's Canadian operations are conducted through an operating limited partnership, of which our wholly owned subsidiary PMC (Nova Scotia) Company is the general partner. For Canadian tax purposes, the general partner is taxed as a corporation, subject to income taxes and a capital-based tax at federal and provincial levels. For the years presented, these amounts were immaterial. The Canadian entities acquired in the Pacific acquisition are corporations for Canadian tax purposes, thus their operations are subject to income taxes in Canada. For 2006, the income tax provision associated with these operations was not material.

We estimate (a) income taxes in the jurisdictions in which we operate, (b) net deferred tax assets and liabilities based on expected future taxes in the jurisdictions in which we operate, (c) valuation allowances for deferred tax assets and (d) contingent tax liabilities for estimated exposures related to our current tax positions. These estimates are considered a critical accounting estimate because they require projecting future operating results (which is inherently imprecise). Also, these estimates depend on assumptions regarding our ability to generate future taxable income during the periods in which temporary differences are deductible. See Note 7.

As of December 31, 2006, we have not recorded a valuation allowance against our deferred tax assets for federal net operating loss carryforwards. Management believes that it is more likely that not that we will realize the deferred tax assets associated with the federal net operating loss. Key factors in this assessment include an evaluation of our recent history of taxable earnings and losses (as adjusted), future reversals of temporary differences and identification of other sources of future taxable income, including the identification of tax planning strategies.

Recent Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities — including an amendment of FAS 115" ("SFAS 159"). SFAS 159 allows entities to choose, at specified election dates, to measure eligible financial assets and liabilities at fair value in situations in which they are not otherwise required to be measured at fair value. If a company elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The provisions of SFAS 159 will be effective for fiscal years beginning after November 15, 2007. We are evaluating the impact of adoption of SFAS 159 but do not currently expect the adoption to have a material impact on our financial position, results of operations or cash flows.

In September 2006, the SEC staff issued Staff Accounting Bulletin (SAB) Topic 1N, Financial Statements — Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements ("SAB 108"). SAB 108 addresses how the effects of prior-year uncorrected misstatements should be considered when quantifying misstatements in current-year financial statements. SAB 108 requires registrants to quantify misstatements using both the balance sheet and income statement approaches and to evaluate whether either approach results in quantifying an error that is material in light of relevant quantitative and qualitative factors. The provisions of SAB 108 are effective for the fiscal years ending after November 15, 2006. The adoption of SAB 108 did not have a material impact on our consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value and requires enhanced disclosures regarding fair value measurements. SFAS 157 does not add any new fair value measurements, but it does change current practice and is intended to increase consistency and comparability in such measurement. The provisions of SFAS 157 will be effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The impact, if any, to the company from the adoption of FAS 157 in 2008 will depend on the company's assets and liabilities that are required to be measured at fair value at that time.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes — An Interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes." FIN 48 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In addition, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The provisions of FIN 48 are to be applied to all tax positions upon initial adoption of this standard. Only tax positions that meet the more-likely-than-not recognition threshold at the effective date may be recognized or continue to be recognized as an adjustment to the opening balance of retained earnings (or other appropriate components of equity) for that fiscal year. The provisions of FIN 48 are effective for fiscal years beginning after December 15, 2006. We are evaluating the impact of the adoption of FIN 48 but do not currently expect the adoption of this new standard to have a material impact on our financial position, results of operations or cash flows.

Derivative Instruments and Hedging Activities

We utilize various derivative instruments to (i) manage our exposure to commodity price risk, (ii) engage in a controlled commodity trading program, (iii) manage our exposure to interest rate risk and (iv) manage our exposure to currency exchange rate risk. We record all derivative instruments on the balance sheet as either assets or liabilities measured at their fair value under the provisions of SFAS 133. SFAS 133 requires that changes in derivative instruments fair value be recognized currently in earnings unless specific hedge accounting criteria are met, in which case, changes in fair value are deferred to Accumulated Other Comprehensive Income ("AOCI") and reclassified into earnings when the underlying transaction affects earnings. Accordingly, changes in fair value are included in the current period for (i) derivatives characterized as fair value hedges, (ii) derivatives that do not qualify for hedge accounting and (iii) the portion of cash flow hedges that are not highly effective in offsetting changes in cash flows of hedged items. See Note 6 for further discussion.

Net Income Per Unit

Except as discussed in the following paragraph, basic and diluted net income per limited partner unit is determined by dividing net income after deducting the amount allocated to the general partner interest (including its incentive distribution in excess of its 2% interest) by the weighted average number of outstanding limited partner units during the period. Subject to applicability of Emerging Issues Task Force Issue No. 03-06 ("EITF 03-06"), "Participating Securities and the Two-Class Method under FASB Statement No. 128," as discussed below, Partnership income is first allocated to the general partner based on the amount of incentive distributions. The remainder is then allocated between the limited partners and general partner based on percentage ownership in the Partnership.

EITF 03-06 addresses the computation of earnings per share by entities that have issued securities other than common stock that contractually entitle the holder to participate in dividends and earnings of the entity when, and if, it declares dividends on its common stock. Essentially, EITF 03-06 provides that in any accounting period where our aggregate net income exceeds our aggregate distribution for such period, we are required to present earnings per unit as if all of the earnings for the periods were distributed, regardless of the pro forma nature of this allocation and whether those earnings would actually be distributed during a particular period from an economic or practical perspective. EITF 03-06 does not impact our overall net income or other financial results; however, for periods in which aggregate net income exceeds our aggregate distributions for such period, it will have the impact of reducing the earnings per limited partner unit. This result occurs as a larger portion of our aggregate earnings is allocated (as if distributed) to our general partner, even though we make cash distributions on the basis of cash available for distributions, not earnings, in any given accounting period. In accounting periods where aggregate net income does not exceed our aggregate distributions for such period, EITF 03-06 does not have any impact on our earnings per unit calculation.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following sets forth the computation of basic and diluted earnings per limited partner unit. The net income available to limited partners and the weighted average limited partner units outstanding have been adjusted for instruments considered common unit equivalents at 2006, 2005 and 2004.

	Year Ended December 31,		
	2006	2005	2004
	(In millions, except per unit data)		
Numerator:			
Net income	$ 285.1	$ 217.8	$ 130.0
Less: General partner's incentive distribution paid	(33.1)	(14.9)	(8.3)
Subtotal	252.0	202.9	121.7
Less: General partner 2% ownership	(5.1)	(4.1)	(2.4)
Net income available to limited partners	246.9	198.8	119.3
Less: EITF 03-06 additional general partner's distribution	(10.8)	(7.2)	—
Net income available to limited partners under EITF 03-06	236.1	191.6	119.3
Less: Limited partner 98% portion of cumulative effect of change in accounting principle	(6.2)	—	3.0
Limited partner net income before cumulative effect of change in accounting principle	$ 229.9	$ 191.6	$ 122.3
Denominator:			
Basic earnings per limited partner unit (weighed average number of limited partner units outstanding)	81.1	69.3	63.3
Effect of dilutive securities:			
Weighted average LTIP units outstanding(1)	0.8	1.2	—
Diluted earnings per limited partner unit (weighed average number of limited partner units outstanding)	81.9	70.5	63.3
Basic net income per limited partner unit before cumulative effect of change in accounting principle	$ 2.84	$ 2.77	$ 1.94
Cumulative effect of change in accounting principle per limited partner unit	0.07	—	(0.05)
Basic net income per limited partner unit	$ 2.91	$ 2.77	$ 1.89
Diluted net income per limited partner unit before cumulative effect of change in accounting principle	$ 2.81	$ 2.72	$ 1.94
Cumulative effect of change in accounting principle per limited partner unit	0.07	—	(0.05)
Diluted net income per limited partner unit	$ 2.88	$ 2.72	$ 1.89

(1) Our LTIP awards described in Note 10 that contemplate the issuance of common units are considered dilutive unless (i) vesting occurs only upon the satisfaction of a performance condition and (ii) that performance condition has yet to be satisfied. The dilutive securities are reduced by a hypothetical unit repurchase based on the remaining unamortized fair value, as prescribed by the treasury stock method in SFAS 128, "Earnings per Share."

Note 3 — Acquisitions and Dispositions

The following acquisitions were accounted for using the purchase method of accounting and the purchase price was allocated in accordance with such method.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Significant Acquisitions

Pacific Energy Partners, L.P.

On November 15, 2006 we completed our acquisition of Pacific Energy Partners, L.P. ("Pacific") pursuant to an Agreement and Plan of Merger dated June 11, 2006. The merger-related transactions included: (i) the acquisition from LB Pacific, LP and its affiliates ("LB Pacific") of the general partner interest and incentive distribution rights of Pacific as well as approximately 5.2 million Pacific common units and approximately 5.2 million Pacific subordinated units for a total of $700 million and (ii) the acquisition of the balance of Pacific's equity through a unit-for-unit exchange in which each Pacific unitholder (other than LB Pacific) received 0.77 newly issued common units of the Partnership for each Pacific common unit. The total value of the transaction was approximately $2.5 billion, including the assumption of debt and estimated transaction costs. Upon completion of the merger-related transactions, the general partner and limited partner ownership interests in Pacific were extinguished and Pacific was merged with and into the Partnership. The assets acquired in the Pacific acquisition included approximately 4,500 miles of active crude oil pipeline and gathering systems and 550 miles of refined products pipelines, over 13 million barrels of active crude oil and 9 million barrels of refined products storage capacity, a fleet of approximately 75 owned or leased trucks and approximately 1.9 million barrels of crude oil and refined products linefill and working inventory. The Pacific assets complement our existing asset base in California, the Rocky Mountains and Canada, with minimal asset overlap but attractive potential vertical integration opportunities. The results of operations and assets and liabilities from this acquisition (the "Pacific acquisition") have been included in our consolidated financial statements and all three of our segments since November 15, 2006. The purchase price allocation related to the Pacific acquisition is preliminary and subject to change, pending finalization of the valuation of the assets and liabilities acquired.

The purchase price was calculated as follows (in millions):

Cash payment to LB Pacific	$ 700.0
Value of Plains common units issued in exchange for Pacific common units(1)	1,001.6
Assumption of Pacific debt (at fair value)	723.8
Estimated transaction costs(2)	30.3
Total purchase price	$ 2,455.7

(1) Valued at $45.02, which represents the average closing price of Plains common units two days immediately prior and two days immediately after the merger was announced on June 12, 2006.

(2) Includes investment banking fees, costs associated with a severance plan in conjunction with the acquisition and various other direct acquisition costs.

Purchase Price Allocation	
Property, plant and equipment, net	$ 1,411.7
Investment in Frontier	8.7
Inventory	32.6
Pipeline linefill and inventory in third party assets	63.6
Intangible assets(1)	72.3
Goodwill(2)	843.2
Assumption of working capital and other long-term assets and liabilities, including $20.0 of cash	23.6
Total purchase price	$ 2,455.7

Table of Contents

(1) Consists of customer relationships, emissions credits and environmental permits.

(2) Represents the preliminary amount in excess of the fair value of the net assets acquired and is associated with our view of the future results of operations of the businesses acquired based on the strategic location of the assets and the growth opportunities that we expect to realize as we integrate these assets into our existing business strategy. See Note 2.

The majority of the acquisition costs associated with the Pacific acquisition was incurred as of December 31, 2006, resulting in total cash paid during 2006 of approximately $723 million.

The following table shows our calculation of the sources of funding for the acquisition (in millions):

Fair value of Plains common units issued in exchange for Pacific common units	$ 1,001.6
Plains general partner capital contribution	21.6
Assumption of Pacific debt (at estimated fair value), net of repayment of Pacific credit facility(1)	433.1
Plains new debt incurred	999.4
Total sources of funding	$ 2,455.7

(1) The assumption of Pacific's debt and credit facility at fair value was $433.1 million and $290.7 million, respectively. We paid off the credit facility in connection with closing of the transaction.

Link Energy LLC

On April 1, 2004, we completed the acquisition of all of the North American crude oil and pipeline operations of Link Energy LLC ("Link") for approximately $332.3 million, including $268 million of cash (net of approximately $5.5 million subsequently returned to us from an indemnity escrow account) and approximately $64 million of net liabilities assumed and acquisition-related costs. The Link crude oil business consists of approximately 7,000 miles of active crude oil pipeline and gathering systems, over 10 million barrels of active crude oil storage capacity, a fleet of approximately 200 owned or leased trucks and approximately 2 million barrels of crude oil linefill and working inventory. The Link assets complement our assets in West Texas and along the Gulf Coast and allow us to expand our presence in the Rocky Mountain and Oklahoma/Kansas regions. The results of operations and assets and liabilities from this acquisition have been included in our consolidated financial statements and in all three of our segments since April 1, 2004.

The purchase price was allocated as follows and includes goodwill primarily attributed to Link's gathering and marketing operations (in millions):

Cash paid for acquisition(1)	$ 268.0
Fair value of net liabilities assumed:	
Accounts receivable(2)	409.4
Other current assets	1.8
Accounts payable and accrued liabilities(2)	(459.6)
Other current liabilities	(8.5)
Other long-term liabilities	(7.4)
Total net liabilities assumed	(64.3)
Total purchase price	$ 332.3

Purchase price allocation	
Property and equipment	$ 260.2
Inventory	3.4
Linefill	55.4
Inventory in third party assets	8.1
Goodwill	5.0
Other long-term assets	0.2
Total	$ 332.3

(1) Cash paid does not include the subsequent payment of various transaction and other acquisition related costs.

(2) Accounts receivable and accounts payable are gross and do not reflect the adjustment of approximately $250 million to net settle, based on contractual agreements with our counterparties.

The total purchase price included (i) approximately $9.4 million in transaction costs, (ii) approximately $7.4 million related to a plan to terminate and relocate employees in conjunction with the acquisition, and (iii) approximately $11.0 million related to costs to terminate a contract assumed in the acquisition. These activities were substantially complete and the majority of the related costs were incurred as of December 31, 2004, resulting in total cash paid during 2004 of approximately $294 million.

The acquisition was initially funded with cash on hand, borrowings under our then existing revolving credit facilities and under a new $200 million, 364-day credit facility. In connection with the acquisition, on April 15, 2004, we completed the private placement of 3,245,700 Class C common units to a group of institutional investors. During the third quarter of 2004, we completed a public offering of common units and the sale of an aggregate of $350 million of senior notes. A portion of the proceeds from these transactions was used to retire the $200 million, 364-day credit facility.

Capline and Capwood Pipeline Systems

In March 2004, we completed the acquisition of all of Shell Pipeline Company LP's interests in two entities for approximately $158.5 million in cash (including a deposit of approximately $16 million paid in December 2003) and approximately $0.5 million of transaction and other costs. In December 2003, subsequent to the announcement of the acquisition and in anticipation of closing, we issued approximately 2.8 million common units for net proceeds of approximately $88.4 million, after paying approximately $4.1 million of transaction costs. The proceeds from this issuance were used to pay down our revolving credit facility. At closing, the cash portion of this acquisition was funded from cash on hand and borrowings under our revolving credit facility.

The principal assets of these entities are: (i) an approximate 22% undivided joint interest in the Capline Pipeline System, and (ii) an approximate 76% undivided joint interest in the Capwood Pipeline System. The Capline Pipeline System is a 633-mile, 40-inch mainline crude oil pipeline originating in St. James, Louisiana, and terminating in Patoka, Illinois. The Capwood Pipeline System is a 58-mile, 20-inch mainline crude oil pipeline originating in Patoka, Illinois, and terminating in Wood River, Illinois. The results of operations and assets and liabilities from this acquisition have been included in our consolidated financial statements and in our transportation segment since March 1, 2004. These pipelines provide one of the primary transportation routes for crude oil shipped into the Midwestern U.S., and delivered to several refineries and other pipelines.

Table of Contents

The purchase price was allocated as follows (in millions):

Crude oil pipelines and facilities	$ 151.4
Crude oil storage and terminal facilities	5.7
Land	1.3
Office equipment and other	0.1
Total	$ 158.5

Other Acquisitions

2006 Acquisitions

During 2006, in addition to the Pacific acquisition, we completed six additional acquisitions for aggregate consideration of approximately $565 million. These acquisitions included (i) 100% of the equity interests of Andrews Petroleum and Lone Star Trucking, which provide isomerization, fractionation, marketing and transportation services to producers and customers of natural gas liquids (collectively, the “Andrews acquisition”), (ii) crude oil gathering and transportation assets and related contracts in South Louisiana (“SemCrude”), (iii) interests in various crude oil pipeline systems in Canada and the U.S. including a 100% interest in the Bay Marchand-to-Ostrica-to-Alliance (“BOA”) Pipeline, 64.35% interest in the Clovelly-to-Meraux (“CAM”) Pipeline system and various interests in the High Island Pipeline System (“HIPS”), and (iv) three refined products pipeline systems from Chevron Pipe Line Company.

The purchase prices of these acquisitions, in aggregate were allocated as follows (in millions):

Inventory	$ 35.1
Linefill	19.1
Inventory in third party assets	2.3
Property and equipment	327.4
Goodwill(1)	133.1
Intangibles(2)	48.7
Net other assets and liabilities	(0.3)
Total Purchase Price	$ 565.4

(1) Represents the preliminary amount in excess of the fair value of the net assets acquired and is associated with our view of the future results of operations of the businesses acquired based on the strategic location of the assets and the growth opportunities that we expect to realize as we integrate these assets into our existing business strategy. See Note 2.

(2) Consists of customer relationships.

In addition, in November 2006, we acquired a 50% interest in Settoon Towing for approximately $33 million.

Pro Forma Data

The following table presents selected unaudited pro forma financial information incorporating the historical (pre-merger) results of Pacific and our other 2006 business combination transactions. The following pro forma information has been prepared as if the Pacific Merger and our other business combination transactions in 2006 had been completed on January 1, 2005 as opposed to the actual dates that these acquisitions occurred. The pro forma information is based upon available data and includes certain estimates and assumptions made by management. As a result, this pro forma information is not necessarily indicative of our financial results had the transactions actually occurred on this date. Likewise, the following unaudited pro forma financial information is not necessarily indicative of our future financial results.

	Year Ended December 31, 2006	2005
	(Unaudited) (In millions, except per unit amounts)	
Revenues	$ 22,996.4	$ 32,354.9
Income before cumulative effect of change in accounting principle	$ 309.2	$ 225.8
Net income	$ 315.5	$ 225.8
Basic income before cumulative effect of change in accounting principle per limited partner unit	$ 2.68	$ 2.37
Basic net income per limited partner unit	$ 2.74	$ 2.37
Diluted income before cumulative effect of change in accounting principle per limited partner unit	$ 2.66	$ 2.34
Diluted net income per limited partner unit	$ 2.72	$ 2.34

2005 Acquisitions

During 2005, we completed six small transactions for aggregate consideration of approximately $40.3 million. The transactions included crude oil trucking operations and several crude oil pipeline systems along the Gulf Coast as well as in Canada. We also acquired an LPG pipeline and terminal in Oklahoma. In addition, in September 2005, PAA/Vulcan acquired Energy Center Investments LLC (“ECI”), an indirect subsidiary of Sempra Energy, for approximately $250 million. We own 50% of PAA/Vulcan and a subsidiary of Vulcan Capital owns the other 50%. See Note 9 “Related Party Transactions.”

2004 Acquisitions

During 2004, in addition to the Link and Capline acquisitions, we completed several other acquisitions for aggregate consideration totaling $73.1 million including transaction costs and approximately $14.4 million of LPG operating inventory acquired. These acquisitions include crude oil mainline and gathering pipelines and propane storage facilities. The aggregate purchase price was allocated to property and equipment.

Dispositions

During 2006, 2005 and 2004, we sold various property and equipment for proceeds totaling approximately $4.4 million, $9.4 million and $3.0 million, respectively. A gain of approximately $2.1 million, a loss of $3.2 million, and a gain of $0.6 million were recognized in 2006, 2005, and 2004, respectively. These gains and losses are included as a component of depreciation and amortization in the consolidated statements of operations.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note 4 — Debt

Debt consists of the following:

	December 31, 2006	December 31, 2005
	(In millions)	
Short-term debt:		
Senior secured hedged inventory facility bearing interest at a rate of 5.8% and 4.8% at December 31, 2006 and 2005, respectively	$ 835.3	$ 219.3
Working capital borrowings, bearing interest at a rate of 5.9% and 5.0% at December 31, 2006 and 2005, respectively(1)	158.2	155.4
Other	7.7	3.7
Total short-term debt	1,001.2	378.4
Long-term debt:		
4.75% senior notes due August 2009, net of unamortized discount of $0.4 million and $0.6 million at December 31, 2006 and 2005, respectively	174.6	174.4
7.75% senior notes due October 2012, net of unamortized discount of $0.2 million and $0.2 million at December 31, 2006 and 2005, respectively	199.8	199.8
5.63% senior notes due December 2013, net of unamortized discount of $0.5 million and $0.5 million at December 31, 2006 and 2005, respectively	249.5	249.5
7.13% senior notes due June 2014, net of unamortized premium of $8.8 million at December 31, 2006	258.8	—
5.25% senior notes due June 2015, net of unamortized discount of $0.6 million and $0.7 million at December 31, 2006 and 2005, respectively	149.4	149.3
6.25% senior notes due September 2015, net of unamortized discount of $0.8 million at December 31, 2006	174.2	—
5.88% senior notes due August 2016, net of unamortized discount of $0.9 million and $1.0 million at December 31, 2006 and 2005, respectively	174.1	174.0
6.13% senior notes due January 2017, net of unamortized discount of $1.8 million at December 31, 2006	398.2	—
6.70% senior notes due May 2036, net of unamortized discount of $0.4 million at December 31, 2006	249.6	—
6.65% senior notes due January 2037, net of unamortized discount of $5.0 million at December 31, 2006	595.0	—
Senior notes, net of unamortized discount(2)	2,623.2	947.0
Long-term debt under credit facilities and other	3.1	4.7
Total long-term debt(1)(2)	2,626.3	951.7
Total debt	$ 3,627.5	$ 1,330.1

(1) At December 31, 2006 and 2005, we have classified $158.2 million and $155.4 million, respectively, of borrowings under our senior unsecured revolving credit facility as short-term. These borrowings are designated as working capital borrowings, must be repaid within one year, and are primarily for hedged LPG and crude oil inventory and New York Mercantile Exchange ("NYMEX") and IntercontinentalExchange ("ICE") margin deposits.

