

**UNITED STATES
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 (Date of earliest event reported) **July 19, 2006**

Plains All American Pipeline, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation)

1-14569

(Commission File Number)

76-0582150

(IRS Employer Identification No.)

333 Clay Street, Suite 1600, Houston, Texas 77002

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **713-646-4100**

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On July 19, 2006, Plains All American Pipeline, L.P. (the "Partnership"), Pacific Energy Partners, L.P., a Delaware limited partnership ("PPX"), Pacific Energy GP, LP, a Delaware limited partnership and the general partner of PPX, Pacific Energy Management LLC, a Delaware limited liability company, Plains AAP, L.P., a Delaware limited partnership, and Plains All American GP LLC, a Delaware limited liability company, entered into the First Amendment to Agreement and Plan of Merger which amended and restated in its entirety Section 7.1(d) of that certain Agreement and Plan of Merger among the parties dated as of June 11, 2006 (the "Original Agreement").

The First Amendment to Agreement and Plan of Merger provides that on or prior to the 30th day following the day on which the effective time of the merger occurs, the Partnership shall pay or cause to be paid certain retention benefits to specified employees, rather than payment prior to the effective time of the merger by PPX, as contemplated in the Original Agreement.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.* The following exhibit is filed as part of this Current Report on Form 8-K:

- 2.1 First Amendment to Agreement and Plan of Merger, dated July 19, 2006, by and among Pacific Energy Partners, L.P., Pacific Energy GP, LP, Pacific Energy Management LLC, Plains All American Pipeline, L.P., Plains AAP, L.P. and Plains All American GP LLC.

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.

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

By: Plains All American GP LLC, its general partner

By: /s/ Greg L. Armstrong

Name: Greg L. Armstrong

Title: Chairman of the Board and
Chief Executive Officer

Date: July 20, 2006

EXHIBIT INDEX

- 2.1 First Amendment to Agreement and Plan of Merger, dated July 19, 2006, by and among Pacific Energy Partners, L.P., Pacific Energy GP, LP, Pacific Energy Management LLC, Plains All American Pipeline, L.P., Plains AAP, L.P. and Plains All American GP LLC.
-

FIRST AMENDMENT TO AGREEMENT AND PLAN OF MERGER

This First Amendment to Agreement and Plan of Merger is made as of this 19th day of July, 2006 by and among Pacific Energy Partners, L.P., a Delaware limited partnership ("MLP"), Pacific Energy GP, LP, a Delaware limited partnership ("MLP General Partner"), Pacific Energy Management LLC, a Delaware limited liability company ("General Partner Holdco"), Plains All American Pipeline L.P., a Delaware limited partnership ("Buyer"), Plains AAP, L.P., a Delaware limited partnership, and Plains All American GP LLC, a Delaware limited liability company. Capitalized terms used in this First Amendment that are not otherwise defined herein shall have the meanings ascribed to them in the Merger Agreement (as defined below).

RECITALS:

WHEREAS, the parties hereto have executed that certain Agreement and Plan of Merger dated as of June 11, 2006 (the "Merger Agreement"); and

WHEREAS, pursuant to Section 9.3 of the Merger Agreement, the parties to the Merger Agreement desire to amend the Merger Agreement.

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

1. Section 7.1(d) is hereby amended and restated to read in its entirety as follows:

"(d) On or prior to the 30th day following the day on which the Effective Time occurs, Buyer shall pay or cause to be paid to specified employees (the "Specified Employees") the retention benefits described in this Section 7.1(d). No officer of MLP, MLP General Partner or General Partner Holdco shall be considered to be a Specified Employee. The aggregate retention benefits ("Retention Benefits") for all Specified Employees will not exceed \$1,250,000. Payments of Retention Benefits shall be materially consistent with a schedule provided to Buyer prior to the Execution Date. Retention Benefits shall be subject to applicable withholding of taxes. Notwithstanding the foregoing, in order for a Specified Employee to be eligible to receive his or her Retention Benefit, such Specified Employee must remain in the employ of the MLP Group Entities with at least a satisfactory performance rating until the date of the payment."

2. Except as expressly amended by this First Amendment, all of the other terms and provisions of the Merger Agreement shall continue in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be signed by their respective officers hereunto duly authorized, all as of the date first written above.

PACIFIC ENERGY PARTNERS, L.P.

By: Pacific Energy GP, LP, its General Partner

By: Pacific Energy Management LLC, its general partner

By: /s/ Irvin Toole Jr.

Name: Irvin Toole Jr.

Title: President & CEO

PACIFIC ENERGY GP, LP

By: Pacific Energy Management LLC, its general partner

By: /s/ Irvin Toole Jr.

Name: Irvin Toole Jr.

Title: President & CEO

PACIFIC ENERGY MANAGEMENT LLC

By: /s/ Irvin Toole Jr.

Name: Irvin Toole Jr.

Title: President & CEO

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/ Harry N. Pefanis

Name: Harry N. Pefanis

Title: President and COO

PLAINS AAP, L.P.

By: Plains All American GP LLC, its general partner

By: /s/ Harry N. Pefanis

Name: Harry N. Pefanis

Title: President and COO

PLAINS ALL AMERICAN GP LLC

By: /s/ Harry N. Pefanis

Name: Harry N. Pefanis

Title: President and COO
