SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report – **December 17, 2003**
(Date of earliest event reported – December 16, 2003)

Plains All American Pipeline, L.P.

(Name of Registrant as specified in its charter)

DELAWARE	**1-14569**	**76-0582150**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

333 Clay Street, Suite 1600
Houston, Texas 77002
(713) 646-4100
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

N/A
(Former name or former address, if changed since last report.)

Item 5. Other Events

On December 16, 2003, Plains All American Pipeline, L.P. (the "Partnership") entered into a definitive agreement to acquire all of Shell Pipeline Company LP's ("SPLC") interests in SPLC Capline Company and SPLC Capwood Company. The principal assets of these entities are interests in the Capline and Capwood pipeline systems. Also, the acquisition includes a smaller pipeline system, the Patoka pipeline system (jointly the "Capline Acquisition"). The total purchase price for the transaction is approximately $158 million. The Partnership has sufficient immediate availability under its revolving credit facilities to consummate this transaction and, consistent with its financial growth strategy, intends to fund the transaction with 50% equity.

Consummation of this acquisition is subject to the performance of customary due diligence (including environmental due diligence) and receipt of regulatory approvals and is expected to close within the next 45 to 90 days. While the Partnership believes it is reasonable to expect the acquisition to close in the next 45 to 90 days, the Partnership can provide no assurance as to when or whether the acquisition will close. In the event that the acquisition does not close, the historical financial information included in exhibit 99.1 and the pro forma financial information included in Exhibit 99.2 to this report should be disregarded.

The principal asset of SPLC Capline Company is an approximate 22% undivided joint interest in the Capline Pipe Line System, a 667-mile, 40-inch mainline crude oil pipeline originating in St. James, Louisiana, and terminating in Patoka, Illinois. The Capline system is one of the primary transportation routes for crude oil shipped into the Midwestern U.S., accessing over 2.7 million barrels of refining capacity in PADD II, including refineries owned by ConocoPhillips, ExxonMobil, BP, MarathonAshland, CITGO and Premcor. Capline has direct connections to a significant amount of sweet and light sour crude production in the Gulf of Mexico. In addition, with its two active docks capable of handling 600,000-barrel tankers as well as access to LOOP, the Louisiana Offshore Oil Port, it is a key transporter of sweet and light sour foreign crude to PADD II. With a total system operating capacity of 1.14 million barrels per day of crude oil, approximately 248,000 barrels per day are subject to the interest being acquired by the Partnership. For the first nine months of 2003, throughput on the interest being acquired averaged approximately 139,000 barrels per day.

The principal asset of SPLC Capwood Company is an approximate 76% undivided joint interest in the Capwood Pipeline System, a 57-mile, 20-inch mainline crude oil pipeline originating in Patoka, Illinois, and terminating in Wood River, Illinois. The Capwood system has an operating capacity of 277,000 barrels per day of crude oil. Of that capacity, approximately 211,000 barrels per day are subject to the interest being acquired by the Partnership. The system has the ability to deliver crude at Wood River to several other PADD II refineries and pipelines, including those owned by Koch and ConocoPhillips. Movements on the Capwood system are driven by the volumes shipped on Capline as well as Canadian crude that can be delivered to Patoka via the Mustang Pipeline. After closing, the Partnership anticipates that it will assume the operatorship of the Capwood system from SPLC. For the first nine months of 2003, throughput on the interest being acquired averaged approximately 112,000 barrels per day.

During the first 11 months of 2003, average daily volumes on the Capline system have been 127,000 barrels per day, a decrease from an average of 213,000 barrels per day in 2001 and 166,000 barrels per day in 2002. Effective December 1, 2003, SPLC modified its tariff structure in an effort to increase volume shipments on its space. Initial nominations for December were 165,000 barrels per day, but were subsequently revised to 111,000 barrels per day, primarily as a result of unscheduled refinery downtime at a Midwestern refinery. On a month-to-month basis, average daily volumes on this system are subject to significant volatility.

Management's acquisition analysis assumed that the average daily volumes on the pipelines would be between 110,000 and 125,000 barrels per day, although it is possible that the volumes will decline below those levels. Because management expects that the level of throughput will remain at levels materially below those achieved in 2001 and 2002, management does not believe that the historical financial performance reflected in the financial statements filed as exhibit 99.1 to this report on Form 8-K will be realized in the future. With regard to maintenance capital expenditures, the Partnership anticipates spending an average of approximately $2.0 million per year over the next several years.