(2) At December 31, 2006, the aggregate fair value of our fixed-rate senior notes is estimated to be approximately $2,671.6 million. The carrying values of the variable rate instruments in our credit facilities approximate fair value primarily because interest rates fluctuate with prevailing market rates, and the credit spread on outstanding borrowings reflect market.

Credit Facilities

In July 2006, we amended our senior unsecured revolving credit facility to increase the aggregate capacity from $1.0 billion to $1.6 billion and the sub-facility for Canadian borrowings from $400 million to $600 million. The amended facility can be expanded to $2.0 billion, subject to additional lender commitments, and has a final maturity of July 2011. At December 31, 2006, 2005 and 2004, borrowings of approximately $158.2 million, $155.4 million and $231.8 million, respectively, were outstanding under this facility.

In November 2006, we amended our senior secured hedged inventory facility to increase the capacity under the facility from $800 million to $1.0 billion. We also extended the maturity of the senior secured hedged inventory facility to November 2007. This facility is an uncommitted working capital facility, which is used to finance the purchase of hedged crude oil inventory for storage when market conditions warrant. Borrowings under the hedged inventory facility are collateralized by the inventory purchased under the facility and the associated accounts receivable, and will be repaid with the proceeds from the sale of such inventory.

Senior Notes

In November 2006, in conjunction with the Pacific merger, we assumed two issues of Senior Notes with an aggregate principal balance of $425 million. The $175 million of 6.25% Senior Notes are due September 15, 2015 and the $250 million of 7.125% Senior Notes are due June 15, 2014. Interest payments on the 6.25% Senior Notes are due on March 15 and September 15 of each year, and interest payments on the 7.125% Senior Notes are due on June 15 and December 15 of each year. These notes were recorded at fair value for an aggregate amount of $433 million.

In October 2006, we issued $400 million of 6.125% Senior Notes due 2017 and $600 million of 6.65% Senior Notes due 2037. The notes were sold at 99.56% and 99.17% of face value, respectively. Interest payments are due on January 15 and July 15 of each year. We used the proceeds to fund the cash portion of the merger with Pacific including repayment of amounts outstanding under Pacific's credit facility. Net proceeds in excess of the cash portion of the merger consideration were used to repay amounts outstanding under our credit facilities and for general partnership purposes. In anticipation of the issuance of these notes, we had entered into $200 million notional principal amount of U.S. treasury locks to hedge the treasury rate portion of the interest rate on a portion of the notes. The treasury locks were entered into at an interest rate of 4.97%. See Note 6.

During May 2006, we completed the sale of $250 million aggregate principal amount of 6.70% Senior Notes due 2036. The notes were sold at 99.82% of face value. Interest payments are due on May 15 and November 15 of each year. We used the proceeds to repay amounts outstanding under our credit facilities and for general partnership purposes.

During May 2005, we completed the issuance of $150 million of 5.25% senior notes due 2015. The notes were issued at 99.5% of face value. Interest payments are due on June 15 and December 15 of each year. We used the proceeds to repay amounts outstanding under our credit facilities and for general partnership purposes.

In each instance, the notes were co-issued by Plains All American Pipeline, L.P. and a 100% owned consolidated finance subsidiary (neither of which have independent assets or operations) and are fully and unconditionally guaranteed, jointly and severally, by all of our existing 100% owned subsidiaries, except for two subsidiaries with assets regulated by the California Public Utility Commission, and certain other minor subsidiaries. See Note 12.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Covenants and Compliance

Our credit agreements and the indentures governing the senior notes contain cross default provisions. Our credit agreements prohibit distributions on, or purchases or redemptions of, units if any default or event of default is continuing. In addition, the agreements contain various covenants limiting our ability to, among other things:

- incur indebtedness if certain financial ratios are not maintained;
- grant liens;
- engage in transactions with affiliates;
- enter into sale-leaseback transactions; and
- sell substantially all of our assets or enter into a merger or consolidation.

Our credit facility treats a change of control as an event of default and also requires us to maintain a debt-to-EBITDA coverage ratio which will not be greater than 4.75 to 1.0 on outstanding debt, and 5.25 to 1.0 on all outstanding debt during an acquisition period (generally, the period consisting of three fiscal quarters following an acquisition greater than $50 million).

For covenant compliance purposes, letters of credit and borrowings to fund hedged inventory and margin requirements are excluded when calculating the debt coverage ratio.

A default under our credit facility would permit the lenders to accelerate the maturity of the outstanding debt. As long as we are in compliance with our credit agreements, our ability to make distributions of available cash is not restricted. We are currently in compliance with the covenants contained in our credit agreements and indentures.

Letters of Credit

As is customary in our industry, and in connection with our crude oil marketing, we provide certain suppliers and transporters with irrevocable standby letters of credit to secure our obligation for the purchase of crude oil. These letters of credit are issued under our credit facility, and our liabilities with respect to these purchase obligations are recorded in accounts payable on our balance sheet in the month the crude oil is purchased. Generally, these letters of credit are issued for periods of up to seventy days and are terminated upon completion of each transaction. At December 31, 2006 and 2005, we had outstanding letters of credit of approximately $185.8 million and $55.5 million, respectively.

Maturities

The weighted average life of our long-term debt outstanding at December 31, 2006 was approximately 14.8 years and the aggregate maturities for the next five years are as follows (in millions):

Calendar Year	Payment
2007	$ —
2008	1.0
2009	175.3
2010	0.9
2011	—
Thereafter	2,450.9
Total(1)	$ 2,628.1

(1) Excludes aggregate unamortized discount of $1.8 million on our various senior notes.

Note 5 — Partners' Capital and Distributions

Units Outstanding

Partners' capital at December 31, 2006 consists of 109,405,178 common units outstanding, representing a 98% effective aggregate ownership interest in the Partnership and its subsidiaries after giving effect to the 2% general partner interest.

Conversion of Class B and Class C Common Units

In accordance with a common unitholder vote at a special meeting on January 20, 2005, each Class B common unit and Class C common unit became convertible into one common unit upon request of the holder. In February 2005, all of the Class B and Class C common units converted into common units. The Class B common units and Class C common units were *pari passu* with common units with respect to quarterly distributions.

Conversion of Subordinated Units

Pursuant to the terms of our Partnership Agreement and having satisfied the financial tests contained therein, in November 2003, 25% of the subordinated units converted to common units on a one-for-one basis. In February 2004, all of the remaining subordinated units converted to common units on a one-for-one basis.

The subordinated units had a debit balance in Partners' capital of approximately $39.9 million at December 31, 2003. The debit balance was the result of several different factors including: (i) a low initial capital balance in connection with the formation of the Partnership as a result of a low carry-over book basis in the assets contributed to the Partnership at the date of formation, (ii) a significant net loss in 1999 and (iii) distributions to unitholders that exceeded net income allocated to unitholders.

Distributions

We distribute 100% of our available cash within 45 days after the end of each quarter to unitholders of record and to our general partner. Available cash is generally defined as all of our cash and cash equivalents on hand at the end of each quarter, less reserves established by our general partner for future requirements.

General Partner Incentive Distributions

Our general partner is entitled to receive incentive distributions if the amount we distribute with respect to any quarter exceeds levels specified in our partnership agreement. Under the quarterly incentive distribution provisions, generally the general partner is entitled, without duplication, to 15% of amounts we distribute in excess of $0.450 per unit, referred to as our minimum quarterly distributions ("MQD"), 25% of the amounts we distribute in excess of $0.495 per unit and 50% of amounts we distribute in excess of $0.675 per unit (referred to as "incentive distributions").

Upon closing of the Pacific acquisition, our general partner agreed to reduce the amount of its incentive distributions as follows: (i) $5 million per quarter for the first four quarters, (ii) $3.75 million per quarter for the next eight quarters, (iii) $2.5 million per quarter for the next four quarters, and (iv) $1.25 million per quarter for the final four quarters. Pursuant to this agreement, the first reduction was with respect to the incentive distribution paid to the general partner on February 14, 2007, which was reduced by $5 million. The total reduction in incentive distributions will be $65 million.

Per unit cash distributions on our outstanding units and the portion of the distributions representing an excess over the MQD were as follows:

	Year					
	2006		2005		2004	
		Excess over MQD		Excess over MQD		Excess over MQD
First Quarter	$ 0.6875	$ 0.2375	$ 0.6125	$ 0.1625	$ 0.5625	$ 0.1125
Second Quarter	$ 0.7075	$ 0.2575	$ 0.6375	$ 0.1875	$ 0.5625	$ 0.1125
Third Quarter	$ 0.7250	$ 0.2750	$ 0.6500	$ 0.2000	$ 0.5775	$ 0.1275
Fourth Quarter	$ 0.7500	$ 0.3000	$ 0.6750	$ 0.2250	$ 0.6000	$ 0.1500

(1) Distributions represent those declared and paid in the applicable period.

Total cash distributions made were as follows (in millions, except per unit amounts):

	Distributions Paid				
	Common	Subordinated	GP		
Year	Units	Units (1)		2%	Total
2006	$ 224.9	$ —	$ 33.1	$ 4.6	$ 262.6
2005	$ 178.4	$ —	$ 15.0	$ 3.6	$ 197.0
2004	$ 142.9	$ 4.2	$ 8.3	$ 3.0	$ 158.4

(1) The subordinated units converted to common units in 2004.

On January 16, 2007, we declared a cash distribution of $0.8000 per unit on our outstanding common units. The distribution was paid on February 14, 2007 to unitholders of record on February 2, 2007, for the period October 1, 2006 through December 31, 2006. The total distribution paid was approximately $104.6 million, with approximately $87.5 million paid to our common unitholders and $1.8 million and $15.3 million paid to our general partner for its general partner and incentive distribution interests, respectively.

Table of Contents

Equity Offerings

During the three years ended December 31, 2006, we completed the following equity offerings of our common units.

Period	Units	Gross Unit Price	Proceeds from Sale	GP	Costs	Net Proceeds
		(In millions, except per unit amounts)				
December 2006(1)	6,163,960	$ 48.67	$ 300.0	$ 6.1	$ (0.5)	$ 305.6
July/August 2006(1)	3,720,930	$ 43.00	$ 160.0	$ 3.3	$ (0.1)	$ 163.2
March/April 2006(1)	3,504,672	$ 42.80	$ 150.0	$ 3.0	$ (0.6)	$ 152.4
September/October 2005(1)	5,854,000	$ 42.00	$ 246.0	$ 5.0	$ (9.1)	$ 241.9
February 2005(1)	575,000	$ 38.13	$ 21.9	$ 0.5	$ (0.1)	$ 22.3
July/August 2004	4,968,000	$ 33.25	$ 165.2	$ 3.4	$ (7.7)	$ 160.9
April 2004(1)	3,245,700	$ 30.81	$ 99.3	$ 2.0	$ (0.1)	$ 101.2

(1) These offerings involved related parties. See Note 9 “Related Party Transactions.”

Payment of Deferred Acquisition Price

In connection with the CANPET acquisition in July 2001, $26.5 million Canadian of the purchase price, payable in common units or cash at our option, was deferred subject to various performance objectives being met. These objectives were met as of December 31, 2003 and an increase to goodwill for this liability was recorded as of that date. The liability was satisfied on April 30, 2004 with the issuance of approximately 385,000 common units and the payment of $6.5 million in cash. The number of common units issued in satisfaction of the deferred payment was based upon $34.02 per unit, the average trading price of our common units for the ten-day trading period prior to the payment date, and a Canadian dollar to U.S. dollar exchange rate of 1.35 to 1, the average noon-day exchange rate for the ten-day trading period prior to the payment date. In addition, an incremental $3.7 million in cash was paid for the distributions that would have been paid on the common units had they been outstanding since the effective date of the acquisition.

Note 6 — Derivatives and Financial Instruments

We utilize various derivative instruments to (i) manage our exposure to commodity price risk, (ii) engage in a controlled commodity trading program, (iii) manage our exposure to interest rate risk and (iv) manage our exposure to currency exchange rate risk. Our risk management policies and procedures are designed to monitor interest rates, currency exchange rates, NYMEX, ICE and over-the-counter positions, as well as physical volumes, grades, locations and delivery schedules to help ensure that our hedging activities address our market risks. Our policy is to formally document all relationships between hedging instruments and hedged items, as well as our risk management objectives and strategy for undertaking the hedge. We calculate hedge effectiveness on a quarterly basis. This process includes specific identification of the hedging instrument and the hedged transaction, the nature of the risk being hedged and how the hedging instrument’s effectiveness will be assessed. Both at the inception of the hedge and on an ongoing basis, we assess whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows or the fair value of hedged items.

Summary of Financial Impact

The majority of our derivative activity is related to our commodity price-risk hedging activities. Through these activities, we hedge our exposure to price fluctuations with respect to crude oil, LPG and natural gas as well as with respect to expected purchases, sales and transportation of these commodities. The majority of the instruments that

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

qualify for hedge accounting are cash flow hedges. Therefore, the corresponding changes in fair value for the effective portion of the hedges are deferred to AOCI and recognized in revenues or crude oil and LPG purchases and related costs in the periods during which the underlying physical transactions occur. Derivatives that do not qualify for hedge accounting and the portion of cash flow hedges that is not highly effective, as defined in SFAS 133, in offsetting changes in cash flows of the hedged items, are marked-to-market in revenues each period.

A summary of the earnings impact of all derivative activities, including the change in fair value of open derivatives and settled derivatives taken to earnings during 2006 and 2005, is as follows (in millions, losses designated in brackets):

	For the Year Ended December 31, 2006			For the Year Ended December 31, 2005		
	Mark-to-market, net	Settled	Total	Mark-to-market, net	Settled	Total
Commodity price-risk hedging	$ (3.0)	$ 113.3	$ 110.3	$ (21.5)	$ 39.4	$ 17.9
Controlled trading program	—	—	—	—	(0.2)	(0.2)
Interest rate risk hedging	—	(1.5)	(1.5)	—	(1.6)	(1.6)
Currency exchange rate risk hedging	(1.4)	0.8	(0.6)	2.6	(0.3)	2.3
Total	$ (4.4)	$ 112.6	$ 108.2	$ (18.9)	$ 37.3	$ 18.4

The breakdown of the net mark-to-market impact to earnings between derivatives that do not qualify for hedge accounting and the ineffective portion of cash flow hedges is as follows (in millions, losses designated in brackets):

	For the year ended December 31, 2006	For the year ended December 31, 2005
Derivatives that do not qualify for hedge accounting	$ (5.6)	$ (18.1)
Ineffective portion of cash flow hedges	1.2	(0.8)
Total	$ (4.4)	$ (18.9)

The majority of the derivatives that do not qualify for hedge accounting treatment are related to activities associated with our storage assets as these contracts will not necessarily result in physical delivery.

The following table summarizes the net assets and liabilities on our consolidated balance sheet that are related to the fair value of our open derivative positions (in millions):

	December 31, 2006	December 31, 2005
Other current assets	$ 55.2	$ 45.7
Other long-term assets	9.0	5.5
Other current liabilities	(77.3)	(72.5)
Other long-term liabilities and deferred credits	(21.4)	(6.5)
Net asset (liability)	$ (34.5)	$ (27.8)

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The net liability related to the fair value of our open derivative positions consists of unrealized gains/losses recognized in earnings and unrealized gains/losses deferred to AOCI as follows, by category (in millions, losses designated in brackets):

	December 31, 2006			December 31, 2005		
	Net asset (liability)	Earnings	AOCI	Net asset (liability)	Earnings	AOCI
Commodity price-risk hedging	$ (32.5)	$ (18.9)	$ (13.6)	$ (27.2)	$ (16.0)	$ (11.2)
Controlled trading program	—	—	—	—	—	—
Interest rate risk hedging	—	—	—	—	—	—
Currency exchange rate risk hedging	(2.0)	(2.0)	—	(0.6)	(0.6)	—
	$ (34.5)	$ (20.9)	$ (13.6)	$ (27.8)	$ (16.6)	$ (11.2)

In addition to the $13.6 million of unrealized losses deferred to AOCI for open derivative positions, AOCI also includes a deferred loss of approximately $6.2 million that relates to terminated interest rate swaps that were cash settled in connection with the refinancing of debt agreements over the past four years. The deferred loss related to these instruments is being amortized to interest expense over the original terms of the terminated instruments.

The total amount of deferred net losses recorded in AOCI are expected to be reclassified to future earnings, contemporaneously with the related physical purchase or delivery of the underlying commodity or payments of interest. Of the total net loss deferred in AOCI at December 31, 2006, a net loss of $14.3 million will be reclassified into earnings in the next twelve months; the remaining net loss will be reclassified at various intervals (ending in 2016 for amounts related to our terminated interest rate swaps and 2009 for amounts related to our commodity price-risk hedging). Because a portion of these amounts is based on market prices at the current period end, actual amounts to be reclassified will differ and could vary materially as a result of changes in market conditions. During the year ended December 31, 2006 and 2005, no amounts were reclassified to earnings from AOCI in connection with forecasted transactions that were no longer considered probable of occurring.

The following sections discuss our risk management activities in the indicated categories.

Commodity Price-Risk Hedging

We hedge our exposure to price fluctuations with respect to crude oil, LPG, refined products, and natural gas, and expected purchases, sales and transportation of these commodities. The derivative instruments we use consist primarily of futures and option contracts traded on the NYMEX, ICE and over-the-counter transactions, including crude oil swap and option contracts entered into with financial institutions and other energy companies. In accordance with SFAS 133, these derivative instruments are recognized on the balance sheet at fair value. The majority of the instruments that qualify for hedge accounting are cash flow hedges. Therefore, the corresponding changes in fair value for the effective portion of the hedges are deferred into AOCI and recognized in revenues or crude oil and LPG purchases and related costs in the periods during which the underlying physical transactions occur. We have determined that substantially all of our physical purchase and sale agreements qualify for the normal purchase and sale exclusion and thus are not subject to SFAS 133. Physical transactions that are derivatives and are ineligible, or become ineligible, for the normal purchase and sale treatment (e.g. due to changes in settlement provisions) are recorded on the balance sheet as assets or liabilities at their fair value, with the changes in fair value recorded net in revenues.

The majority of the unrealized losses that have been recognized in earnings relate to activities associated with our storage assets. In general, revenue from storing crude oil is reduced in a backwardated market (when oil prices for future deliveries are lower than for current deliveries), as there is less incentive to store crude oil from month-to-month. We enter into derivative contracts that will offset the reduction in revenue by generating offsetting gains in a backwardated market structure. These derivatives do not qualify for hedge accounting because the contracts will not necessarily result in physical delivery. A portion of the net liability as of December 31, 2006 was caused by a reduction in backwardation (a decrease in the amount that the price of future deliveries are lower than current deliveries) from the time that we entered into the derivative contracts to the end of the year. The net gain or loss related to these instruments will offset storage revenue in the period that the derivative instruments are hedging.

The unrealized losses deferred in AOCI are related to inventory hedges which are mostly short derivative positions that will result in losses when prices rise. These hedge losses are offset by an increase in the physical inventory value and will be reclassed into earnings from AOCI in the same period that the underlying physical inventory is sold.

Controlled Trading Program

Although we seek to maintain a position that is substantially balanced within our crude oil lease purchase activities, we may experience net unbalanced positions for short periods of time as a result of production, transportation and delivery variances as well as logistical issues associated with inclement weather conditions. In connection with managing these positions and maintaining a constant presence in the marketplace, both necessary for our core business, we engage in a controlled trading program for up to an aggregate of 500,000 barrels of crude oil. These activities are monitored independently by our risk management function and must take place within predefined limits and authorizations. In accordance with SFAS 133, these derivative instruments are recorded in the balance sheet as assets or liabilities at their fair value, with the changes in fair value recorded net in revenues.

Interest Rate Risk Hedging

In November 2006, in conjunction with the Pacific merger, we assumed interest rate swap agreements with an aggregate notional principal amount of $80.0 million to receive interest at a fixed rate of 7.125% and to pay interest at an average variable rate of six month LIBOR plus 1.67% (set in advance or in arrears depending on the swap transaction). The interest rate swaps mature June 15, 2014 and are callable at the same dates and terms as the 7.125% senior notes. We designated these swaps as a hedge against changes in the fair value of the 7.125% Senior Notes resulting from market fluctuations to LIBOR. The changes in fair values of the interest rate swaps are recorded in earnings each period. Similarly, the change in fair value of the underlying $80.0 million of senior notes, which are expected to be offsetting to changes in the fair value of the interest swaps, are recorded into earnings each period. For the year ended December 31, 2006 we had an immaterial amount of ineffectiveness relating to these interest rate swaps.

During August 2006, we entered into two treasury locks with large creditworthy financial institutions in anticipation of a debt issuance in conjunction with our acquisition of Pacific. A treasury lock is a financial derivative instrument that enables a company to lock in the U.S. Treasury Note rate. The U.S. Treasury Note rate was the benchmark interest rate for our anticipated debt issuance. The two treasury locks had a combined notional principal amount of $200 million and an effective interest rate of 4.97%. The treasury locks were designated as cash flow hedges and the changes in fair value of the treasury locks were therefore deferred in AOCI. In October 2006, both treasury locks were terminated prior to maturity in connection with the debt issuance in October 2006 for an aggregate cash payment of $2.4 million.

AOCI includes a deferred loss of approximately $6.2 million that relates to terminated interest rate swaps that were cash settled in connection with the refinancing of debt agreements over the past four years. The deferred loss related to these instruments is being amortized to interest expense over the original terms of the terminated instruments.

Currency Exchange Rate Risk Hedging

Because a significant portion of our Canadian business is conducted in Canadian dollars and, at times, a portion of our debt is denominated in Canadian dollars, we use certain financial instruments to minimize the risks of unfavorable changes in exchange rates. These instruments include forward exchange contracts and cross currency swaps. The open foreign currency derivatives that were assumed in the Pacific merger do not qualify for hedge accounting in accordance with SFAS 133. At December 31, 2006, our open foreign exchange derivatives consisted of forward exchange contracts that exchange Canadian dollars ("Cdn") and US dollars on a net basis as follows (in millions):

	Canadian Dollars	US Dollars	Average Exchange Rate
2007(1)	$ 98.3	$ 84.1	Cdn $ 1.17 to US $1.00
2008	$ 3.2	$ 2.8	Cdn $ 1.16 to US $1.00

(1) Of these amounts, Cdn $108.3 was exchanged for US $93.0 on a net basis on January 2, 2007 at an average exchange rate of Cdn $1.16 to US $1.00.

These financial instruments are placed with large, creditworthy financial institutions.

Fair Value of Financial Instruments

The carrying amount of our derivative financial instruments approximate fair value as these instruments are recorded on the balance sheet at their fair value under SFAS 133. Our derivative financial instruments currently include: (i) forward exchange contracts for which fair values are based on current liquidation values; (ii) over-the-counter option and swap contracts for which fair values are estimated based on various sources such as independent reporting services, industry publications and brokers; and (iii) NYMEX futures and options for which the fair values are based on quoted market prices. For positions where independent quotations are not available, an estimate is provided, or the prevailing market price at which the positions could be liquidated is used.

Note 7 — Income Taxes

Our U.S. and Canadian subsidiaries are not taxable entities in the U.S. and are not subject to U.S. federal or state income taxes as the tax effect of operations is passed through to our unitholders. However, certain of our Canadian subsidiaries (acquired through the Pacific acquisition in 2006) are taxable entities in Canada and are subject to Canadian federal and provincial income taxes.

Components of the income tax expense for the year are as follows (in millions):

	December 31, 2006
Canadian federal and provincial income tax:	
Current	$ 0.4
Deferred	(0.1)
Total	$ 0.3

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The difference between the statutory federal income tax rate and our effective income tax rate is summarized as follows (in millions):

	December 31, 2006
Earnings before income tax	$ 285.4
Partnership earnings not subject to tax	(285.2)
	0.2
Federal and provincial income tax rate	32.5 %
Income tax at statutory rate	$ 0.1
Increase as a result of other book versus tax differences	0.2
Total tax expense	$ 0.3

Deferred tax assets and liabilities, which are included within other long-term liabilities and deferred credits in our consolidated balance sheet, result from the following (in millions):

	December 31, 2006
Deferred tax assets:	
Book accruals in excess of current tax deductions	$ 4.8
Net operating losses carried forward (which expire at various times from 2013 to 2015)	2.8
Total deferred tax assets	$ 7.6
Deferred tax liabilities:	
Canadian partnership income subject to deferral	$ (2.5)
Property, plant and equipment in excess of tax values	(14.5)
Total deferred tax liabilities	(17.0)
Net deferred tax liabilities	$ (9.4)

Note 8 — Major Customers and Concentration of Credit Risk

Marathon Petroleum Company, LLC (“Marathon”) accounted for 14%, 11% and 10% of our revenues for each of the three years in the period ended December 31, 2006. Valero Marketing & Supply Company (“Valero”) accounted for 10% of our revenues for the year ended December 31, 2006. BP Oil Supply accounted for 14% and 10% of our revenues for the years ended December 31, 2005 and 2004, respectively. No other customers accounted for 10% or more of our revenues during any of the three years. The majority of revenues from Marathon, Valero and BP Oil Supply pertain to our marketing operations. We believe that the loss of these customers would have only a short-term impact on our operating results. There can be no assurance, however, that we would be able to identify and access a replacement market at comparable margins.

Financial instruments that potentially subject us to concentrations of credit risk consist principally of trade receivables. Our accounts receivable are primarily from purchasers and shippers of crude oil. This industry concentration has the potential to impact our overall exposure to credit risk in that the customers may be similarly affected by changes in economic, industry or other conditions. We review credit exposure and financial information of our counterparties and generally require letters of credit for receivables from customers that are not considered creditworthy, unless the credit risk can otherwise be reduced.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note 9 — Related Party Transactions

Reimbursement of Expenses of Our General Partner and its Affiliates

We do not pay our general partner a management fee, but we do reimburse our general partner for all direct and indirect costs of services provided to us, incurred on our behalf, including the costs of employee, officer and director compensation and benefits allocable to us, as well as all other expenses necessary or appropriate to the conduct of our business, allocable to us. We record these costs on the accrual basis in the period in which our general partner incurs them. Our partnership agreement provides that our general partner will determine the expenses that are allocable to us in any reasonable manner determined by our general partner in its sole discretion. Total costs reimbursed by us to our general partner for the years ended December 31, 2006, 2005 and 2004 were $204.6 million, $165.2 million and $151.0 million respectively. Amounts due to our general partner at December 31, 2006 and 2005 were $0.8 million and $6.8 million, respectively.

Vulcan Energy Corporation

As of December 31, 2006, Vulcan Energy Corporation ("Vulcan Energy") and its affiliates owned approximately 54% of our general partner interest, as well as approximately 11.3% of our outstanding limited partner units.

Voting Agreement

In August 2005, one of the owners of our general partner notified the remaining owners of its intent to sell its 19% interest in the general partner. The remaining owners elected to exercise their right of first refusal, such that the 19% interest was purchased pro rata by all remaining owners. As a result of the transaction, the interest of Vulcan Energy increased from 44% to approximately 54%. At the closing of the transaction, Vulcan Energy entered into a voting agreement that restricts its ability to unilaterally elect or remove our independent directors, and separately, our CEO and COO agreed, subject to certain ongoing conditions, to waive certain change-of-control payment rights that would otherwise have been triggered by the increase in Vulcan Energy's ownership interest. These ownership changes to our general partner had no impact on us.

Administrative Services Agreement

On October 14, 2005, Plains All American GP LLC ("GP LLC") and Vulcan Energy entered into an Administrative Services Agreement, effective as of September 1, 2005 (the "Services Agreement"). Pursuant to the Services Agreement, GP LLC provides administrative services to Vulcan Energy for consideration of an annual fee, plus certain expenses. Effective October 1, 2006, the annual fee for providing these services was increased to $1 million. The Services Agreement extends through October 2008, at which time it will automatically renew for successive one-year periods unless either party provides written notice of its intention to terminate the Services Agreement. Pursuant to the agreement, Vulcan Energy has appointed certain employees of GP LLC as officers of Vulcan Energy for administrative efficiency. Under the Services Agreement, Vulcan Energy acknowledges that conflicts may arise between itself and GP LLC. If GP LLC believes that a specific service is in conflict with the best interest of GP LLC or its affiliates then GP LLC is entitled to suspend the provision of that service and such a suspension will not constitute a breach of the Services Agreement.

Crude Oil Purchases from Calumet Florida L.L.C.

Until August 12, 2005, Vulcan Energy owned 100% of Calumet Florida L.L.C. ("Calumet"). Calumet is now owned by Vulcan Resources Florida, Inc., the majority of which is owned by Paul G. Allen. We purchase crude oil from Calumet and paid approximately $45.1 million, $38.1 million and $28.3 million to Calumet in 2006, 2005 and 2004, respectively.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Investment in PAA/Vulcan Gas Storage, LLC

PAA/Vulcan, a limited liability company, was formed in 2005. PAA/Vulcan is owned 50% by us and the other 50% is owned by Vulcan Gas Storage LLC, a subsidiary of Vulcan Capital, which is an affiliate of Vulcan Energy. The Board of Directors of PAA/Vulcan is comprised of an equal number of our representatives and representatives of Vulcan Gas Storage and is responsible for providing strategic direction and policy-making. We are responsible for the day-to-day operations. PAA/Vulcan is not a variable interest entity, and we do not have the ability to control the entity; therefore, we account for the investment under the equity method in accordance with APB 18. This investment is reflected in investments in unconsolidated entities in our consolidated balance sheet.

In September 2005, PAA/Vulcan acquired ECI, an indirect subsidiary of Sempra Energy, for approximately $250 million. ECI develops and operates underground natural gas storage facilities. We and Vulcan Gas Storage LLC each made an initial cash investment of approximately $112.5 million, and Bluewater Natural Gas Holdings, LLC, a subsidiary of PAA/Vulcan (“Bluewater”) entered into a $90 million credit facility contemporaneously with closing. We currently have no direct or contingent obligations under the Bluewater credit facility.

PAA/Vulcan is developing a natural gas storage facility through its wholly owned subsidiary, Pine Prairie Energy Center, LLC (“Pine Prairie”). Proper functioning of the Pine Prairie storage caverns will require a minimum operating inventory contained in the caverns at all times (referred to as “base gas”). During the first quarter of 2006, we arranged to provide the base gas for the storage facility to Pine Prairie at a price not to exceed $8.50 per million cubic feet. In conjunction with this arrangement, we executed hedges on the NYMEX for the relevant delivery periods of 2007, 2008 and 2009. We received a fee of approximately $1 million for our services to own and manage the hedge positions and to deliver the natural gas.

We and Vulcan Gas Storage are both required to make capital contributions in equal proportions to fund equity requests associated with certain projects specified in the joint venture agreement. For certain other specified projects, Vulcan Gas Storage has the right, but not the obligation, to participate for up to 50% of such equity requests. In some cases, Vulcan Gas Storage’s obligation is subject to a maximum amount, beyond which Vulcan Gas Storage’s participation is optional. For any other capital expenditures, or capital expenditures with respect to which Vulcan Gas Storage’s participation is optional, if Vulcan Gas Storage elects not to participate, we have the right to make additional capital contributions to fund 100% of the project until our interest in PAA/Vulcan equals 70%. Such contributions would increase our interest in PAA/Vulcan and dilute Vulcan Gas Storage’s interest. Once PAA’s ownership interest is 70% or more, Vulcan Gas Storage would have the right, but not the obligation, to make future capital contributions proportionate to its ownership interest at the time.

In conjunction with the formation of PAA/Vulcan and the acquisition of ECI, PAA and Paul G. Allen provided performance and financial guarantees to the seller with respect to PAA/Vulcan’s performance under the purchase agreement, as well as in support of continuing guarantees of the seller with respect to ECI’s obligations under certain gas storage and other contracts. PAA and Paul G. Allen would be required to perform under these guarantees only if ECI was unable to perform. In addition, we provided a guarantee under one contract with an indefinite life for which neither Vulcan Capital nor Paul G. Allen provided a guarantee. In exchange for the disproportionate guarantee, PAA will receive preference distributions totaling $1.0 million over ten years from PAA/Vulcan (distributions that would otherwise have been paid to Vulcan Gas Storage LLC). We believe that the fair value of the obligation to stand ready to perform is minimal. In addition, we believe the probability that we would be required to perform under the guaranty is extremely remote; however, there is no dollar limitation on potential future payments that fall under this obligation.

PAA/Vulcan will reimburse us for the allocated costs of PAA’s non-officer staff associated with the management and day-to-day operations of PAA/Vulcan and all out-of-pocket costs. In addition, in the first fiscal year that EBITDA (as defined in the PAA/Vulcan LLC agreement) of PAA/Vulcan exceeds $75.0 million, we will receive a distribution from PAA/Vulcan equal to $6.0 million per year for each year since formation of the joint venture, subject to a maximum of 5 years or $30 million. Thereafter, we will receive annually a distribution equal to the greater of $2 million per year or two percent of the EBITDA of PAA/Vulcan.

Equity Offerings

In December 2006, we sold 6,163,960 common units, approximately 10% and 10% of which were sold to investment funds affiliated with Kayne Anderson Capital Advisors, L.P. ("KACALP") and Encap Investments, L.P., respectively. The net proceeds were used to fund capital expenditures, to reduce indebtedness and for general partnership purposes. KAFU Holdings, L.P., which owns a portion of our general partner and has a representative on our board of directors, is managed by KACALP. Affiliates of Encap own a portion of our general partner and have a representative on our board of directors.

In July and August 2006, we sold a total of 3,720,930 common units, approximately 18.7% and 12.5% of which were sold to investment funds affiliated with Vulcan Capital and KACALP, respectively. The proceeds from this offering were used to fund acquisition costs, repay indebtedness under our credit facility and for general partnership purposes.

In March and April 2006, we sold 3,504,672 common units, approximately 20% of which were sold to investment funds affiliated with KACALP. The net proceeds were used to fund a portion of the Andrews acquisition, to reduce indebtedness and for general partnership purposes.

Concurrently with our public offering of equity in September 2005, we sold 679,000 common units pursuant to our existing shelf registration statement to investment funds affiliated with KACALP in a privately negotiated transaction for a purchase price of $40.512 per unit (equivalent to the public offering price less underwriting discounts and commissions).

On February 25, 2005, we issued 575,000 common units in a private placement to a subsidiary of Vulcan Capital. The sale price was $38.13 per unit, which represented a 2.8% discount to the closing price of the units on February 24, 2005. The sale resulted in net proceeds, including the general partner's proportionate capital contribution ($0.5 million) and net of expenses associated with the sale, of approximately $22.3 million.

In April 2004, we sold 3,245,700 unregistered Class C common units to a group of investors affiliated with KACALP, Vulcan Capital and Tortoise Capital pursuant to Rule 4(2) under the Securities Act. Total proceeds from the transaction, after deducting transaction costs and including the general partner's proportionate contribution, were approximately $101 million.

Note 10 — Long-Term Incentive Plans

Our general partner has adopted the Plains All American GP LLC 1998 Long-Term Incentive Plan, the 2005 Long-Term Incentive Plan and the PPX Successor Long-Term Incentive Plan for employees and directors and the Plains All American GP LLC 2006 Long-Term Incentive Tracking Unit Plan for non-officer employees. The 1998 Plan, 2005 Plan and PPX Successor Plan authorize the grant of an aggregate of 5.4 million common units deliverable upon vesting. Although other types of awards are contemplated under the plans, currently outstanding awards are limited to "phantom" units, which mature into the right to receive common units (or cash equivalent) upon vesting. Some awards also include distribution equivalent rights ("DERs"). Subject to applicable vesting criteria, a DER entitles the grantee to a cash payment equal to cash distributions paid on an outstanding common unit.Our general partner will be entitled to reimbursement by us for any costs incurred in settling obligations under the plans.

We adopted SFAS 123(R) on January 1, 2006 (see Note 1 for a discussion of changes in accounting principles). Under SFAS 123(R) the fair value of the awards, which are subject to liability classification, is calculated based on the market price of our units at the balance sheet date adjusted for (i) the present value of any distributions that are estimated to occur on the underlying units over the vesting period that will not be received by the award recipients and (ii) an estimated forfeiture rate when appropriate. This fair value is then expensed over the period the awards are earned. For awards with performance conditions, we recognize LTIP expense only if the achievement of the performance condition is considered probable. When awards with performance conditions that were previously considered improbable of occurring become probable of occurring, we incur additional LTIP expense necessary to adjust the life-to-date accrued liability associated with these awards. In addition, we recognize compensation expense for DER payments in the period the payment is earned.

As of December 31, 2006, there were outstanding awards of approximately 3.0 million with a weighted average grant-date fair value of approximately $31.94 per unit. Our LTIP awards typically contain performance conditions relative to our annualized distribution level and vest upon the latter of a certain date or upon the attainment of a certain annualized distribution level. Upon our February 2007 annualized distribution of $3.20, approximately 2.2 million of our outstanding awards will have satisfied all performance conditions necessary for vesting and will vest in various increments over the next 5 years. Approximately 0.8 million of our outstanding awards have performance conditions requiring the attainment of an annualized distribution of between $3.50 and $4.00 which is not yet considered probable of occurring. However, certain of these awards still outstanding in 2012 will vest regardless of whether or not the performance condition is attained. Provided the performance conditions associated with these awards are ultimately attained, these awards will vest in various increments between 2010 and 2012. Approximately 1.6 million of our outstanding awards include DERs. Our DER awards typically contain performance conditions relative to our annualized distribution level and vest upon the earlier of a certain date or a certain annualized distribution level. The DERs terminate with the vesting or forfeiture of the underlying award.

Our LTIP activity is summarized in the following table (in millions except weighted average grant date fair values):

	Year Ended December 31,					
	2006		2005		2004	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Outstanding at beginning of period	2.2	$ 34.37	0.1	$ 23.40	1.0	$ 17.17
Granted(1)	0.9	$ 26.00	2.2	$ 34.41	—	$ —
Vested	—	$ —	(0.1)	$ 22.42	(0.9)	$ 16.64
Cancelled or forfeited	(0.1)	$ 33.05	—	$ —	—	$ —
Outstanding at end of period	3.0	$ 31.94	2.2	$ 34.37	0.1	$ 23.40

(1) For 2006, approximately 0.8 million of the awards granted will cash settle upon vesting.

We recognized expense related to our LTIP of approximately $43 million, $26 million and $8 million during 2006, 2005 and 2004, respectively. As of December 31, 2006, we have an accrued liability of approximately $58 million associated with our LTIP. Cash payments associated with LTIP vestings and DER awards were approximately $2 million and $3 million in 2006, $4 million and $1 million in 2005 and $29 million and $0 in 2004, respectively. Based on our unit price on the applicable vesting date, the total fair value of vested awards was approximately $1.4 million, $4.4 million and $28.3 million during 2006, 2005 and 2004, respectively. No units were issued during 2006 in connection with the settlement of vested awards.

As of December 31, 2006, the weighted average remaining contractual life of our outstanding awards was approximately three years based on expected vesting dates. Based on the December 31, 2006 fair value measurement and probability assessment regarding future distributions, we expect to recognize an additional $64 million of expense over the life of our outstanding awards related to the remaining unrecognized fair value. This estimate is based on the market price of our limited partner units at December 31, 2006 and actual amounts may differ materially as a result of a change in market price. We estimate that the remaining fair value will be recognized in expense as shown below (in millions):

Year	LTIP Fair Value Amortization(1)
2007	$ 25.3
2008	17.7
2009	12.1
2010	4.9
2011	2.0
2012	1.8
Total	$ 63.8

(1) Amounts do not include fair value associated with awards containing performance conditions that are not considered to be probable of occurring at December 31, 2006.

Note 11 — Commitments and Contingencies

Commitments

We lease certain real property, equipment and operating facilities under various operating and capital leases. We also incur costs associated with leased land, rights-of-way, permits and regulatory fees, the contracts for which generally extend beyond one year but can be cancelled at any time should they not be required for operations. Future non-cancellable commitments related to these items at December 31, 2006, are summarized below (in millions):

2007	$ 37.0
2008	$ 33.9
2009	$ 28.9
2010	$ 22.2
2011	$ 18.6
Thereafter	$ 253.7

Expenditures related to leases for 2006, 2005 and 2004 were $37.7 million, $25.7 million and $20.1 million, respectively.

Contingencies

Pipeline Releases. In January 2005 and December 2004, we experienced two unrelated releases of crude oil that reached rivers located near the sites where the releases originated. In early January 2005, an overflow from a temporary storage tank located in East Texas resulted in the release of approximately 1,200 barrels of crude oil, a portion of which reached the Sabine River. In late December 2004, one of our pipelines in West Texas experienced a rupture that resulted in the release of approximately 4,500 barrels of crude oil, a portion of which reached a remote location of the Pecos River. In both cases, emergency response personnel under the supervision of a unified command structure consisting of representatives of Plains, the U.S. Environmental Protection Agency (the “EPA”), the Texas Commission on Environmental Quality and the Texas Railroad Commission conducted clean-up operations at each site. Approximately 980 and 4,200 barrels were recovered from the two respective sites. The unrecovered oil was removed or otherwise addressed by us in the course of site remediation. Aggregate costs associated with the releases, including estimated remediation costs, are estimated to be approximately $3.0 million to $3.5 million. In cooperation with the appropriate state and federal environmental authorities, we have substantially completed our work with respect to site restoration, subject to some ongoing remediation at the Pecos River site. EPA has referred these two crude oil releases, as well as several other smaller releases, to the U.S. Department of Justice (the "DOJ") for further investigation in connection with a possible civil penalty enforcement action under the Federal Clean Water Act. We are cooperating in the investigation. Our assessment is that it is probable we will pay penalties related to the two releases. We have accrued the estimated loss contingency, which is included in the estimated aggregate costs set forth above. It is reasonably possible that the loss contingency may exceed our estimate with respect to penalties assessed by the DOJ; however, we have no indication from EPA or the DOJ of what penalties might be sought. As a result, we are unable to estimate the range of a reasonably possible loss contingency in excess of our accrual.

On November 15, 2006, we completed the Pacific acquisition. The following is a summary of the more significant matters that relate to Pacific, its assets or operations.

The People of the State of California v. Pacific Pipeline System, LLC ("PPS"). In March 2005, a release of approximately 3,400 barrels of crude oil occurred on Line 63, subsequently acquired by us in the Pacific merger. The release occurred when Line 63 was severed as a result of a landslide caused by heavy rainfall in the Pyramid Lake area of Los Angeles County. As of December 31, 2006, $26 million of remediation costs had been incurred. We estimate additional remediation costs of approximately $1 to $2 million, substantially all of which we expect to incur before June 2007. We anticipate that the majority of costs associated with this release will be covered under a pre-existing PPS pollution liability insurance policy.