There are currently four distinct legal owners of the Capline system. The Capline and Capwood operating agreements contain a provision that, in certain circumstances, requires that prior to transferring an interest in the system to a third party, the transferring party first offer to the other existing owners that interest on the same terms and conditions. The provision also specifically excludes certain types of transactions from this right of first refusal. SPLC and the Partnership have agreed to structure the transaction in a manner that does not create an obligation to offer the existing owners the interest to be transferred. Although we believe that the structure of the transaction will make the right of first refusal inapplicable, there can be no assurance that the other owners will not challenge the transaction, or as to the outcome of any such challenge or whether it might delay or prevent the closing of our proposed transaction.

In connection with this acquisition, we will assume only those contractual obligations that are related to the underlying assets, and none of the historic liabilities incurred by the previous owners of the pipeline interests that we are purchasing. We are not directly assuming any contractual liabilities for debt, working capital or other obligations. Furthermore, the assets will be purchased through newly formed entities that have no historic liabilities. As a result, the entire $158 million purchase price will be allocated to Property and Equipment and no allocation will be made in respect of other obligations. Although we believe that our transaction structure protects us from the assumption of any predecessor obligations or liabilities, there are certain non-contractual liabilities that cannot be separated from the assets themselves. Examples of those types of liabilities include environmental liabilities arising out of a number of federal, state or local laws as well as refund or other regulatory liabilities that may be imposed by the FERC or other regulatory authority. We may also become involved in disputes with shippers or rights-of-way owners as a result of this acquisition. While we have identified no material liabilities of this type to date as a result of our due diligence investigation, we can provide no assurance that we will not become subject to such claims if the acquisition is consummated.

In addition to the pending Capline Acquisition, during the first half of 2003, the Partnership made six acquisitions from various entities for an aggregate purchase price of $85.7 million. These acquisitions included mainline crude oil pipelines, crude oil gathering lines, terminal and storage facilities, and an underground LPG storage facility. The results of operations attributable to these acquisitions are reflected in the financial statements of the Partnership included in its periodic reports filed with the Securities and Exchange Commission. In addition to these acquisitions consummated in the first half of 2003, the Partnership has consummated three additional acquisitions during the fourth quarter of 2003. In October 2003, the Partnership acquired the ArkLaTex Pipeline System for approximately $21.3 million. In November 2003, the Partnership acquired the South Saskatchewan Pipeline System for approximately $47 million. In December 2003, the Partnership acquired certain additional interests in the Atchafalaya Pipeline System for approximately $4.4 million. These acquisitions would not have a material impact on the unaudited pro forma financial statements discussed below.

The Capline Acquisition and the Partnership's other recent acquisitions involve certain inherent risks associated with difficulties integrating this acquisition with other recent acquisitions and its business generally, potential unknown liabilities and other uncertainties. These risks and uncertainties are described in greater detail in the Partnership's Annual Report on Form 10-K under the caption "Risk Factors Related to Our Business."

In order to provide investors additional information about the historical operations of SPLC Capline Company and SPLC Capwood Company and the expected impact of this pending acquisition on the Partnership's operations, the Partnership is filing certain financial statements relating to these entities, including:

- audited combined financial statements for the fiscal years ended December 31, 2001 and December 31, 2002 for Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business, which are filed as exhibit 99.1 to this report; and
- unaudited pro forma consolidated financial statements of the Partnership, which are filed as exhibit 99.2 to this report, including:
  - an unaudited pro forma consolidated balance sheet as of September 30, 2003; and
  - unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2003 and for the fiscal year ended December 31, 2002.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits

23.1 Consent of PricewaterhouseCoopers LLP

99.1 Audited Combined Financial Statements of the Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business for 2001 and 2002.

99.2 Unaudited Pro Forma Consolidated Financial Statements of Plains All American Pipeline, L.P.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PLAINS ALL AMERICAN PIPELINE, L.P.

Date: December 17, 2003

By: Plains AAP, L.P., its general partner

By: Plains All American GP LLC, its general partner

By: /s/ Phil Kramer
Name: Phil Kramer
Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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99.1	Audited Combined Financial Statements of the Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business for 2001 and 2002.
99.2	Unaudited Pro Forma Consolidated Financial Statements of Plains All American Pipeline, L.P.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 333-91141, 333-54118, 333-74920) and Form S-3 (Nos. 333-59224, 333-68446) of Plains All American Pipeline L.P. of our report dated December 16, 2003, relating to the combined financial statements of the Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business which appears in this Current Report on Form 8-K.

PricewaterhouseCoopers LLP

Houston, Texas
December 17, 2003

Exhibit 99.1

Capline Pipe Line Business,
Capwood Pipe
Line Business and Patoka Pipe Line Business
Combined Financial Statements
December 31, 2002 and 2001

Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business
Index
December 31, 2002 and 2001

Report of Independent Auditors

To the Board of Directors of Shell Pipeline Company LP:

In our opinion, the accompanying combined balance sheets and the related combined statements of income and owner's net investment and cash flows of the Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business ("the Businesses") present fairly, in all material respects, the combined financial position of the Businesses at December 31, 2002 and 2001, and the results of their operations and their cash flows for the periods February 14, 2002 through December 31, 2002, January 1, 2002 through February 13, 2002, and for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America. These combined financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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.

Pricewaterhouse Coopers LLP
Houston, Texas
December 16, 2003

Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business
Combined Balance Sheets

(dollars in thousands)	December 31, 2002	December 31, 2001
Assets		
Current assets		
Accounts receivable		
Trade	$ 679	$ 948
Allowance oil inventory	8,192	8,944
Materials and supplies	372	411
Other	41	92
	9,284	10,395
Property and equipment, net	98,428	8,226
Total assets	$ 107,712	$ 18,621
Liabilities and Owner's Net Investment		
Current liabilities		
Property tax payable	$ 91	$ 129
Other	48	45
Total current liabilities	139	174
Owner's net investment	107,573	18,447
Total liabilities and owner's net investment	$ 107,712	$ 18,621

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

The post-acquisition financial statements reflect a new basis of accounting, and pre-acquisition period and post-acquisition period financial statements are presented but are not comparable.

Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business
Combined Statements of Income and Owner's Net Investment

(dollars in thousands)	February 14 - December 31, 2002	January 1 - February 13, 2002	Year Ended December 31, 2001
Revenue			
Transportation and allowance oil revenue	$ 43,974	$ 6,028	$ 61,635
Other	746	102	3,543
Total revenue	44,720	6,130	65,178
Costs and expenses			
Power and fuel	$ 7,298	1,000	10,399
Outside services	1,995	273	1,892
Salary and wages	1,346	184	1,467
Depreciation	4,589	64	511
Taxes other than taxes on income	570	78	765
Materials and supplies	460	63	578
Management fees	457	63	395
Pension and benefits	287	39	430
Other	299	40	346
Total costs and expenses	17,301	1,804	16,783
Net income	27,419	4,326	48,395
Deemed distributions to parent company	(31,967)	(4,382)	(49,238)
Purchase price adjustment	93,730	—	—
Owner's net investment, beginning of period	18,391	18,447	19,290
Owner's net investment, end of period	$ 107,573	$ 18,391	$ 18,447

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

The post-acquisition financial statements reflect a new basis of accounting, and pre-acquisition period and post-acquisition period financial statements are presented but are not comparable.

Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business
Combined Statements of Cash Flows

(dollars in thousands)	February 14 - December 31, 2002	January 1 - February 13, 2002	Year Ended December 31, 2001
Cash flows provided by operating activities			
Net income	$ 27,419	$ 4,326	$ 48,395
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	4,589	64	511
(Increase) decrease in working capital			
Receivables	237	32	628
Allowance oil inventory	662	90	511
Materials and supplies	33	5	17
Property tax payable	(32)	(5)	(80)
Other	48	6	(123)
	5,537	192	1,464
Net cash provided by operating activities	32,956	4,518	49,859
Cash flows used for investing activities			
Capital expenditures	(989)	(136)	(621)
Net cash used for investing activities	(989)	(136)	(621)
Cash flows used for financing activities			
Deemed distributions to parent company	(31,967)	(4,382)	(49,238)
Net cash used for financing activities	(31,967)	(4,382)	(49,238)
Net increase in cash and cash equivalents	—	—	—

Cash and cash equivalents, at beginning of period	—	—	—
Cash and cash equivalents, at end of period	$ —	$ —	$ —
Nonmonetary activities			
Purchase price allocation	$ 93,730	$ —	$ —

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

The post-acquisition financial statements reflect a new basis of accounting, and pre-acquisition period and post-acquisition period financial statements are presented but are not comparable.

Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business
Notes to Combined Financial Statements December 31, 2002 and 2001

1. Organization and Basis of Presentation

The accompanying financial statements present, in conformity with accounting principles generally accepted in the United States of America, the assets, liabilities, revenues and expenses of the historical operations of the transportation businesses comprised of Capline Pipe Line System, Capwood Pipe Line System and Patoka Pipe Line System (collectively "the Businesses") owned by Shell Pipeline Company LP ("Shell Pipeline"), formerly Equilon Pipeline Company LLC. Throughout the period covered by the financial statements, Shell Pipeline owned and managed the Businesses' operations.

Effective January 1, 1998, Shell Oil Company ("Shell Oil") and Texaco, Inc. ("Texaco") formed Equilon Enterprises LLC ("Equilon Enterprises") with 56 percent and 44 percent membership interests, respectively. Shell Pipeline is a wholly owned subsidiary of Equilon Enterprises.

In connection with the 2002 merger of Chevron Corporation and Texaco, the Federal Trade Commission required Texaco to divest its interest in the Equilon Enterprises, and early 2002 Shell Oil acquired Texaco's 44 percent interest in Equilon Enterprises, making Shell Oil the 100 percent owner of Equilon Enterprises. The acquisition by Shell Oil was accounted for using the purchase method of accounting in accordance with generally accepted accounting principles, with Shell Pipeline allocating the purchase price paid by Shell Oil to Shell Pipeline's net assets as of the acquisition date. Accordingly, the post-acquisition financial statements reflect a new basis of accounting, and pre-acquisition period and post-acquisition period financial statements are presented but are not comparable.

The Capline Pipe Line System ("Capline") is an undivided interest pipeline system consisting of 667 miles of 40-inch pipe from St. James, Louisiana to Patoka, Illinois. The Capwood Pipe Line System ("Capwood") is an undivided interest pipeline system consisting of 57 miles of 20-inch pipe from Patoka, Illinois to Wood River, Illinois. The Patoka Pipe Line System is a wholly owned pipeline system consisting of 1.2 miles of 22-inch pipe connecting Capline to storage locations in Patoka. Shell Pipeline's ownership percentages of each of the pipelines mentioned above are 22 percent, 76 percent and 100 percent, respectively. The combined financial statements include the Business' pro rata share of the assets, liabilities, revenues and expenses primarily since the undivided interests are not subject to joint control and the Businesses are only responsible for their pro rata share of direct costs.

The accompanying financial statements are presented on a carve-out basis to include the historical operations of the Businesses owned by Shell Pipeline viewed from a nonoperator perspective. In this context, a direct relationship existed between the carve-out operations and the operator, Shell Pipeline. Shell Pipeline's net investment in the Businesses (owner's net investment) is shown in lieu of stockholder's equity in the financial statements.

The combined statement of income and owner's net investment includes the pro rata share of the annual management fee charged to the undivided interests by the operator. The results of operations also include allocations in accordance with the terms of the operating agreement, generally based on direct payroll and benefit costs.

Throughout the period covered by the financial statements, Shell Pipeline has provided cash management services to the Businesses through centralized treasury Businesses. As a result, all charges and cost allocations for the Businesses were deemed to have been paid by the Businesses to Shell Pipeline, in cash, during the period in which the cost was recorded in the combined financial statements.

All of the allocations and estimates in the combined financial statements were based on assumptions that Shell Pipeline management believes were reasonable under the circumstances. These allocations and estimates are not necessarily indicative of the costs and expenses that would have resulted if the Businesses had been operated as a separate entity.

2. Significant Accounting Policies

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosures of contingent assets and liabilities. Although management believes these estimates are reasonable, actual results could differ from those estimates.

Revenue Recognition
Revenues for the transportation of crude are recognized (1) based upon regulated tariff rates and the related transportation volumes and (2) when the delivery of crude is made to the shipper or another common carrier pipeline. Allowance oil revenue is recognized when the Businesses receive the allowance oil volumes which are valued at current market value. Any allowance oil sold is recorded in revenue as a net amount based on the selling

price less its weighted average cost. Other revenue consists of additional charges in accordance with the tariff agreement based on the viscosity of the crude.