In March 2006, PPS, a subsidiary acquired in the Pacific merger, was served with a four count misdemeanor criminal action in the Los Angeles Superior Court Case No. 6NW01020, which alleges the violation by PPS of two strict liability statutes under the California Fish and Game Code for the unlawful deposit of oil or substances harmful to wildlife into the environment, and violations of two sections of the California Water Code for the willful and intentional discharge of pollution into state waters. The fines that can be assessed against PPS for the violations of the strict liability statutes are based, in large measure, on the volume of unrecovered crude oil that was released into the environment, and, therefore, the maximum state fine that can be assessed is estimated to be approximately $1,100,000, in the aggregate. This amount is subject to a downward adjustment with respect to actual volumes of recovered crude oil, and the State of California has the discretion to further reduce the fine after considering other mitigating factors. Because of the uncertainty associated with these factors, the final amount of the fine that will be assessed for the strict liability offenses cannot be ascertained. We will defend against these charges. In addition to these fines, the State of California has indicated that it may seek to recover approximately $150,000 in natural resource damages against PPS in connection with this matter. The mitigating factors may also serve as a basis for a downward adjustment of the natural resource damages amount. We believe that certain of the alleged violations are without merit and intend to defend against them, and that mitigating factors should apply.

In December 2006 we were informed that the EPA may be intending to refer this matter to the DOJ for the initiation of proceedings to assess civil penalties against PPS. The DOJ has accepted the referral. We understand that the maximum permissible penalty that the EPA could assess under relevant statutes would be approximately $3.7 million. We believe that several mitigating circumstances and factors exist that could substantially reduce the penalty, and intend to pursue discussions with the EPA regarding such mitigating circumstances and factors. Because of the uncertainty associated with these factors, the final amount of the penalty that will be assessed by the EPA cannot be ascertained. Discussions with the DOJ to resolve this matter have commenced.

Kosseff v. Pacific Energy, et al, case no. BC 3544016. On June 15, 2006, a lawsuit was filed in the Superior court of California, County of Los Angeles, in which the plaintiff alleged that he was a unitholder of Pacific and he sought to represent a class comprising all of Pacific's unitholders. The complaint named as defendants Pacific and certain of the officers and directors of Pacific's general partner, and asserted claims of self-dealing and breach of fiduciary duty in connection with the pending merger with us and related transactions. The plaintiff sought injunctive relief against completing the merger or, if the merger was completed, rescission of the merger, other equitable relief, and recovery of the plaintiff's costs and attorneys' fees. On September 14, 2006, Pacific and the other defendants entered into a memorandum of settlement with the plaintiff to settle the lawsuit. As part of the settlement, Pacific and the other defendants deny all allegations of wrongdoing and express willingness to settle the lawsuit solely because the settlement would eliminate the burden and expense of further litigation. The settlement is subject to customary conditions, including court approval. As part of the settlement, we (as successor to Pacific) will pay $0.5 million to the plaintiff's counsel for their fees and expenses, and incur the cost of mailing materials to former Pacific unitholders. If finally approved by the court, the settlement will resolve all claims that were or could have been brought on behalf of the proposed settlement class in the actions being settled, including all claims relating to the merger, the merger agreement and any disclosure made by Pacific in connection with the merger. The settlement did not change any of the terms or conditions of the merger.

Air Quality Permits. In connection with the Pacific merger, we acquired Pacific Atlantic Terminals LLC ("PAT"), which is now one of our subsidiaries. PAT owns crude oil and refined products terminals in northern California. In the process of integrating PAT's assets into our operations, we identified certain aspects of the operations at the terminals that appeared to be out of compliance with specifications under the relevant air quality permit. We conducted a prompt review of the circumstances and self-reported the apparent historical occurrences of non-compliance to the Bay Area Air Quality Management District. We are cooperating with the District's review of these matters.

General. We, in the ordinary course of business, are a claimant and/or a defendant in various legal proceedings. To the extent we are able to assess the likelihood of a negative outcome for these proceedings, our assessments of such likelihood range from remote to probable. If we determine that a negative outcome is probable and the amount of loss is reasonably estimable, we accrue the estimated amount. We do not believe that the outcome of these legal proceedings, individually and in the aggregate, will have a materially adverse effect on our financial condition, results of operations or cash flows.

Environmental. We have in the past experienced and in the future likely will experience releases of crude oil into the environment from our pipeline and storage operations. We also may discover environmental impacts from past releases that were previously unidentified. Although we maintain an inspection program designed to prevent and, as applicable, to detect and address such releases promptly, damages and liabilities incurred due to any such environmental releases from our assets may substantially affect our business. As we expand our pipeline assets through acquisitions, we typically improve on (decrease) the rate of releases from such assets as we implement our standards and procedures, remove selected assets from service and spend capital to upgrade the assets. In the immediate post-acquisition period, however, the inclusion of additional miles of pipe in our operation may result in an increase in the absolute number of releases company-wide compared to prior periods. We experienced such an increase in connection with the Pacific acquisition, which added approximately 5,000 miles of pipeline to our operations, and in connection with the purchase of assets from Link Energy LLC in April 2004, which added approximately 7,000 miles of pipeline to our operations. As a result, we have also received an increased number of requests for information from governmental agencies with respect to such releases of crude oil (such as EPA requests under Clean Water Act Section 308), commensurate with the scale and scope of our pipeline operations. See "— Pipeline Releases" above.

At December 31, 2006, our reserve for environmental liabilities totaled approximately $39.1 million. At December 31, 2006, we have recorded receivables totaling approximately $11.6 million for amounts which are probable of recovery under insurance and from third parties under indemnification agreements. Although we believe our reserve is adequate, no assurance can be given that any costs incurred in excess of this reserve would not have a material adverse effect on our financial condition, results of operations or cash flows. See Note 13.

Other. A pipeline, terminal or other facility may experience damage as a result of an accident or natural disaster. These hazards can cause personal injury and loss of life, severe damage to and destruction of property and equipment, pollution or environmental damage and suspension of operations. We maintain insurance of various types that we consider adequate to cover our operations and properties. The insurance covers our assets in amounts considered reasonable. The insurance policies are subject to deductibles that we consider reasonable and not excessive. Our insurance does not cover every potential risk associated with operating pipelines, terminals and other facilities, including the potential loss of significant revenues. The overall trend in the environmental insurance industry appears to be a contraction in the breadth and depth of available coverage, while costs, deductibles and retention levels have increased. Absent a material favorable change in the insurance markets, this trend is expected to continue as we continue to grow and expand. As a result, we anticipate that we will elect to self-insure more of our activities or incorporate higher retention in our insurance arrangements.

The occurrence of a significant event not fully insured, indemnified or reserved against, or the failure of a party to meet its indemnification obligations, could materially and adversely affect our operations and financial condition. We believe we are adequately insured for public liability and property damage to others with respect to our operations. With respect to all of our coverage, no assurance can be given that we will be able to maintain adequate insurance in the future at rates we consider reasonable, or that we have established adequate reserves to the extent that such risks are not insured.

Note 12 — Supplemental Condensed Consolidating Financial Information

In conjunction with the Pacific acquisition, some but not all of our 100% owned subsidiaries have issued full, unconditional, and joint and several guarantees of our Senior Notes. Given that certain, but not all, subsidiaries are guarantors of our Senior Notes, we are required to present the following supplemental condensed consolidating financial information. For purposes of the following footnote, we are referred to as “Parent”, while the “Guarantor Subsidiaries” are PAA Finance Corp.; Plains Marketing, L.P.; Plains Pipeline, L.P.; Plains Marketing GP Inc.; Plains Marketing Canada LLC; Plains Marketing Canada, L.P.; PMC (Nova Scotia) Company; Basin Holdings GP LLC; Basin Pipeline Holdings, L.P.; Rancho Holdings GP LLC; Rancho Pipeline Holdings L.P.; Plains LPG Services GP LLC; Plains LPG Services, L.P.; Lone Star Trucking, LLC; Plains Marketing International GP LLC; Plains Marketing International, L.P; Plains LPG Marketing, L.P.; Rocky Mountain Pipeline System, LLC; Pacific Marketing and Transportation LLC; Pacific Atlantic Terminals LLC; Pacific LA Marine Terminal, LLC; Ranch Pipeline LLC; PEG Canada GP LLC; PEG Canada, L.P.; Pacific Energy Group LLC; Pacific Energy Finance Corporation; Rangeland Pipeline Company; Rangeland Marketing Company; Rangeland Northern Pipeline Company; Rangeland Pipeline Partnership; and Aurora Pipeline Company, Ltd. and “Non-Guarantor Subsidiaries” are Atchafalaya Pipeline, L.L.C.; Andrews Partners, LLC; Pacific Pipeline System, LLC, Pacific Terminals, LLC, Pacific Energy Management LLC and Pacific Energy GP LP.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following supplemental condensed consolidating financial information reflects the Parent's separate accounts, the combined accounts of the Guarantor Subsidiaries, the combined accounts of the Parent's Non-Guarantor Subsidiaries, the combined consolidating adjustments and eliminations and the Parent's consolidated accounts for the dates and periods indicated. For purposes of the following condensed consolidating information, the Parent's investments in its subsidiaries and the Guarantor Subsidiaries' investments in their subsidiaries are accounted for under the equity method of accounting:

Condensed Consolidating Balance Sheet

	December 31, 2006				
	Plains All American	Combined Guarantor Subsidiaries	Combined Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(In millions)		
ASSETS					
Total current assets	$ 2,573.8	$ 3,048.7	$ 97.6	$ (2,562.5)	$ 3,157.6
Property, plant and equipment, net	—	3,226.9	615.1	—	3,842.0
Other Assets					
Investment in unconsolidated entities	3,037.7	731.3	—	(3,586.0)	183.0
Other assets	23.0	1,197.9	311.4	—	1,532.3
Total assets	$ 5,634.5	$ 8,204.8	$ 1,024.1	$ (6,148.5)	$ 8,714.9
LIABILITIES AND PARTNER'S CAPITAL					
Total current liabilities	$ 34.2	$ 5,355.9	$ 14.1	$ (2,379.5)	$ 3,024.7
Other liabilities					
Long-term debt	2,623.2	(273.3)	276.4	—	2,626.3
Other long-term liabilities	0.3	84.5	2.3	—	87.1
Total liabilities	2,657.7	5,167.1	292.8	(2,379.5)	5,738.1
Partner's Capital	2,976.8	3,037.7	731.3	(3,769.0)	2,976.8
Total Liabilities and Partner's Capital	$ 5,634.5	$ 8,204.8	$ 1,024.1	$ (6,148.5)	$ 8,714.9

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
Condensed Consolidating Statement of Operations

	Year Ended December 31, 2006				
	Plains All American	Combined Guarantor Subsidiaries	Combined Non-Subsidiaries	Eliminations	
			(In millions)		
Net operating revenues	$ —	$ 942.4	$ 16.4	$ —	$ 958.8
Field operating costs	—	363.6	6.2	—	369.8
General and administrative expenses	—	132.6	1.3	—	133.9
Depreciation and amortization	2.4	95.3	2.7	—	100.4
Operating Income	(2.4)	350.9	6.2	—	354.7
Equity earnings in unconsolidated entities	363.1	13.9	—	(369.3)	7.7
Interest expense	(77.3)	(8.3)	—	—	(85.6)
Interest income and other income (expense)	1.7	—	—	—	1.7
Income tax expense	—	0.3	—	—	0.3
Income before cumulative effect of change in accounting principle	285.1	356.8	6.2	(369.3)	278.8
Cumulative effect of change in accounting principle	—	6.3	—	—	6.3
Net income (loss)	$ 285.1	$ 363.1	$ 6.2	$ (369.3)	$ 285.1

Table of Contents

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
Condensed Consolidating Statements of Cash Flows

	Year Ended December 31, 2006				
	Plains All American	Combined Guarantor Subsidiaries	Combined Non-Subsidiaries	Eliminations	Consolidated
			(In millions)		
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	$ 285.1	$ 363.1	$ 6.2	$ (369.3)	$ 285.1
Adjustments to reconcile to cash flows from operating activities:					
Depreciation and amortization	2.4	95.3	2.7	—	100.4
Cumulative effect of change in accounting principle	—	(6.3)	—	—	(6.3)
Inventory valuation adjustment	—	5.9	—	—	5.9
SFAS 133 mark-to-market adjustment	—	4.4	—	—	4.4
Long-Term Incentive Plan charge	—	42.7	—	—	42.7
Noncash amortization of terminated interest rate hedging instruments	1.5	—	—	—	1.5
Loss on foreign currency revaluation	—	4.1	—	—	4.1
Net cash paid for terminated interest rate hedging instruments	(2.4)	—	—	—	(2.4)
Equity earnings in unconsolidated entities	(363.1)	(13.9)	—	369.3	(7.7)
Net change in assets and liabilities, net of acquisitions	(491.1)	(158.5)	(7.5)	(45.9)	(703.0)
Net cash provided by (used in) operating activities	(567.6)	336.8	1.4	(45.9)	(275.3)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid in connection with acquisitions, net of $20.0 cash assumed from acquisitions	(703.6)	(560.3)	—	—	(1,263.9)
Additions to property and equipment	—	(339.4)	(1.6)	—	(341.0)
Investment in unconsolidated entities	(45.9)	(45.9)	—	45.9	(45.9)
Cash paid for linefill in assets owned	—	(4.8)	0.2	—	(4.6)
Proceeds from sales of assets	—	4.4	—	—	4.4
Net cash used in investing activities	(749.5)	(946.0)	(1.4)	45.9	(1,651.0)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net (repayments) on long-term revolving credit facility	(290.7)	(7.8)	—	—	(298.5)
Net borrowings on working capital revolving credit facility	—	2.8	—	—	2.8
Net borrowings on short-term letter of credit and hedged inventory facility	—	616.0	—	—	616.0
Proceeds from the issuance of senior notes	1,242.8	—	—	—	1,242.8
Net proceeds from the issuance of common units	642.8	—	—	—	642.8
Distributions paid to unitholders and general partner	(262.6)	—	—	—	(262.6)
Other financing activities	(13.1)	(3.2)	—	—	(16.3)

Net cash provided by financing activities	1,319.2	607.8	—	—	1,927.0
Effect of translation adjustment on cash	—	1.0	—	—	1.0
Net increase (decrease) in cash and cash equivalents	2.1	(0.4)	—	—	1.7
Cash and cash equivalents, beginning of period	0.2	9.4	—	—	9.6
Cash and cash equivalents, end of period	$ 2.3	$ 9.0	$ —	$ —	$ 11.3

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

At December 31, 2005 and for the years ended December 31, 2005 and December 31, 2004, the Non-Guarantor Subsidiaries were considered minor, as defined by Regulation S-X rule 3-10(h)(6) and thus, supplemental condensed consolidating financial information is not presented for those periods.

Note 13 — Environmental Remediation

We currently own or lease properties where hazardous liquids, including hydrocarbons, are being or have been handled. These properties and the hazardous liquids or associated generated wastes disposed thereon may be subject to CERCLA, RCRA and analogous state and Canadian federal and provincial laws and regulations. Under such laws and regulations, we could be required to remove or remediate hazardous liquids or associated generated wastes (including wastes disposed of or released by prior owners or operators), to clean up contaminated property (including contaminated groundwater) or to perform remedial operations to prevent future contamination.

We maintain insurance of various types with varying levels of coverage that we consider adequate under the circumstances to cover our operations and properties. The insurance policies are subject to deductibles and retention levels that we consider reasonable and not excessive. Consistent with insurance coverage generally available in the industry, in certain circumstances our insurance policies provide limited coverage for losses or liabilities relating to gradual pollution, with broader coverage for sudden and accidental occurrences.

In addition, we have entered into indemnification agreements with various counterparties in conjunction with several of our acquisitions. Allocation of environmental liability is an issue negotiated in connection with each of our acquisition transactions. In each case, we make an assessment of potential environmental exposure based on available information. Based on that assessment and relevant economic and risk factors, we determine whether to negotiate an indemnity, what the terms of any indemnity should be (for example, minimum thresholds or caps on exposure) and whether to obtain insurance, if available. In some cases, we have received contractual protections in the form of environmental indemnifications from several predecessor operators for properties acquired by us that are contaminated as a result of historical operations. These contractual indemnifications typically are subject to specific monetary requirements that must be satisfied before indemnification will apply and have term and total dollar limits.

For instance, in connection with the purchase of assets from Link in 2004, we identified a number of environmental liabilities for which we received a purchase price reduction from Link and recorded a total environmental reserve of $20 million. A substantial portion of these environmental liabilities are associated with the former Texas New Mexico (“TNM”) pipeline assets. On the effective date of the acquisition, we and TNM entered into a cost-sharing agreement whereby, on a tiered basis, we agreed to bear $11 million of the first $20 million of pre-May 1999 environmental issues. We also agreed to bear the first $25,000 per site for new sites which were not identified at the time we entered into the agreement (capped at 100 sites). TNM agreed to pay all costs in excess of $20 million (excluding the deductible for new sites). TNM’s obligations are guaranteed by Shell Oil Products (“SOP”). As of December 31, 2006, we had incurred approximately $7 million of remediation costs associated with these sites; SOP’s share is approximately $1.5 million.

In connection with the acquisition of certain crude oil transmission and gathering assets from SOP in 2002, SOP purchased an environmental insurance policy covering known and unknown environmental matters associated with operations prior to closing. We are a named beneficiary under the policy, which has a $100,000 deductible per site, an aggregate coverage limit of $70 million, and expires in 2012. SOP made a claim against the policy; however, we do not believe that the claim substantially reduced our coverage under the policy.

In connection with our 1999 acquisition of Scurlock Permian LLC from MAP, we were indemnified by MAP for any environmental liabilities attributable to Scurlock’s business or properties that occurred prior to the date of the closing of the acquisition. Other than with respect to liabilities associated with two Superfund sites at which it is alleged that Scurlock deposited waste oils, this indemnity has expired or was terminated by agreement.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

As a result of our merger with Pacific, we have assumed liability for a number of ongoing remediation sites, associated with releases from pipeline or storage operations. These sites had been managed by Pacific prior to the merger, and in general there is no insurance or indemnification to cover ongoing costs to address these sites (with the exception of the Pyramid Lake crude oil release). We have evaluated each of the sites requiring remediation, through review of technical and regulatory documents, discussions with Pacific, and our experience at investigating and remediating releases from pipeline and storage operations. We have developed reserve estimates for the Pacific sites based on this evaluation, including determination of current and long-term reserve amounts, which total approximately $21.8 million.

Other assets we have acquired or will acquire in the future may have environmental remediation liabilities for which we are not indemnified.

We have in the past experienced and in the future likely will experience releases of crude oil or petroleum products into the environment from our pipeline and storage operations. We also may discover environmental impacts from past releases that were previously unidentified. Although we maintain an inspection program designed to prevent and, as applicable, to detect and address such releases promptly, damages and liabilities incurred due to any such environmental releases from our assets may substantially affect our business. As we expand our pipeline assets through acquisitions, we typically improve on (decrease) the rate of releases from such assets as we implement our standards and procedures, remove selected assets from service and spend capital to upgrade the assets. In the immediate post-acquisition period, however, the inclusion of additional miles of pipe in our operation may result in an increase in the absolute number of releases company-wide compared to prior periods. We experienced such an increase in connection with the Pacific acquisition, which added approximately 5,000 miles of pipeline to our operations, and in connection with the Link acquisition, which added approximately 7,000 miles of pipeline to our operations. As a result, we have also received an increased number of requests for information from governmental agencies with respect to such releases of crude oil (such as EPA requests under CleanWater Act Section 308), commensurate with the scale and scope of our pipeline operations.

At December 31, 2006, our reserve for environmental liabilities totaled approximately $39.1 million (approximately $21.8 million of this reserve is related to liabilities assumed as part of the Pacific merger, and $10.4 million is related to liabilities assumed as part of the Link acquisition). Approximately $19.5 million of our environmental reserve is classified as current (within other current liabilities on our Consolidated Balance Sheets) and $19.6 million is classified as long-term (within Other long-term liabilities and deferred credits on our Consolidated Balance Sheets). At December 31, 2006, we have recorded receivables totaling approximately $11.6 million for amounts recoverable under insurance and from third parties under indemnification agreements.

In some cases, the actual cash expenditures may not occur for three to five years. Our estimates used in these reserves are based on all known facts at the time and our assessment of the ultimate outcome. Among the many uncertainties that impact our estimates are the necessary regulatory approvals for, and potential modification of, our remediation plans, the limited amount of data available upon initial assessment of the impact of soil or water contamination, changes in costs associated with environmental remediation services and equipment and the possibility of existing legal claims giving rise to additional claims. Therefore, although we believe that the reserve is adequate, no assurances can be made that any costs incurred in excess of this reserve or outside of the indemnifications would not have a material adverse effect on our financial condition, results of operations, or cash flows.