Property and Equipment
Crude oil pipeline and gathering assets are carried at cost. Costs subject to depreciation are net of expected salvage values and deprecation is calculated on a straight-line basis over the estimated useful lives of the respective assets as follows:

Line pipe	20-25 years
Equipment and other pipeline assets	20-25 years
Oil tanks	20-25 years
Other	5-25 years

Acquisitions and expenditures for renewals and betterments are capitalized while maintenance and repairs which do not improve or extend asset life are expensed as incurred.

Impairment of Long-Lived Assets
The Businesses has adopted Statement of Financial Standards ("SFAS") No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, effective January 1, 2002. SFAS No. 144 retains the fundamental provisions of existing generally accepted accounting principles in the United States of America ("GAAP") with respect to the recognition and measurement of long-lived asset impairment contained in SFAS No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of*. However, SFAS No. 144 provides new guidance intended to address certain significant implementation issues associated with SFAS No. 121, including expanded guidance with respect to appropriate cash flows to be used to determine whether recognition of any long-lived asset impairment is required, and if required how to measure the amount of the impairment. SFAS No. 144 also requires that any net assets to be disposed of by sale to be reported at the lower of carrying value or fair value less cost to sell, and expands the reporting of discontinued operations to include any component of any entity. The adoption of SFAS No. 144 did not have a material effect on the Businesses' financial position, results of operations or liquidity.

Accounts Receivable
Accounts receivable are valued at historical cost less an allowance for doubtful accounts.

Allowance Oil
A loss allowance factor of 0.2 percent, by volume, is incorporated into crude oil tariffs to offset evaporation and other losses in transit. The net excess of allowance quantities, calculated in accordance with the tariffs, over actual losses is valued at the average market value at the time the excess occurred and the result is recorded as allowance oil revenue. Inventories of allowance oil are carried at the lower of such value (cost) or market value with cost being determined on an average-cost basis. Gains or losses on sales of allowance oil barrels are included in transportation and allowance oil revenue.

Materials and Supplies
Inventories of materials and supplies are carried at lower of average cost or market.

Environmental and Other Accrued Liabilities
The Businesses accrue for environmental remediation and other accrued liabilities when it is probable that such liabilities exist, based on past events or known conditions, and the amount of such liability can be reasonably estimated. If the Businesses can only estimate a range of probable liabilities, the minimum future undiscounted expenditure necessary to satisfy the Businesses' future obligation is accrued.

Concentration of Credit and Other Risks
A significant portion of the Businesses' revenues and receivables are from oil and gas companies. Although collection of these receivables could be influenced by economic factors affecting the oil and gas industry, management believes the risk of significant loss is considered remote.

One customer individually represents approximately 64% and 64% of sales for the period from January 1, 2002 to February 13, 2002 and February 14, 2002 to December 31, 2002, respectively. Two customers individually represent over 12 percent and 73 percent of sales, respectively, for the fiscal year ended December 31, 2001.

Development and production of crude in the service area of the pipeline are subject to among other factors, prices of crude and federal and state energy policy, none of which are within the Businesses' control.

Income Taxes
The Businesses have not historically incurred income tax expense as the Businesses were included as part of Shell Pipeline, which, in accordance with the provisions of the Internal Revenue Code, is not subject to U.S. Federal income taxes. Rather, Shell Pipeline includes its allocated share of the partnership's income or loss in its own federal and state income tax returns.

3. Property, Plant and Equipment

Property, plant and equipment consisted of the following at December 31, 2002 and December 31, 2001:

(dollars in thousands)	2002	2001
Land	$ 533	$ 533
Right of way	615	615
Line pipe	65,314	37,947

Equipment and other pipeline assets	24,442	14,103
Oil tanks	11,078	6,450
Construction work-in-progress	1,035	414
	103,017	60,062
Accumulated depreciation	4,589	51,836
Net property, plant and equipment	$ 98,428	$ 8,226

On February 13, 2002, Shell Oil acquired Texaco's 44 percent interest in Equilon Enterprises, making Shell Oil the 100 percent owner of Equilon Enterprises. Shell Pipeline is a wholly owned subsidiary of Equilon Enterprises. The acquisition was accounted for using the purchase method of accounting in accordance with generally accepted accounting principles. Shell Oil's property, plant and equipment including the Michigan Crude Oil Pipeline Businesses was adjusted to estimated fair market value on February 14, 2002, and depreciated based on revised estimated remaining useful lives. The Businesses' accumulated depreciation and amortization provision balance at February 14, 2002, were eliminated pursuant to the purchase method of accounting.

4. Related Party Transactions

The Businesses have entered into transactions with Shell Oil including its affiliates. Such transactions are in the ordinary course of business and include the transportation of crude oil and petroleum products.

The aggregate amounts of such transactions for the periods ended February 13, 2002 and December 31, 2002 and the year ended December 31, 2001, consisted of pipeline tariff revenues totaling approximately $39,000, $287,000 and $0, respectively.

The Businesses have no employees and rely on the operator, Shell Pipeline, to provide personnel to perform daily operating and administrative duties on behalf of the Businesses. Accordingly, in accordance with the terms of the operating agreement, the operator has charged the Businesses for management fees aggregating approximately $63,000, $427,000 and $395,000 for the periods ended February 13, 2002 and December 31, 2002 and for the year ended December 31, 2001, respectively.

Certain of those personnel participate in the Alliance Pension Plan (a defined benefit plan) and the Alliance Savings Plan (a defined contribution plan). Also, certain of those personnel participate in Shell sponsored benefit plans that provide pensions and other postretirement benefits. A portion of these plans are unfunded, and the costs are shared by Shell Oil and its employees. The Businesses' allocated expense related to these plans was approximately $39,000, $288,000 and $430,000 during the periods ended February 13, 2002 and December 31, 2002 and for the year ended December 31, 2001, respectively.

In addition, as described in Note 1, the results of operations also include charges for direct payroll and benefits. Such charges totaled approximately $184,000, $1,346,000 and $1,467,000 for the periods ended February 13, 2002 and December 31, 2002 and for the year ended December 31, 2001, respectively.

5. Commitments and Contingencies

The Businesses lease certain real property, equipment and operating facilities under various operating leases. The Businesses also incur costs associated with leased land, rights-of-way, permits and regulatory fees, the contracts which generally extend beyond one year but can be cancelled at any time should they not be required for operations. Future noncancellable commitments related to these items at December 31, 2002, were not significant.

The total lease expense incurred for the periods ended February 13, 2002 and December 31, 2002 and the year ended December 31, 2001 was approximately $15,000, $106,000, and $96,000, respectively.

The Businesses are subject to possible loss contingencies including actions or claims based on environmental laws, federal regulations, and other matters.

The Businesses may be obligated to take remedial action as a result of the enactment of laws or the issuance of new regulations or to correct for the effects of the Businesses' actions on the environment. The Businesses have not accrued for any liability at December 31, 2002 or 2001, for planned environmental remediation activities. In management's opinion, this is appropriate based on existing facts and circumstances.

6. Subsequent Event

On December 16, 2003, Shell Pipeline entered into a purchase and sale agreement with Plains All American Pipeline L.P. committing to sell the Businesses for $158,000,000. The transaction is expected to close in 45 to 90 days from December 16, 2003.

Exhibit 99.2

PLAINS ALL AMERICAN PIPELINE, L.P.
UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma consolidated financial statements of Plains All American Pipeline, L.P. are presented to give effect to the probable acquisition of the Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business (jointly the “Capline Acquisition”) from Shell Pipeline Company LP (“Shell”). The probable acquisition is expected to close in 45 to 90 days from December 16, 2003, the date of the signing of the purchase and sale agreement. The purchase price is approximately $158 million.

The unaudited pro forma consolidated balance sheet as of September 30, 2003 and the unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2003 and the year ended December 31, 2002 are based upon the following, respectively:

(1) The historical balance sheet of Plains All American Pipeline, L.P. at September 30, 2003;

(2) The historical consolidated statement of operations of Plains All American Pipeline, L.P. for the nine months ended September 30, 2003 and the combined historical statement of income data for the businesses to be acquired in the Capline Acquisition for the same period;

(3) The historical consolidated statement of operations of Plains All American Pipeline, L.P. for the year ended December 31, 2002; and

(4) The combined historical statements of income for the businesses to be acquired in the Capline Acquisition for the year ended December 31, 2002.

The following unaudited pro forma consolidated statements of operations for the nine months ended September 30, 2003 and the year ended December 31, 2002 have been prepared as if the transactions described above had taken place on January 1, 2002. The unaudited pro forma consolidated balance sheet at September 30, 2003 assumes the transactions were consummated on that date.