Table of Contents

Note 14 — Quarterly Financial Data (Unaudited):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total(1)
			(In millions, except per unit data)		
2006					
Revenues(2)	$ 8,635.1	$ 4,891.9	$ 4,525.6	$ 4,391.8	$ 22,444.4
Gross margin	103.8	124.0	145.8	115.0	488.6
Operating income	72.0	96.6	112.8	73.3	354.7
Cumulative effect of change in accounting principle	6.3	—	—	—	6.3
Net income	63.4	80.3	95.4	46.0	285.1
Basic net income per limited partner unit	0.73	0.82	0.90	0.37	2.91
Diluted net income per limited partner unit	0.71	0.81	0.89	0.36	2.88
Cash distributions per common unit(3)	$ 0.688	$ 0.708	$ 0.725	$ 0.750	$ 2.87
2005					
Revenues(2)	$ 6,638.3	$ 7,160.6	$ 8,664.2	$ 8,713.4	$ 31,176.5
Gross margin	69.2	102.1	111.2	95.5	378.0
Operating income	47.1	75.9	84.7	67.1	274.8
Net income	32.8	62.3	69.0	53.7	217.8
Basic net income per limited partner unit	0.43	0.76	0.81	0.65	2.77
Diluted net income per limited partner unit	0.43	0.74	0.79	0.64	2.72
Cash distributions per common unit(3)	$ 0.613	$ 0.638	$ 0.650	$ 0.675	$ 2.58

(1) The sum of the four quarters does not equal the total year due to rounding.

(2) Includes buy/sell transactions. See Note 2.

(3) Represents cash distributions declared and paid in the applicable period.

Note 15 — Operating Segments

Prior to the fourth quarter of 2006, we managed our operations through two segments. Due to our growth, especially in the facilities portion of our business (most notably in conjunction with the Pacific acquisition), we have revised the manner in which we internally evaluate our segment performance and decide how to allocate resources to our segments. As a result, we now manage our operations through three operating segments: (i) Transportation, (ii) Facilities, and (iii) Marketing. Prior period disclosures have been revised to reflect our change in segments.

We evaluate segment performance based on segment profit and maintenance capital. We define segment profit as revenues less (i) purchases and related costs, (ii) field operating costs and (iii) segment general and administrative (“G&A”) expenses. Each of the items above excludes depreciation and amortization. As a master limited partnership, we make quarterly distributions of our “available cash” (as defined in our partnership agreement) to our unitholders. Therefore, we look at each period’s earnings before non-cash depreciation and amortization as an important measure of segment performance. The exclusion of depreciation and amortization expense could be viewed as limiting the usefulness of segment profit as a performance measure because it does not account in current periods for the implied reduction in value of our capital assets, such as crude oil pipelines and facilities, caused by aging and wear and tear. Management compensates for this limitation by recognizing that depreciation and amortization are largely offset by repair and maintenance costs, which mitigate the actual decline in the value of our principal fixed assets. These maintenance costs are a component of field

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

operating costs included in segment profit or in maintenance capital, depending on the nature of the cost. Maintenance capital, which is deducted in determining "available cash," consists of capital expenditures required either to maintain the existing operating capacity of partially or fully depreciated assets or to extend their useful lives. Capital expenditures made to expand our existing capacity, whether through construction or acquisition, are considered expansion capital expenditures, not maintenance capital. Repair and maintenance expenditures associated with existing assets that do not extend the useful life or expand the operating capacity are charged to expense as incurred. The following table reflects certain financial data for each segment for the periods indicated.

	Transportation	Facilities	Marketing	Total
		(In millions)		
Twelve Months Ended December 31, 2006				
Revenues:				
External Customers (includes buy/sell revenues of $0, $0, and $4,761.9, respectively)(1)	$ 343.6	$ 40.9	$ 22,059.9	$ 22,444.4
Intersegment(2)	190.4	46.8	0.9	238.1
Total revenues of reportable segments	$ 534.0	$ 87.7	$ 22,060.8	$ 22,682.5
Equity in earnings of unconsolidated entities	$ 1.9	$ 5.8	$ —	$ 7.7
Segment profit(1)(3)(4)	$ 200.2	$ 34.6	$ 228.0	$ 462.8
Capital expenditures	$ 1,956.9	$ 1,323.6	$ 72.6	$ 3,353.1
Total assets	$ 3,792.9	$ 1,333.0	$ 3,589.0	$ 8,714.9
SFAS 133 impact(1)	$ —	$ —	$ (4.4)	$ (4.4)
Maintenance capital	$ 20.0	$ 4.9	$ 3.3	$ 28.2
Twelve Months Ended December 31, 2005				
Revenues:				
External Customers (includes buy/sell revenues of $0, $0, and $16,274.9, respectively)(1)	$ 270.2	$ 14.2	$ 30,892.1	$ 31,176.5
Intersegment(2)	165.0	27.7	0.9	193.6
Total revenues of reportable segments	$ 435.2	$ 41.9	$ 30,893.0	$ 31,370.1
Equity in earnings of unconsolidated entities	$ 0.8	$ 1.0	$ —	$ 1.8
Segment profit(1)(3)(4)	$ 169.5	$ 15.2	$ 175.4	$ 360.1
Capital expenditures	$ 108.5	$ 70.5	$ 15.1	$ 194.1
Total assets	$ 1,858.8	$ 142.5	$ 2,119.0	$ 4,120.3
SFAS 133 impact(1)	$ —	$ —	$ (18.9)	$ (18.9)
Maintenance capital	$ 8.5	$ 1.1	$ 4.4	$ 14.0
Twelve Months Ended December 31, 2004				
Revenues:				
External Customers (includes buy/sell revenues of $0, $0, and $11,396.8, respectively)(1)	$ 214.2	$ 11.1	$ 20,749.7	$ 20,975.0
Intersegment(2)	134.7	22.8	1.0	158.5
Total revenues of reportable segments	$ 348.9	$ 33.9	$ 20,750.7	$ 21,133.5
Equity in earnings of unconsolidated entities	$ 0.5	$ —	$ —	$ 0.5
Segment profit(1)(3)(4)	$ 149.9	$ 18.2	$ 80.6	$ 248.7
Capital expenditures	$ 522.3	$ 89.3	$ 40.6	$ 652.2
Total assets	$ 1,646.9	$ 104.4	$ 1,409.1	$ 3,160.4
SFAS 133 impact(1)	$ —	$ —	$ 1.0	$ 1.0
Maintenance capital	$ 7.7	$ 2.0	$ 1.6	$ 11.3

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(1) Amounts related to SFAS 133 are included in marketing revenues and impact segment profit.

(2) Intersegment sales are conducted at arms length.

(3) Marketing segment profit includes interest expense on contango inventory purchases of $49.2 million, $23.7 million, and $2.0 million for the twelve months ended December 31, 2006, 2005 and 2004, respectively.

(4) The following table reconciles segment profit to consolidated income before cumulative effect of change in accounting principle (in millions):

	Year Ended December 31,		
	2006	2005	2004
Segment profit	$ 462.8	$ 360.1	$ 248.7
Depreciation and amortization	(100.4)	(83.5)	(68.7)
Interest expense	(85.6)	(59.4)	(46.7)
Interest income and other, net	2.0	0.6	(0.2)
Income before cumulative effect of change in accounting principle	$ 278.8	$ 217.8	$ 133.1

Geographic Data

We have operations in the United States and Canada. Set forth below are revenues and long lived assets attributable to these geographic areas (in millions):

	For the Year Ended December 31,		
	2006	2005	2004
Revenues			
United States (includes buy/sell revenues of $4,169.5, $14,749.0, and $10,164.6, respectively)	$ 18,118.0	$ 26,198.9	$ 17,499.0
Canada (includes buy/sell revenues of $592.4, $1,525.9, and $1,232.2, respectively)	4,326.4	4,977.6	3,476.0
	$ 22,444.4	$ 31,176.5	$ 20,975.0

	For the Year Ended December 31,	
	2006	2005
Long-Lived Assets		
United States	$ 4,947.9	$ 1,887.0
Canada	600.4	422.5
	$ 5,548.3	$ 2,309.5

EXHIBIT INDEX

3 .1	—	Third Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P., dated as of June 27, 2001 (incorporated by reference to Exhibit 3.1 to Form 8-K filed August 27, 2001).
3 .2	—	Amendment No. 1 dated as of April 15, 2004 to the Third Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P. (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).
3 .3	—	Third Amended and Restated Agreement of Limited Partnership of Plains Marketing, L.P. dated as of April 1, 2004 (incorporated by reference to Exhibit 3.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).
3 .4	—	Third Amended and Restated Agreement of Limited Partnership of Plains Pipeline, L.P. dated as of April 1, 2004 (incorporated by reference to Exhibit 3.3 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).
3 .5	—	Certificate of Incorporation of PAA Finance Corp. (incorporated by reference to Exhibit 3.6 to the Registration Statement on Form S-3 filed August 27, 2001).
3 .6	—	Bylaws of PAA Finance Corp. (incorporated by reference to Exhibit 3.7 to the Registration Statement on Form S-3 filed August 27, 2001).
3 .7	—	Second Amended and Restated Limited Liability Company Agreement of Plains All American GP LLC, dated September 12, 2005 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed September 16, 2005).
3 .8	—	Second Amended and Restated Limited Partnership Agreement of Plains AAP, L.P., dated September 12, 2005 (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed September 16, 2005).
3 .9	—	Amendment No. 2 dated November 15, 2006 to Third Amended and Restated Agreement of Limited Partnership of Plains All American Pipeline, L.P. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed November 21, 2006).
3 .10†	—	Certificate of Incorporation of Pacific Energy Finance Corporation.
3 .11†	—	Bylaws of Pacific Energy Finance Corporation.
4 .1	—	Indenture dated September 25, 2002 among Plains All American Pipeline, L.P., PAA Finance Corp. and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2002).
4 .2	—	First Supplemental Indenture (Series A and Series B 7.75% Senior Notes due 2012) dated as of September 25, 2002 among Plains All American Pipeline, L.P., PAA Finance Corp., the Subsidiary Guarantors named therein and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2002).
4 .3	—	Second Supplemental Indenture (Series A and Series B 5.625% Senior Notes due 2013) dated as of December 10, 2003 among Plains All American Pipeline, L.P., PAA Finance Corp., the Subsidiary Guarantors named therein and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.4 to the Annual Report on Form 10-K for the year ended December 31, 2003).

4 .4	—	Third Supplemental Indenture (Series A and Series B 4.75% Senior Notes due 2009) dated August 12, 2004 among Plains All American Pipeline, L.P., PAA Finance Corp., the Subsidiary Guarantors named therein and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-4, File No. 333-121168).
4 .5	—	Fourth Supplemental Indenture (Series A and Series B 5.875% Senior Notes due 2016) dated August 12, 2004 among Plains All American Pipeline, L.P., PAA Finance Corp., the Subsidiary Guarantors named therein and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.5 to the Registration Statement on Form S-4, File No. 333-121168).
4 .6	—	Class C Common Unit Purchase Agreement by and among Plains All American Pipeline, L.P., Kayne Anderson Energy Fund II, L.P., KAFU Holdings, L.P., Kayne Anderson Capital Income Partners, L.P., Kayne Anderson MLP Fund, L.L.P., Tortoise Energy Infrastructure Corporation and Vulcan Energy II Inc. dated March 31, 2004 (incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).
4 .7	—	Registration Rights Agreement by and among Plains All American Pipeline, L.P., Kayne Anderson Energy Fund II, L.P., KAFU Holdings, L.P., Kayne Anderson Capital Income Partners (QP), L.P., Kayne Anderson MLP Fund, L.P., Tortoise Energy Infrastructure Corporation and Vulcan Energy II Inc. dated April 15, 2004 (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2004).

4 .8	—	Fifth Supplemental Indenture (Series A and Series B 5.25% Senior Notes due 2015) dated May 27, 2005 among Plains All American Pipeline, L.P., PAA Finance Corp., the Subsidiary Guarantors named therein and Wachovia Bank, National Association (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed May 31, 2005).
4 .9	—	Sixth Supplemental Indenture (Series A and Series B 6.70% Senior Notes due 2036) dated as of May 12, 2006, to Indenture, dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp. and subsidiary guarantors signatory thereto and Wachovia Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed May 12, 2006).
4 .10	—	Seventh Supplemental Indenture, dated as of May 12, 2006, to Indenture, dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp., Plains LPG Services GP LLC, Plains LPG Services, L.P. and Lone Star Trucking, LLC and Wachovia Bank, National Association, as trustee (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K filed May 12, 2006).
4 .11	—	Eighth Supplemental Indenture, dated as of August 25, 2006, to Indenture, dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp., Plains Marketing International GP LLC, Plains Marketing International, L.P. and Plains LPG Marketing, L.P. and Wachovia Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed August 25, 2006).
4 .12	—	Ninth Supplemental Indenture (Series A and Series B 6.125% Senior Notes due 2017), dated as of October 30, 2006, to Indenture, dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp. and subsidiary guarantors signatory thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed October 30, 2006).
4 .13	—	Tenth Supplemental Indenture (Series A and Series B 6.650% Senior Notes due 2037), dated as of October 30, 2006, to Indenture, dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp. and subsidiary guarantors signatory thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed October 30, 2006).
4 .14	—	Eleventh Supplemental Indenture dated November 15, 2006 to Indenture dated as of September 25, 2002, among Plains All American Pipeline, L.P., PAA Finance Corp., PEG Canada GP LLC, Pacific Energy Group LLC, PEG Canada, L.P., Pacific Marketing and Transportation LLC, Rocky Mountain Pipeline System LLC, Ranch Pipeline LLC, Pacific Atlantic Terminals LLC, Pacific L.A. Marine Terminal LLC, Rangeland Pipeline Company, Aurora Pipeline Company Ltd., Rangeland Pipeline Partnership, Rangeland Northern Pipeline Company, Pacific Energy Finance Corporation, Rangeland Marketing Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed November 21, 2006).
4 .15	—	Indenture dated June 16, 2004 among Pacific Energy Partners, L.P. and Pacific Energy Finance Corporation, the guarantors named therein, and Wells Fargo Bank, National Association, as trustee of the 71/8% senior notes due 2014 (incorporated by reference to Exhibit 4.21 to Pacific's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).

4 .16	—	First Supplemental Indenture dated March 3, 2005 among Pacific Energy Partners, L.P. and Pacific Energy Finance Corporation, the guarantors named therein, and Wells Fargo Bank, National Association, as trustee of the 71/8% senior notes due 2014 (incorporated by reference to Exhibit 4.1 to Pacific's Current Report on Form 8-K filed March 9, 2005).
4 .17†	—	Second Supplemental Indenture dated September 23, 2005 among Pacific Energy Partners, L.P. and Pacific Energy Finance Corporation, the guarantors named therein, and Wells Fargo Bank, National Association, as trustee of the 71/8% senior notes due 2014.

4 .18	—	Third Supplemental Indenture dated November 15, 2006 to Indenture dated as of June 16, 2004, among Plains All American Pipeline, L.P., Pacific Energy Finance Corporation, PEG Canada GP LLC, Pacific Energy Group LLC, PEG Canada, L.P., Pacific Marketing and Transportation LLC, Rocky Mountain Pipeline System LLC, Ranch Pipeline LLC, Pacific Atlantic Terminals LLC, Pacific L.A. Marine Terminal LLC, Rangeland Pipeline Company, Aurora Pipeline Company Ltd., Rangeland Pipeline Partnership, Rangeland Northern Pipeline Company, Rangeland Marketing Company, Plains Marketing, L.P., Plains Pipeline, L.P., Plains Marketing GP Inc., Plains Marketing Canada LLC, Plains Marketing Canada, L.P., PMC (Nova Scotia) Company, Basin Holdings GP LLC, Basin Pipeline Holdings, L.P., Rancho Holdings GP LLC, Rancho Pipeline Holdings, L.P., Plains LPG Services GP LLC, Plains LPG Services, L.P., Lone Star Trucking, LLC, Plains Marketing International GP LLC, Plains Marketing International L.P., Plains LPG Marketing, L.P., PAA Finance Corp. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed November 21, 2006).
4 .19	—	Indenture dated September 23, 2005 among Pacific Energy Partners, L.P. and Pacific Energy Finance Corporation, the guarantors named therein, and Wells Fargo Bank, National Association, as trustee of the 61/4% senior notes due 2015 (incorporated by reference to Exhibit 4.1 to Pacific's Current Report on Form 8-K filed September 28, 2005).
4 .20	—	First Supplemental Indenture dated November 15, 2006 to Indenture dated as of September 23, 2005, among Plains All American Pipeline, L.P., Pacific Energy Finance Corporation, PEG Canada GP LLC, Pacific Energy Group LLC, PEG Canada, L.P., Pacific Marketing and Transportation LLC, Rocky Mountain Pipeline System LLC, Ranch Pipeline LLC, Pacific Atlantic Terminals LLC, Pacific L.A. Marine Terminal LLC, Rangeland Pipeline Company, Aurora Pipeline Company Ltd., Rangeland Pipeline Partnership, Rangeland Northern Pipeline Company, Rangeland Marketing Company, Plains Marketing, L.P., Plains Pipeline, L.P., Plains Marketing GP Inc., Plains Marketing Canada LLC, Plains Marketing Canada, L.P., PMC (Nova Scotia) Company, Basin Holdings GP LLC, Basin Pipeline Holdings, L.P., Rancho Holdings GP LLC, Rancho Pipeline Holdings, L.P., Plains LPG Services GP LLC, Plains LPG Services, L.P., Lone Star Trucking, LLC, Plains Marketing International GP LLC, Plains Marketing International L.P., Plains LPG Marketing, L.P., PAA Finance Corp. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K filed November 21, 2006).
4 .21	—	Registration Rights Agreement dated as of July 26, 2006 among Plains All American Pipeline, L.P., Vulcan Capital Private Equity I LLC, Kayne Anderson MLP Investment Company and Kayne Anderson Energy Total Return Fund, Inc. (incorporated by reference to Exhibit 4.13 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2006).
4 .22	—	Registration Rights Agreement dated as of December 19, 2006 among Plains All American Pipeline, L.P., E-Holdings III, L.P., E-Holdings V, L.P., Kayne Anderson MLP Investment Company and Kayne Anderson Energy Development Company (incorporated by reference to Exhibit 4.6 to the Registration Statement on Form S-3/A, File No, 333-138888).
4 .23	—	Exchange and Registration Rights Agreement dated as of October 30, 2006, among Plains All American Pipeline, L.P., PAA Finance Corp., Plains Marketing, L.P., Plains Pipeline, L.P., Plains Marketing GP Inc., Plains Marketing Canada LLC, PMC (Nova Scotia) Company, Plains Marketing Canada, L.P., Basin Holdings GP LLC, Basin Pipeline Holdings, L.P., Rancho Holdings GP LLC, Rancho Pipeline Holdings, L.P., Plains LPG Services GP LLC, Plains LPG Services, L.P., Lone Star Trucking, LLC, Plains Marketing International GP LLC, Plains LPG Marketing, L.P., Plains

Marketing International, L.P., Citigroup Global Markets Inc., UBS Securities LLC, Banc of America Securities LLC, J.P. Morgan Securities Inc., Wachovia Capital Markets, LLC, BNP Paribas Securities Corp., SunTrust Capital Markets, Inc., Fortis Securities LLC, Scotia Capital (USA) Inc., Comerica Securities, Inc., Commerzbank Capital Markets Corp., Daiwa Securities America Inc., DnB NOR Markets, Inc., HSBC Securities (USA) Inc., ING Financial Markets LLC, Mitsubishi UFJ Securities International plc, Piper Jaffray & Co., RBC Capital Markets Corporation, SG Americas Securities, LLC, Wedbush Morgan Securities Inc. and Wells Fargo Securities, LLC relating to the 2017 Notes (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K filed October 30, 2006).

4 .24	—	Exchange and Registration Rights Agreement dated as of October 30, 2006, among Plains All American Pipeline, L.P., PAA Finance Corp., Plains Marketing, L.P., Plains Pipeline, L.P., Plains Marketing GP Inc., Plains Marketing Canada LLC, PMC (Nova Scotia) Company, Plains Marketing Canada, L.P., Basin Holdings GP LLC, Basin Pipeline Holdings, L.P., Rancho Holdings GP LLC, Rancho Pipeline Holdings, L.P., Plains LPG Services GP LLC, Plains LPG Services, L.P., Lone Star Trucking, LLC, Plains Marketing International GP LLC, Plains LPG Marketing, L.P., Plains Marketing International, L.P., Citigroup Global Markets Inc., UBS Securities LLC, Banc of America Securities LLC, J.P. Morgan Securities Inc., Wachovia Capital Markets, LLC, BNP Paribas Securities Corp., SunTrust Capital Markets, Inc., Fortis Securities LLC, Scotia Capital (USA) Inc., Comerica Securities, Inc., Commerzbank Capital Markets Corp., Daiwa Securities America Inc., DnB NOR Markets, Inc., HSBC Securities (USA) Inc., ING Financial Markets LLC, Mitsubishi UFJ Securities International plc, Piper Jaffray & Co., RBC Capital Markets Corporation, SG Americas Securities Inc. and Wells Fargo Securities, LLC relating to the 2037 Notes (incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K filed October 30, 2006).
10 .1	—	Second Amended and Restated Credit Agreement dated as of July 31, 2006 by and among Plains All American Pipeline, L.P., as US Borrower; PMC (Nova Scotia) Company and Plains Marketing Canada, L.P., as Canadian Borrowers; Bank of America, N.A., as Administrative Agent; Bank of America, N.A., acting through its Canada Branch, as Canadian Administrative Agent; Wachovia Bank, National Association and JPMorgan Chase Bank, N.A., as Co-Syndication Agents; Fortis Capital Corp., Citibank, N.A., BNP Paribas, UBS Securities LLC, SunTrust Bank, and The Bank of Nova Scotia, as Co-Documentation Agents; the Lenders party thereto; and Banc of America Securities LLC and Wachovia Capital Markets, LLC , as Joint Lead Arrangers and Joint Book Managers (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed August 4, 2006).
10 .2	—	Restated Credit Facility (Uncommitted Senior Secured Discretionary Contango Facility) dated November 19, 2004 among Plains Marketing, L.P., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed November 24, 2004).
10 .3	—	Amended and Restated Crude Oil Marketing Agreement, dated as of July 23, 2004, among Plains Resources Inc., Calumet Florida Inc. and Plains Marketing, L.P. (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
10 .4	—	Amended and Restated Omnibus Agreement, dated as of July 23, 2004, among Plains Resources Inc., Plains All American Pipeline, L.P., Plains Marketing, L.P., Plains Pipeline, L.P. and Plains All American GP LLC (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2004).
10 .5	—	Contribution, Assignment and Amendment Agreement, dated as of June 27, 2001, among Plains All American Pipeline, L.P., Plains Marketing, L.P., All American Pipeline, L.P., Plains AAP, L.P., Plains All American GP LLC and Plains Marketing GP Inc. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed June 27, 2001).
10 .6	—	Contribution, Assignment and Amendment Agreement, dated as of June 8, 2001, among Plains All American Inc., Plains AAP, L.P. and Plains All American GP LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed June 11, 2001).

10 .7	—	Separation Agreement, dated as of June 8, 2001 among Plains Resources Inc., Plains All American Inc., Plains All American GP LLC, Plains AAP, L.P. and Plains All American Pipeline, L.P. (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed June 11, 2001).
10 .8**	—	Pension and Employee Benefits Assumption and Transition Agreement, dated as of June 8, 2001 among Plains Resources Inc., Plains All American Inc. and Plains All American GP LLC (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed June 11, 2001).
10 .9**	—	Plains All American GP LLC 2005 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed January 26, 2005).
10 .10**	—	Plains All American GP LLC 1998 Long-Term Incentive Plan (incorporated by reference to Exhibit 99.1 to Registration Statement on Form S-8, File No. 333-74920) as amended June 27, 2003 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).
10 .11**	—	Plains All American 2001 Performance Option Plan (incorporated by reference to Exhibit 99.2 to the Registration Statement on Form S-8, File No. 333-74920).

10 .12**	—	Amended and Restated Employment Agreement between Plains All American GP LLC and Greg L. Armstrong dated as of June 30, 2001 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
10 .13**	—	Amended and Restated Employment Agreement between Plains All American GP LLC and Harry N. Pefanis dated as of June 30, 2001 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
10 .14	—	Asset Purchase and Sale Agreement dated February 28, 2001 between Murphy Oil Company Ltd. and Plains Marketing Canada, L.P. (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed May 10, 2001).
10 .15	—	Transportation Agreement dated July 30, 1993, between All American Pipeline Company and Exxon Company, U.S.A. (incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-1, File No. 333-64107).
10 .16	—	Transportation Agreement dated August 2, 1993, among All American Pipeline Company, Texaco Trading and Transportation Inc., Chevron U.S.A. and Sun Operating Limited Partnership (incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-1, File No. 333-64107).
10 .17	—	First Amendment to Contribution, Conveyance and Assumption Agreement dated as of December 15, 1998 (incorporated by reference to Exhibit 10.13 to the Annual Report on Form 10-K for the year ended December 31, 1998).
10 .18	—	Agreement for Purchase and Sale of Membership Interest in Scurlock Permian LLC between Marathon Ashland LLC and Plains Marketing, L.P. dated as of March 17, 1999 (incorporated by reference to Exhibit 10.16 to the Annual Report on Form 10-K for the year ended December 31, 1998).
10 .19**	—	Plains All American Inc. 1998 Management Incentive Plan (incorporated by reference to Exhibit 10.5 to the Annual Report on Form 10-K for the year ended December 31, 1998).
10 .20**	—	PMC (Nova Scotia) Company Bonus Program (incorporated by reference to Exhibit 10.20 to the Annual Report on Form 10-K for the year ended December 31, 2004).
10 .21**	—	Quarterly Bonus Summary (incorporated by reference to Exhibit 10.21 to the Annual Report on Form 10-K for the year ended December 31, 2005).
10 .22**†	—	Directors’ Compensation Summary.
10 .23	—	Master Railcar Leasing Agreement dated as of May 25, 1998 (effective June 1, 1998), between Pivotal Enterprises Corporation and CANPET Energy Group, Inc., (incorporated by reference to Exhibit 10.16 to the Annual Report on Form 10-K for the year ended December 31, 2001).
10 .24**	—	Form of LTIP Grant Letter (Armstrong/Pefanis) (incorporated by reference to Exhibit 10.24 to the Annual Report on Form 10-K for the year ended December 31, 2005).
10 .25**	—	Form of LTIP Grant Letter (executive officers) (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed April 1, 2005).
10 .26**	—	Form of LTIP Grant Letter (independent directors) (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed February 23, 2005).

10 .27**	—	Form of LTIP Grant Letter (designated directors) (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed February 23, 2005).
10 .28**	—	Form of LTIP Grant Letter (payment to entity) (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed February 23, 2005).
10 .29**	—	Form of Option Grant Letter (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed April 1, 2005).
10 .30	—	Administrative Services Agreement between Plains All American Pipeline Company and Vulcan Energy Corporation, dated October 14, 2005 (incorporated by reference to Exhibit 1.1 to the Current Report on Form 8-K filed October 19, 2005).
10 .31	—	Amended and Restated Limited Liability Company Agreement of PAA/Vulcan Gas Storage, LLC, dated September 13, 2005 (incorporated by reference to Exhibit 1.1 to the Current Report on Form 8-K filed September 19, 2005).
10 .32	—	Membership Interest Purchase Agreement by and between Sempra Energy Trading Corp. and PAA/Vulcan Gas Storage, LLC, dated August 19, 2005 (incorporated by reference to Exhibit 1.2 to the Current Report on Form 8-K filed September 19, 2005).
10 .33**	—	Waiver Agreement dated as of August 12, 2005 between Plains All American GP LLC and Greg L. Armstrong (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed August 16, 2005).

10 .34**	—	Waiver Agreement dated as of August 12, 2005 between Plains All American GP LLC and Harry N. Pefanis (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed August 16, 2005).
10 .35	—	Excess Voting Rights Agreement dated as of August 12, 2005 between Vulcan Energy GP Holdings Inc. and Plains All American GP LLC (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed August 16, 2005).
10 .36	—	Excess Voting Rights Agreement dated as of August 12, 2005 between Lynx Holdings I, LLC and Plains All American GP LLC (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed August 16, 2005).
10 .37	—	First Amendment dated as of April 20, 2005 to Restated Credit Agreement, by and among Plains Marketing, L.P., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed April 21, 2005).
10 .38	—	Second Amendment dated as of May 20, 2005 to Restated Credit Agreement, by and among Plains Marketing, L.P., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed May 12, 2005).
10 .39**	—	Form of LTIP Grant Letter (executive officers) (incorporated by reference to Exhibit 10.39 to the Annual Report on Form 10-K for the year ended December 31, 2005).
10 .40**	—	Employment Agreement between Plains All American GP LLC and John vonBerg dated December 18, 2001 (incorporated by reference to Exhibit 10.40 to the Annual Report on Form 10-K for the year ended December 31, 2005).
10 .41	—	Third Amendment dated as of November 4, 2005 to Restated Credit Agreement, by and among Plains Marketing, L.P., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto (incorporated by reference to Exhibit 10.41 to the Annual Report on Form 10-K for the year ended December 31, 2005).
10 .42†	—	Fourth Amendment dated as of November 16, 2006 to Restated Credit Agreement, by and among Plains Marketing, L.P., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto.
10 .43	—	First Amendment dated May 9, 2006 to the Amended and Restated Limited Liability Company Agreement of PAA/Vulcan Gas Storage, LLC dated September 13, 2005 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed May 15, 2006).
10 .44**	—	Form of LTIP Grant Letter (audit committee members) (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed August 23, 2006).
10 .45†**	—	Plains All American PPX Successor Long-Term Incentive Plan.
10 .46	—	Interim 364-Day Credit Agreement dated as of July 31, 2006 by and among Plains All American Pipeline, L.P., as Borrower; JPMorgan Chase Bank, N.A., as Administrative Agent; Bank of America, N.A. and Citibank, N.A., as Co-Syndication Agents; Wachovia Bank, National Association and UBS Securities LLC, as Co-Documentation Agents; the Lenders party thereto; and JPMorgan Securities Inc. and Citigroup Global Markets Inc., as Joint Bookrunners and Co-Lead Arrangers (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed August 4, 2006).
10 .47**	—	Forms of LTIP Grant Letters (executive officers) — February 2007 awards (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed February 28, 2007).
21 .1†	—	List of Subsidiaries of Plains All American Pipeline, L.P.
23 .1†	—	Consent of PricewaterhouseCoopers LLP.
31 .1†	—	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a).
31 .2†	—	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a).
32 .1†	—	Certification of Principal Executive Officer pursuant to 18 USC 1350.
32 .2†	—	Certification of Principal Financial Officer pursuant to 18 USC 1350.

† Filed herewith

** Management compensatory plan or arrangement

Exhibit 3.10

CERTIFICATE OF INCORPORATION
OF
PACIFIC ENERGY FINANCE CORPORATION

FIRST: The name of the corporation is Pacific Energy Finance Corporation.

SECOND: The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 in New Castle County, Delaware. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted by the corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the corporation shall have authority to issue is One Thousand (1,000) shares of Common Stock of the par value of One Cent ($.01) per share.

FIFTH: The name of the incorporator is Kathy Truett and her mailing address is c/o Vinson & Elkins L.L.P., 3700 Trammell Crow Center, 2001 Ross Avenue, Dallas, Texas 75201.

SIXTH: The names and mailing addresses of the directors, who shall serve until the first annual meeting of stockholders or until their successors are elected and qualified, are as follows:

Name	Address
Douglas L. Polson	555 17th Street, Suite 2400, Denver, CO 80110
Irvin Toole, Jr.	5900 Cherry Avenue, Long Beach, CA 90805
David E. Wright	5900 Cherry Avenue, Long Beach, CA 90805

The number of directors of the corporation shall be as specified in, or determined in the manner provided in, the bylaws of the corporation. Election of directors need not be by written ballot.

SEVENTH: In furtherance of, and not in limitation of, the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the bylaws of the corporation.

EIGHTH: Whenever a compromise or arrangement is proposed between the corporation and its creditors or any class of them and/or between the corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the corporation, as the case may be, and also on the corporation.

NINTH: No director of the corporation shall be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director’s duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. In addition to the circumstances in which a director of the corporation is not personally liable as set forth in the preceding sentence, a director of the corporation shall not be liable to the fullest extent permitted by any amendment to the Delaware General Corporation Law hereafter enacted that further limits the liability of a director.

TENTH: The corporation shall indemnify any person who was, is, or is threatened to be made a party to a proceeding (as hereinafter defined) by reason of the fact that such person (i) is or was a director or officer of the corporation or (ii) while a director or officer of the corporation, is or was serving at the request of the corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, to the fullest extent permitted under the Delaware General Corporation Law, as the same exists or may hereafter be amended. Such right shall be a contract right and as such shall inure to the benefit of any director or officer who is elected and accepts the position of director or officer of the corporation or elects to continue to serve as a director or officer of the corporation while this Article Tenth is in effect. Any repeal or amendment of this Article Tenth shall be prospective only and shall not limit the rights of any such director or officer or the obligations of the corporation with respect to any claim arising from or related to the services of such director or officer in any of the foregoing capacities prior to any such repeal or amendment to this Article Tenth. Such right shall include the right to be paid by the corporation expenses (including, without limitation, attorneys’ fees) actually and reasonably incurred by such person in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Delaware General Corporation Law, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the corporation within sixty (60) days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall also be entitled to be paid the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense is not permitted under the Delaware General Corporation Law, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to have made its determination prior to the commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor any actual determination by the corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) that such indemnification or advancement is not permissible shall be a defense to the action or create a presumption that such indemnification or advance is not permissible. In the event of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of such person’s heirs, executors, administrators, and personal representatives. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, bylaw, resolution of stockholders or directors, agreement, or otherwise.

The corporation may also indemnify any employee or agent of the corporation to the fullest extent permitted by law.

As used herein, the term "*proceeding*" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, any inquiry or investigation that could lead to such an action, suit, or proceeding.

ELEVENTH: No contract or transaction between the corporation and one or more of its directors, officers, or stockholders or between the corporation and any person (as used herein, " *person* " means other corporation, partnership, association, firm, trust, joint venture, political subdivision, or instrumentality) or other organization in which one or more of its directors, officers, or stockholders are directors, officers or stockholders, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board or committee which authorizes the contract or transaction, or solely because such person's vote is counted for such purpose, if : (i) the material facts as to such person's relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to such person's relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the corporation as of the time it is authorized, approved, or ratified by the board of directors, a committee thereof, or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes the contract or transaction.

TWELFTH: The corporation shall have the right, subject to any express provisions or restrictions contained in this certificate of incorporation or bylaws of the corporation, from time to time, to amend this certificate of incorporation or any provision hereof in any manner now or hereafter provided by law, and all rights and powers of any kind conferred upon a director or stockholder of this corporation by this certificate of incorporation or any amendment hereof are subject to such right of the corporation.

I, the undersigned, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the Delaware General Corporation Law, do make this certificate, hereby declaring that this is my act and deed and that the facts herein stated are true, and accordingly have hereunto set my hand this 28th day of May, 2004.

/s/ Kathy Truett

Kathy Truett, Incorporator

Exhibit 3.11

BYLAWS
OF
PACIFIC ENERGY FINANCE CORPORATION
A DELAWARE CORPORATION
DATE OF ADOPTION:
JUNE 7, 2004

TABLE OF CONTENTS
TO
BYLAWS OF
PACIFIC ENERGY FINANCE CORPORATION

ARTICLE I

OFFICES

ARTICLE II

STOCKHOLDERS

ARTICLE III

BOARD OF DIRECTORS

ARTICLE IV

COMMITTEES

ARTICLE V

OFFICERS

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

ARTICLE VII

CAPITAL STOCK

ARTICLE VIII

MISCELLANEOUS PROVISIONS

ARTICLE IX

AMENDMENTS

BYLAWS
OF
PACIFIC ENERGY FINANCE CORPORATION

Article I

Offices

Section 1.1 *Registered Office*. The registered office of the Corporation required by the General Corporation Law of the State of Delaware to be maintained in the State of Delaware, shall be the registered office named in the original Certificate of Incorporation of the Corporation (as the same may be amended and restated from time to time, the " *Certificate of Incorporation* "), or such other office as may be designated from time to time by the Board of Directors in the manner provided by law. Should the Corporation maintain a principal office within the State of Delaware such registered office need not be identical to such principal office of the Corporation.

Section 1.2 *Other Offices*. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

Article II

Stockholders

Section 2.1 *Place of Meetings*. All meetings of the stockholders shall be held at the principal office of the Corporation, or at such other place within or without the State of Delaware as shall be specified or fixed in the notices or waivers of notice thereof.

Section 2.2 *Quorum; Adjournment of Meetings*. Unless otherwise required by law or provided in the Certificate of Incorporation or these bylaws, the holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders for the transaction of business and the act of a majority of such stock so represented at any meeting of stockholders at which a quorum is present shall constitute the act of the meeting of stockholders. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Notwithstanding the other provisions of the Certificate of Incorporation or these bylaws, the chairman of the meeting or the holders of a majority of the issued and outstanding stock present in person or represented by proxy at any meeting of stockholders, whether or not a quorum is present, shall have the power to adjourn such meeting from time to time, without any notice other than announcement at the meeting of the time and place of the holding of the adjourned meeting; *provided*, *however*, if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at such meeting. At any such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally called.

Section 2.3 *Annual Meetings*. An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, within or without the State of Delaware, on such date, and at such time as the Board of Directors shall fix and set forth in the notice of the meeting, which date shall be within thirteen (13) months subsequent to the later of the date of incorporation or the last annual meeting of stockholders.

Section 2.4 *Special Meetings*. Unless otherwise provided in the Certificate of Incorporation, special meetings of the stockholders for any purpose or purposes may be called at any time by the Chairman of the Board, by the President or by a majority of the Board of Directors, and shall be called by the Chairman of the Board, by the President or the Secretary upon the written request therefor, stating the purpose or purposes of the meeting, delivered to such officer, signed by the holder(s) of at least ten percent (l0%) of the issued and outstanding stock entitled to vote at such meeting.

Section 2.5 *Record Date*. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders, or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors of the Corporation may fix, in advance, a date as the record date for any such determination of stockholders, which date shall not be more than sixty (60) days nor less than ten (l0) days before the date of such meeting, nor more than sixty (60) days prior to any other action.

If the Board of Directors does not fix a record date for any meeting of the stockholders, the record date for determining stockholders entitled to notice of or to vote at such meeting shall be at the close of business on the day next preceding the day on which notice is given, or, if in accordance with Section 8.3 of these bylaws notice is waived, at the close of business on the day next preceding the day on which the meeting is held. If, in accordance with Section 2.12 , corporate action without a meeting of stockholders is to be taken, the record date for determining stockholders entitled to express consent to such corporate action in writing, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided* , *however* , that the Board of Directors may fix a new record date for the adjourned meeting.

Section 2.6 *Notice of Meetings*. Written notice of the place, date and hour of all meetings, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by or at the direction of the Chairman of the Board or the President, the Secretary or the other person(s) calling the meeting to each stockholder entitled to vote thereat not less than ten (10) nor more than sixty (60) days before the date of the meeting. Such notice may be delivered either personally or by mail. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation.

Section 2.7 *Stock List*. A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in the name of such stockholder, shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either on a reasonably accessible electronic network, provided that the information required to gain access to the list is provided with the notice of the meeting, or during ordinary business hours, at the principal place of business of the Corporation. The stockholder list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 2.8 *Proxies*. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to a corporate action in writing without a meeting may authorize another person or persons to act for him by proxy. Proxies for use at any meeting of stockholders shall be filed with the Secretary, or such other officer as the Board of Directors may from time to time determine by resolution, before or at the time of the meeting. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the secretary of the meeting who shall decide all questions touching upon the qualification of voters, the validity of the proxies, and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the chairman of the meeting, in which event such inspector or inspectors shall decide all such questions.

No proxy shall be valid after three (3) years from its date, unless the proxy provides for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and coupled with an interest sufficient in law to support an irrevocable power.

Should a proxy designate two or more persons to act as proxies, unless such instrument shall provide the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise such powers in respect of the same portion of the shares as he is of the proxies representing such shares.

Section 2.9 *Voting; Elections; Inspectors*. Unless otherwise required by law or provided in the Certificate of Incorporation, each stockholder shall have one vote for each share of stock entitled to vote which is registered in such stockholder's name on the record date for the meeting. Shares registered in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaw (or comparable instrument) of such corporation may prescribe, or in the absence of such provision, as the board of directors (or comparable body) of such corporation may determine. Shares registered in the name of a deceased person may be voted by such deceased person's executor or administrator, either in person or by proxy.

All voting, except as required by the Certificate of Incorporation or where otherwise required by law, may be by a voice vote; *provided* , *however* , that upon demand therefor by stockholders holding a majority of the issued and outstanding stock present in person or by proxy at any meeting a stock vote shall be taken. Every stock vote shall be taken by written ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. All elections of directors shall be by ballot, unless otherwise provided in the Certificate of Incorporation.

At any meeting at which a vote is taken by ballots, the chairman of the meeting may appoint one or more inspectors, each of whom shall subscribe an oath or affirmation to execute faithfully the duties of inspector at such meeting with strict impartiality and according to the best of his ability. Such inspector shall receive the ballots, count the votes and make and sign a certificate of the result thereof. The chairman of the meeting may appoint any person to serve as inspector, except no candidate for the office of director shall be appointed as an inspector.

Unless otherwise provided in the Certificate of Incorporation, cumulative voting for the election of directors shall be prohibited.

Section 2.10 *Conduct of Meetings*. The meetings of the stockholders shall be presided over by the Chairman of the Board, or if he is not present, by the President, or if neither the Chairman of the Board, nor President is present, by a chairman elected at the meeting. The Secretary of the Corporation, if present, shall act as secretary of such meetings, or if such person is not present, an Assistant Secretary shall so act; if neither the Secretary nor an Assistant Secretary is present, then a secretary shall be appointed by the chairman of the meeting. The chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order. Unless the chairman of the meeting of stockholders shall otherwise determine, the order of business shall be as follows:

(a) Calling of meeting to order.

(b) Election of a chairman and the appointment of a secretary, if necessary.

(c) Presentation of proof of the due calling of the meeting.

(d) Presentation and examination of proxies and determination of a quorum.

(e) Reading and settlement of the minutes of the previous meeting.

(f) Reports of officers and committees.

(g) The election of directors if an annual meeting, or a meeting called for that purpose.

(h) Unfinished business.

(i) New business.

(j) Adjournment.

Section 2.11 *Treasury Stock*. The Corporation shall not vote, directly or indirectly, shares of its own stock owned by it and such shares shall not be counted for quorum purposes.

Section 2.12 *Action Without Meeting*. Unless otherwise provided in the Certificate of Incorporation, any action permitted or required by law, the Certificate of Incorporation or these bylaws to be taken at a meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than a unanimous written consent shall be given by the Secretary to those stockholders who have not consented in writing.

Article III
<u>Board of Directors</u>

Section 3.1 *Power; Number; Term of Office*. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, and subject to the restrictions imposed by law or the Certificate of Incorporation, they may exercise all the powers of the Corporation.

The number of directors of the Corporation shall be determined from time to time by resolution of the Board of Directors, unless the Certificate of Incorporation fixes the number of directors, in which case a change in the number of directors shall be made only by amendment of the Certificate of Incorporation. Each director shall hold office for the term for which he is elected, and until his successor shall have been elected and qualified or until his earlier death, resignation or removal.