The unaudited pro forma consolidated financial statements are not necessarily indicative of the results of the actual or future operations or financial condition that would have been achieved had the transactions occurred at the dates assumed. The unaudited pro forma consolidated financial statements should be read in conjunction with: (i) the notes thereto, (ii) the historical audited financial statements of Plains All American Pipeline, L.P. for the year ended December 31, 2002, (iii) the unaudited interim financial statements for Plains All American Pipeline, L.P. for the nine months ended September 30, 2003, and (iv) the combined historical audited financial statements for the businesses to be acquired in the Capline Acquisition for the year ended December 31, 2002, included herein.

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
September 30, 2003
(in thousands except unit data)

	Plains All American Historical	Pro Forma Capline Acquisition Adjustments	Plains All American Pro Forma
CURRENT ASSETS			
Cash and cash equivalents	$ 3,418	$ 158,000(a)	$ 3,418
		(158,000)(b)	
Trade accounts receivable, net	350,916	—	350,916
Inventory	162,202	—	162,202
Other current assets	47,692	—	47,692
Total current assets	564,228	—	564,228
PROPERTY AND EQUIPMENT	1,181,944	158,000(b)	1,339,944
Accumulated depreciation	(109,873)	—	(109,873)
	1,072,071	158,000	1,230,071
OTHER ASSETS			
Pipeline linefill	109,481	—	109,481
Other, net	64,362	—	64,362
Total assets	$ 1,810,142	$ 158,000	$ 1,968,142
CURRENT LIABILITIES			
Accounts payable and accrued liablities	$ 524,866	$ —	$ 524,866
Due to related parties	24,182	—	24,182
Short-term debt	35,141	—	35,141
Other current liabilities	45,342	—	45,342

Total current liabilities	629,531	—	629,531
LONG-TERM LIABILITIES			
Long-term debt under credit facilities, including current maturities of $8,000	254,100	158,000(a)	412,100
7.75% Senior notes, net of unamortized discount of $360	199,640	—	199,640
Other long-term liabilities and deferred credits	21,483	—	21,483
Total liabilities	1,104,754	158,000	1,262,754
COMMITMENTS AND CONTINGENCIES			
PARTNERS' CAPITAL			
Common unitholders (44,135,939 units outstanding)	704,387	—	704,387
Class B common unitholder (1,307,190 units outstanding)	19,171	—	19,171
Subordinated unitholders (10,029,619 units outstanding)	(41,676)	—	(41,676)
General partner	23,506	—	23,506
Total partners' capital	705,388	—	705,388
	$ 1,810,142	$ 158,000	$ 1,968,142

See notes to unaudited pro forma consolidated financial statements

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
For the Nine Months Ended September 30, 2003
(in thousands, except per unit data)

	Plains All American Historical	Capline Acquisition Historical	Pro Forma Capline Acquisition Adjustments	Plains All American Pro Forma
REVENUES	$ 9,044,774	$ 30,408	$ —	$ 9,075,182
COST OF SALES AND OPERATIONS (excluding depreciation and LTIP accrual)	8,879,867	9,660	—	8,889,527
LTIP accrual - operations	1,390	—	—	1,390
Gross margin (excluding depreciation)	163,517	20,748	—	184,265
EXPENSES				
General and administrative (excluding LTIP accrual)	37,431	—	—	37,431
LTIP accrual - general and administrative	6,006	—	—	6,006
Depreciation and amortization - operations	29,491	3,915	(3,915)(c) 2,963(d)	32,454
Depreciation and amortization - general and administrative	4,673	—	—	4,673
Total expenses	77,601	3,915	(952)	80,564
OPERATING INCOME	85,916	16,833	952	103,701
OTHER INCOME/(EXPENSE)				
Interest expense (net of $461 capitalized)	(26,480)	—	(4,622)(e)	(31,102)
Interest income and other, net	184	—	—	184
NET INCOME	$ 59,620	$ 16,833	$ (3,670)	$ 72,783
NET INCOME - LIMITED PARTNERS	$ 54,958			$ 67,858
NET INCOME - GENERAL PARTNER	$ 4,662			$ 4,925
BASIC NET INCOME PER LIMITED PARTNER UNIT	$ 1.06			$ 1.31
DILUTED NET INCOME PER LIMITED PARTNER UNIT	$ 1.05			$ 1.29
BASIC WEIGHTED AVERAGE UNITS OUTSTANDING	51,735			51,735