Unless otherwise provided in the Certificate of Incorporation, directors need not be stockholders nor residents of the State of Delaware.

Section 3.2 *Quorum*. Unless otherwise provided in the Certificate of Incorporation, a majority of the total number of directors shall constitute a quorum for the transaction of business of the Board of Directors and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3.3 *Place of Meetings; Order of Business*. The directors may hold their meetings and may have an office and keep the books of the Corporation, except as otherwise provided by law, in such place or places, within or without the State of Delaware, as the Board of Directors may from time to time determine by resolution. At all meetings of the Board of Directors business shall be transacted in such order as shall from time to time be determined by the Chairman of the Board, or in his absence by the President, or by resolution of the Board of Directors.

Section 3.4 *First Meeting*. Each newly elected Board of Directors may hold its first meeting for the purpose of organization and the transaction of business, if a quorum is present, immediately after and at the same place as the annual meeting of the stockholders. Notice of such meeting shall not be required. At the first meeting of the Board of Directors in each year at which a quorum shall be present, held next after the annual meeting of stockholders, the Board of Directors shall proceed to the election of the officers of the Corporation.

Section 3.5 *Regular Meetings*. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of such regular meetings shall not be required.

Section 3.6 *Special Meetings*. Special meetings of the Board of Directors may be called by the Chairman of the Board, the President or, on the written request of any two directors, by the Secretary, in each case on at least twenty-four (24) hours personal, written, telegraphic, cable or wireless notice to each director. Such notice, or any waiver thereof pursuant to Section 8.3 hereof, need not state the purpose or purposes of such meeting, except as may otherwise be required by law or provided for in the Certificate of Incorporation or these bylaws.

Section 3.7 *Removal*. Any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors; *provided* that, unless the Certificate of Incorporation otherwise provides, if the Board of Directors is classified, then the stockholders may effect such removal only for cause; and *provided further* that, if the Certificate of Incorporation expressly grants to stockholders the right to cumulate votes for the election of directors and if less than the entire board is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors, or, if there be classes of directors, at an election of the class of directors of which such director is a part.

Section 3.8 *Vacancies; Increases in the Number of Directors*. Unless otherwise provided in the Certificate of Incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or a sole remaining director; and any director so chosen shall hold office until the next annual election and until his successor shall be duly elected and shall qualify, unless sooner displaced.

If the directors of the Corporation are divided into classes, any directors elected to fill vacancies or newly created directorships shall hold office until the next election of the class for which such directors shall have been chosen, and until their successors shall be duly elected and shall qualify.

Section 3.9 *Compensation*. Unless otherwise restricted by the Certificate of Incorporation, the Board of Directors shall have the authority to fix the compensation of directors.

Section 3.10 *Action Without a Meeting; Telephone Conference Meeting*. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors, or any committee designated by the Board of

Directors, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State of Delaware.

Unless otherwise restricted by the Certificate of Incorporation, subject to the requirement for notice of meetings, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in a meeting of such Board of Directors or committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 3.11 *Approval or Ratification of Acts or Contracts by Stockholders*. The Board of Directors in its discretion may submit any act or contract for approval or ratification at any annual meeting of the stockholders, or at any special meeting of the stockholders called for the purpose of considering any such act or contract, and any act or contract that shall be approved or be ratified by the vote of the stockholders holding a majority of the issued and outstanding shares of stock of the Corporation entitled to vote and present in person or by proxy at such meeting (provided that a quorum is present), shall be as valid and as binding upon the Corporation and upon all the stockholders as if it has been approved or ratified by every stockholder of the Corporation. In addition, any such act or contract may be approved or ratified by the written consent of stockholders holding a majority of the issued and outstanding shares of capital stock of the Corporation entitled to vote and such consent shall be as valid and as binding upon the Corporation and upon all the stockholders as if it had been approved or ratified by every stockholder of the Corporation.

Article IV
Committees

Section 4.1 *Designation; Powers*. The Board of Directors may, by resolution passed by a majority of the entire board, designate one or more committees, including, if they shall so determine, an executive committee, each such committee to consist of one or more of the directors of the Corporation. Any such designated committee shall have and may exercise such of the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation as may be provided in such resolution, except that no such committee shall have the power or authority of the Board of Directors in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution of the Corporation, or amending, altering or repealing the bylaws or adopting new bylaws for the Corporation and, unless such resolution or the Certificate of Incorporation expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Any such designated committee may authorize the seal of the Corporation to be affixed to all papers which may require it. In addition to the above such committee or committees shall have such other powers and limitations of authority as may be determined from time to time by resolution adopted by the Board of Directors.

Section 4.2 *Procedure; Meetings; Quorum*. Any committee designated pursuant to Section 4.1 shall choose its own chairman, shall keep regular minutes of its proceedings and report the same to the Board of Directors when requested, shall fix its own rules or procedures, and shall meet at such times and at such place or places as may be provided by such rules, or by resolution of such committee or resolution of the Board of Directors. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any resolution.

Section 4.3 *Substitution of Members*. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

Article V

Officers

Section 5.1 *Number, Titles and Term of Office*. The officers of the Corporation shall be a President and a Secretary and, if the Board of Directors so elects, a Chairman of the Board, one or more Vice Presidents (any one or more of whom may be designated Executive Vice President or Senior Vice President), a Treasurer and such other officers as the Board of Directors may from time to time elect or appoint. Each officer shall hold office until his successor shall be duly elected and shall qualify or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same person, unless the Certificate of Incorporation provides otherwise. Except for the Chairman of the Board, if any, no officer need be a director.

Section 5.2 *Salaries*. The salaries or other compensation of the officers and agents of the Corporation shall be fixed from time to time by the Board of Directors.

Section 5.3 *Removal*. Any officer or agent elected or appointed by the Board of Directors may be removed, either with or without cause, by the vote of a majority of the whole Board of Directors at a special meeting called for the purpose, or at any regular meeting of the Board of Directors, provided the notice for such meeting shall specify that the matter of any such proposed removal will be considered at the meeting but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 5.4 *Vacancies*. Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors.

Section 5.5 *Powers and Duties of the Officers*.

(a) Chief Executive Officer. The President shall be the chief executive officer of the Corporation unless the Board of Directors designates the Chairman of the Board as chief executive officer. Subject to the control of the Board of Directors, the chief executive officer shall have general executive charge, management and control of the properties, business and operations of the Corporation with all such powers as may be reasonably incident to such responsibilities; such person may agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation and may sign all certificates for shares of capital stock of the Corporation; and shall have such other powers and duties as designated in accordance with these bylaws and as from time to time may be assigned to such person by the Board of Directors.

(b) Chairman of the Board. The Board of Directors may elect an individual to serve as Chairman. If a Chairman is elected and acting, the Chairman shall, subject to the direction of the Board of Directors, be the chief policy making officer of the Corporation and shall have power and final authority over all of the Corporation's affairs and business. The Chairman shall, subject to the supervision of the Board of Directors, shall preside at all meetings of the stockholders and of the Boards of Directors; The Chairman shall have the nonexclusive authority to sign on behalf of the Corporation any deeds, mortgages, leases, bonds, notes, certificates, contracts or other instruments, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or these bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed. In general, the Chairman shall perform any duties necessary for the operation and management of the Corporation and such other duties as may be prescribed from time to time by the Board of Directors.

(c) President. In general, the President, subject to the direction and supervision of the Board of Directors and the Chairman, if there shall be one, shall be the chief executive officer of the Corporation and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees, and shall perform all duties incident to the office of President of the Corporation and such other duties as may be prescribed from time to time by the Chairman or the Board of Directors or these bylaws. The President shall have the nonexclusive authority to sign on behalf of the Corporation any deeds, mortgages, leases, bonds, notes, certificates, contracts or other instruments, except in cases where the execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation or shall be required by law to be otherwise executed. In the absence of the Chairman or in the event of the Chairman's inability or refusal to act, the President shall perform the duties of the Chairman, and the President, when so acting, shall have all of the powers and be subject to all the restrictions upon the Chairman; and, unless the Board of Directors otherwise determines, such person shall, in the absence of the Chairman of the Board or if there be no Chairman of the Board, preside at all meetings of the stockholders and (should he be a director) of the Board of Directors; and he shall have such other powers and

duties as designated in accordance with these bylaws and as from time to time may be assigned to him by the Board of Directors.

(d) Vice Presidents. The Board of Directors in its discretion, may elect one or more Vice Presidents. In the absence of the President or in the event of the President’s inability or refusal to act, the Vice President (or in the event there be more than one vice president, the vice presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and the Vice President, when so acting, shall have all of the powers and be subject to all the restrictions upon the President. Each Vice President shall perform such other duties as from time to time may be assigned by the Board of Directors, the Chairman, if there is one, or the President.

(e) Treasurer. The Treasurer, if any, shall have responsibility for the custody and control of all the funds and securities of the Corporation, and such person shall have such other powers and duties as designated in these bylaws and as from time to time may be assigned to such person by the Board of Directors. Such person shall perform all acts incident to the position of Treasurer, subject to the control of the chief executive officer and the Board of Directors; and such person shall, if required by the Board of Directors, give such bond for the faithful discharge of such person’s duties in such form as the Board of Directors may require.

(f) Assistant Treasurers. Each Assistant Treasurer, if any, shall have the usual powers and duties pertaining to such person’s office, together with such other powers and duties as designated in these bylaws and as from time to time may be assigned to such person by the chief executive officer or the Board of Directors. The Assistant Treasurers shall exercise the powers of the Treasurer during that officer’s absence or inability or refusal to act.

(g) Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors, committees of directors and the stockholders, in books provided for that purpose; such person shall attend to the giving and serving of all notices; such person may in the name of the Corporation affix the seal of the Corporation to all contracts of the Corporation and attest the affixation of the seal of the Corporation thereto; he may sign with the other appointed officers all certificates for shares of capital stock of the Corporation; such person shall have charge of the certificate books, transfer books and stock ledgers, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection of any director upon application at the office of the Corporation during business hours; such person shall have such other powers and duties as designated in these bylaws and as from time to time may be assigned to him by the Board of Directors; and he shall in general perform all acts incident to the office of Secretary, subject to the control of the chief executive officer and the Board of Directors.

(h) Assistant Secretaries. Each Assistant Secretary, if any, shall have the usual powers and duties pertaining to such person’s office, together with such other powers and duties as designated in these bylaws and as from time to time may be assigned to such person by the chief executive officer or the Board of Directors. The Assistant Secretaries shall exercise the powers of the Secretary during that officer’s absence or inability or refusal to act.

Section 5.6 *Action with Respect to Securities of Other Corporations*. Unless otherwise directed by the Board of Directors, the chief executive officer shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of security holders of or with respect to any action of security holders of any other corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

Article VI

Indemnification of Directors, Officers, Employees and Agents

Section 6.1 *Right to Indemnification*. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a " *proceeding* "), by reason of the fact that such person or a person of whom such person is the legal representative, is or was or has agreed to become a director or officer of the Corporation or is or was serving or has agreed to serve at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving or having agreed to serve as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended, (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment) against all expense, liability and loss (including without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder and shall inure to the benefit of such person's heirs, executors and administrators; *provided* , *however* , that the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof), other than a proceeding (or part thereof) brought under Section 6.3 , initiated by such person or such person's heirs, executors and administrators only if such proceeding (or part thereof) was authorized by the board of directors of the Corporation. The right to indemnification conferred in this Article VI shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; *provided* , *however* , that, if the Delaware General Corporation Law requires, the payment of such expenses incurred by a current, former or proposed director or officer in such person's capacity as a director or officer or proposed director or officer (and not in any other capacity in which service was or is or has been agreed to be rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnified person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Section or otherwise.

Section 6.2 *Indemnification of Employees and Agents*. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation, individually or as a group, with the same scope and effect as the indemnification of directors and officers provided for in this Article VI .

Section 6.3 *Right of Claimant to Bring Suit*. If a written claim received by the Corporation from or on behalf of an indemnified party under this Article VI is not paid in full by the Corporation within ninety (90) days after such receipt, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 6.4 *Nonexclusivity of Rights*. The right to indemnification and the advancement and payment of expenses conferred in this Article VI shall not be exclusive of any other right which any person may have or hereafter acquire under any law (common or statutory), provision of the Certificate of Incorporation of the Corporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5 *Insurance*. The Corporation may maintain insurance, at its expense, to protect itself and any person who is or was serving as a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 6.6 *Savings Clause*. If this Article VI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each director and officer of the Corporation, as to costs, charges and expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article VI that shall not have been invalidated and to the fullest extent permitted by applicable law.

Section 6.7 *Definitions*. For purposes of this Article, reference to the "*Corporation*" shall include, in addition to the Corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger prior to (or, in the case of an entity specifically designated in a resolution of the Board of Directors, after) the adoption hereof and which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

Article VII
Capital Stock

Section 7.1 *Certificates of Stock*. The certificates for shares of the capital stock of the Corporation shall be in such form, not inconsistent with that required by law and the Certificate of Incorporation, as shall be approved by the Board of Directors. The Chairman of the Board, President or a Vice President shall cause to be issued to each stockholder one or more certificates, under the seal of the Corporation or a facsimile thereof if the Board of Directors shall have provided for such seal, and signed by the Chairman of the Board, President or a Vice President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer certifying the number of shares (and, if the stock of the Corporation shall be divided into classes or series, the class and series of such shares) owned by such stockholder in the Corporation; *provided*, *however*, that any of or all the signatures on the certificate may be facsimile. The stock record books and the blank stock certificate books shall be kept by the Secretary, or at the office of such transfer agent or transfer agents as the Board of Directors may from time to time by resolution determine. In case any officer, transfer agent or registrar who shall have signed or whose facsimile signature or signatures shall have been placed upon any such certificate or certificates shall have ceased to be such officer, transfer agent or registrar before such certificate is issued by the Corporation, such certificate may nevertheless be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The stock certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued and shall exhibit the holder's name and number of shares.

Section 7.2 *Transfer of Shares*. The shares of stock of the Corporation shall be transferable only on the books of the Corporation by the holders thereof in person or by their duly authorized attorneys or legal representatives upon surrender and cancellation of certificates for a like number of shares. Upon surrender to the Corporation or a transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 7.3 *Ownership of Shares*. The Corporation shall be entitled to treat the holder of record of any share or shares of capital stock of the Corporation as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 7.4 *Regulations Regarding Certificates*. The Board of Directors shall have the power and authority to make all such rules and regulations as they may deem expedient concerning the issue, transfer and registration or the replacement of certificates for shares of capital stock of the Corporation.

Section 7.5 *Lost or Destroyed Certificates*. The Board of Directors may determine the conditions upon which a new certificate of stock may be issued in place of a certificate which is alleged to have been lost, stolen or destroyed; and may, in their discretion, require the owner of such certificate or his legal representative to give bond, with sufficient surety, to indemnify the Corporation and each transfer agent and registrar against any and all losses or claims which may arise by reason of the issue of a new certificate in the place of the one so lost, stolen or destroyed.

Article VIII
Miscellaneous Provisions

Section 8.1 *Fiscal Year*. The fiscal year of the Corporation shall be such as established from time to time by the Board of Directors.

Section 8.2 *Corporate Seal*. The Board of Directors may provide a suitable seal, containing the name of the Corporation. The Secretary shall have charge of the seal (if any). If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by the Assistant Secretary or Assistant Treasurer.

Section 8.3 *Notice and Waiver of Notice*. Whenever any notice is required to be given by law, the Certificate of Incorporation or under the provisions of these bylaws, said notice shall be deemed to be sufficient if given (i) by telegraphic, cable or wireless transmission or (ii) by deposit of the same in a post office box in a sealed prepaid wrapper addressed to the person entitled thereto at his post office address, as it appears on the records of the Corporation, and such notice shall be deemed to have been given on the day of such transmission or mailing, as the case may be.

Whenever notice is required to be given by law, the Certificate of Incorporation or under any of the provisions of these bylaws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or the bylaws.

Section 8.4 *Resignations*. Any director, member of a committee or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the chief executive officer or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 8.5 *Facsimile Signatures*. In addition to the provisions for the use of facsimile signatures elsewhere specifically authorized in these bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors.

Section 8.6 *Reliance upon Books, Reports and Records*. Each director and each member of any committee designated by the Board of Directors shall, in the performance of such director's or member's duties, be fully protected in relying in good faith upon the books of account or reports made to the Corporation by any of its officers, or by an independent certified public accountant, or by an appraiser selected with reasonable care by the Board of Directors or by any such committee, or in relying in good faith upon other records of the Corporation.

Article IX
<u>Amendments</u>

Section 9.1 *Amendments*. If provided in the Certificate of Incorporation of the Corporation, the Board of Directors shall have the power to adopt, amend and repeal from time to time bylaws of the Corporation, subject to the right of the stockholders entitled to vote with respect thereto to amend or repeal such bylaws as adopted or amended by the Board of Directors.

Exhibit 4.17

PACIFIC ENERGY PARTNERS, L.P.
PACIFIC ENERGY FINANCE CORPORATION
And
the Guarantors named herein

7 1/8 % SENIOR NOTES DUE 2014

FORM OF SUPPLEMENTAL INDENTURE
AND AMENDMENT — SUBSIDIARY GUARANTEE
DATED AS OF SEPTEMBER 23, 2005

WELLS FARGO BANK, NATIONAL ASSOCIATION,
Trustee

This SUPPLEMENTAL INDENTURE, dated as of September 23, 2005. is among Pacific Energy Partners, L.P., a Delaware limited Partnership (the " Company "), Pacific Energy Finance Corporation, a Delaware corporation (" Finance Corp. " and, together with the Company, the " Issuers "), each of the parties identified under the caption "Guarantors" on the signature page hereto (the " Guarantors ") and Wells Fargo Bank, National Association, a New York banking corporation, as Trustee.

RECITALS

WHEREAS, the Issuers, the initial Guarantors and the Trustee entered into an Indenture, dated as of June 16, 2004 (the " Indenture "), pursuant to which the company has issued $250,000,000 in aggregate principal amount of 7 1/8% Senior Notes due 2014 (the " Notes ");

WHEREAS, Section 9.01(g) of the Indenture provides that the Issuers, the Guarantors and the Trustee may amend or supplement the Indenture in order to comply with Section 4.13 or 10.03 thereof, without the consent of the Holders of the Notes; and

WHEREAS, all acts and things prescribed by the Indenture, by law and by the Certificate of Incorporation and the Bylaws (or comparable constituent documents) of the Issuers, of the Guarantors and of the Trustee necessary to make this Supplemental Indenture a valid instrument legally binding on the Issuers, the Guarantors and the Trustee, in accordance with its terms, have been duly done and performed;

NOW, THEREFORE, to comply with the provisions of the Indenture and in consideration of the above premises, the Issuers, the Guarantors and the Trustee covenant and agree for the equal and proportionate benefit of the respective Holders of the Notes as follows:

ARTICLE 1

Section 1.01. This Supplemental Indenture is supplemental to the Indenture and does and shall be deemed to form a part of, and shall be construed in connection with and as part of, the Indenture for any and all purposes.

Section 1.02. This Supplemental Indenture shall become effective immediately upon its execution and delivery by each of the Issuers, the Guarantors and the Trustee.

ARTICLE 2

From this date, in accordance with Section 4.13 or 10.03 and by executing this Supplemental Indenture, the Guarantors whose signatures appear below are subject to the provisions of the Indenture to the extent provided for in Article 10 thereunder.

ARTICLE 3

Section 3.01. Except as specifically modified herein, the Indenture and the Notes are in all respects ratified and confirmed (*mutatis mutandis*) and shall remain in full force and effect in accordance with their terms with all capitalized terms used herein without definition having the same respective meanings ascribed to them as in the Indenture.

Section 3.02. Except as otherwise expressly provided herein, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustee by reason of this Supplemental Indenture. This Supplemental Indenture is executed and accepted by the Trustee subject to all the terms and conditions set forth in the Indenture with the same force and effect as if those terms and conditions were repeated at length herein and made applicable to the Trustee with respect hereto.

Section 3.03. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 3.04. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of such executed copies together shall represent the same agreement.

[NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first written above.

PACIFIC ENERGY PARTNERS, L.P.

By: Pacific Energy GP,
its general partner

By: Pacific Energy Management LLC,
its general partner

By: /s/ Gerald A. Tywoniuk
Gerald A. Tywoniuk, Senior Vice President,
Chief Financial Officer and Treasurer

PACIFIC ENERGY FINANCE CORPORATION

By: /s/ Gerald A. Tywoniuk
Gerald A. Tywoniuk, Senior Vice President,
Chief Financial Officer and Treasurer

GUARANTORS:

PACIFIC ATLANTIC TERMINALS LLC

By: Pacific Energy Group LLC,
its sole member

By: Pacific Energy Partners, L.P., its sole member

By: Pacific Energy GP, LP,
its general partner

By: Pacific Energy Management LLC,
its general partner

By: /s/ Gerald A. Tywoniuk
Gerald A. Tywoniuk, Senior Vice President, Chief Financial Officer and Treasurer

PACIFIC ENERGY GROUP LLC

By: Pacific Energy Partner, L.P., its sole member

By: Pacific Energy GP, LP,
its general partner

By: Pacific Energy Management LLC,
its general partner

By: /s/ Gerald A. Tywoniuk
Gerald A. Tywoniuk, Senior Vice President, Chief Financial Officer and Treasurer

PEG CANADA GP LLC

By: Pacific Energy Partners, L.P. its sole member

By: Pacific Energy GP, LP,
its general partner

By: Pacific Energy Management LLC,
its general partner

By: /s/ Gerald A. Tywoniuk
Gerald A. Tywoniuk, Senior Vice President, Chief Financial Officer and Treasurer

PEG CANADA, L.P.