DILUTED WEIGHTED AVERAGE UNITS OUTSTANDING	52,407	52,407

See notes to unaudited pro forma consolidated financial statements

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
For the Twelve Months Ended December 31, 2002
(in thousands, except per unit data)

	Plains All American Historical	Capline Acquisition Historical (Note 3)	Pro Forma Capline Acquisition Adjustments	Plains All American Pro Forma
REVENUES	$ 8,384,223	$ 50,850	$ —	$ 8,435,073
COST OF SALES AND OPERATIONS (excluding depreciation)	8,209,932	14,452	—	8,224,384
Gross margin (excluding depreciation)	174,291	36,398	—	210,689
EXPENSES				
General and administrative	45,663	—	—	45,663
Depreciation and amortization - operations	28,884	4,653	(4,653)(c) 3,950(d)	32,834
Depreciation and amortization - general and administrative	5,184	—	—	5,184
Total expenses	79,731	4,653	(703)	83,681
OPERATING INCOME	94,560	31,745	703	127,008
OTHER INCOME/(EXPENSE)				
Interest expense	(29,057)	—	(5,293)(e)	(34,350)
Interest income and other, net	(211)	—	—	(211)
NET INCOME	$ 65,292	$ 31,745	$ (4,590)	$ 92,447
NET INCOME - LIMITED PARTNERS	$ 60,912			$ 87,524
NET INCOME - GENERAL PARTNER	$ 4,380			$ 4,923
BASIC NET INCOME PER LIMITED PARTNER UNIT	$ 1.34			$ 1.92
DILUTED NET INCOME PER LIMITED PARTNER UNIT	$ 1.34			$ 1.92
BASIC WEIGHTED AVERAGE UNITS OUTSTANDING	45,546			45,546
DILUTED WEIGHTED AVERAGE UNITS OUTSTANDING	45,546			45,546

See notes to unaudited pro forma consolidated financial statements

PLAINS ALL AMERICAN PIPELINE, L.P. AND SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

Note 1—Pro Forma Adjustments

The pro forma adjustments are as follows:

a. Reflects the net borrowings under our senior unsecured credit facilities to fund the Capline Acquisition. These credit facilities were put in place on November 21, 2003 and refinanced borrowings which were outstanding under our old credit facility.

b. Records the assets purchased in the Capline Acquisition based on the purchase method of accounting (see Note 2).

c. Reverses historical depreciation as recorded by Shell.

d. Reflects new depreciation on the acquired assets based on the straight-line method of depreciation. The majority of the assets to be acquired have an average useful life of 40 years.

e. Reflects the adjustment to interest expense for the increase in long term debt of $158 million from a borrowing on our senior unsecured credit facilities using current weighted average interest rates of 3.35% and 3.90% for the periods ended December 31, 2002 and September 30, 2003, respectively. The impact to interest expense of a 1/8% change in interest rates would be approximately $0.1 million per year.

Note 2—Purchase Price Allocation

The Capline Acquisition presented in these pro forma financial statements will be accounted for using the purchase method of accounting and the purchase price will be allocated in accordance with Statement of Financial Accounting Standards No. 141, “Business Combinations”. The probable purchase consists of the acquisition of the Capline Pipe Line Business, the Capwood Pipe Line Business and Patoka Pipe Line Business (jointly the “Capline Acquisition”) from Shell. The purchase price of approximately $158 million and its allocation are preliminary as the transaction has not closed. The preliminary purchase price is based on fair value using discounted cash flows and is allocated to Property and Equipment. We are not directly assuming any contractual liabilities for debt, working capital or other obligations.

Note 3 – Capline Acquisition Historical

The Capline Acquisition historical column presented in the unaudited pro forma consolidated statement of operations for the twelve months ended December 31, 2002 represents the combination of the historical statements of income for the period from January 1 to February 13, 2002 and from February 14 to December 31, 2002 included in the Capline Pipe Line Business, Capwood Pipe Line Business and Patoka Pipe Line Business statements of income, included herein. Effective February 14, 2002, Shell acquired the remaining interest resulting in the 100 percent owner of the businesses and the historical financial statements reflect the new basis of accounting on a push down basis.

Note 4—Recent Events

During the first 11 months of 2003, average daily volumes on the Capline system have been 127,000 barrels per day, a decrease from an average of 213,000 barrels per day in 2001 and 166,000 barrels per day in 2002. Effective December 1, 2003, Shell modified its tariff structure in an effort to increase volume shipments on its space.