By: PEG Canada GP LLC,
its general partner

By: /s/ Gerald A. Tywoniuk
Gerald A. Tywoniuk, Senior Vice President Chief Financial Officer and Treasurer

ROCKY MOUNTAIN PIPELINE SYSTEM LLC

By: Pacific Energy Group LLC
its sole member

By: Pacific Energy Partners, L.P., its sole member

By: Pacific Energy GP, LP,
its general partner

By: Pacific Energy Management LLC,
its general partner

By: /s/ Gerald A. Tywoniuk
Gerald A. Tywoniuk, Senior Vice President, Chief Financial Officer and Treasurer

RANCH PIPELINE LLC

By: Pacific Energy Group LLC,
its sole member

By: Pacific Energy Partners, L.P., its sole member

By: Pacific Energy GP, LP,
its general partner

By: Pacific Energy Management LLC,
its general partner

By: /s/ Gerald A. Tywoniuk
Gerald A. Tywoniuk, Senior Vice President, Chief Financial Officer and Treasurer

PACIFIC MARKETING AND TRANSPORTATION LLC

By: Pacific Energy Group LLC,
its sole member

By: Pacific Energy Partners, L.P., its sole member

By: Pacific Energy GP, LP,
its general partner

By: Pacific Energy Management LLC,
its general partner

By: /s/ Gerald A. Tywoniuk
Gerald A. Tywoniuk, Senior Vice President,
Chief Financial Officer and Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: /s/ Maddy Hall
Name: Maddy Hall
Title: Assistant Vice President

Exhibit 10.22

Director Compensation Summary

Each director of our general partner who is not an employee of our general partner is reimbursed for any travel, lodging and other out-of-pocket expenses related to meeting attendance or otherwise related to service on the board (including, without limitation, reimbursement for continuing education expenses). Each non-employee director is currently paid an annual retainer fee of $45,000. Mr. Armstrong is otherwise compensated for his services as an employee and therefore receives no separate compensation for his services as a director. In addition to the annual retainer, each committee chairman (other than the chairman of the audit committee) receives $2,000 annually. The chairman of the audit committee receives $30,000 annually, and the other members of the audit committee receive $15,000 annually, in each case, in addition to the annual retainer. Mr. Petersen assigns any compensation he receives in his capacity as a director to EnCap Energy Capital Fund III, L.P. (EnCap III), which is controlled by EnCap Investments L.P., of which Mr. Petersen is a Managing Director. Mr. Capobianco assigns any compensation he receives in his capacity as a director to Vulcan Capital.

Our non-employee directors receive LTIP awards or cash equivalent awards as part of their compensation. The LTIP awards vest annually in 25% increments and have an automatic re-grant feature such that as they vest, an equivalent amount is granted. The three non-employee directors who serve on our audit committee each received a grant of 10,000 units (vesting 2,500 units per year), and Mr. Sinnott received a grant of 5,000 units (vesting 1,250 units per year). For Mr. Petersen and Mr. Capobianco, a cash payment equivalent in value to the annual vesting of Mr. Sinnott's award will be made to EnCap III and Vulcan Capital, respectively. All LTIP awards held by a director will vest in full upon the next vesting date after the death or disability (as determined in good faith by the board) of the director. For any "independent" directors (as defined in the GP LLC Agreement, and currently including Messrs. Goyanes, Smith and Symonds), the units will also vest in full if such director (i) retires (no longer with full-time employment and no longer serving as an officer or director of any public company) or (ii) is removed from the Board or is not reelected to the Board, unless such removal or failure to reelect is for "good cause," as defined in the letter granting the phantom units.

Exhibit 10.42

FOURTH AMENDMENT TO RESTATED CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO RESTATED CREDIT AGREEMENT (this "Amendment") dated as of the 16[th] day of November, 2006, by and among PLAINS MARKETING, L.P. ("Borrower"), BANK OF AMERICA, N.A., as Administrative Agent, BNP Paribas, as Syndication Agent, Fortis Capital Corp., as Documentation Agent, and the Lenders party hereto.

W I T N E S S E T H:

WHEREAS, Borrower, Administrative Agent and Lenders named therein entered into that certain Restated Credit Agreement dated as of November 19, 2004, as amended by First Amendment to Restated Credit Agreement dated as of April 20, 2005, Second Amendment to Restated Credit Agreement dated as of May 20, 2005, and Third Amendment to Restated Credit Agreement dated as of November 4, 2005 (as heretofore amended, the "Original Agreement") for the purposes and consideration therein expressed; and

WHEREAS, Borrower, Administrative Agent and Lenders desire to amend the Original Agreement for the purposes described herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Original Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I. — Definitions and References

§ 1.1. Terms Defined in the Original Agreement. Unless the context otherwise requires or unless otherwise expressly defined herein, the terms defined in the Original Agreement shall have the same meanings whenever used in this Amendment.

§ 1.2. Other Defined Terms. Unless the context otherwise requires, the following terms when used in this Amendment shall have the meanings assigned to them in this § 1.2.

"Amendment" means this Fourth Amendment to Credit Agreement.

"Credit Agreement" means the Original Agreement as amended hereby.

ARTICLE II. — Amendments

§ 2.1. Definitions. The reference to "a NYMEX contract or an over-the counter contract" set forth in clause (i) of the definition of "Hedged Eligible Inventory" set forth in Section 1.1 of the Original Agreement is hereby amended to refer instead to "a NYMEX contract, an over-the-counter contract, or an Intercontinental Exchange contract".

The definition of "Maximum Facility Amount" set forth in Section 1.1 of the Original Agreement is hereby amended in its entirety to read as follows

"Maximum Facility Amount" means an aggregate amount equal to the sum of each Lender's "Percentage Share of Maximum Facility Amount" as set forth on the Lender Schedule or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, but in any event such aggregate amount not to exceed $1,200,000,000, as such Maximum Facility Amount may be increased from time to time pursuant to Section 2.1(e).

The definition of "PAA Credit Agreement" set forth in Section 1.1 of the Original Agreement is hereby amended in its entirety to read as follows:

"PAA Credit Agreement" means that certain Second Amended and Restated Credit Agreement [US/Canada Facilities] dated July 31, 2006 among PAA, PMC (Nova Scotia) Company, Plains Marketing Canada, L.P., Bank of America, N.A., as administrative agent, Bank of America, N.A., acting through its Canada Branch, as Canadian administrative agent, and the lenders named therein, as from time to time amended, supplemented or restated.

The definition of "Request Period Termination Date" set forth in Section 1.1 of the Original Agreement is hereby amended in its entirety, effective as of November 17, 2006, to read as follows

"Request Period Termination Date" means November 16, 2007, as such date may be extended pursuant to Section 2.9.

§ 2.2. Schedules. The Lender Schedule attached as Schedule II to the Original Agreement is hereby amended in its entirety, effective as of November 20, 2006, to read as set forth on Schedule II attached hereto. Effective as of November 20, 2006, each Lender a party hereto agrees to a portion of the Maximum Facility Amount equal to the amount set forth opposite its name on such Schedule II of the Credit Agreement.

Schedule V to the Original Agreement is hereby amended as follows:

(a) The references to "Marathon Ashland Petroleum LLC" set forth in the first column titled "Persons" and "$150 million" set forth in the second column titled "Limit" in the first section thereof opposite "Marathon Ashland Petroleum LLC" are hereby amended to refer instead to "Marathon Petroleum Company LLC" and "$200 million", respectively; and

(b) The list set forth in the second section thereof entitled "Facilities" is hereby amended by adding at the end thereof the following additional facility:

"10. Kinder Morgan's Wink County Texas Terminal"

§ 2.3. Confirmation of Prior Approved Financing Request Each Lender a party hereto hereby confirms that it has previously approved the following Financing Requests, which specify a funding date after the current Request Period Termination Date of November 17, 2006, and acknowledges and agrees that such approvals shall apply (i) with respect to its portion of the Maximum Facility Amount agreed to hereby, and (ii) notwithstanding that the extension of the Request Period Termination Date as provided in Section 2.1 hereof is not yet effective:

1. Financing Request-Initial dated September 29, 2006 with respect to a Delivery Month of October, 2006 and an Initial Financing Request of $668,000,000 and related Financing Request-Final dated November 2, 2006 with Final Financing Request of $630,100,000.

2. Special Financing Request 2006 #23.1 dated November 2, 2006 totaling $48,500,000.

3. Special Financing Request 2006 #24.1 dated November 2, 2006 totaling $13,400,000.

4. Special Financing Request 2006 #25.1 dated November 2, 2006 totaling $24,700,000.

5. Financing Request-Initial dated November 2, 2006 with respect to a Delivery Month of November, 2006 and an Initial Financing Request of $647,600,000.

§ 2.4. New Lender. Upon its execution and as of the effectiveness hereof, DnB NOR Bank ASA shall be a party to the Credit Agreement and shall have the rights and obligations of a Lender thereunder.

ARTICLE III. — Conditions of Effectiveness

§ 3.1. Effective Date. This Amendment shall become effective as of the date first written above, when and only when

(i) Administrative Agent shall have received, at Administrative Agent's office a counterpart of this Amendment executed and delivered by Borrower and Lenders;

(ii) Administrative Agent shall have additionally received all of the following documents, each document (unless otherwise indicated) being dated the date of receipt thereof by Administrative Agent, duly authorized, executed and delivered, and in form and substance satisfactory to Administrative Agent:

New Notes. New Notes, payable to each new Lender and each existing Lender that is increasing its Percentage Share of the Maximum Facility Amount, in the amount of such Lender's Percentage Share of the Maximum Facility Amount.

Supporting Documents. Such supporting documents as Administrative Agent may reasonably request.

ARTICLE IV. — Representations and Warranties

§ 4.1. Representations and Warranties of Borrower. In order to induce Administrative Agent and Lenders to enter into this Amendment, Borrower represents and warrants to Administrative Agent and each Lender that:

(a) The representations and warranties contained in Article V of the Original Agreement are true and correct at and as of the time of the effectiveness hereof, except to the extent that such representation and warranty was made as of a specific date or updated, modified or supplemented as of a subsequent date with the consent of Majority Lenders, then in each case, such other date.

(b) Borrower is duly authorized to execute and deliver this Amendment, and Borrower is and will continue to be duly authorized to borrow and perform its obligations under the Credit Agreement. Borrower has duly taken all action necessary to authorize the execution and delivery of this Amendment and to authorize the performance of its obligations hereunder.

(c) The execution and delivery by Borrower of this Amendment, the performance by it of its obligations hereunder, and the consummation of the transactions contemplated hereby, do not and will not (i) violate any provision of (1) Law applicable to it, (2) its organizational documents, or (3) any judgment, order or material license or permit applicable to or binding upon it, (ii) result in the acceleration of any Indebtedness owed by it, or (iii) result in or require the creation of any consensual Lien upon any of its material assets or properties, except as expressly contemplated in, or permitted by, the Loan Documents. Except as expressly contemplated in, or permitted by, the Loan Documents, disclosed in the Disclosure Schedule or disclosed pursuant to Section 6.4 of the Credit Agreement, no permit, consent, approval, authorization or order of, and no notice to or filing, registration or qualification with, any Governmental Authority is required on the part of Borrower pursuant to the provisions of any material Law applicable to it as a condition to its execution, delivery or performance of this Amendment, or to consummate the transactions contemplated hereby.

(d) When duly executed and delivered, this Amendment and each of the Loan Documents, as amended hereby, will be a legal and binding obligation of Borrower, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or similar Laws of general application relating to the enforcement of creditors' rights and general principles of equity.

ARTICLE V. — Miscellaneous

§ 5.1. Ratification of Agreements. The Original Agreement, as hereby amended, is hereby ratified and confirmed in all respects. The Loan Documents, as they may be amended or affected by this Amendment, are hereby ratified and confirmed in all respects by Borrower. Any reference to the Credit Agreement in any Loan Document shall be deemed to refer to this Amendment also. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Administrative Agent or any Lender under the Credit Agreement or any other Loan Document nor constitute a waiver of any provision of the Credit Agreement or any other Loan Document.

§ 5.2. Ratification of Security Documents. Borrower, Administrative Agent, and Lenders each acknowledge and agree that any and all indebtedness, liabilities or obligations, arising under or in connection with the LC Obligations or the Notes, are Obligations and are secured indebtedness under, and are secured by, each and every Security Document. Borrower hereby re-pledges, re-grants and re-assigns a security interest in and lien on every asset of Borrower described as Collateral in any Security Document.

§ 5.3. Survival of Agreements. All representations, warranties, covenants and agreements of Borrower shall survive the execution and delivery of this Amendment and the performance hereof, including without limitation the making or granting of each Loan, and shall further survive until all of the Obligations under the Credit Agreement are paid in full. All statements and agreements contained in any certificate or instrument delivered by Borrower hereunder or under the Credit Agreement to Administrative Agent or any Lender shall be deemed to constitute representations and warranties by, or agreements and covenants of, Borrower under this Amendment and under the Credit Agreement.

§ 5.4. Loan Documents. This Amendment is a Loan Document, and all provisions in the Credit Agreement pertaining to Loan Documents apply hereto.

§ 5.5. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA IN ALL RESPECTS, INCLUDING CONSTRUCTION, VALIDITY AND PERFORMANCE.

§ 5.6. Counterparts. This Amendment may be separately executed in counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to constitute one and the same Amendment. Delivery of an executed signature page by facsimile transmission shall be effective as delivery of a manual executed counterpart.

IN WITNESS WHEREOF, this Amendment is executed as of the date first above written.

BORROWER:

PLAINS MARKETING, L.P.

By: Plains Marketing GP Inc., General Partner

By: ______________________________
Al Swanson
Vice President and Treasurer

LENDER PARTIES:

BANK OF AMERICA, N.A.,
Administrative Agent

By: ______________________________
Name:
Title:

BANK OF AMERICA, N.A., a Lender and
LC Issuer

By: ______________________________
Name:
Title:

BNP PARIBAS, Syndication Agent and a Lender

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

FORTIS CAPITAL CORP.,
Documentation Agent and a Lender

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

SOCIETE GENERALE, Lender

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

WACHOVIA BANK, NATIONAL
ASSOCIATION, Lender

By: ______________________________
Name:
Title:

BANK OF SCOTLAND, Lender

By: ______________________________
Name:
Title:

WELLS FARGO BANK, N.A., Lender

By: ____________________________
Name:
Title:

JPMORGAN CHASE BANK, N.A., Lender

By: ____________________________
Name:
Title:

COMMERZBANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES, Lender

By: ____________________________
Name:
Title:

By: ____________________________
Name:
Title:

THE BANK OF NOVA SCOTIA, Lender

By: ____________________________
Name:
Title:

SUNTRUST BANK, Lender

By: ____________________________
Name:
Title:

DNB NOR BANK ASA, Lender

By: ____________________________
Name:
Title:

By: ____________________________
Name:
Title:

SCHEDULE II

LENDER SCHEDULE

Lender		Percentage Share of Maximum Facility Amount	Percentage Share[1]
Bank of America, N.A.	$	110,000,000.00	11.000000%
BNP Paribas	$	175,000,000.00	17.500000%
Fortis Capital Corp.	$	170,000,000.00	17.000000%
Societe Generale	$	100,000,000.00	10.000000%
Wachovia Bank, National Association	$	75,000,000.00	7.500000%
JPMorgan Chase Bank, N.A.	$	75,000,000.00	7.500000%
Commerzbank AG, New York and Grand Cayman Branches	$	55,000,000.00	5.500000%
The Bank of Nova Scotia	$	100,000,000.00	10.000000%
SunTrust Bank	$	55,000,000.00	5.500000%
Bank of Scotland	$	15,000,000.00	1.500000%
Wells Fargo Bank, N.A.	$	35,000,000.00	3.500000%
DnB NOR Bank ASA	$	35,000,000.00	3.500000%
TOTALS	$	1.000,000,000.00	100.000000%

[1] Rounded to six decimal places

Exhibit 10.45

PLAINS ALL AMERICAN
PPX SUCCESSOR
LONG-TERM INCENTIVE PLAN

Section 1. *Background.*

On November 15, 2006 (the "merger date"), Pacific Energy Partners, L.P. ("Pacific") was merged with and into Plains All American Pipeline, L.P. ("PAA"). As of the merger date, Plains All American GP, LLC assumed the Amended and Restated Pacific Energy GP, LP Long-Term Incentive Plan (the "Pacific Legacy Plan"). On February 22, 2007, the Plains All American PPX Successor Long-Term Incentive Plan (this "Successor Plan") was approved by the Board of Directors of Plains All American GP LLC. Capitalized terms used but not defined herein are defined in the Plains All American 2005 Long-Term Incentive Plan (the "2005 LTIP")

Section 2. *Units.*

A total of 999,809 Units (representing the units previously available under the Pacific Legacy Plan, after conversion at 0.77 Units for each Pacific unit) may be issued under this Successor Plan.

Section 3. *Awards.*

For purposes of this Successor Plan, "Award" shall mean Options or Phantom Units (with or without tandem DERs) granted under the Successor Plan.

Section 4. *Eligibility.*

Awards under this Successor Plan may only be made to (i) individuals employed by Pacific or its affiliates on the merger date or (ii) individuals hired by PAA or its affiliates at any time after the merger date.

Section 5. *2005 LTIP Governs.*

Awards with respect to Units that may be issued under the Successor Plan will be governed by and administered pursuant to terms and conditions set forth in the 2005 LTIP, except as such terms and conditions may be modified by the limitations set forth in the Successor Plan.

Section 6. *Term.*

This Successor Plan shall be effective on the date of its approval by the Board and shall continue until the date terminated by the Board or Units are no longer available for grants of Awards under this Successor Plan, whichever occurs first. However, unless otherwise expressly provided in this Successor Plan or in an applicable Award, any Award granted prior to such termination, and the authority of the Board or the Committee to amend, alter, adjust, suspend, discontinue, or terminate any such Award or to waive any conditions or rights under such Award, shall extend beyond such termination date.

Exhibit 21.1

SUBSIDIARIES OF
PLAINS ALL AMERICAN PIPELINE, L.P.
(*As of December 31, 2006*)

Subsidiary	Jurisdiction of Organization
PAA Finance Corp.	Delaware
Plains Marketing, L.P.	Texas
Plains Pipeline, L.P.	Texas
Plains Marketing GP Inc.	Delaware
Plains Marketing Canada LLC	Delaware
Plains Marketing Canada, L.P.	Canada
PMC (Nova Scotia) Company	Nova Scotia
Basin Holdings GP LLC	Delaware
Basin Pipeline Holdings, L.P.	Delaware
Rancho Holdings GP LLC	Delaware
Rancho Pipeline Holdings, L.P.	Delaware
Plains LPG Services GP LLC	Delaware
Plains LPG Services, L.P.	Delaware
Atchafalaya Pipeline, L.L.C.	Delaware
Plains LPG Marketing, L.P.	Texas
Plains Marketing International GP LLC	Delaware
Plains Marketing International, L.P.	Texas
Lone Star Trucking, LLC	California
Andrews Partners, LLC	California
Pacific Energy GP, LP	Delaware
Pacific Energy Management LLC	Delaware
Pacific Energy Finance Corporation	Delaware
Pacific Energy Group LLC	Delaware
Pacific Pipeline System LLC	Delaware
Pacific Terminals LLC	Delaware
Pacific LA Marine Terminal LLC	Delaware
Pacific Marketing and Transportation LLC	Delaware
Rocky Mountain Pipeline System LLC	Delaware
Pacific Atlantic Terminals LLC	Delaware
Ranch Pipeline LLC	Delaware
PEG Canada GP LLC	Delaware
PEG Canada LP	Delaware
Rangeland Marketing Company	Nova Scotia
Rangeland Pipeline Company	Nova Scotia
Aurora Pipeline Company, Ltd.	Canada
Rangeland Northern Pipeline Company	Nova Scotia
Rangeland Pipeline Partnership	Alberta

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-126447 and 333-138888) and on Form S-8 (No. 333-91141, 333-54118, 333-74920 and 333-122806) of Plains All American Pipeline, L.P. of our report dated March 1, 2007 relating to the consolidated financial statements, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
Houston, Texas
March 1, 2007

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PLAINS ALL AMERICAN PIPELINE, L.P.

I, Greg L. Armstrong, certify that:

1. I have reviewed this annual report on Form 10-K of Plains All American Pipeline, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2007

/s/ Greg. L. Armstrong
Greg L. Armstrong
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PLAINS ALL AMERICAN PIPELINE, L.P.

I, Phil Kramer, certify that:

1. I have reviewed this annual report on Form 10-K of Plains All American Pipeline, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 1, 2007

/s/ Phil Kramer
Phil Kramer
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
OF PLAINS ALL AMERICAN PIPELINE, L.P.
PURSUANT TO 18 U.S.C. 1350

I, Greg L. Armstrong, Chief Executive Officer of Plains All American Pipeline, L.P. (the “Company”), hereby certify that:

(i) the accompanying report on Form 10-K for the period ended December 31, 2006 and filed with the Securities and Exchange Commission on the date hereof (the “Report”) by the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Greg L. Armstrong
Name: Greg L. Armstrong
Date: March 1, 2007

EXHIBIT 32.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF PLAINS ALL AMERICAN PIPELINE, L.P.
PURSUANT TO 18 U.S.C. 1350

I, Phil Kramer, Chief Financial Officer of Plains All American Pipeline, L.P. (the “Company”), hereby certify that:

(i) the accompanying report on Form 10-K for the period ended December 31, 2006 and filed with the Securities and Exchange Commission on the date hereof (the “Report”) by the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Phil Kramer
Name: Phil Kramer
Date: March 1, 2007